



## IOL CHEMICALS AND PHARMACEUTICALS LIMITED

18<sup>th</sup> February 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 Q3 & M9-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 14<sup>th</sup> February 2025 post declaration of financial results for the quarter and nine months ended 31<sup>st</sup> December 2024.

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**  
**Q3 & 9M FY25 Earnings Conference Call**  
**February 14, 2025**

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**MANAGEMENT:**           **MR. PARDEEP KHANNA – CFO**  
                                  **MR. ABHAY RAJ SINGH – SR VP & COMPANY SECRETARY**  
                                  **MR. RAKESH MAHAJAN, ADVISOR, FINANCE AND STRATEGY**

**INVESTOR RELATIONS:**   **MR. DARSHAN MANKAD –ADFACTORS PR**

**Moderator:** Ladies and gentlemen, good day and welcome to the Q3 & nine months FY25 earnings conference call of IOL Chemicals and Pharmaceuticals Limited. From the management, we have Mr. Pardeep Khanna, Chief Financial Officer; Mr. Abhay Raj Singh, Senior VP and Company Secretary; and Mr. Rakesh Mahajan, Advisor, Finance and Strategy. We also have an Investor Relations team from AdFactors. As a reminder, all participant lines will be in the listen only mode and you will be able to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing \* then 0 on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Darshan Mankad from Adfactors PR for opening remarks. Thank you and over to you, sir.

**Darshan Mankad:** Thank you, Rithuja. Good afternoon, everyone. We welcome you to the Q3 & nine months FY25 earnings call of IOL Chemicals and Pharmaceuticals Limited. Trust you have gone through results and investor presentation. Please do note that some statements in today's call might be forward-looking in nature. Owing to the nature of the business, it may involve risk and uncertainties, including those related to the future financial and operating performance. Request you to consider the present sectoral scenario while analyzing the results. Please do bear with us if there is any disturbance or call drop. Would ensure that it is resolved soonest. I now hand over the call to Mr. Abhay Raj Singh for his opening comments. Over to you, Abhay sir.

**Abhay Raj Singh:** Thank you, Darshan. Good afternoon, everyone. Thank you for joining today's call. Trust you have gone through our results and investor presentation. We have seen consumption slowdown, creeping in and impacting the growth, despite being expected to be the fastest growing next year also, there are concerns which are likely to sustain and impact overall corporate earnings and economic growth. The trade war doesn't augur well for the Indian economy in general and pharma and chemical sector in particular. Through tax relief, the government has tried to address the issue of consumption slowdown and that is likely to support demand in the short term. However, any impact on exports due to tariff reciprocation by U.S. is likely to be a major dampener for Indian manufacturing sectors growth.

The third quarter has been a flat one for the industry and IOL has been no exception to it. The segment demand and pricing pressure continue to impact margin and revenue growth. However, through cost-corrective measures and volume growth leading to economies of scale and enhanced operational efficiencies, IOL has minimized this impact. The logistic challenges due to rise in freight costs, though not deteriorated has sustained thereby limiting the cost reduction. The fourth quarter doesn't seem to be any different. However, we expect some recovery in demand, and prices are set to ease from Q1 of next year as trade situation stabilizes.

API prices subdued amid stagnant demand while margins received some support from reduced input cost and enhanced operational efficiency. The long-term outlook remains positive, driven by anticipated improvements in volume and continued efficiency gain.

In the Specialty Chemical sector, prices have remained stable in recent months for raw materials and finished goods as well. Export realization has softened to some extent, though an improvement in demand was observed.

With this, I now hand over the call to my colleague, Mr. Pardeep Khanna, who will brief you about the financial performance for the quarter and nine months ended 31st December, 2024. Pardeep ji.

**Pardeep Khanna:**

Thank you, Mr. Abhay. Good afternoon, everyone and thank you for joining us today to discuss our performance for the third quarter and nine months ended 31<sup>st</sup> December 2024. I will now give a brief overview of standalone financial highlights for the recently concluded quarter and nine months ended 31<sup>st</sup> December 24.

The total standalone income of the company in the third quarter of FY25 stood at Rs. 527 cr. as against Rs. 529 cr. in the third quarter of FY24 and Rs. 532 cr. in the previous quarter ended September'24. EBITDA for the quarter was Rs. 51 cr. as against Rs. 53 cr. in the corresponding quarter of FY24 and Rs. 48 cr. in the previous quarter ended September'24. EBITDA margin for the quarter is 9.7% as against 10% in the corresponding quarter of FY24. In the previous quarter ended September'24, EBITDA margin stood at 9%.

The net profit in the third quarter of FY25 is at Rs. 21 cr. as against Rs. 23 cr. in the third quarter of last year and Rs.19 cr. in the previous quarter ended September'24. EBIT margin for the pharmaceutical segment was at 8.7% in Q3FY25 while EBIT margin for the Specialty Chemical segment was 2.1%.

The CAPEX for the quarter is Rs. 54 cr., whereas it was Rs. 80 cr. for the corresponding Quarter of FY24 and Rs. 83 cr. in the previous quarter ended September 24.

I would like to share two additional updates. The board has declared 40% interim dividend, that is Rs. 4 per share of face value of Rs. 10 each for the Financial Year 2024-25 and fixed the record date of 18th February 25, for ascertaining the entitlement and the same will be paid within this month. Secondly, as you might be aware, the board has fixed 11th March'25 as the record date of sub-division / split of face value of equity shares to Rs. 2 from Rs. 10 earlier, post shareholders approval.

With this, we open the floor for a question-and-answer session. Thank you very much.

**Moderator:**

Thank you very much. We will now begin the question and answer session. The first question is from the line of Udit Gupta from Ashika Institutional Equities. Please go ahead.

**Udit Gupta:** Hi, good afternoon. So my first question is how is the demand scenario shaping up for Ibuprofen and a brief view on current trends in API pricing environment? Do you foresee any pricing pressures or margin impact going forward?

**Rakesh Mahajan:** Thank you, Udit. You have asked Ibuprofen scenario. In Ibuprofen, the margins are stable, as we think they are already bottomed out from last three quarters. And however, in the last few days, the prices of ibuprofen again softened and now the average of ibuprofen prices have remained around \$9.

**Udit Gupta:** And what about the current trend going in API pricing environment. Do you foresee any pricing pressure or margin impact?

**Rakesh Mahajan:** I think, already bottomed out. There should not be any further reduction in prices.

**Udit Gupta:** My next question is, you previously mentioned about the efforts ongoing to onboard the new clients in the US. Where do we stand in this process and when can we expect to see initial benefits in terms of revenue contribution?

**Rakesh Mahajan:** As of now, we are exploring new customers in the US market. But the process of getting the customers taking 2-3 quarters. So as of now, there is no major development or, immediate development for supplying the material to the US market. But the demand in Latin America and Europe is constant.

**Udit Gupta:** And lastly what is our current capacity utilization?

**Pardeep Khanna:** Capacity utilization around 75% for ibuprofen.

**Udit Gupta:** Are we targeting to return to 90% utilization levels in near term?

**Rakesh Mahajan:** We are hoping for that to increase to around 90% in the next two to three quarters.

**Udit Gupta:** Okay, that's it from my side. Thank you.

**Moderator:** Thank you. The next question is from the line of Sanjay, an individual investor. Please go ahead.

**Sanjay:** Yes sir, I have three queries. So one is if we see the standalone income on slide No.9 of the investor presentation, we see that earlier we used to have very good EBITDA margins of closer to 28% and 30%. So do we have any chance of going to those levels in the future because we see that the margin has dropped continuously over the years?

**Rakesh Mahajan:** Earlier, I discussed that the prices of API was bottomed out due to destocking and stagnant demand. However, the earlier levels which were around three years back were in exceptional period. So we don't expect that much of high level of a return in API segment in upcoming 2-3 quarters. But we are constantly taking various steps or measures to increase the margin level with the best of our efforts and market explorations.

**Sanjay:** Sir, correct sir, but when you say that these margins have bottomed out, so bottoming out 70% off from the top, from the highest level. So what are the levels that the management foresee, let's say in the next two or three years, very conservatively what are the margins we can expect?

**Rakesh Mahajan:** The margin which company is expecting on the EBITDA level, it will be company as a whole maybe around 13% to 15%.

**Sanjay:** Okay, that was one question sir. My second question is about the new land that we purchased on the Chandigarh-Bhatinda Highway. So what are the plans that we are going to construct on those and what are the products that will be manufactured through those? Because it's a huge land and the capacity is I think will be huge in that. So what are the business plans for that particular acquisition that we've done on land?

**Abhay Raj Singh:** So Sanjayji, that land has been acquired for setting up the new facility over there and the business model will remain same that we will be having some chemicals as well as some API plants in that particular land. So the products are in the process of the finalization. So at this moment, we are not able to tell you the specific product line we are going to manufacture.

**Sanjay:** Yes, but by when can we expect the operations on that particular plant? By when do we expect the execution to happen?

**Abhay Raj Singh:** So we applied for the environmental approvals and there are not many other approvals that are required. So we are taking that up on priority and we hope in 18 to 24 months we will be able to ramp out the facility in that new land.

**Sanjay:** Okay, thank you.

**Moderator:** Thank you. The next question is from the line of Shaikh Mohammed Ayyaz, an individual investor. Please go ahead.

**Shaikh Mohammed Ayyaz:** Thank you for the opportunity and congratulations for the set of numbers which management has told in previous conference call. Now my question is what the guidance for the next quarter because you told exactly what we have got?

**Rakesh Mahajan:** We think it will remain the same number almost same performance.

**Abhay Raj Singh:** It's a sort of flat quarter we are looking into with the slight marginal change. So because the pricing pressure and the stagnancy in the demand is persisting. Earlier, we were expecting that there will be some relief from Q4 onwards. But I think now this is deferring by one more quarter. So we are expecting sort of similar number.

**Shaikh Mohammed Ayyaz:** We used to do long-term contracts in start of the year, right. So don't you see any positive from that?

**Abhay Raj Singh:** Long-term contracts are there, but all the contracts have some price escalation or price adjustment clauses.

**Shaikh Mohammed Ayyaz:** Okay, so coming to the next question. What about the USFDA inspection? Is there any update because, I think first USFDA inspection we got in 2017, then 2020, but now, almost five years, there has been no inspection?

**Abhay Raj Singh:** No, we were having first in 2015, and then the re-audit was done in 2019 and the audit since then it is pending and we were expecting to happen it for last one year, but we are not getting any information or communication from the USFDA. Though 2-3 molecules has also been filed, the ANDA has been filed for 2-3 molecules for the company and we are expecting that during the evaluations of this ANDA process, the US will come and visit us, because technically this time it is mandatory for the US to visit IOL facility before approving any ANDA. We are absolutely not in a position to communicate the timing about the USFDA.

**Shaikh Mohammed Ayyaz:** It has been very long because we are not able to perform because of that only.

**Abhay Raj Singh:** For non-Ibu segment, that may be right. But we are having the CEP for the non-Ibu segment. Obviously, you are right that the USFDA approval for the non-Ibu products will definitely give us a boost to increase our sale in the existing regulated market where we are selling, but that is beyond our control.

**Shaikh Mohammed Ayyaz:** Sir, I have asked so many times regarding when we are going to stock split or something else. Finally we are getting it. But at that time you told that when the price will reach at that level, then only we will make stock split. And now suddenly we have gone for stock split. What is the rationale behind it?

**Abhay Raj Singh:** So basically, there was a continuous demand from the various stakeholders requesting for the stock split and when we initiated, this price, the market overall was on the higher side and since then the market has gone down. So I think this is a temporary phase because of the market situation and the sentiments in the equity market is not stabilizing. It's going towards South. So we are hopeful whenever the sentiment gets stabilized and our number will also, because you can watch that we are sailing through with this challenging period. The company's performance is again and again representing resilience. So that is reflecting in the performance

and will also reflect in the performance in the quarters to come. So we are very hopeful and the rest is that this will give liquidity comfort to the retail investors also. So I think we are hopeful that the prices will increase along with increasing market sentiments. I mean, this is the only thing we can comment on. We are also not aware about all those things.

**Shaikh Mohammed Ayyaz:** What is the pricing difference in Metformin, Fenofibrate and Paracetamol in the regulated versus non-regulated market?

**Rakesh Mahajan:** It depends on product to product, but in some cases it is maybe 10%. In a few cases, it may be 30%.

**Pradeep Khanna:** In case of Metformin, it is 10% to 12% generally. And in case of Paracetamol, it is 15%.

**Abhay Raj Singh:** And for the Fenofibrate, it is around 30% to 35%.

**Shaikh Mohammed Ayyaz:** 30 to 35?

**Abhay Raj Singh:** For Fenofibrate.

**Shaikh Mohammed Ayyaz:** Sir, are you having any dedicated plant for Fenofibrate?

**Abhay Raj Singh:** No, Fenofibrate, it's not dedicated, it's a multi-facility product wherein two, three other products are also being manufactured. So but the capacity is fungible. So I mean, depending on the requirement and the demand, any molecule capacity can be adjusted as per the demand.

**Shaikh Mohammed Ayyaz:** I will wait in the queue for the next question.

**Moderator:** Thank you. . The next question is from the line of Harshil Patel from Family Office. Please go ahead.

**Harshil Patel:** Hi, thanks for the opportunity. Just have two questions. Could you let us know on an overall basis how much has been the volume growth in comparison to the same quarter last year and previous quarter? Also, if you could elaborate which products are whether IBU or non-IBU products are driving this growth?

**Rakesh Mahajan:** In our chemical sector, there is substantial increase in the volume. But in the non-Ibu and Ibu segment, API segment, they are almost at stable level, maybe 1% or 2% growth only, not substantial. But in chemical sector, it is around more than 15% from the last quarter.

**Harshil Patel:** We can see an increase in depreciation cost, could you explain the reason behind it?



**Rakesh Mahajan:** We have just capitalized fixed asset last year. Like we have started acetic anhydride and other products during the part of last financial year. So in this whole year, we have made some CAPEX like revamping of our cogeneration plant, environmental equipment, ETP. So that's accumulated to the increase in the depreciation.

**Moderator:** Thank you. The next question is from the line of Sanjay, individual investor. Please go ahead.

**Sanjay:** Yes, thanks for giving me another opportunity. Sir, in the last call you had told that there is another competitor who is coming up with the Ibuprofen capacity. So, do we have any challenges going forward with respect to that considering that you're telling that the demand and all is not so good now?

**Rakesh Mahajan:** We see that products coming up from Hyderabad since last 2 to 3 years. We feel there is no major impact of that. Slightly they are trying to enter the market but still, as per their transcriptions and earning calls, they are at a very low capacity utilization as of now.

**Sanjay:** And sir, considering that you told us in the opening speech regarding the trade war that is not beneficial for the pharma and chemical players, currently for IOL Chemicals, are there any existing tariffs? And if so, what are those levels? And what does the management expect in case there are any such tariffs that are imposed? So what could be the levels of tariffs that will be imposed on our products?

**Abhay Raj Singh:** Basically, we are not exporting any chemical direct to the US. and what we discussed about that talks about the reciprocity on the tariff. This is the thing which is disturbing the market sentiments. And the overall manufacturing sector is getting influenced. So that is the thing, but we as a chemical producers of our products, we are not directly, but indirectly somehow because everything is interconnected with each other. So anything which is getting disturbed at one place, obviously the other place is also getting disturbed, but we do not have any direct impact on it.

**Sanjay:** So we don't have any direct impact. So obviously we will be supplying those APIs to a particular manufacturer who would be exporting it? So then obviously we will have an impact if there is any such tariff been implemented?

**Abhay Raj Singh:** Yes, obviously, but that impact we cannot calculate as of now, let the things get more stabilized. That time I think we will be in better situation to talk about on this topic.

**Sanjay:** Correct sir. Just assuming in case there is, what are the origins from where our competitive products are exported? Are those countries are also on the list? Any such idea for the products, for the API's that we give to the final producer.

**Abhay Raj Singh:** Do not have that much of idea. But the tariff is what the U.S. is saying that they will be reciprocating the tariff. So suppose if I am exporting anything to the U.S. and U.S. is exporting the same thing to us, we are charging some tariff, they will also charge the same tariff. So that is the discussion which is going on. So that may impact, but indirectly, not directly.

**Sanjay:** Okay fine, thank you sir, that is it.

**Moderator:** Thank you. The next question is from the line of Videesha Shah, an individual investor. Please go ahead.

**Videesha Shah:** Hello sir, I have couple of questions. First one being that we see improvement in the margins in chemical sector this quarter. So could you just let us know what is the driving force behind this and can we think of it as a sustainable going ahead?

**Rakesh Mahajan:** In chemical sector, there is direct relation with raw material prices and finished good prices. So from an operational efficiency, capacity utilization and increase in the store market volume, we are able to maintain some improvement in the chemical sector. Because earlier around 5-6 quarters, there was a lot of volatility in the raw material prices and the finished good prices. But since last 2-3 quarters, the prices have almost remained stable. And we have explored some new markets also and around last year we have got a REACH Certification by which our export in ethyl acetate in Europe has improved to some extent and we are continuing to be diversifying and expanding our export market in chemical also and all these efforts resulted in some realization of the margin in chemical sector.

**Videesha Shah:** Okay, sir my next question is on the export side. So we have seen fall in exports substantially compared to last quarter same year and even in comparison to the previous quarter. So is this mainly due to the decline in prices or are there any other factors?

**Rakesh Mahajan:** You are right. The prime reason is that the reduction in prices especially in non-Ibu segment.

**Videesha Shah:** So, sir, one more question. Could you just explain how are we planning to increase our revenue from the non-Ibuprofen profile?

**Rakesh Mahajan:** To increase the volume with utilization and revenue in non-Ibu segment especially in European market and Latin American markets, already lot of validation of clients, vendors are in the process. Usually it took 3 to 4 quarters for getting a regular order from a new customer. Many of them are taking trial orders or samples and processes. We think we have achieved the far end of these validation and are expecting some good clients in our non-Ibu segment.

**Pradeep Khanna:** The exports of non-Ibu segment is going to increase as compared to the last year based on volumes, we have exported more than the last year's numbers. So export is increasing. Thus by

getting better price on the exports, we will be able to get more revenue from the non-Ibu segment.

**Videesha Shah:** Okay sir, that's it from my side. Thank you for considering my questions.

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

**Maulik Varia:** Hi sir, thank you for the opportunity. So for this quarter we've seen 6% growth from the non-Ibuprofen portfolio. So can you please help which products drove this growth?

**Pradeep Khanna:** It is Metformin. Primarily it is Metformin and also Pantoprazole.

**Maulik Varia:** Okay, sir. Thank you. And so just one more question. I think you already mentioned it, but I was not able to hear it properly. What led to the fall in our chemical revenue by 4% for this quarter? Can you please clarify again?

**Pradeep Khanna:** Can you repeat the question? You are not properly audible.

**Maulik Varia:** Yes, what led to the 4% decline in our chemical revenue to Rs. 275 cr.?

**Pradeep Khanna:** Chemical revenue is downward because of price. Because of the price we get in the last year, it is lower than the last year's price.

**Rakesh Mahajan:** Volume has increased.

**Pradeep Khanna:** The volume is stable, increased by some figures, but due to prices, the revenue from chemical segment has decreased.

**Rakesh Mahajan:** Raw material prices have also decreased to some extent.

**Maulik Varia:** So it is mainly price decline which has impacted the growth?

**Rakesh Mahajan:** Yes.

**Maulik Varia:** And sir, can you please update about the Paracetamol prices currently? Paracetamol pricing, sir is it like steady sequentially or has it increased because it was nearly bottomed in the previous quarter?

**Pradeep Khanna:** There is no major increase in Paracetamol pricing, only 2%-3% increase from the last quarter but no major increase in the price of Paracetamol.

**Maulik Varia:** Okay sir, thank you so much.

**Moderator:** Thank you. '. The next question is from the line of Sheikh Mohammed Ayaz, an individual investor. Please go ahead.

**Sheikh Mohammed Ayaz:** Thank you for the opportunity again. My question is whether this chemical sector performance is steady? Will it continue or it's just for particular quarter?

**Rakesh Mahajan:** No, it will be improved because we have explored new market, especially export in Europe. We hope that it will be improve a little bit from the current quarter in the next quarter also.

**Pradeep Khanna:** Also, we are now exporting Acetic anhydrite which is commercialized in last year. So, we will get better price from the Acetic Anhydride. The export is starting.

**Sheikh Mohammed Ayaz:** Okay. Sir, do we need a CEO for our company or we can perform, we can stay without a CEO?

**Abhay Raj Singh:** So, as I already told you last time also, Mr. Vikas Gupta, who is the Joint Managing Director, is taking care of the company. So, as you asked last time also, that whether we legally require the position of the CEO or not, no, it is not legally required, but this is being taken care cumulatively by all the professionals. We have the overall professional setup led by Mr. Vikas Gupta under the guidance of Mr. Varinder Gupta and independent board.

**Sheikh Mohammed Ayaz:** Sir, we have recently got CEP approval for Mesalazine, What are we targeting exactly? Only for the export market? Is there any plan we are having for Mesalazine?

**Abhay Raj Singh:** Campaign basis we will start with this product. As of now, we have not started the commercial productions in a big manner. We are exploring the overall market and we will start in some time.

**Sheikh Mohammed Ayaz:** After getting DMF, what is the procedure to send API to USA? How much time it will require after getting DMF approval?

**Abhay Raj Singh:** After the DMF approval, the company, I mean the formulator which wants to buy from us, they need to file the ANDA. The ANDA is approved by the USFDA. While approving the ANDA, they also visit or inspect the company, I mean, IOL, of whom the API is being used for making that particular drug. So that basically depends on the ANDA filed by the formulator and also on the wish of the FDA, USFDA when they want to visit. But the process is like this. Filing DMF is in our hand, filing ANDA is in the hand of the customer. And the ANDA is reviewed by the USFDA. During this review process, they review the facility of the formulator, means customer, as well as the API producer, means IOL.

**Moderator:** Thank you. The next question is from the line of Kenil Mehta from Omkara Capital. Please go ahead.

**Kenil Mehta:** Sir what is your revenue for European markets for 9M and would love to know what will be our strategy for growing our European sales as we have received lots of CEP approval over the last one year. That could be a major growth driver for us in the export market.

**Rakesh Mahajan:** From the last 1.5 years, we have started getting approvals for various product both non-Ibu and chemicals also from the European market. And the marketing team is continuously exploring this thing there to explore the customer and getting their samples, giving them samples, orders and other things. And we, as a company, more focusing on the European market to increase our export share there.

**Kenil Mehta:** So are we targeting the innovative OTC segment or generic segment players, majorly?

**Rakesh Mahajan:** Which segment?

**Kenil Mehta:** Innovators OTC market.

**Rakesh Mahajan:** Most of our products are OTC like Paracetamol, Metformin, Ibuprofen, they are all OTC products.

**Kenil Mehta:** What will be your target for Europe export over the next two years?

**Rakesh Mahajan:** I mentioned in the last earnings call also, we are targeting 40% - 45% export share for company as a whole.

**Kenil Mehta:** And have you commercialized on Lamotrigine on a large scale or it's still going on a trial phase?

**Abhay Raj Singh:** Can you please repeat your question?

**Kenil Mehta:** Have you commercialized Lamotrigine on a large scale compared to your stated capacity?

**Rakesh Mahajan:** Lamotrigine, we are producing since last 7 to 8 years. But it is only campaign based and then multi-product facility only.

**Kenil Mehta:** The Gabapentin one which you converted into MPP(Multi Product Plant)?

**Rakesh Mahajan:** When the continuous increase in the Lamotrigine demand, we will surely go for that. But I think, its global demand is not more than, we can say, three digit number. So we are getting some part of that. In case when we get the new numbers, we will surely go for the dedicated. But from last 4-5 years or 6 years we are producing it in the multi-product plant only.

**Kenil Mehta:** Understood. Okay, no question. Thank you.

**Moderator:** Thank you. The next question is from the line of Harshit from RoboCapital. Please go ahead.

**Harshit:** Thank you for the opportunity. Am I audible?

**Moderator:** Yes, you are.

**Harshit:** Thank you, sir. So sir, can you tell me how can we increase our EBITDA margin to 14% – 15% and when can we reach that level?

**Pradeep Khanna:** We are now focusing on the capacity utilization of our products. So whenever the prices of these products recovered, we hope huge improvement in the bottomline. So now we are only focusing on the capacity utilization of our products.

**Harshit:** Do you have any outlook for your topline guidance for FY27 or FY26?

**Abhay Raj Singh:** So, the topline guidance, we are estimating to grow around 10% to 12% considering the current scenario.

**Harshit:** Alright, thank you.

**Moderator:** Thank you. The next question is from the line of Ashish, an individual investor. Please go ahead.

**Ashish:** Hello, am I audible?

**Moderator:** Yes, you are. Please go ahead.

**Ashish:** So basically my question pertains to the stock split that's been announced lately. So I mean one of the last concalls we were told "let the share price change a certain level, then the management will consider stock split," not to mention the stock price of IOL at that point in time was trading in the levels of Rs.500, so what exactly propelled the management to consider the stock split even though the share today is trading at a decadent levels. So that'd be my first question, sir.

**Abhay Raj Singh:** So we already addressed this question in this call as well. Perhaps you were not there in the call. But because this was a continuous demand from the shareholders since past, and when we consider the shares was trading around Rs.400 and something around Rs.425 at that level, but because of the negative sentiments spreading across the market, since long, I mean, for about one and a half month, this perhaps our share is also behaving in that manner. The rationale behind this was considering that, number one, we need to address the shareholders' demand and just to have the greater liquidity in the hands of the shareholders. Considering the global market trends in the Indian market trends and the company's performance, we are hopeful that this will very soon come back to the previous level.

**Ashish:** Okay, so my second question would be, sir, for the past few years, to be precise, during the times of Mr. Sanjay Chaturvedi, our target has been to increase the operating profit margins in

double digits. But in pursuit of that, we've faltered badly, and the company is only buying time. When do we foresee achieving the double digit operating profit margins? I mean, the topline has faltered badly, and that affects the domino effect as well. So when do you see that operating profit margins achieving the double digits? Because it's been for quite some time that we've been aiming at that, and we haven't been able to. In the meantime, amid we did, but still we are just faltering badly. When do you expect to achieve it, sir?

**Abhay Raj Singh:**

So expectation is one thing. Estimate is another thing. So what we are estimating that from Q2 onwards we will find some or may be Q1 onwards, next year we will start seeing the improvement in the pricing pressures because last 2-3 quarters we are feeling the pricing pressure despite the fact that the quantity is either maintained or has increased. So that is mainly the reason that our turnover for last two years or the three years you can say is hovering around the same amount. We are not able to see the jump what we were expecting at the start of the year. But I think for chemical sector experts are considering and we as an industry player also considering for last 2-3 quarters to show the recovery, but it is always getting deferred by 1 or 2 quarter. So at present, considering the current scenario, we are hopeful that from Q2 onwards, the chemical starts performing well as well as the API.

**Ashish:**

Thank you for the answer, sir. And fourth, I mean, the third question would be, how well are we prepared for the USFDA inspection that's expected any time soon?

**Abhay Raj Singh:**

So, inspection is a regular phenomenon for us. Every month we are handling 3 to 4 inspections or the audit, you can say, by customers. The last year ANVISA did inspections also. All the 10 plants of our company inspected by the ANVISA and no objections were raised by them. So we are always prepared for that because we understand the FDA can come any day, we are always audit ready.

**Ashish:**

Thank you for your answers. I hope to see recovery in the topline, bottomline, and also reflecting in the share prices. Thank you.

**Abhay Raj Singh:**

We are also hoping all the same, thank you so much.

**Moderator:**

Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Rakesh Mahajan for closing comments.

**Rakesh Mahajan:**

Good afternoon everyone again. Thank you everyone for joining us today. The second half of the year has been tough for the Indian manufacturing sector with slowdown and great challenges affecting growth. This trend is likely to continue in Q4 FY25. However, we are hopeful that demand and pricing in the pharma and chemical sector will pick up in FY26. At IOL, we are working towards strengthening our capabilities and expanding our product range, keeping an optimistic outlook for better market conditions. We truly appreciate the support of

our investors and believe that with their trust, we will navigate through these challenges. Thank you very much once again. Have a good day.

**Moderator:** Thank you. On behalf of IOL Chemicals and Pharmaceuticals Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.