INDO BORAX & CHEMICALS LTD.

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Date: September 8, 2026

To,
BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400001
Scrip Code: 524342

To,
National Stock Exchange of India Limited
Listing and Compliance Department
Exchange Plaza, C-1, Block G
Bandra-Kurla Complex, Bandra (East),
Mumbai - 400051
Symbol: INDOBORAX

Dear Sir / Ma'am,

Subject: **Transcript of the Investor/Analyst Earnings Call held on Wednesday, September 2, 2026.**

This is in continuation to our letter dated September 02, 2026 wherein we had informed regarding the audio link of the Earnings Call held on Wednesday, September 02, 2026 to discuss the Unaudited (Standalone and Consolidated) Financial Results of the Company for the quarter and three months ended June 30, 2026.

In this regard and pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the said Earnings Call.

The transcript is also available on the Company's website i.e. https://www.indoborax.com/Press-Media-Release.php

Kindly take the above said information on record.

Thanking You.

Yours faithfully,
For Indo Borax & Chemicals Limited

PRAVIN PRABHAKAR CHAVAN

Digitally signed by PRAVIN PRABHAKAR CHAVAN
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Date: 2026-09-08 15:04+05:30

Pravin Chavan
Company Secretary and Compliance Officer
Membership No.: A16857

Indo Borax & Chemicals Limited
Q1 FY '27 Earnings Conference Call
September 02, 2026

Moderator: Good evening and welcome to the Q1 FY2027 Earnings Conference Call for Indo Borax & Chemicals Limited.

We have with us today Mr. Suresh Kalra – Managing Director & CEO of the company. We also have Mr. Shashikant Bharuka – CFO, and Mr. Harsh Malhotra – Executive Director.

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 management discussion concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" and then "0" on your touchtone phone.

I would now like to hand the conference over to Mr. Suresh Kalra, Managing Director and CEO of Indo Borax & Chemicals Limited for his opening remarks and to share with the audience the company's performance in Q1 FY '27. Thank you, and over to you, sir.

Suresh Kalra: Thank you, Sagar, and pleasure to be here again. Good evening, ladies and gentlemen. Very warm welcome to you for the Earnings Call for Q1 FY2027 of Indo Borax.

As you know, Indo Borax & Chemicals Limited was incorporated in 1980, and it has emerged as a leading player in the Indian Boric Acid market, commanding almost 50% market share in the markets we operate in.

We are the sole manufacturer of the IP-grade Boric Acid in the country with valid FDA and BIS licenses.

Our manufacturing facility is in Pithampur, Madhya Pradesh and has the capacity of about 26,000 tons per year, which is comprising of about 20,000 tons per annum of Boric acid and about 6,000 tons per annum of Disodium Octaborate Tetrahydrate, which we very fondly call as DOT, and we are headquartered in Mumbai as you also know.

The core product portfolio comprises of Boric Acid Technical, which is mostly used in steel industry, glass, ceramics, flame retardants, chemicals and metallurgical industry. We also have Boric acid I.P. grade, as I said, which is mainly used in the pharma industry and personal care products and of course DOT, which is used in agriculture as a micronutrient.

We also are planning Boron Oxide as a product, which we traded sometime in the past, which is used in fiberglass and the steel industry, and we also have traded in products like Borax Pentahydrate and Gypsum, which is one of our byproducts of the company. So, this is the product portfolio of the organization today.

A brief on how the market looks like. Today in India, the Boric Acid market is estimated about 40,000 tons per annum and as per the available reports and as per out understanding is projected to grow at 8% CAGR. That means it will be close to about 53,000 tons plus in 2030. The steel and refractory segment accounts for almost 55% to 60% of the demand for Boric acid where most of our business today is.

Now coming to, as you might already be aware, but in Financial Year 2026, it was January 23 when the company experienced a significant ownership change. It was a transition where Zenrock Chemicals has emerged as a new promoter of the company.

In the fourth quarter of 2026, a new leadership team comprising of very experienced industry professionals, including our chief commercial officer, our chief financial officer, myself, we took charge of the company's operations. Since then, we have further strengthen our leadership team with our new Director of Manufacturing and a new Head of Supply Chain has joined us. That is something where we are saying the organization is going to be future ready.

In July, the Board of Directors approved the scheme of amalgamation of the wholly-owned subsidiary of the company, Indo Borax Infrastructure Private Limited with the parent company. Additionally, in August, the Board approved the acquisition of 64.26% equity share of Vadodara- Headquartered, listed specialty chemical player, Kronox Lab Sciences, and I am very delighted to share this here again.

Our continued focus on fiscal discipline, operational excellence, and the value creation enabled us to maintain healthy profitability and a strong balance sheet. The company closed Q1 FY '27 with a 31% growth in operating revenues and a 59% growth in the net profits.

Our EBITDA and PAT margins were 28.1% and 22.3% respectively. And this growth was achieved through induction of, as I already said, the new leadership team, the capacity optimization, the better operational efficiencies, and improved realizations in our products in the market.

We continue to envision greater possibilities with upcoming investments and capacities, new product lines, wider markets, and operational efficiencies. And more importantly, we remain confident of delivering sustainable growth and long-term value to our stakeholders in FY '27 and beyond. And I will emphasize more on long-term sustainable growth for the company. That is where we are making our organization future-ready.

Today, we are here with our CFO, Mr. Shashikant, and we also have Harsh Malhotra, our Executive Director, who is taking care of some strategic initiatives of the company. And we all three will take questions in the time to come. But at this moment, I would invite Shashikant here for sharing the results with all of you. Thank you. Shashikant, over to you.

Shashikant Bharuka: Thank you, Suresh Ji . Ladies and gentlemen, before I give an overview of the results, I would like to confirm that a detailed investor update has been uploaded to the exchange and on our website. We would be happy to address any questions or suggestions therein.

Now, regarding Q1 FY 27, I would like to provide an overview of our performance. During Q1 FY 27, our operating revenue was Rs. 70.36 crore, representing a 31.34% increase against Rs. 53.57 crore in Q1 FY 26.

Our EBITDA for the quarter was up by 62.16% to Rs. 19.8 crore as compared to Rs. 12.21 crore in Q1 FY 26. This accounted for an EBITDA margin of 28.1% for the quarter.

Our net profit increased by 59.31% to Rs. 16.25 crore in Q1 FY '27, from Rs. 10.2 crore in Q1 FY '26. The PAT margin improved by 430 basis points to 22.3% for the quarter under review. The EPS stood at Rs. 5.07 in Q1 FY '27.

The performance for the quarter was supported by robust execution, improved capacity utilization and higher realization amid steady orders across domestic markets.

With this point, I would now request the moderator to open the floor for questions and answers. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Your first question comes from the line of Dhruv Bajaj with GrowthSphere Ventures. Please go ahead.

Dhruv Bajaj: Congratulations, Sureshji and entire Indo Borax team on an amazing quarter. And congratulations again regarding this particular acquisition which seems very exciting. Firstly, I had a few questions on the acquisition of Kronox. Like, based on our reading of Kronox, they had a major Capex coming up in this particular year-end or maybe the next year. Post-IPO in 2024, they were struggling on the growth part. So, it seemed like good times are ahead for them. But then suddenly out of nowhere, the promoter decided to exit the business.

I wanted to understand, basically, how this deal came about to us and why did the previous promoter exited the business? And secondly, what is the update regarding the new Dahej Capex which was supposed to be a big trigger for them going forward that was getting delayed a lot due to delays in environmental clearances. If you can give some sort of understanding on that side.

Suresh Kalra: Dhruvji, I think I would continue to focus on what is the fact-based answer from my side. Why the previous promoters have exited the business, I would not be knowing it and would not be commenting on it.

What I can understand is that we at Indo Borax are Boron chemistry-based company. We have a very strong platform of specialty chemicals, which is entirely Boron based. So, we have Boric acid, Boric acid I.P., and we have DOT, and we have Boron oxide, which we are coming into, and Zinc borate and a couple of these products.

We were looking forward to diversify our business into similar kind of specialty chemicals where there are niche high-end of the market applications , which can be fulfilled by some professional players. And that is where we were very much interested to get into that business. We were going through some of the potential possibility of acquisition.

Thanks to our internal accruals, we had sufficient cash also along with some other arrangement of funds. So, we find that the complementary businesses of Indo Borax and Kronox were pretty good. We are very strong in operational efficiency. We have a very strong supply chain team with us. We have very strong purchasing team with us, while Kronox provides 185 different products, which serve not only India market, but also global markets.

So, we saw a very clear synergy that what we have to offer and what they have to offer us, we can make a lot of value synergies out of it. And that is the reason for us to enter into this business. Again, it was a listed company. They have sufficient plans, and they have possibility to expand both in terms of their capacities and in terms of entering into newer markets.

So, that was very easy decision for us to see that this is the right acquisition to make from our side. I would rather wait for their call to comment on Kronox side if we have a need to. I guess they have developed the business very well. It is a very strong team also in which they have developed the business well. But possibly, I believe they fulfilled what they wanted to and they wanted some more professionals to come and take the business to the next level.. And that is the reason this deal has happened.

I hope I answered all the questions. If I missed something, you can ask again.

Dhruv Bajaj: Sir, I again wanted to ask you more on the Capex side because that was a normal Capex for their particular field of operations. It would almost triple their revenues. So, they were earlier struggling on the EC side. So, any update on that side? When can we expect that Capex to come live?

Because on the existing asset, they are operating at near full utilization. So, can you help us understand more on the entire Capex part, like who will be the end customer, possible margin mix, and whatever you can share regarding that?

Suresh Kalra: Sure. Definitely. That was one of the important reasons for us to get into this acquisition also. So, they have a very, I would say, they have land at a very suitable location in Dahej for the expansion already is there. That is where their expansion plans were. I think the plans are already at a level where the entire design of the plant is ready. The entire audits have happened , study / assessment have been completed . The customers have been reached out because they have very strong customer base already.

The business which today Kronox is into is basically excipients and the business which serve the reagents , the laboratory chemicals, API and to some level micronutrients of the market, nutraceuticals market , right? So, they have quite a presence in all of them. And all those markets are growing pretty fast. Indian Market is growing at about 11% CAGR.

But for us, the growth is not only India, the growth is the global markets. And so, we believe the expansion plan was already strategized with the Kronox earlier management. And we are also fully aligned with this fact that we need to execute it. And that is where that would be our first priority once the deal is completely consummated. So, no change in the alignment with the previous promoters there.

Dhruv Bajaj: So, I was just trying to understand more on the timeline part. But other than that, like what will be the timeline by which Capex comes live? I just wanted to understand the group level strategy. Like are we planning to merge Kronox into Indo Borax to remove the holding company discount that we as shareholders of Indo Borax will have? Or we will continue to operate Kronox as an independent body that will provide us some sort of flexibility to raise funds in future. Considering the scale of that business, suppose the expansion comes in will be as big if not bigger than the existing Indo Borax business. So, what is the strategy at the group level on that sense? If you can help us both.

Suresh Kalra: I will try to answer it at two different levels. One is for the Capex, there is no issue in terms of availability of the capital because we already have cash on the balance sheets of Kronox, which already is there about Approximately Rs. 80 crores now. So, great.

And then it is a profit-making company. It is going to be in phases. So, once we are starting the Capex execution, it will take at least 18-24 months for the completion of the entire execution of the Capex, and it will come in phases. So, I don't see any issue in terms of the capital availability to us for doing this execution of the Capex plan.

At the same time, your other question is, we are at this moment, I am not saying either way yes or no, we have to consummate the whole deal. We have not made up any decision yet whether we need to keep it separate or not. I believe till the time it is said otherwise or there is any such plan come, these two entities will continue to operate as separate legal entities, both listed at the exchanges.

So, there is no plan yet. Of course, the world is changing and there is any reason if you see is beneficial to the entire stakeholders. And if it comes, of course, we will be the first ones to share with the rest of the world. But at this moment, there is no such plan for us.

Dhruv Bajaj: Because I was just trying to understand more from a group strategy point of view, because while we actively work on acquiring, is there a plan to work actively to acquire new companies like our promoter's website highlight that our plan is to acquire these companies, then turn around the business and then maybe exit in the next five to seven years?

Then if that is the same plan, then will that be executed from Indo Borax, which will become a group holding company that will be used to acquire other companies like Kronox, or is it onetime thing. If you can just help us understand more on the group strategy point of view, that will be super helpful.

Because I asked you the very same question when we did the very first concall. But I think the strategy based on what you communicated in that particular concall versus what you guys executed is poles apart. So, I am just trying to gauge on that side.

Suresh Kalra: Yes, not poles apart. I think I have always mentioned that we have enough internal accruals and we will be looking forward to get into newer markets. Now getting into newer markets , can happen through two different routes. You can spend money on R&D and the resources, which also is our plan.

And another route is through bolt-on acquisitions. So, at this moment, we thought it is better to go for a bolt-on acquisition rather than investing for four or five years down the line in R&D, which also is our plan, by the way. So, they both will continue both organic and inorganic growth strategy.

So, for Indo Borax, I would confirm, as of now, we are going to be focusing very strongly on ensuring that we do the integration of leadership team, get the best out of the synergies between the two companies, continue to focus to increase our presence in the global markets, both for Indo Borax and from Kronox because Kronox is pretty strong in the global markets and we want to take the benefit of that also for Indo Borax.

That is going to be operational efficiencies, supply chain efficiencies, commercial excellence, and trying to enter into newer geographies and markets would be our focus area. I do not see as of now when we are talking that we want to make more acquisitions at this moment. We want to make this one very successful before we go any further.

However, as the promoter company, Zenrock, of course, would be looking at various other options for themselves because their plan is to get into as many additional companies they can do and we have Harsh here. I will pass on to him right now. He might have some more comments to make from the Zenrock side. Harsh, over to you.

Harsh Malhotra: Dhruv, thank you for your question there. From a perspective of further acquisitions, right now, as Suresh said, our focus is really to complete this transaction, have a successful integration. If in the future opportunities arise at the Zenrock level for any further acquisitions, that will be something that we will evaluate on a case-by-case basis.

There is nothing kind of set in stone, but the focus right now is for us to complete this transaction and get our operational know-how into Kronox, learn from them, and also provide best practices where we can. And then after that, if something comes up, that will be something that we will pursue on a case-by-case basis. Our goal right now is to increase shareholder value for all stakeholders/ shareholders, not specifically just from an acquisition perspective.

Dhruv Bajaj: Fair enough, Harsh. That is really helpful.

Harsh Malhotra: I appreciate that.

Moderator: The next question comes from the line of Darshil Jhaveri with Crown Capital. Please go ahead.

Darshil Jhaveri: Firstly, congratulations on a really great set of Q1 results, sir. I just wanted to know, how do we look at our revenue and margins for current year? Because I think margins have been at around 28%, which are really higher than what we were doing in the last year, right?

So, could you just help us understand the sustainability of the margins and the growth also has been quite good, right? So, what can we expect for FY 27-28 in terms of revenue and margins?

Suresh Kalra: Listen, I think I touched this topic in our last investors call also, and I will continue to maintain it. We, as a company, are going to be looking actually at a long-term value creation for the entire stakeholders and not just be focusing on quarter-to-quarter, okay? In general, that is the philosophy of the company.

We had a lovely quarter in Q1 for sure, both in terms of revenue and EBITDA at 28%. But that is also thanks to the right decisions which we made immediately after acquiring the company and that was pre-war when we made those decisions, so we got the benefit of that.

Now, during the war period, which is still continuing, a lot of raw materials have gone extremely expensive, and there is a limit of passing on them to the market. A lot of that has been passed on, but not all of that can be passed on, coupled with the fact that Q2 usually is a low-volume monsoon quarter for the industry in general. So, I am not expecting that we would be at the same level of EBITDA percentage and revenue as we were in Q1 historically and it is expected , as it has historically been .

While the full year guidance, which I said last time and I will continue beyond that, that we will be closing at about Rs. 250 crores to Rs. 260 crores of revenue with a 20% EBITDA margin. So, it will be about Rs. 250 crores to Rs. 260 crores versus Rs. 215 crores last year with an EBITDA margin of about 20%. That is what our plan is and EBITDA would again be growing at about 11% to 12% on an absolute number.

So, that is the overall plan for this year, but every year we will be looking at a growth. So, again, the next financial year would be definitely not only growing over these volumes, but because we also plan to add some capacities in Boron oxide and some capacities in Boric acid, so that will further take our margins up for the next financial year. So, our plan is to look for the growth avenues every year, year-over-year, for the next foreseeable future we can see.

Darshil Jhaveri: That is really great to know, sir. And sir, just like I wanted to ask about a forward integration into DOT. So, is that commenced right now? Are we getting revenues from it and like if you could help share what is the margin profile of it and how will that play out, sir?

Suresh Kalra: So, DOT is the product where I think we introduced one or two years ago, and we started with about, when we took over, I think the previous year was 750 tons and then we closed the year when we took over the last financial year at about 900 tons.

This year, my official target plan is 1,500 tons for this product and even going forward maybe even more because my current capacity levels, my nameplate capacity is 6,000 tons while with all the debottlenecking which I need to do, if I don't do that, then I still have easily 4,000 tons of capacity of this product, okay? And I am planning only 1,500 tons, so I have a lot of room to grow in this business.

This business, as we are new and we are a smaller player versus Boric acid? Like Boric acid, we are the market leaders. Here we are a small player. So, we have only room to grow. This market sees about 8,500 tons of imports and some local productions for about 10,000 tons of the market. We are currently only targeting 1,500 tons.

So, we are confident that we are looking at both new customers as B2B and also trying to establish new distribution channel for DOT. And that is why we are confident that this year we definitely will be closing at about 1,500 tons of this product.

Darshil Jhaveri: Fair enough, sir. And in terms of margins, I am assuming because it is a forward integrated, so the margins will be better than a base product. So, if you could help us by what range of percentage or something we could do.

Suresh Kalra: So, for us, because it is a forward integration, we definitely make higher margins because whatever margins we make in Boric acid, so there is a percentage of Boric acid which goes into

DOT about 0.60- 0.65 tonne / proportion . So, we definitely make that margin, and then we make an additional margin over and above for this product.

So, overall, selling DOT is beneficial to us because it is a forward integration for us. So, if we have to buy the product from outside, then maybe it is at par or slightly lower because it is a new market for us. We are not the market leaders in this, but because we are backward integrated, it is quite a beneficial product for us to sell.

Darshil Jhaveri: That is really great to know, sir. I just wanted to know, like we mentioned a bit, we want to add capacities. So, any kind of Capex guidance in terms of like how much money do we want to invest in Capex?

Suresh Kalra: Yes, I will just mention what we talked last time. We are looking forward to about a Rs. 50 crores of Capex over the next two to three years. That would be mostly into Boron oxide, which is our first intent to move forward to.

And right now, when I am saying, our Chief Commercial Officer is already working on this project with all the consulting companies. So, we already have milestones agreed on for this product. While we are going to make Boron oxide, we also would be needing additional Boric acid because otherwise I would have less of boric acid to sell.

So, we are trying to identify how a large Boric acid plant we need for this, and then which can also take care of our next level of expansion, which is a smaller product. When I say smaller, it means in terms of tonnage for Zinc Borate. And so, our initial projection is that we would be entering into Boron oxide, which would be about Rs. 20 crores plus, and then into Boric acid, which would be about Rs. 20 crores to Rs. 25 crores plus. So, overall, 50 and then Zinc Borate. So, about Rs. 50 crores of Capex is the plan for the next two to three years' time.

Darshil Jhaveri: And the Kronox, will we have any Capex for that? Because I think that how will that get funded for currently?

Suresh Kalra: So, the current plan of Kronox is about Rs. 110 crores of Capex plan, which we already have. And we have, as our CFO is confirming, Rs. 80 crores of cash we already have on Kronox balance sheet. And this product is going to come in phases.

So, there will be a first phase where we will be needing about Rs. 55 crores or Rs. 60 crores. So, we absolutely have full internal accruals for that. And then for the next level, out of 110, rest of the 50, we still have already Rs. 20 crores, Rs. 30 crores on the balance sheet. And then we are earning Rs. 2 crores to Rs. 3 crores every month.

So, I don't see that we will have any issues with the cash balances while funding this Capex. If still there is a need, of course, I mean, there is absolutely no problem for us as we use working capital Financing and deploy the available cash also. So, we have absolutely no issues in terms of funding that Capex.

Darshil Jhaveri: That is really great. So, thank you so much for answering all my questions.

Moderator: The next question comes from the line of Dhruvin Kadakia with Monarch Networth Capital Limited. Please go ahead.

Dhruvin Kadakia: So, I am actually a little bit new to researching this company. I am saying that while I was going through the Boric acid prices, I believe that recently in the last one year or so, the prices have seen a massive increase because of any issues in Turkey or something like that. I just wanted to understand as to what is our view regarding Boric acid prices going further and as of now, what is our utilization, capacity utilization in that particular segment?

Suresh Kalra: As I understand, your question is on pricing and the capacity utilization, right? So, there are two ways how we price our products. One is, of course, the raw materials. So, our major raw material is the Boron ore, sulphuric acid, and a couple of other salts. Now, we definitely have to recover the costs of increased raw materials, which is happening due to the war.

At the same time, there is another way in which you do pricing is market plus or market minus. We are always on the market plus side, considered as a premium product, thanks to our specifications, which every customer stands for. So, we went for the price increases in between when the war started and market accepted it fully.

So, we moved from almost Rs. 127 initially this year to about Rs. 155 to Rs. 160. And then we have to adjust a little bit because once the war is on and off and sometimes the raw material is getting eased down and sometimes it is getting difficult.

And second, Quarter 2 is always, as I said earlier, is a weak quarter in terms of the demand of the product because of the monsoon. And that is why the spot pricing was also suppressed to some extent. But having said that, I would say pricing definitely is a function of both the market acceptance and the raw material cost. And we add both of them when we are doing the pricing.

And second is capacity utilization for us has been fantastic this year. I think our nameplate capacity is about 20,000 tons. However, the company historically was not able to produce more than 15,000 to 15,500 tons. I think it was 15,917 tons in the last financial year.

This year, we look forward to increase it further, to about 18,000 tons. So, we would be operating at close to full practical capacity this year versus nameplate capacity with a couple of small percentages lesser than that.

So, whatever is that practically achievable capacity, it means after the maintenance days are taken away from 365 days, we are going to be working on 96% to 98% of the capacity level.

Dhruvin Kadakia: And with regards to the planned shutdown, because I believe last year, because of some shutdown, we had some problems with some things. So, this year, have you taken care of that particular thing in terms of the number of days that we will be off?

Suresh Kalra: Yes, so this is something we have discussed this openly with all our investors and shareholders, and I would say the team sitting here, we are very happy. We have been very vigilant of the fact; this new team has been very vigilant in developing a maintenance plan at the very beginning itself. So, God forbid, anything can happen to anyone, but at the same time, I don't see any unplanned maintenance shutdowns coming in the company.

We have planned the days when the shutdown has to happen, especially with some equipment and boilers, and that is how so far it has been working. And that is why our capacity utilization has been significantly better. I think, historically, we have some issues in the company in a couple of years where the shutdowns happened without a plan, either because of the equipment breakdown or because of the unavailability of the raw material.

I believe with the current plan, we have no possibility of not having the raw material with us because we have contracted them very well and the maintenance plan is pretty much in place. So, I am pretty confident that our maintenance planned shutdowns would be going as per our plan and not unplanned.

Dhruvin Kadakia: And last, I just wanted to confirm on your capex number that you had mentioned. You mentioned Rs. 20 crores we will be doing for Boron Oxide and around Rs. 20 crores-Rs. 22 crores for Zinc Borate. Is that right? Total capex cumulative?

Just wanted to understand your capex number that you had mentioned and the breakup for it.

Suresh Kalra: So, the break-up is Boron oxide, which is Rs. 20 crores, and Boric acid, which would be about Rs. 20 crores to Rs. 25 crores, depending on what capacity we want to put it on, because we can move from 5,000, 20,000 tons of plant, depending on how much the consumption I would be needing and how much additional Boric acid I would sell. So, it is Rs. 20 crores of Boron oxide and Rs 20 to Rs. 25 crores Boric Acid , that is about Rs. 45 crores, and with some inflation, etc., I am just rounding up my numbers to Rs. 50 crores.

Dhruvin Kadakia: Sorry, what was the last sentence, sir?

Suresh Kalra: I said Rs. 50 crores are something which I have taken in our business plan, while it will be Rs. 20 crores Boron oxide and Rs 20 to Rs. 25 crores Boric Acid , so Rs. 45 crores of plan for the next couple of years, but maybe because of some capacity, pluses and minuses, we need to add on in between, I am just taking Rs. 50 crores of business plan.

Dhruvin Kadakia: Spread across Boric acid and Boron oxide.

Suresh Kalra: That is correct. That is correct.

Moderator: Your next question comes from the line of Suraj Nawandhar with Sampada Investments. Please go ahead.

Suraj Nawandhar: Sir, I joined the call a little bit late. Sir, are there any direct synergies between the products that we do and the Kronox does?

Suresh Kalra: So, how would we arrive at synergies is, I will try to explain our decision-making process here. So, while both are specialty chemical companies, and there are some very apparent synergies, for example, Kronox has purchased buying Boric acid from us in the past, etc.. These are very easily visible synergies.

Our decision-making was rather based on some additional very strong points, which comprises of the fact that Kronox has a very good global presence in regions, excipients, pharmaceutical and nutraceutical markets. And they have a very good network of distributors also.

We are very strong in the Indo Borax in India as a very strong operational efficient company with a very strong purchasing and supply chain function. And we thought it is very good to combine the two teams together where we take the best benefit of the global presence of a company with 185 products, which Kronox has, along with the operational supply chain and purchasing efficiencies and strong leadership, which can be provided through Indo Borax.

So, that is the reason we both have different specialty chemicals, but the nuances of specialty chemicals are still the same. A lot of times your common customer base like Procter & Gamble and Emami of the World, they might be common customers. So, there are some open synergies, which is visible to us, but the decision-making point for us was more for very strong synergies where we can expand both the businesses with the help of each other.

Suraj Nawandhar: So, that is very helpful. But I was coming from a point of view that are we getting into any of our product adjacencies, which Kronox does or is it a completely different chemistry, completely different domain that we are getting into?

I understand we are also retaining the Kronox management team, which would help us through this transition. But are we getting into any adjacencies or this is a completely different chemistry and product altogether?

Suresh Kalra: Right. So, chemistries are not different. I would say the treatment is different. While at Indo Borax, we buy Boron ore and we produce a product out of it. In Kronox, we produce very high purified products, which goes for their cationic and anionic requirements based on the industry they are serving.

Now, adjacencies are not there in terms of chemistry, but adjacencies are there in terms of market reach and customers. So, we are very keen on making benefit of the adjacencies in the market side instead of on the chemistry side.

Suraj Nawandhar: So, we are just trying to garner more wallet share from the existing customers that we have.

Suresh Kalra: Absolutely. And we also look forward to do a lot of cross-selling through our distribution channels of both the companies globally.

Suraj Nawandhar: And, sir, my second question was, what would be the maximum potential revenue for the Kronox once the Dahej will be complete?

Suresh Kalra: I would say it would be at least 3 to 3.5x, depending on product mix also. Currently, the Kronox business is a lot more into the excipients, and the pharma, and the laboratory chemical side and a little less on the nutraceutical side comparatively.

While in the new business plan, we will be doing quite a lot of nutraceutical business also. So, that is even a better product mix. I am looking forward at a full strength after the capex. The business should be 3 to 3.5x of what it is today.

Suraj Nawandhar: And the timeline for the capex, when it will be complete and when it can come online?

Suresh Kalra: It would be Financial Year '29, we will start seeing the benefits. And I think Financial Year '30 and '31 would be the 100% impact on the full capex.

Suraj Nawandhar: So, till that time, we are not expecting a very big growth from Kronox side until that capex comes online.

Suresh Kalra: That is a great question.

Suraj Nawandhar: Are the existing capacities fully utilized or there is a room for improvement in existing plants?

Suresh Kalra: That is why I said it is a great question. As of now, we understand the capacities are fully utilized. But I also know that was exactly the same thing we thought when we were acquiring Indo Borax and while we got at least 15% to 20% of additional capacity from the same plants, doing the things in a proper process-oriented way. So, I know there will be some money on the table also there.

So, we will be looking forward from growth by adjusting our processes, by doing the product mix, by using the batch cycle times in our favor, etc. So, I don't say that we will be just waiting for the Capex to be fully functional before we see any growth. So, we would be looking at growth, but yes, that would not be a dramatic growth which will come through our Capex implementation.

Suraj Nawandhar: And sir, on the Indo Borax side, we are now focusing more on DOT. So, how much extra margin we will have in DOT compared to our traditional business?

Suresh Kalra: So, DOT is a forward integration for Boric acid. So, we would be expecting the same. Not a full molecule of Boric acid goes into it. So, it is about 0.6 tonne to 0.65 tonne . So, we get half of the margin from Boric acid and the rest of the half coming from there. We are not expecting the margin profile would be significantly different overall versus what it is for the Boric acid.

Suraj Nawandhar: And what would be the current revenue contribution from the DOT?

Suresh Kalra: I will take help of the CFO here, about 9% of the total profile would be coming from DOT this year.

Suraj Nawandhar: By the end of this year, you are saying?

Suresh Kalra: That is correct. We were 7% last year and this year it will be 9%.

Moderator: The next question comes from the line of Mehul Savla with RW Equity. Please go ahead.

Mehul Savla: First of all, congratulations. I think great results and a great acquisition move. My first question is about funding of the acquisition. It is about Rs. 250 crores. And secondly, right now, obviously, it doesn't look like anything will come in the open offer. But if for some reason, the stock price of Kronox falls and you get tenders, that is another probably around Rs. 150 odd crores. So, how does the company plan to fund the acquisition and the contingency of the open offer?

Suresh Kalra: So, here me and Harsh together can answer this question. Why not Harsh take this question?

Harsh Malhotra: Yes, I can take this one. So, thanks for the question there. And in terms of funding, so about just under Rs. 250 crores have to be paid to the promoters that we have confirmed for the 64.26% share. That is a total consideration of about Rs. 250 crores, out of which approximately Rs 134 - 135 Crores will come from internal accruals through the company itself, which is coming through sale of investments and FDs and other cash available with the company.

In addition to that, we are currently in the process of selling two non-core assets that we have in terms of commercial office spaces that we have in the city of Mumbai for a total consideration of about Rs 48 Crore maybe around just under Rs. 50 crores. Rs. 48 crores or so is what we expect it to be the total consideration for both of those.

That is currently still under process, and that is going to add up to those, and we are very confident that we will be able to sell those at the market value because they are in desirable and prime locations here in Mumbai. So, that sums up to a solid about Rs. 180 crores to Rs. 190 crores, just under that much cash through Internal accruals.

And then the rest of it, we are funding through two ways. And this will include the open offer consideration that we have to do, which is Rs. 151 crores. We are funding it through, & we are working with lenders right now for a term loan, which will come through in the next couple of weeks. That term loan will be, which will fund the open offer amount and the gap between how much we have to, between the gap right now of what we have to pay the promoters as well. That term loan will cover / fund the full amount of that gap that exists plus any open offer amount.

In addition to that, the promoter group has committed to provide Rs. 25 crores as additional amounts that may be needed if the open offer consideration does come into the picture where we see 100% acceptance of the open offer or anything that is significant acceptance of the open offer, which seems difficult at this stage right now with where the current Kronox stock prices, but we have contingency set aside for it.

So, overall, we have funding available of Rs. 432 crores as compared to a funding required of just about Rs. 400 crores. So, we are well set up for success for this acquisition that is going to happen in the next few days.

Mehul Savla: So, the second question is that as per the SPA, Kronox, the company will be paying about Rs. 2.1 crores to the selling promoters each year over the next three years for the consultancy services. And these, I think directors had an outgo of about Rs. 4 crores in the last financial year in Kronox.

So, are there any plans to add another kind of some kind of a leadership team in Kronox or you will be utilizing leadership talent from Indo Borax for running that business?

Suresh Kalra: Yes, so it is definitely a combination. So, one thing is that the three promoters will continue with us with a considerable period of time as a contract we have with them, which you already have seen. Also, they will continue to hold about 9.95% equity in the company, which definitely is beneficial for them as the company grows and beneficial for us because they have a skin in the game. That is one part.

But at the same time, I think for the long run, we will be developing the leadership team to run Kronox. At this moment, we have decided that the current leadership team, which as I said earlier, is a future-ready organization with our CFO and chief commercial and executive director and new head of manufacturing and new head of supply chain and myself, we will continue to provide the leadership to both the companies while we continue to work closely with the current promoters who are continuing with us for a couple of years from now.

So, we have enough time. There is no dropping the ball at any given point of time. So, we will develop a new team to take lead there in the times to come, while currently we will have both the previous promoters and the leadership team of Indo Borax work together to create the new leadership team of Kronox in the next one to two years' time.

Mehul Savla: Great, sir. So, I think the first bottom line synergy actually kicks in immediately after the deal almost in terms of the cost rationalization, if I may say so.

Suresh Kalra: I would guess so, yes.

Mehul Savla: Yes, that addresses my questions and thank you very much. And I think a great transaction, great structuring and I wish you all the best, sir.

Moderator: Your next follow-up question comes from the line of Dhruvin Kadakia with Monarch Net worth Capital Limited. Please go ahead.

Dhruvin Kadakia: So, just from an industry and a moat perspective, I wanted to understand given that as of now around 80% of our revenues comes from Boric acid side currently. So, let's say the realization in the coming time were to correct a little bit. I just wanted to, plus our new products that we are venturing into, like we are expanding into, be it the DOT or whether be it the Boron oxide and everything which is getting effective after some time, plus Kronox is also coming after some time. So, meanwhile, if there is any fall in realization for boric acid, what are we having as moat to protect our margins against that?

Suresh Kalra: Sorry, the voice was a little feeble, so I understood the question is what is the moat for Boric acid and how we are going to continue to do our growth plan. Is that correct?

Dhruvin Kadakia: Yes, sir.

Suresh Kalra: So, all right. I might have answered it, but I will say it again. So, boric acid, as we say, we hold approximately 50% of the markets share in the segments where we operate in, okay? And when I say where we operate in is mostly into the steel and ceramic industry, mostly steel industry, where they make ramming mass products, where our product is used. While our new commercial team is working very closely with the end customers like Procter and Gamble and Indian Additives Limited, etc. where we are trying to increase our base in the I.P. grade of boric acid, which is a higher price, higher margin product.

So, while we continue to strengthen our position in our standard base of steel industry, we are continuing to work very closely with the end user of the personal care and pharma industry to increase our base in the I.P. grade of Boric acid. And that is where we believe our growth and margins should not only maintain, but it should go towards better than what it is now. I hope that is what your question was, sir.

Dhruvin Kadakia: Yes, sir. Thank you so much for that. Is it possible for you to give a split between how much we get from technical versus I.P., like in percentage terms only?

Suresh Kalra: Yes, right now, the percentage of I.P. is less than what, 7-8%? I think we are 100 tonne versus 1500 Tonne So, right now it is a small single digit, I would say between 7-8% of our Boric acid is IP grade. While the margin profile of this product is better, but historically, I can explain it, technical grade product is being used in steel industry, which is a proven thing from last four decades.

While the Boric acid IP is to be used in the personal care and pharma industry, where you need to have a product need to be on the basis of what the customer wants, and you need to work very, very closely with the customers.

Now, we had to start it somewhere and we did it already. The results are good. I think this is one product, which is on a smaller base, but we are increasing constantly. So, I think in the next couple of years, and not we have to wait till then, I think every month it is getting better. Our pharma grade should be doing a faster growth over a smaller base.

Moderator: Your next question comes from the line of Arvind Arora with A Square Capital. Please go ahead.

Arvind Arora: So, sir, my question is regarding the cross-selling opportunity due to this acquisition. So, if you can explain a little bit on that part.

Suresh Kalra: Thank you, Arvindji. This is still because the acquisition and the integration of two companies have to happen. So, I will definitely be sharing more details possibly in the coming calls, but I will tell you where our idea stage is at this moment.

So currently, our Boric acid business is mostly into India. I will not say mostly, I would rather say we are 100% into India. And the last time when we talked, I think in the investors call, I said we are currently exploring our base in Southeast Asia and South America. And while we were doing that, we also got an acquisition opportunity in Kronox, which is now being consummated.

Kronox already has some very strong distributor network in Europe and in North America. So, while we are looking forward to see the possibilities of growing our Boric acid business through that route, we are also looking forward to do the additional selling to the same customer base.

For example, a couple of pharma companies and personal care companies are the customers to both Indo Borax and Kronox, and where our relationship is stronger in some cases in Indo Borax and relationship is stronger in some cases in Kronox. So, those are very clear cross-selling opportunities for us for selling both the products to the same customers.

So, the cross-selling opportunities are on a customer basis and on a geographical basis. So, these are the two opportunities which we believe we have.

Arvind Arora: So, sir, you mentioned that the legal entity will exist, both the legal entity going forward for at least next 18 to 24 months. So, how these transactions will, like the commercialization will be done, like inter-company transaction, how will you structure that?

Suresh Kalra: So, one thing is that, no, I don't think I said anything for 18 to 24 months. We are saying at this moment, we have not made any decision. We are going to review it based on the benefit to all the stakeholders involved. Till the time we don't make any decision, we ensure that both the companies continue to run as they were running, but with more efficiency than what it was in the past. So, anything more than that I think can only happen when we make a decision either way. So right now, it would be a status quo for both the companies, except that the leadership team would be common between the two companies.

Arvind Arora: And what about the inter-company transactions? I think that part you missed out.

Suresh Kalra: We do not have any inter-company transactions, except Boric Acid. So, I think we will do it at an arm's length principle. In general, also, it would be at on arm's length basis , but right now we would have very small business, which we need to be worried about.

Arvind Arora: And sir, last I missed out your guidance for the FY '27. So, if you can repeat it.

Suresh Kalra: So FY '27, as I said, Quarter 1 has been very strong, Quarter 2 would be comparatively soft and Quarter 3 would start picking up again. Overall, for the full-year guidance, we will be at about Rs. 250 crores to Rs. 260 crores versus Rs. 215 crores of revenue last year, with a target EBITDA of 20%, which we are looking forward to.

Moderator: Your next follow-up question comes from the line of Suraj Nawandhar with Sampada Investments. Please go ahead.

Suraj Nawandhar: So, my question was to the promoter group, that do we have any plan or any timeline that we have decided to unpledge the shares of Indo Borax that we have pledged for this acquisition?

Harsh Malhotra: Thanks for that question there. At this point, I don't have any updates with regards to the timeline of unpledging the shares that we have pledged as part of this acquisition. It is standard practice when acquisition finances has been arranged that a share pledge has been given to the person who is the company that's provided the funding for it.

So, at this point, there are no specific updates or timelines for it. It is continuously; it is a work in progress with regards to adjusting the financing arrangement that we have. And that will continue to be a work in progress for the foreseeable future. But there are no specific updates to give at this point around that.

Moderator: Your next question comes from the line of Saloni Arya with Molecule Ventures PMS. Please go ahead.

Saloni Arya: Sir, most of the questions regarding the acquisition have been asked. So, I will first start with the structure of the company. So, regarding the Zenrock holding structure, I would like to first understand the ownership split that is like 38% directly owned by Zenrock and 20% held by Edelweiss. So, is this Edelweiss portion a pure equity ownership or is it part of a financing deal where the equity may be transferred later based on a debt repayment?

Harsh Malhotra: Yes, really good question there. The Edelweiss' ownership in Indo Borax & Chemicals Limited is purely an equity transaction that is not related to any debt transaction or any funding that Zenrock Chemicals has done. It is a purely equity transaction and they are independent in it.

Saloni Arya: And out of the Rs. 390 crore NCDs that the company took, right now the outstanding amount is Rs. 255 crores, correct?

Harsh Malhotra: I think it is a little bit under that, but I think you are in the ballpark of a couple of crore rupees, yes.

Saloni Arya: And what would be the interest rate on the same?

Harsh Malhotra: I can provide that information offline if required. So, feel free to send an email or request to our compliance officer and company secretary. We will be able to provide that information offline if required.

Saloni Arya: Assuming that it is at least like 11% to 12%, that still gives us around Rs. 30 crores outflow from Zenrock's perspective, and the latest credit rating report clearly mentioned that Indo Borax's balance sheet will not be used to repay the interest or the debt obligation. So, my question is, since Zenrock is an SPV itself, how does this interest payment really function?

Harsh Malhotra: So, good question there. So, I think the note, the recent credit, the note that's come up after the acquisition has been announced in the market clearly states that. And I think you are asking with regards to dividends that IBCL will declare towards, you are asking with regards to dividends, right? That would be declared to all the shareholders. So, our approach to declaration of dividends is what is best for the company as well as ensuring that we are providing and doing what is best for all the shareholders of the company.

There are adequate funds available for servicing the the coupon and interest payments with the promoter and the promoter group. So, the Indo Borax itself, the dividends of Indo Borax itself will not be the sole purpose of declaration to service the loan. There are other mechanisms that are available to the promoter and promoter group to be able to do that as well. Hopefully answered your question.

Moderator: Saloni, ma'am, does that answer your questions?

Saloni Arya: Yes, sir. Sorry, I was on mute. My follow-up question is on Mr. Sunil's track record. Since there is limited public information and Mr. Harsh is on the board of the company, I would like to understand his perspective and his father's perspective into entering into the chemical space and the whole rationale behind it. So, basically, taking the loan of Rs. 400 crores to fund an acquisition of a company with a Rs. 45 crores operating profit, there has to be some bigger play over here. So, just trying to understand your thought process, sir.

Harsh Malhotra: Yes, that is a really good question. So, first is, I think Suresh, you spoke about it at the initial, at the onset of this call as well. When the acquisition happened, the promoter and promoter group has brought in significant professional management into the company to help unlock shareholder value that we are already kind of starting to see that is happening here at the Indo Borax level.

So, professional management will come in. In addition to that, looking at acquisitions that are complementary and or supplementary to IBCL, similar to the ones that we have done, was another thing that we thought through, if something came our way, as well as expanding this business and really trying to maximize with the professional management, with the experience that everyone, that the management brings to the table, the focus is really to grow the EBITDA of the company, which will then have downstream impacts on all the shareholders, including the promoter group, and other public shareholders and of course, anybody else who is a shareholder of the company as well.

So, the goal right now is to find ways to grow the EBITDA, to grow profitability of the company, which is what we are focused on. And that was kind of the rationale behind it as well, is to come in, unlock some value, grow the EBITDA, and then if something comes up in terms of acquisitions, one of which did, we were able to kind of complete that as well.

Moderator: Your next question comes from the line of Mehul Savla with RW Equity. Please go ahead.

Mehul Savla: Just last question. Actually, SEBI, I think, has a provision where if you deposit 100% of the escrow in cash, then you have the ability to take immediate control of the target company, appoint directors, etc.

So, assuming if you are able to tie up the term loan, is there any plan to kind of fast track that? Or would you wait for the entire open offer compliances to be done before consummating the SPA and taking control of the company? It is the last question.

Harsh Malhotra: Yes, this is Harsh again. I can take this question again. So, we are not going to wait for the full open offer to complete because that is a significantly long process. We are following the expedited process that is available to basically complete the transaction with the promoter group and take control of the company. So, the open offer process will happen in parallel at the same time.

So, right now, we are in a holding period, the SEBI mandated holding period for all transactions of this nature. So, to answer your question specifically, we will not wait for the open offer for completing this transaction.

Mehul Savla: Great to hear.

Moderator: Your next question comes from the line of Harihar Koirala, an individual investor. Please go ahead.

Harihar Koirala: Kronox is a specialist in high purity fine chemicals that we know. So, do you plan to push the purity curve further into ultra-high purity segments such as 99.99 electronic or solar grade chemicals?

Suresh Kalra: Yes. So, this is something which, I guess, once we acquire the company completely and doing the business on a day-to-day basis, then we wiil develop / evaluate the opportunity pipeline . Right now, at this moment, we are going to go with the information which the promoters and the due diligence reports have already provided to us, which tells us that the business would be very strong in the nutraceutical side, other than where they are already strong in excipients, reagents, and the API side.

But of course, it is a great idea what you are saying. I think once we take over the company, then we are going to expand the opportunity pipeline possibilities of the company.

Harihar Koirala: So, Boron tribromide and Boron trichloride will also be in your radar, right?

Suresh Kalra: I would not say on the radar, but yes, these are a few things where our commercial team is going to explore further. Because right now, I think we need to execute the opportunities which are already existing in nature, and while we continue to expand the pipeline opportunities.

Harihar Koirala: Also, sir, you have always spoken about Atmanirbhar Bharat. So, are we looking at some import substitution products and what would they be?

Suresh Kalra: Yes, I think that is something we all should try all the time. Unfortunately, today in Indo Borax, we still have to import a lot of raw materials, which we are doing. And while we continue to find possibilities of availability of those raw materials in India, while in Kronox, we will have a lot more benefit, which we can do.

They buy a lot of products, which are imported, and which can also be sourced from India. So, that definitely would be our priority to find out that everything else remains equal, that we give a preference and priority to the products which are being available in India instead of importing. So, that is, for sure, is going to be our priority.

Harihar Koirala: Also, I would like to know, sir, you have been speaking of new product launches. I heard your speech of a chemical industry where you were speaking about new product launches targets . So, what is our new product launches target for long term, say, medium to long term, FY 29-30? How much percent will come from new products?

Suresh Kalra: Yes, I know what you are saying. You're talking about the concept of vitality index, which I speak a lot, generally. Right now, I think in Indo Borax, of course, we have less opportunity for having a very high vitality index in terms of revenue coming from the products which we are launching in the last five years, etc.

While in Kronox, I think it will be a great opportunity. They already have 185 products, and there is a lot of possibility of going into newer market segment. So, without giving any exact percentage right now on that, I would rather say that, yes, that is going to be our priority to continue to find possibilities of giving products, which gives revenue to us, which are being developed in the last few years.

So, give us couple of more months to come up with an exact matrix to share with the market.

Moderator: Your next question comes from the line of Manish, an individual investor. Please go ahead.

Manish: Thanks for explaining in detail for the funding and everything. I am a completely new investor into stocks. Just one simple question. Is there a regulatory restriction to give clarity around running these two companies? This is about Kronox separately, because you have not been, while we will take time to, on the efficiencies and synergies between the companies, and you explained it very well, and with the Capex that we have in mind, which will take its own time in FY '30-'31. Is there a regulatory restriction on commenting on running these two companies separately? Because that clarity as an investor is important. I am sorry if it sounds very silly, but yes, that is my question to you.

Suresh Kalra: No, no, absolutely perfect, Manish. I would believe both are listed entities on the stock exchange. The regulations are very clear. There is no regulation which restricts from using the same leadership team in running both the organizations.

While we, of course, need to be ensuring that our time used is written down very well, and if there is any requirement of adjusting the expenses and resources, that should be done on a very clear arm's length basis. However, there is no restriction around the regulation of running it completely separately.

Management: Yes, no restriction.

Manish: So, yes, I think, if at all and whenever you can, if there is a timeline in mind, it would help the investors to, yes, plan their investments accordingly. And once again, all the very best for the funding and for the SPA and the open offer as well. All the very best to the team.

Suresh Kalra: Thank you, Manish.

Moderator: Thank you. Ladies and gentlemen, we will take that as our last question for today. I now hand the conference over to Mr. Suresh Kalra, Managing Director and CEO from Indo Borax & Chemicals Limited for closing comments.

Suresh Kalra: All right, then. Thank you. I think we planned for one hour, but we definitely did 71 minutes now, which is very nice because every time we talk to you guys, it is not just the questions. It gives us time to go back and think about that whether are we doing thing the right way? Is there any better way to do it?

So, it is not a one-way process. So, thank you for all your contribution and asking the great questions here. And I would also like thank the team, Shashikant and Harsh, and definitely Fortuna PR who have arranged the conference.

So, thank you everybody who has joined the call. Have a great day.

Moderator: Thank you. Ladies and gentlemen, on behalf of Indo Borax & Chemicals Limited, that concludes today's session. Thank you for your participation. You may now disconnect the call.