Operator: We will take the questions that I have received from clients who were not able to participate. Now, I hand over the call to the management. Over to you, sir.

Management: Thank you very much. We appreciate your joining us today. I also welcome Mr. Kamlesh Joshi, who is our CHRO and Chief Commercial Officer. I will start with an introduction to the company. Mr. Joshi, if you can help me display the presentation, that would be good so that everybody can see it.

A quick brief about Indo Borax & Chemicals Ltd. Indo Borax is basically into boron chemistry and its derivatives. The company has been doing very well for decades, since 1980–1985, and has been listed since the 1990s. The promoters of the company were the Jain family, and recent changes happened, which we will explain in the coming slides or based on your questions. The management and promoters are new since January 23 this year.

I will explain a little about the company first. We established the company in 1980, and it has about 45 years of legacy. Boric acid is a very niche and specific segment in India. It mostly goes into the steel industry, specifically into ramming mass, which is required to make refractories, and those refractories go into the steel industry. Boric acid is an integral part of manufacturing that product.

We hold about 50% market share in these markets. There is a requirement for boric acid as a substitute product for various other applications, such as glass and ceramics. To some extent, in global markets it is also used in atomic reactors. However, in India, the major market at this moment is the steel industry. To some extent, it also goes as an IP-grade or pharmaceutical product into the consumer industry, where large players buy this product. It also has applications in the fuel and lubricant markets, where some additive players buy this product.

In the markets in which we operate, we have almost 50% market share. We are the sole manufacturer of IP-grade boric acid in India, and we have a BIS license, which is mandatory for this product.

We have our state-of-the-art plant in Pithampur, Madhya Pradesh, where we ensure that the product is delivered to our customers on time. We also ensure the safety of our people and society as a whole.

As you can see on the slide, our manufacturing capacity, which we call nameplate capacity, is about 20,000 tons of boric acid. We produced approximately 15,000 tons last year. This year, we are targeting an increase in capacity by debottlenecking our operations. Nameplate capacity is basically defined as operating 24/7 with no maintenance days in between.

We have defined a maintenance plan so that we can operate our process properly, and we look forward to producing approximately 17,500–18,000 tons of boric acid this year.

DOT, which is a further internal forward integration of boric acid, addresses a completely different market. It goes into the agricultural market and acts as a micronutrient, providing boron nutrients to the soil for better crops of fruits and vegetables. The product is known as Disodium Octaborate Tetrahydrate. We call it DOT for easy reference.

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We are also one of the players in this market. It is mostly an import market in India today, and we are now growing into one of the larger players in this market.

We have been here for decades and have very strong relationships with our customers. Our customer stickiness is very high. The top 10-15 customers continue to remain the same, although their rankings may change, and we continue to maintain their share with us.

We also have very strong relationships with our raw material suppliers. A significant amount of raw material comes from outside India, and we ensure long-term relationships and contracts with our suppliers.

We consider ourselves a premium brand. Being the market leader also gives us the responsibility and accountability to operate as a leader in the market, and we ensure that we act as a premium brand.

Our product specifications have historically been considered appropriate by our customers. We continue to conduct customer satisfaction surveys to ensure that our product specifications meet their requirements, and that is why we can command a premium in the market.

You can see our Q1 results. We generated approximately 70 crores of revenue and approximately 19.8 crores of EBITDA, one of the best quarters we have seen. The industry sometimes goes through cycles, but Q1 has historically been good, and the last quarter was also very good.

As you can see from the quarterly numbers, I would ask you to move to the next slide. Thank you, Mr. Joshi.

Look at our numbers for last year. In financial year 2025, when the company was run by the previous promoters, we generated approximately 175 crores of revenue. We acquired this company in January 2023 of 2026, this year's January, so we received only about 2 months of business. However, we closed financial year 2026 at approximately 250 crores.

EBITDA remained almost flat versus the previous year, but PAT increased from 42 crores to 50 crores because, as part of a new company policy, we decided to monetize our non-core assets. We had certain infrastructure assets, flats, and offices that were owned by the company, and we decided to monetize them and focus on the operational side of the company, where we can invest and grow the business. That is why we see an increase in PAT this year.

If you go to the slide that I am very excited about, I am sure that the people attending will also find it exciting. We took 2 major decisions in the last couple of months.

First, we had a subsidiary called Indo Borax Infrastructure Private Limited, which I believe was established at some point when there was a boom in the infrastructure industry in India. We decided that we are a chemical company and want to have a clear focus on the chemical industry, either in boron chemistry or in chemistries that we understand. We decided to amalgamate this subsidiary into Indo Borax & Chemicals Ltd. This will create greater efficiency, better utilization of our combined resources, and help us remain focused on our core business.

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The second development is very close to my heart, and I will be very happy to share more about it. As I said, we are a chemical company. All our new management, which we will discuss, has also come from the chemical industry. I have worked in the chemical industry for 28 years with large multinational and Indian companies, including American and European companies, and across almost every type of chemistry.

You can see Mr. Kamlesh Joshi, our Chief Commercial Officer. He has worked in the chemical industry throughout his career, including with very large companies and across global geographies.

We also have our CFO, who came from Lupin and understands chemistry as well as pharmaceutical markets very well. We also have manufacturing and supply chain professionals who recently joined us and have very strong backgrounds in the chemical industry.

As a team of professionals who understand the chemical industry very well, we decided to expand beyond boron chemistry. That is where Kronox, which you see on the slide, comes into the picture.

Kronox is a Vadodara-headquartered specialty chemicals company. It makes highly purified products and salts that go into the excipient, pharmaceutical, API, laboratory chemicals, and nutrition markets.

Kronox is already quite strong in India, with approximately 70% of its business in India. It also exports 30% of its business, which is very exciting for us. It has approximately 185 products and very well-established products in the market. We want to make this business strong not only in India but also globally. There is significant scope to scale up this business.

We have also acquired one of the parcels of land in Dahej for a very large expansion of these chemistries, for which capex of 110 crores has already been approved.

As I said earlier, we acquired 64.26% of the shares in this company. It is also a listed company, so I am sure you already have a lot of information about it.

There were 3 promoters in the company who continue to hold small stakes as non-promoters. They will also help us maintain continuity in the business for the next couple of years by working closely with us as consultants.

These are the 2 important developments that I wanted to share with the larger team and with people who are interested in us and in how our future looks. I will be happy to provide any further details required regarding these 2 developments.

Mr. Joshi, if you move to the next slide, it is just a milestone journey. I do not need to explain everything here. You can see that we started in 1980-81, and every few years there is a milestone.

The more relevant milestone for today's discussion is what happened in 2025-26, when the ownership transition was concluded through the transfer of 50.8% of the promoter stake to institutional investors. Zentroc Chemicals holds approximately 39% of the shares in the company. There was also the onboarding of the new leadership team, as I already mentioned, with approximately 5 of us joining.

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Moving to the next slide, you do not need me to explain myself because you have been listening to me for quite some time. I will briefly discuss Mr. Sunil Malhotra, who is a non-executive director on our board and also the promoter of Zentroc. He has approximately 38 years of experience in building, scaling, and managing businesses across diverse sectors. He is the owner of Zentroc Chemicals and the promoter of Indo Borax.

Mr. Harsh Malhotra, who is an executive director on the board, is also a business leader with proven skills. He previously worked with Amazon and then joined our board. He is also the son of Mr. Sunil Malhotra. He has experience in strategic initiatives, specifically in supply chain management. Given how we are trying to conduct our business globally, I believe his expertise will be very valuable for us.

If we move to the next slide, thank you, Mr. Joshi.

We have very strong support from our board. We have a very strong board here. Mr. Prasad Naga has 37 years of experience with State Bank of India in very senior executive positions. He is currently also on the board of Axis Bank as an independent director. He brings significant understanding of the compliance requirements involved in the day-to-day operations of a listed company. He provides excellent guidance and is also the chairman of the board.

We also have Mrs. Paramitha Sarkar, who has a very strong background in chemical engineering and has worked at very senior levels in the industry with companies such as BASF and Huntsman. She provides substantial guidance on operating the plants safely and is always my go-to person when I need to discuss safety and plant operations.

We also have Mr. Rakesh Kumar Shrivastava, a highly respected bureaucrat from the Madhya Pradesh cadre and an IAS officer. He worked at various levels in the Madhya Pradesh government, including as collector of a couple of large cities. He also has a strong industry background from part of his career. He brings significant awareness of pollution board requirements and state compliance requirements.

The 6 of us together constitute the board. I thought it would be useful for this forum to know about us.

If you go to the next slide, I have already touched upon these products. We make technical-grade boric acid, which goes into glass, ceramics, plywood, electronics, chemicals, and specifically the metallurgy and steel industries.

We are also the only manufacturer of IP-grade boric acid, which goes into pharmaceutical, personal care, cosmetics, healthcare, and hospital applications.

DOT goes into agriculture as a micronutrient and is a very important product.

Boron oxide is a product that we traded in the past, and it is part of our capex plan going forward. It also goes into the steel industry.

Borax pentahydrate is one of the raw materials used in our process, and we sometimes also trade it for our own requirements.

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Gypsum is a byproduct that we obtain through our process. It is low-quality gypsum, but it is part of our process and we market it.

These are the products in our portfolio. Technical-grade boric acid, IP-grade boric acid, and DOT continue to be the major products on which we rely.

If we move quickly to the next slide, I will briefly touch upon the boric acid market in India. According to published market reports, in thousands of tons, the Indian market is growing at a CAGR of approximately 7-8% from now until financial year 2030.

You can see the end industries here. Approximately 55-60% is the steel industry, and the remaining demand comes from ceramics, plywood, pharmaceuticals, personal care, and other industries.

Some of these applications are still being developed. Globally, these products are already being used, while in India a number of substitute products are being developed. Boric acid is a substitute for many products under development, and our commercial team is working on these opportunities.

If I briefly touch upon DOT, you can see that it is also a very important product. It goes into agriculture and also into glass, although in India it is currently used mainly in agriculture.

There are different purity forms, from 98% to 99%, and we can make both. It is a key raw material for production and a key raw material for supplementing the soil. India is a boron-deficient market in terms of soil. Once this supplement or nutraceutical product is used for the soil, it acts as a supplement and helps improve productivity.

Management: Boron helps vegetables and food crops grow much better, making them more nutritious and improving crop yields. This is a product that, as we understand it, is currently completely imported into India. We are a smaller player. We produced approximately 900 tons of this product last year.

This year, our target is to grow strongly at a double-digit rate, and going forward we want to utilize our full capacity of approximately 4,000 tons without debottlenecking.

With this, I think I have covered almost all the basic details about the company, the people in the company, the board of directors, the products, the history of the company, and, to some extent, what the future looks like. I will stop speaking now and look forward to the moderator helping with any questions that come in. I will be happy to address them. Thank you.

Operator: Thank you. If anyone has any questions, please raise your hand or put your questions in the chat box. The first question is from Shrikant. Please go ahead.

Shrikant: Am I audible, sir?

Management: Yes, Mr. Shrikant, I can hear you well.

Shrikant: We are undertaking capex for boron oxide and zinc borate. My question is whether the capex will come online in phases or all at once.

Management: Could you repeat the last line?

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Shrikant: We are undertaking capex to produce zinc borate and boron oxide. My question is whether the capex will be completed in phases or in a single stage.

Management: It will be done in phases. We are looking at the next 2-3 years, and I will explain why it will be phased.

There is already a requirement for boron oxide in India, and it is currently being imported. It is also one of the products that we sometimes trade—we buy it and sell it. We definitely want to produce this product, which is why the capex has already been announced.

However, at the same time, once we sell boron oxide, the raw material for boron oxide is boric acid. Therefore, once we start making boron oxide, we will have less boric acid available to sell, and that is why we also need a boric acid plant alongside it.

The same applies to DOT. We sold approximately 900 tons last year, and this year we plan to sell approximately 1,400 to {? 1680 ?}, 1,700 tons. We may want to utilize more of our capacity, and boric acid is also a raw material for DOT.

This means that once we put in the boron oxide plant, we will also need a boric acid plant for our own internal consumption so that we do not have less boric acid available to sell in the market. We will have boron oxide first, followed by additional boric acid capacity.

Zinc borate is a product that we are convinced about, but we are still evaluating whether it should come in the second phase or the third phase. The first phase is boron oxide. Along with the first phase, we will start with boric acid, while zinc borate is still under evaluation.

Shrikant: Do we have any opportunity to source boron ore from India? At present, we are importing from Turkey, North America, and South America. Are there any reserves in India? That is my question regarding raw material security.

Management: This is unfortunate. I would of course prefer to have a local source of raw material because that is the easiest option. However, so far, we have not found any boron ore in India, or at least no meaningful boron ore.

At present, there are 3 larger supply points: North America, South America, and Turkey. We buy a significant amount from Turkey, but we also keep our options open and purchase from other locations from time to time to ensure security of supply.

That said, we are very confident because we have already signed long-term contracts with our suppliers, so we do not have an issue with supply.

Shrikant: Thank you. Can technical-grade boric acid be used to make battery electrolyte additives? Is management considering capex in this segment?

Management: Thank you for asking this. This is something we are evaluating. Mr. Joshi is visible on the screen, and this is part of our opportunity pipeline.

We acquired this company in January this year and wanted to first capture the opportunities that were already available, the low-hanging fruit. For example, as I said earlier, we were operating

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approximately 15,000 tons of capacity out of a 20,000-ton nameplate capacity. This year, through debottlenecking operations and by setting up the process correctly, we are already reaching approximately 17,500-18,000 tons of capacity without adding any capex.

We are doing the same with DOT. At the same time, we are also evaluating global products.

Right now, our focus is on our current products and their new applications. For example, IP-grade boric acid can be utilized in various forms. It is used in telecom towers, lubricants, additives, and other applications. These applications were not pursued at a significant level in the past, and we are currently trying to identify them.

The next level would be what you are referring to. That would only be an initial step, and it is part of our future roadmap, but we have not initiated any product for that market as of now.

Shrikant: The company has the capabilities. Am I understanding that correctly?

Management: We have the capability in terms of our people because we understand boron chemistry very well. We have the right people to understand it.

However, once you initiate any new product line, it requires a significant commitment in terms of R&D resources, and that is what we are currently evaluating.

Shrikant: Thank you, sir. We are very strong in IP-grade and technical-grade boric acid. May I know the level of imports from China or the extent of dumping from China? Since technical-grade boric acid is very difficult to manufacture, what has been the level of dumping over the last 3-4 years?

Management: We are somewhat fortunate here. Every business has its advantages and disadvantages. In this case, we have a positive factor because China is in the same position as we are.

China is usually very strong in the availability of basic raw materials and key starting materials, which enables it to dump products on price. In this case, China also does not have any meaningful boron ore, so it also has to import from outside.

That puts us on a relatively level playing field with China, and China is therefore not able to dump this product to the same extent as it dumps other products. We are in a good position in that respect.

Shrikant: I went through the annual report and saw that there are applications of boron chemistry in electronic components. Can you give us a brief overview of this segment?

Management: As I said, this is currently part of our opportunity pipeline. Usually, the way we run the chemical business is through 2 types of opportunity pipelines.

The first is an opportunity pipeline involving our current products being used in newer applications or by newer customers. The second involves completely new products required by the industry.

We are currently focusing on the first level of opportunity pipeline while maintaining visibility across the universe of these products. It may take 1-2 years for us to develop those products.

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For now, we will focus on boric acid and its derivatives that are already being used, while expanding our customer base.

Shrikant: Thank you. My final question relates to the financials. In other income, you are showing rental income from properties. Are these commercial buildings, and will this rent continue to come into the company going forward?

Management: We had 2 buildings that were rented out, and as I said, we decided to monetize our non-core assets.

One of them has already effectively been sold. We had 2 buildings, which were 2 offices rented out as commercial offices. We have already completed the transaction for one of them, and it will be reflected in our accounts within 1-2 months. The other one will also be liquidated.

Going forward, rental income is not something that we will focus on. Rather, we will focus on the operations of the company and on generating more revenue and margins from the business.

Shrikant: I believe that to fund the Kronox acquisition, we are using the sale proceeds from—

Operator: Sir, we request you to get back to the queue.

Shrikant: I have one last question. Sorry, this is the last question.

Management: Please go ahead.

Shrikant: To fund the acquisition of Kronox, we have mutual funds and proceeds from the sale of the building. Are we going to use this amount? Am I understanding that correctly?

Management: That is correct. We have a combination of sources.

We had internal accruals and cash already available in the company, which we utilized. We also had some mutual funds and other investments, which we monetized to fund the acquisition.

To some extent, we have also taken financing from outside. For example, we did not previously require debt for working capital, but we have taken acquisition finance. Therefore, it is a combination of external financing, internal accruals, and, if required, further infusion of money from our side. It is a combination of all 3 sources.

Shrikant: Thank you very much.

Management: Thank you, Mr. Shrikant.

Operator: Thank you. The next question is from Charchit. Please go ahead.

Charchit: Thank you for the opportunity. I am quite new to the company, so I will start with the segment-wise details. Can you provide the segment-wise realization, if possible, for boric acid, boron oxide, and DOT?

Management: Currently, more than 80-85% of our business comes from boric acid. Approximately 80% of the business comes from technical-grade boric acid. Almost 6-8% comes from IP-grade

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boric acid, and approximately 7-8% comes from DOT.

IP-grade boric acid has a better realization, approximately 8-10% higher than technical-grade boric acid. DOT is at the same realization level, or slightly higher, than technical-grade boric acid. They are all broadly within a 10-15% range of one another, with no significant difference in realization.

Charchit: Understood. What about boron oxide?

Management: We are not currently manufacturing boron oxide. Boron oxide generally has a price realization 2.5-3 times that of boric acid.

We have announced capex for this product and are now initiating the project. The project has already been initiated in terms of project design and related activities. We are looking at the product coming online in 12-18 months.

At this moment, if we buy and sell the product, it is only a small trading business. Historically, the realization of the product has been at least 2.5 times that of boric acid. Of course, you cannot always command the market, but the data shows that it generally moves between 2 and 3 times, with 2.5 times being the typical level.

Charchit: Understood. On boric acid, at maximum, I believe we can utilize approximately 90-95% of the 20,000-ton capacity, correct?

Management: There are 2 ways of looking at boric acid capacity, which is why I tried to explain it earlier.

Our current nameplate capacity is 20,000 tons of boric acid. Historically, we produced only 15,000-15,500 tons. The planning may have been done differently in the past.

We have now clearly defined the number of maintenance days required. Boiler maintenance and other plant maintenance activities are being combined so that we do not have to shut down the plant again.

We are ensuring that raw material supplies remain intact so that the plant does not stop at any point because of a shutdown caused by raw material unavailability.

With all these measures, we are confident that this year we will reach production of approximately 17,500-18,000 tons from the same plant without adding any capex.

This means that we will be operating at approximately 95% of the actual capacity of the plant. Until now, with production of 15,000 tons, we were operating well below that level. This year, we are confident that we will operate at approximately 95% of the plant's actual capacity.

Charchit: Understood. For FY28, I believe we have planned to increase capacity utilization by another 5-10%, correct?

Management: We are still evaluating this because production involves continuous process improvement. That is what we have done throughout our careers in the chemical industry.

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A maintenance plan could be 15 days, 12 days, or 10 days. It depends on how effectively you ensure that spare parts arrive on time, other materials arrive on time, and the people who come for audits arrive on time.

If all these processes are managed properly, we can improve further. At this moment, we are targeting production of approximately 17,500–18,000 tons next year. Therefore, from this year to next year, we are targeting a further 5–6% increase in capacity utilization.

Charchit: Understood. On boron oxide, I believe we have a capacity of 4,000 MT per annum. I do not think we will see any revenue from boron oxide in FY27. What kind of utilization can we expect in FY28?

Management: The boron oxide and boric acid markets are currently closely linked. That is why we will invest very carefully in this area.

We have already decided to establish 4,000 tons of capacity. However, when we utilize that 4,000 tons, boric acid will be required to manufacture it, which means that we will have less boric acid available to sell.

Therefore, although we are installing a 4,000-ton plant, we will utilize the capacity based on market demand at that time. I expect that in financial year 2028 we will see approximately 30–40% utilization of that plant for the full year, and then in FY29—

Management: FY29 will possibly start reflecting the next stage. By then, we may also have a boric acid plant in place, so that we do not have concerns about selling more boron oxide while having less boric acid available. We need to find the right balance.

Charchit: Apart from the ramming mass industry, which contributes the largest share of revenue, what other industries are we serving? Can you provide the percentage contribution?

Management: Historically, boric acid has been used in ceramics and glass along with the steel industry. In the meantime, other substitute products have also been identified, such as colemanite and similar products. These products can substitute for one another.

We are currently working on creating the right product specifications for that industry. That industry sometimes does not require such high specifications, and boric acid becomes expensive for it. We are therefore evaluating whether we should address that market.

If it provides us with a similar level of margins, we want to pursue it. At the same time, we are trying to identify more markets for our IP-grade business because it has better realization and better margins.

Therefore, while we look at the glass and ceramic industries, which would possibly be the lower end of the market, we will also look at IP-grade products, which are at the higher end of the market. These are the 2 initiatives that will proceed concurrently in the background.

Charchit: If you can quantify it—

Operator: Sir, we request you to get back to the queue, please.

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Charchit: Just one last question. If you can quantify what percentage comes from industries other than ramming mass. My question is based on the fact that in ramming mass, 2-3 players could potentially be backward integrated, while we have 50% market share. Could you help me with that?

Management: It is not very easy for anyone to undertake backward integration, specifically because they would also have to manufacture boric acid. For boric acid, the raw materials have to be procured in a very professional way because it takes a couple of months to procure them.

Therefore, it is not very easy for the unorganized industry to do this. However, it may not be my place to comment on how other people can operate.

Coming back to your question regarding our percentages, as I said, DOT accounts for approximately 8-9% of the market and IP-grade products account for approximately 8-9%. The remainder for us is technical-grade products.

Other industries currently use some products where boric acid could be used, but we need to conduct trials with those customers.

At present, the largest identified market in India is the ramming mass industry. If I had to provide a number without going into too much detail, I would say that more than 80% of the boric acid requirement in India would still be for ramming mass. Approximately 8-10% may be for IP-grade products, and the remaining 8-10% would comprise all other applications together.

These are substitute products, so the mix can change from time to time. For example, if someone uses a very large quantity of a substitute product, the mix can change. I am stating this on a historical basis.

Charchit: Thank you very much, and congratulations once again.

Management: Thank you. That is very kind of you.

Operator: Thank you. The next question is from Vittal. Please go ahead.

Vittal: Am I audible?

Operator: Yes, you are.

Vittal: Good afternoon, sir. I wanted to ask 2 questions. First, are you going to increase your stake in Zentroc? In the previous quarter it was 30%, and now it is 38%. Is there any plan to increase the stake?

Management: I will answer this in 2 parts, Mr. Vittal.

First, the increase happened because of the open offer. Since it is a listed company, an open offer was made. Whatever came through the open offer was approximately 8.5% in addition to the existing 30%, which is why the holding became approximately 39%. It was not specifically increased through a separate purchase; it came through the open offer.

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Second, these are questions that I would let the promoters answer because they may also be investing in other areas. Of course, if it is an attractive investment, they may want to increase their stake, but I may not be the right person to comment on that.

We will take this question and provide you with a response after speaking to the promoters. Is that acceptable?

Vittal: Understood. Thank you. When we look at the results on a year-on-year basis, what period should we consider? What period should we use for the year-on-year comparison?

Management: Are you referring to the first 6 months of this financial year?

Vittal: No, I am referring to the full year.

Management: The current financial year?

Vittal: Yes.

Management: We generated approximately 175 crores in the previous financial year. In the current financial year, after taking over the company for the first 2 months, we closed that period at approximately 215 crores.

We expect to grow at a good double-digit rate and close this financial year somewhere between 250 crores and 265 crores. The market sometimes moves significantly, particularly on the pricing side because of raw material inflation. However, in our best assessment, we expect to close this financial year somewhere between 250 crores and 265 crores.

Vittal: Thank you very much, sir. My last question is about the end users. Who are the end users of your products?

Management: We currently have 3 different product lines in terms of market segments.

Technical-grade boric acid goes primarily into the steel industry. It also goes into glass and ceramics, but the largest portion of the business is in the steel industry.

The steel industry uses refractories, and refractories are made using a product called ramming mass. Our product provides significant value addition to that product. Therefore, the end user is the steel industry. There is a value chain in between, comprising refractory makers and ramming mass makers, who are our customers. That is the technical-grade product.

The second product is IP-grade or pharmaceutical-grade boric acid, which has different applications. Its applications have not been fully explored so far, and that is where we are focusing.

It goes into the consumer care industry, the talcum powder industry, and the fuel and lubricant industry. There are different applications for IP-grade boric acid because it has much better specifications.

The third product is DOT. DOT goes into the agricultural industry as a soil nutrient and a boron supplement for the soil.

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These are the 3 different industries that we serve through our boron chemistry.

Vittal: Thank you, sir. Best of luck.

Management: Thank you. That is very kind of you, Mr. Vittal.

Operator: Thank you. The next question is from Ashish. Please go ahead.

Ashish: Hi, sir. Are you able to hear me?

Management: Yes, Ashish, I can hear you.

Ashish: First of all, congratulations on joining the board. We are very happy. I wanted to understand your plans regarding Kronox.

Could you provide some background? Kronox sells into regulated pharmaceutical and biotech markets, while Indo Borax, as you mentioned, serves ceramics, agriculture, glass, and industrial pharmaceuticals. Do you see commercial cross-pollination? Are there areas where you would have separate go-to-market teams?

I also wanted to understand the current team's 36-month consultancy agreement at Kronox. How do you see the leadership working together with you, and are there any key-person dependencies?

You also mentioned the capex earmarked for Kronox at the Dahej site. Could you tell us about the next 2-3 years in terms of ROCE and EBITDA margin, and how you see Kronox scaling? That is my question, sir. Thank you.

Management: You utilized the time very well, Ashish. This would require a complete due diligence report to answer, but I will try to be as brief as possible. These are all excellent questions and are exactly the matters we discussed while making the decision.

Kronox, in contrast to Indo Borax, has all the capabilities that we did not have in IBCL, and vice versa.

Indo Borax is a pure boron chemistry company. We are very strong in operational excellence. We are one of the strongest companies in operational excellence, and that is where we command the margins we achieve, both in terms of production costs and pricing in the market.

We are also very strong in supply chain management. We ensure that all raw materials arrive on time, at the right price, and under the right conditions. That is one of our strengths.

When we looked at Kronox, we saw that it had 185 products, whereas IBCL currently has approximately 3-5 products. Kronox has 185 products with significant demand in India and global markets.

The company was built very well by 3 promoters, step by step, one product at a time, and reached the level at which it operates today. The company now needed substantial scaling up, but that required clear professional management. I agreed to this very willingly, and the previous promoters also believed in the same approach. We were very much aligned on this.

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While Indo Borax is very strong in operational and supply chain excellence, Kronox is very strong in marketing, go-to-market strategies, new product development, and R&D.

We are trying to identify, and to some extent have already identified, how to bring the best of both worlds together. We can bring strong operational and supply chain excellence to Kronox, scale up the business, and introduce professional management.

As I explained earlier, we have an entirely new team. I have spent my entire career in the chemical industry. I have handled businesses at the CEO and MD levels in India, as well as global strategic business units as a Global Vice President with very large companies.

Mr. Kamlesh Joshi, who is also here, has done the same. We also have 3 other strong members in our team who have similar experience. One is from supply chain, one is from manufacturing, and one is from ABC Info. This team of 5 people will provide strong oversight and help Kronox develop all the benefits that we can bring to the table.

At the same time, Kronox has strong R&D capabilities, a large product portfolio, and a strong go-to-market strategy, which will also benefit IBCL.

That is why we identified this opportunity. It is not only helping us align our strategies and synergies; it is also reducing the concentration risk of having our business focused on a single chemistry. That was the reason we decided to make this acquisition.

The second point you asked about was the previous promoters. The previous promoters continue to hold approximately 3% each in the company, so they retain a meaningful stake in the business, although they are no longer promoters.

We get along very well, and they will work closely with me at Kronox. We agreed to work with them under a 3-year contract so that nothing is lost during the transition.

While we bring leadership and accountability to the Kronox team, we will not lose any knowledge, relationships, opportunity pipelines, or strong projects that they have developed. That is why we signed a 3-year consultancy contract with them.

Leadership and execution will be provided by the new team from Indo Borax, along with people whom we will hire locally to run the Kronox business.

That is a general summary of what you asked. If I missed anything, please feel free to ask. I believe I have addressed almost everything, but I may have missed something.

Ashish: This is very helpful. You mentioned that you have technically capable people and technical expertise in boron and borax, and that you are moving into EV and battery chemicals.

Given your rich background in the industry and your ability to pursue new opportunities, if you focus on this area, it could be a significant opportunity for Indo Borax to reach the next level. Thank you, sir.

Management: I really appreciate that, Ashish. These are the kinds of meetings we look forward to. It is not only about us telling you what we are doing; we also receive ideas from you.

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As I said earlier, since this question has now come up several times, it is giving me even more energy to advance our opportunity pipeline faster than we were doing previously.

We were focusing on the existing IBCL products and new applications. We were also focusing on Kronox because it already had 185 products. That is why we thought we might take a short pause before entering new product lines at IBCL.

However, given your enthusiasm, I am equally excited. Thank you for this input. Mr. Joshi is also hearing this, and I believe it will be part of our discussions going forward. Thank you.

Ashish: Thank you, sir. I wish you all the best.

Management: Thank you. That is very kind of you, Ashish.

Sushil: A pleasure. Thank you. That is very kind.

Operator: Thank you. Please note that we have only 5 minutes left before the session ends, so we will take this as the last question. The next question is from Pragyam. Please go ahead. Pragyam, you may ask your question.

We will move to the questions placed in the chat box. We have one more participant.

Sushil: Could you read the question if there is one? I am not sure whether I can see it.

Operator: Abhishek, please ask your question.

Abhishek: Hi, Sushil. This is Abhishek. I wanted to understand the plans following the Kronox acquisition.

You gave Ashish a helpful explanation of the key points and indicators for working with Kronox and its team. Is there a reasonable estimate of what management is now targeting in terms of revenue, or in terms of how much of the total addressable market in boron sciences and chemistry Indo Borax wants to capture by FY28 or FY30?

Sushil: Your question is primarily about the Indo Borax side, correct, Abhishek?

Abhishek: I was asking on a consolidated basis, but the Indo Borax basis also works.

Sushil: There are 2 different stories involving Indo Borax and Kronox, and they are very different. That is why I said that the acquisition also helps us reduce the concentration of the business.

On the Indo Borax side, our flagship product, technical-grade boric acid, already has almost 50% market share. There is a limit to how much you can grow in a market where you already own half of it.

That is why we are planning to introduce boron oxide for the same industry. With boron oxide, we will gain additional market share in that industry.

The second story for Indo Borax is IP-grade boric acid. The market is currently smaller for us, but no one has established that market to the same extent. As the market leader, I believe it is our

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responsibility to grow that market.

Mr. Kamlesh Joshi and his team are working very strongly on this from both the commercial and R&D sides. We are working very closely with large brands—very large brands—in the consumer-grade and fuel and lubricant industries, where we are developing this product.

The third opportunity, which is currently much more visible and comparatively easier, is the DOT market.

We are small in the DOT market. According to the data available to me, approximately 8,500 tons were imported into India last year, and there was approximately 1,500 tons of local production. That means the market was approximately 10,000 tons.

We sold only 900 tons last year. This year, we are planning to sell 1,400-1,500-1,600 tons. Our capacity, even without debottlenecking, is approximately 4,000 tons.

We can grow in that market, and it is itself a growing market because India is a boron-deficient market. Sometimes, you do not have to create growth because some markets grow on their own.

When I say boron-deficient, it is similar to a supplement. A few years ago, people did not take many supplements. Now people take vitamin B12, vitamin D, and other supplements. This is a newer market that is growing in India as affluence increases.

The same applies to the agricultural market. Earlier, basic fertilizers were used, and now DOT is also being used to address boron deficiency. Therefore, the market is growing on its own.

These are the 3 factors that clearly create the Indo Borax growth story.

As I said, we expect to close this year at approximately 250-260 crores, or 265 crores. Taking an average, let us assume 250 crores for this year. We look forward to growing this business to approximately 400 crores over the next couple of years as our capex comes into operation. That is the outlook for the Indo Borax side.

On the Kronox side, the scale can be very different and much larger because we are a small player in a very large industry, not only in India but also globally.

Kronox currently has a top line of approximately 100 crores. The market is much larger and is growing very strongly at a double-digit CAGR in India and around the world.

At present, our business is in the excipient, reagent, and laboratory chemicals markets. We also need to address the nutraceutical market at Kronox. That is a considerably larger market and, in my view, a higher-quality earnings market.

The Kronox story will therefore involve strong capex, which we are already planning. We have land in Dahej. The project team is already working on it. We have already identified the project contractors and the audit teams that will help us execute it.

The capex should be completed in 18-24 months in 2 major phases, with possibly a small third phase later.

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We also expect Kronox to reach approximately 400 crores or more over the next couple of years, by 2030.

To provide guidance, I would say that, on a combined basis, the 2 companies should be looking at a combined top line of approximately 750–900 crores by 2030.

Abhishek: That is fair enough.

Operator: I am sorry, but due to time constraints, we will have to close the call. I request management to give the closing remarks.

Sushil: Thank you to Arihant Capital and Fortuna for helping us put this call together. I would also like to thank Mr. Kamlesh Joshi, who is here, and my team, which is not here today because not everybody needs to be on the call. There are many other things happening, and I thank them for their work.

It is very encouraging to see that people are genuinely interested. I know that all of you are very busy and have many things to do, yet you have taken the time to listen to us and our plans.

What is even more valuable is that you are not only listening to our plans; you are also giving us ideas for growth. This is something I always appreciate. Two-way communication is the best way to communicate.

I sincerely thank all of you who have been here today and taken an interest in how our journey is progressing. Thank you very much.

Operator: I would like to thank the management and the participants on behalf of Arihant Capital for taking the time to share insights about the company. If participants have any further questions, they can contact our team at Arihant Capital. Thank you very much. You may leave the meeting. Thank you.

Sushil: Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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