

Date: January 27, 2025

VCL/SE/99/2024-25

To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Scrip Code: 516072
Through: BSE Listing Centre

To
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra (East), Mumbai 400 051
Symbol: VISHNU
Through: NEAPS

Sub: Transcript of the Earnings Call held on January 25, 2025 on Q3 Financial Results

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find transcript of the Earnings Call held on Saturday January 25, 2025 on Q3 financial results.

Kindly take the same on record.

Thanking You.

Yours faithfully,

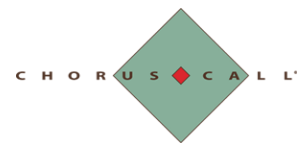
For Vishnu Chemicals Limited

Vibha Shinde
Company Secretary & Compliance Officer

Enclosed as above



**“Vishnu Chemicals Limited
Quarter ended 31st December 2024 Earnings
Conference Call”
January 25, 2025**



**MANAGEMENT: MR. SIDDARTHA CHERUKURI – JOINT MANAGING
DIRECTOR – VISHNU CHEMICALS LIMITED
MR. HANUMANT BHANSALI – VICE PRESIDENT –
FINANCE – VISHNU CHEMICALS LIMITED**

**MODERATOR: MR. MEET VORA –EMKAY GLOBAL FINANCIAL
SERVICES**

Moderator: Ladies and gentlemen, good day and welcome to Vishnu Chemicals Limited Conference Call hosted by Emkay Global Financial Services. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Meet Vora, Emkay Global Financial Services. Thank you, and over to you.

Meet Vora: Thank you. Good morning, everyone. Welcome to the earnings conference call of Vishnu Chemicals Limited for the quarter ended 31st December, 2024. I would like to welcome the management and thank them for giving us this opportunity to host them. We have with us today Mr. Siddartha Cherukuri, Managing Director and Mr. Hanumant Bhansali, Vice President, Finance.

Before we begin this call, I would like to point out that the discussion during this call may contain forward-looking statements reflecting the company's current view of future events and their potential effect on Vishnu Chemicals operating and financial performance. These statements involve uncertainties and risks which could cause actual results to differ. The company is under no obligation to provide subsequent updates to these forward-looking statements.

I shall now hand over the call to the management for their opening remarks. Thank you and over to you, sir.

Hanumant Bhansali: Thank you Mr. Meet and good morning everyone. Greetings of the New Year to all of you. This is Hanumant Bhansali, Vice President - Finance and Strategy at Vishnu Chemicals Limited with you.

The company is delighted to report its latest quarterly results. It is overall pleased to deliver a robust quarter and continue to outperform the underlying market conditions. The third quarter of FY '25 once again highlighted the strength and resilience of our company's business model and disciplined focus on manufacturing.

Now I will share the financial highlights of the quarter gone by. On a consolidated basis, the company recorded operating revenues of INR371 crores in Q3 FY '25, an increase of 22% on a year-on-year basis. The consolidated EBITDA in Q3 FY '25 was INR63crores, an increase of 55% on a year-on-year basis. The consolidated PAT in Q3 FY '25 stood at INR34 crores, an increase of 66% on a year-on-year basis. The EBITDA margin was 17% and PAT margin was 9.3% on a consolidated basis.

For the 9 months ended 31st December 2025, the company recorded operating revenues of INR1,053 crores, an increase of 15% on a year-on-year basis. The consolidated EBITDA was

INR164 crores in the 9 months FY '25 compared to INR138 crores in 9 months FY '24, an increase of 19% on a year-on-year basis. The consolidated PAT was INR87 crores, an increase of 20% on a year-on-year basis. The EBITDA margin for 9 months FY '25 was 15.6% and PAT margin was 8.3%.

Fundamentally, the balance sheet remains strong. Recently, the company achieved a CARE A-rating for its long-term facilities. Our overall cash flow generation provides significant opportunities to support value-accretive growth and our focus on maximizing shareholder value is clear and supported by our balanced capital allocation strategy.

The Board has approved the allotment of 17,88,089 equity shares of face value to each to the promoters of the company at an issue price of INR428.6 per share including the premium, in connection with the conversion of existing CCPS into equity shares. As a result of this, the company's long-term borrowings will decrease by approximately INR76 crores by the end of the current financial year. This is a significant positive development, as the promoters of Vishnu Chemicals Limited have further demonstrated their commitment by converting repayable liabilities into equity.

On the digitization front, the company has successfully migrated to SAP, which will improve real time data access and enhance decision-making across all the locations of the company.

I would now request the Joint Managing Director of Vishnu Chemicals Limited, Mr. Siddartha Cherukuri, to share his views on the progress done by the company during the financial year. Thank you. Over to you, sir.

Siddartha Cherukuri:

Thank you, Hanumant. Good morning, everyone. Wishing you a very happy and prosperous New Year. Year 2025 has started on a very positive note for us. Despite softer business environment, our company has delivered three quarters of sequential revenue growth. It is through our team's effort that we are consistently performing better than our underlying markets. Our customer first strategy has yielded rich dividends as we remain committed to prioritizing their needs through our flexible product mix.

In quarter 3 FY '25, performance in domestic market has significantly outpaced that in export markets with a consolidated domestic to export sale mix of 61:39 compared to 57:43 in quarter 2 FY '25. At Vishnu, we believe agility is the need of the hour and we have adopted a balanced approach, maintaining a presence in over 50 countries. This global reach allows us to remain agile and effectively cater to worldwide demand, be it from India or overseas markets. We are building momentum on these efforts, which we believe will drive progress as we advance to 2025 and beyond that as well.

With this, I conclude my remarks. We can now commence the Q&A session. Thank you.

Moderator:

Thank you very much. We'll now begin the question and answer session. We take our first question from the line of Sagar Jethwani from PhillipCapital (India). Please go ahead.

Sagar Jethwani:

Congrats on a solid quarter. I have a few questions. Firstly, if you can share the visibility that we have for FY '26 in terms of the volume growth for chromium and the barium segment. This

is first. And second is, can you share the volume growth for chromium and barium segment for 9 month FY '25 and Q3 FY '25?

Third is that we are expected to complete the acquisition of chromium mine in South Africa. So when can we start seeing the benefit of it? So this is third. Maybe if I have a few questions, I can get on in the queue?

Hanumant Bhansali:

Good morning, Mr. Sagar. I'll take your first question on outlook for FY '26 on volume growth in chromium and barium segment. In the coming financial year, we are planning a capex in across our chromium chemicals vertical which will definitely yield higher volumes across the products that we manufacture. Apart from this, we are also looking to expand on the barium vertical side.

Overall, it's very difficult for us to share the exact quantum of volume growth at this point of time as the business plans are still being finalized. And we will update you post Q4 on the exact increase in the volume for both barium as well as chromium vertical.

For the quarter gone by, the volume growth in chromium chemicals was limited. We saw increase in value due to increase in prices of blended realization per kg by close to 5% to 6%. And in the barium segment, we saw that the volume went up by close to about 15% to 20% across the portfolio that we sell. On the acquisition of South Africa mine, as of now, the company has entered into definitive agreements, which has been signed with the sellers. And now we are focused on taking approvals and statutory clearances from the authorities. So this is a process, and we are expecting it to take about two to three quarters, and we'll keep you posted on that.

Sagar Jethwani:

Can you comment on the total capex that we have planned for FY '26?

Hanumant Bhansali:

It's very hard to quantify overall the total capex at this point of time because the financial closure as well as the technical closure is pending, which should be completed by March of the current financial year. Once we have that clearance from our management, we'll be able to share that data with you.

Sagar Jethwani:

Sure. And last question, if I may squeeze in. The barium segment has grown exponentially, of course, on a low revenue base. So what is the sustainable growth rate in the barium segment that you foresee going ahead?

Siddartha Cherukuri:

We are seeing a good volume growth in barium in the coming quarters as well, given the fact that paint industry is performing very well and we are seeing a year-on-year growth in the paint segment close to 14%. We have received approvals from almost all the paint companies and the operating levels of our barium sulfate production are currently at 80% level.

And also, we are seeing a good volume growth in barium carbonate mainly coming from the U.S. market, where one of our peer company has mothballed the production. So this has given us an opportunity to take the majority share in that market, which is, I would say, quite value accretive. And there's quite a bit of customer stickiness in that part of the world. So we are definitely going to capitalize on this opportunity moving forward as well.

And we are already considering to expand our barium sulfate capacity towards end of this year. And given the order book, moving forward, we are quite positive on at least 15% to 20% volume growth during next year. And this will definitely improve the operating leverage in the operations and improve the gross margins, etc.

Sagar Jethwani: Thanks. That's helpful.

Moderator: Thank you. Next question is from the line of Rohit Sinha from Sunidhi Securities. Please go ahead.

Rohit Sinha: Congratulations for a good set of numbers. So as you mentioned about the growth in the barium side, I think in chromium also, we are almost operating at close to peak utilization. And since the capex is due and probably it will be coming in FY '27 only, I guess. So what I can see is the growth largely would be driven from the barium side. And just wanted to understand how we are seeing the China competition in the barium side?

And what is our scope to take any price increase, because I mean, earlier prices were quite impacted because of China. And since we are confident on the volume growth, I think any possibility in the price increase would be quite positive for us?

Siddhartha Cherukuri: Thank you, Mr. Sinha. To answer your first question, well, I mean, it's quite clear that we are going to see a good volume and value growth in barium. It doesn't mean that the chromium is going to remain flat. So with that being said, we are going to start producing chrome metal towards quarter 3 of FY '26. Currently, the planning phase is there and this product is going to be a value-accretive product and also an import replacement where we can put in more of our feedstock into this product.

And like we always say, we like to work with a flexible product mix, and this is what we are going to do, whereby we also -- with that being said, with this chrome metal coming in quarter 3, we are expecting there will be another 10% volume growth in chromium as well. And also, it will improve the EBITDA margins towards H2 FY '26.

Rohit Sinha: Great. And on the barium price side, any color on that?

Siddhartha Cherukuri: Sorry, please repeat, what do you mean barium price side?

Rohit Sinha: Yes. On the barium side, I mean, the competition which we were seeing in the past from China. So is it still there? And how much we are capable to take any price increase in the coming time?

Siddhartha Cherukuri: See, like over the last years, we have developed a flexible product mix. Unlike before, now we have barium carbonate, barium sulfate, sodium sulfide, barium chloride. So our asset is fungible. We are able to play among various products. Also, the U.S. market, which has opened up for us, China has a significant duty into U.S. So that's where we are trying to maximize our market share.

In the past, if I take a look, our exposure in Europe market was close to 40% -- 45%. Now it's gone down to 30% and U.S. now is at 25%. So it's a well-balanced market spread for us. And we have had more customer wins over the last year, especially in Europe and U.S.A. And talking about barium sulfate, we are seeing a good growth in terms of consumption in India.

Going back to when we have envisaged this product in 2018, the consumption in India was only 15,000. Today, it's 30,000. So you can see the compounding growth. It's almost close to 15% year-on-year. So I think there's a very strong demand for this product in India. And it's time we look at actually adding more volumes to actually cater to our export market, where we are also seeing a lot of demand, because people are still looking at sources outside China.

To answer your question, I don't see China as a competition even in our barium business now. And with the kind of backward integration we have done with Ramdas Minerals, it gives us a much better position in general.

Rohit Sinha: And lastly on the export side as we are looking for more export opportunities, how the freight rates are right now and any issues, I mean, with that Red Sea thing which was earlier there?

Siddartha Cherukuri: The year gone by has been quite challenging in terms of sea freights as we were not an exception. Especially, any Asian outbound shipments, the sea freights have gone up by fourfold to almost all the destinations, especially West. But I mean what we are seeing now is that freight rates have come off quite a bit, but not to the level of pre Red Sea.

But now I would say they are more at workable levels and we are able to actually pass on those freight increases to the customer. So it looks quite positive. And with what's happening with the truce between Israel and Palestine, probably it can get even better in the coming quarter or so. So we are having a quite positive outlook on our logistics cost, which is going to further improve our gross margins, both in barium and chromium.

Rohit Sinha: Got it. Thank you. That's it from my side as of now. I will come back in queue.

Moderator: Thank you. Next question is from the line of Pritesh Chheda from Lucky Investments. Please go ahead.

Pritesh Chheda: To your comment on chromium being fully utilized, so is it fair to assume that the expanded capacity of the 70,000 tons that you would have would be a fully utilized capacity for you in chromium?

Siddartha Cherukuri: Just to correct you, our capacity right now is 82,000 tons. We are currently operating over 70,000. So we do have another 10,000 tons of capacity which we are working towards adding chrome oxide and chrome metal during FY '27. That's the plan.

Pritesh Chheda: Okay. So you have 80,000, on which it will get added, or it is 70,000 and then another 10,000 gets added? Actually, I didn't understand.

Siddartha Cherukuri: I mean, it is 70,000 and another 10,000.

- Pritesh Chheda:** Okay. So basically, at 70,000, you're fully utilized today, and you're adding another 10,000 on the downstream side?
- Siddartha Cherukuri:** I would say, 12,000, yes.
- Pritesh Chheda:** Okay. My second question is, this quarter, if you see, obviously, there's a jump in the barium profitability. So any comments there? And any comments on the volatility in these barium numbers? Because if you move through the four quarters, volatility is substantial and the number is at the highest this quarter. So any comments on this market variation, what is it into in this quarter's number and this extrapolation?
- Siddartha Cherukuri:** It's a good observation. I would say it's not a one-off thing. Reason being we have done this capex and the barium sulfate has become operational during August 2023. So we have taken some time for customer approval, getting to the optimal operating level. Being a heavy manufacturing plant and the only producer, people had to be trained and getting the right quality products. So finally, things are in place. The operating levels are much higher in terms of barium carbonate as well as barium sulfate.
- So at these operating levels, I mean, we are going to see much better EBITDA numbers in the coming quarters. And I don't foresee any volatility given the product mix and given how the end user industry is performing. Also to add to it, in barium business, the production is indigenous. We don't source any raw materials from overseas. And with the way the dollar-rupee is performing, it's going to actually improve our EBITDA margins moving forward.
- Pritesh Chheda:** Okay. On the 80% -- so when you refer 80% capacity utilization in the barium product line, you are referring to the quarter 4 volume number and referring to 80% utilization, or you're referring to the full year number and the 80% utilization?
- Siddartha Cherukuri:** It's actually -- I'm talking about this quarter.
- Pritesh Chheda:** Okay. And what is the corresponding...
- Siddartha Cherukuri:** Even in the quarter gone by, we were at 70%, 75%. I mean... So moving forward, we will be operating at a range of 80%, 85%.
- Pritesh Chheda:** And what is the capacity in barium that we are referring to? Total capacity?
- Siddartha Cherukuri:** Around 60,000 tons.
- Pritesh Chheda:** Okay. On your incremental expansion plans on the backward integration. So if you could tell us the quantum of investment that you would put up in the backward integration, one in the mine at the chrome; and second, I think Ramdas is what you mentioned. So what is the quantum of investment and what is the corresponding benefit that you would expect to flow in your profitability numbers?
- Hanumant Bhansali:** Good morning, Mr. Pritesh. Hanumant with you. On the investments that we have done in our backward integration initiatives, I would like to share with you an update that Ramdas Minerals was acquired by us in July 2023. In about 5 quarters since then, we have recovered

nearly 40% of the investment made in the acquisition, which is about INR26 crores was the acquisition cost. And we have already recouped nearly 40% of the overall investment made in that company.

We are looking to completely recoup our investment in Ramdas Minerals in 2.5 years from the investment done in 2023. Going forward, the backward integration in chrome ore, we have signed the definitive agreements. And now as you are aware that we are in the process of seeking approvals and statutory clearances in South Africa. So this will definitely be margin accretive for us as a company.

It will have multiple benefits besides the margin benefit. That is one is long-term security of raw materials will be in place once the acquisition is completed. And at the same time, we are focused on building the right base in South Africa, so that it helps us secure our raw material, that is chrome ore for the next 25 to 30 years.

So at this point of time, we cannot share any other details on the exact quantum of EBITDA increase that will come from the South Africa expansion. But once we have the clearances in place, we'll be permitted to speak more about this.

Pritesh Chheda: But sir, can you at least tell us that it's a running mine or it's a mine to be developed? What is it? What are the reserves?

Hanumant Bhansali: Yes, this is a mine that is owned by a multinational, and it contains reserves to the extent of close to 10 million tons of chrome ore, which can suffice our requirement for at least 30 years as per our estimates. The acquisition comprises of a mine and an asset deal, which includes the mine, including a beneficiation plant that will help us process the chrome ore coming out from the mine and ship it to India.

Pritesh Chheda: So it's a running asset. Basically, it's an asset which currently mining is happening and beneficiation is happening, right?

Hanumant Bhansali: The mine has been put on care and maintenance by the existing sellers. Otherwise, it could deplete the resources of the company. So till the time clearances are in place, there won't be any mining and beneficiation.

Pritesh Chheda: That is okay. That is okay. What I meant to actually ask you is that before this, it was a mine which was operational? That's what I'm asking. I understand today it is not operational?

Hanumant Bhansali: Of course. Yes. It was a mine that was operational in the past and it's one of the most rich mines in the belt where we have acquired it. So rest assured, yes, the mine is in very, very good condition, secured heavily. At the same time, once the approvals are in place, we will be able to start the operations in the span of one to two quarters.

Pritesh Chheda: Okay. And just incrementally here, what is the total investment that you foresee in this mine if everything goes through? So your acquisition plus whatever other expense that you might have to incur to get it operational?

- Hanumant Bhansali:** We are looking at an investment of close to USD10 million in the initial phase. That will go towards -- almost 90% of it will go towards acquisition cost and 10% of it will go towards upgradation of the beneficiation plant. And thereafter, the mine will be able to generate cash on its own base and the same cash will be used as a reserve to reinvest in the mine.
- Pritesh Chheda:** And what is the current pricing for chrome these days?
- Hanumant Bhansali:** It's ranging between INR30 per kg to INR35 per kg, which went as high as INR36 per kg in the second quarter.
- Pritesh Chheda:** Okay. So basically from now to, let's say, next eight quarters, in terms of growth, what we would have is in Chrome, four quarters from now, you will have the capacity coming in. In barium, you have a capacity available today of incremental 15%, 20%. Are you adding any capacity there?
- And third is chrome mining. You haven't commented as to most likely when it should start being available to you, whether it's four quarters from now or 8 quarters from now. So if you could sum this up for us?
- Hanumant Bhansali:** Yes, I think you have pointed it correctly. For the FY '26, we are looking at a few triggers that will drive our top line as well as bottom line. There will be expansion in chromium chemicals, as well as we are contemplating an investment in precipitated barium sulfate as we are inching close to 80-85% utilization and the demand which is soaring in India is giving us the confidence to look at the second phase of expansion for this chemical. Apart from this, we will also be investing in strontium carbonate, which will be operational in the first quarter of FY '26.
- Pritesh Chheda:** Strontium carbonate?
- Siddartha Cherukuri:** Yes.
- Pritesh Chheda:** Okay. What is the capacity here?
- Hanumant Bhansali:** The capacity in the first phase will be about 5,000 tons, which can be ramped up depending on the demand. And the capex of this company is already in process and it will be commissioned by the first quarter of FY '26. So this is a new product portfolio that we have added to our chemistry apart from chrome and barium. It's an import substitute product. India's demand is close to 4,000 tons to 5,000 tons per annum.
- And it's a very, very lucrative market currently because the applications range from electric motors to automobiles, zinc electrolysis plants and ceramics industry. We have assessed the overall business plan around strontium carbonate. And we believe that with top exporters to India being Mexico, Belgium and Spain, it is imperative that we can produce indigenously in India to meet the Indian demand.

- Pritesh Chheda:** Okay. This barium sulfate Phase 2, when will it start coming for production, because you're contemplating, which means should I say that it will come towards the end of the year, next fiscal year or towards the start of the corresponding fiscal year?
- Hanumant Bhansali:** It is very hard to quantify a time line right now, because we have -- as Mr. Siddartha specified, we have reached 70% utilization in barium vertical as a whole. And we would like to achieve close to 85% and closer to that, it would be an investment which will not take more than two quarters for us to fructify.
- Pritesh Chheda:** Okay. So basically, from volume side, you have barium volumes available. Then you have the new product, strontium carbonate available. And you haven't told us when will the mining benefits, if any, will flow? Will it be next year or the year after that?
- Hanumant Bhansali:** Yes. We don't have a time line right now on the exact date on when the mine will be operational, because it is pending government clearances. Because of the sensitivity of the acquisition, we don't want to comment on that as of now.
- Pritesh Chheda:** No problem. Thank you very much.
- Moderator:** Thank you. Next question is from the line of Rahil Shah from Crown Capital. Please go ahead.
- Rahil Shah:** So in the last call, I believe you had mentioned that H2 FY '25, you're looking at a positive note overall compared to H1 in terms of your revenue and margins. And I believe in this current quarter which passed, you have shown improvement in your revenue and margins. So can we expect the same to continue in quarter 4 firstly?
- Siddartha Cherukuri:** Indeed, like we are happy that we are delivering what we have guided in general. And in general, looking at this fiscal year we have started with a very positive outlook given the fact that the barium business is outperforming and the chrome sector is also improving, especially in the export market. And we look forward to adding chrome metal to our portfolio. So all said and done, we are having quite a bit of positive outlook for the year to come as well as quarter 4.
- Rahil Shah:** Can you attach any number to quarter 4 in terms of your top line and margins?
- Siddartha Cherukuri:** I'm afraid, no, we won't be able to give any guidance on the numbers. But overall, I can say that we are expecting a 15% to 20% growth in terms of revenue even during next year, and we have a clear plan for that.
- Rahil Shah:** In terms of revenue for next year?
- Siddartha Cherukuri:** For next year.
- Rahil Shah:** Okay. Just a clarification on chrome metal, which is coming in. I believe you said you will be adding the capacity over there. So will it only help your EBITDA margins in H2 FY '26, did you mention?
- Siddartha Cherukuri:** That's right.

- Rahil Shah:** By FY '26 H2. Okay. Perfect. And...
- Siddartha Cherukuri:** It's an import replacement product. I mean, there's a sizable consumption in India as well, and it's going to grow in the years to come given the fact that the defense as well as the welding business in the super alloys sector is growing. So this will be another story of what we have done in barium sulfate and barium business and a good value addition to our chromium vertical.
- Rahil Shah:** Okay. I think that's it for now. Thank you so much and wish you all the best.
- Moderator:** Thank you. We'll take our next question from the line of Rohit Nagraj from B&K Securities. Please go ahead.
- Rohit Nagraj:** Thanks for the opportunity and congrats on a good set of numbers. First question is on the gross margins. So we have seen a significant expansion on a sequential basis and reasonably good expansion on a Y-o-Y basis. Is it because of the raw material cost coming down or is it because of the increase in our product prices? So just if you can delve a little more into how this has happened? And whether we expect now, given the current environment, both in domestic market as well as export market, will this be the run rate which will be there going forward?
- Hanumant Bhansali:** On the gross margin front, we saw the increase because of price increases that were undertaken in the chromium chemicals vertical to pass the increases in the raw material cost as well as freights to our customers. At the same time, we had higher contribution of value-added derivatives like chromic acid, chrome oxide green in the quarter gone by. So overall, in the 9 months FY '25, we have achieved a gross margin of about 43% in our chromium chemicals vertical.
- On the barium side, we have seen the growth in margins driven by the flexible product mix and the cost optimization measures that are implemented by company that has helped us save on the raw material cost. So these are the two major reasons that has been an overall consolidated improvement in gross margins through the quarters.
- Rohit Nagraj:** That's really helpful. My second question is on the Jayansree Pharma acquisition. And apologies if I'm repeating this question, maybe answered in the last quarter con call. But what was the reason the company sold this particular company at almost lower than its gross block value of INR80 crores. Any specific challenges that they had faced from the operations front? And if so, what is it that we are bringing in to make sure that this particular project becomes a significant project for us?
- Hanumant Bhansali:** Thank you for your question. Jayansree Pharma is essentially one plant that is located in Visakhapatnam, very close to our existing plant in the Parawada district. The key reason for us to acquire this company was because of the affinity of our company towards the equipment and the processes that were already in place by Jayansree Pharma.
- Today, with a gross block of INR80 crores and a net block of nearly INR50 crores, we have been able to acquire this company at an enterprise value of close to INR52 crores. And with a

capex of close to INR20 crores to INR25 crores, we will be looking to restart the operations to manufacture a new product called strontium carbonate in this.

In comparison, if we had to go through a greenfield expansion, it would have taken us close to about INR120 crores of investment and the time lines would have been close to about 4 quarters to start a new product, whereas over here within one quarter of acquisition, we'll be able to commission the plant and also reach out to the markets in both domestic sector as well as export sector. So this is the major reason overall to acquire Jayansree Pharma to expedite and accelerate the launch of a new product in our chemistry.

Rohit Nagraj: Interesting to know that. Just last bit from my side. In terms of expansions, so we have multiple expansions which are likely to happen next year and probably years after that. How are we placed in terms of the land bank at our existing sites or are we looking at expanding into some other areas?

Have we already started searching for the same? Just to get a perspective as to whether we are self-sufficient in terms of the next leg of Brownfield expansions?

Hanumant Bhansali: Thank you again for the question. On the land bank side, yes, land is an important aspect of any expansion. And in fact, it's one thing that we have kept in mind looking into the expansions that we have been doing. For the expansions that we have already planned out for the next financial year, we have sufficient land.

And just to highlight that in Srikalahasti, we have nearly about 40 to 50 acres of space available with us in the company, which can be put to use any time, whenever there's a project in place.

Rohit Nagraj: Perfect. Fair enough. That's helpful. Thanks a lot and all the best.

Moderator: Thank you. We'll take our next question from the line of Rohan Patel from Turtle Capital. Please go ahead.

Rohan Patel: Congratulations on a good set of numbers. I have some questions regarding your targets for expansion in chrome division. We have like chrome capacity of around 80,000 tons, basic chrome sulfate of 80,000 tons. You just mentioned that we are operating at a range of somewhere over 70,000 tons. Is it right?

Siddartha Cherukuri: We have a capacity of 60,000 tons in barium.

Rohan Patel: No, no, no. I'm talking about chrome sulfate, basic chrome sulfate.

Hanumant Bhansali: Good morning, Mr. Rohan. We have a capacity of 80,000 tons in chromium chemicals. And when we say 80,000 tons, the capacity is measured in terms of sodium dichromate, SDC. Basic chrome sulfate is a derivative of sodium dichromate. We have 80,000 tons of sodium dichromate and we are operating that close to about 70,000 tons levels.

Rohan Patel: Okay. And you just mentioned on top of that, that you are adding 12,000 capacity that is for chromium oxide and chromium metal?

- Siddartha Cherukuri:** That's right.
- Hanumant Bhansali:** That's right.
- Rohan Patel:** Yes. So when we are expanding capacity for derivative products, we might need expansion of capacity of SBC as well, because that is our base product, right?
- Siddartha Cherukuri:** Correct. That is right. And like -- I mean, going back to what I've shared, we are currently operating at 70,000 tons per annum, and we do have a capacity of 82,000 tons per annum. So the idea is to increase -- I mean, have a better utilization of our installed capacity.
- Rohan Patel:** So just for our understanding, at what level can your chromium assets can operate? So can it operate at over 95% utilization?
- Siddartha Cherukuri:** Ideally at 90%.
- Rohan Patel:** Ideally at 90%, okay, sir. And second thing is, how much capacity you are adding in chromium metal, if you can bifurcate between chromium oxide and chromium metal in this 12,000?
- Siddartha Cherukuri:** I won't be able to share that numbers, but probably in a few quarters, we'll be able to do that, but not at this juncture.
- Rohan Patel:** Okay. And the second thing is regarding barium division. Now we are planning to -- first of all, like I want to understand what is the utilization in barium as a whole, the division, out of 90,000 capacity that we have?
- Hanumant Bhansali:** Our capacity utilization in barium chemicals stands, in the first 9 months, in the range of 60% to 70%. In the quarter gone by, it is in excess of 70%, and we are quite confident that in the year to come, in FY '26, we are going to achieve a capacity utilization of nearly 80% to 85%.
- Rohan Patel:** Okay. And we had a plan in last quarter that you said that you want to double your capacity in PBS, precipitated barium sulfate.
- Siddartha Cherukuri:** We are planning to increase the capacity.
- Rohan Patel:** Yes, you are planning to do. And so what would be the capex that would be required for that? And what would be the time line?
- Siddartha Cherukuri:** I won't be able to share that information. But like I said, we are still working on the numbers as well as the quantities what we want to really add. But ideally, probably we will double the capacity.
- Rohan Patel:** Okay. And what would be your market share in both of your barium products?
- Siddartha Cherukuri:** Well, you're talking about the domestic market?
- Rohan Patel:** Yes, domestic market.

- Siddhartha Cherukuri:** Yes. We are having close to 70% market share, 65%, 70% market share. And like I mentioned, the growth close to 12% to 14% year- on-year in the industries what we are operating.
- Rohan Patel:** Okay. And this 65%...
- Siddhartha Cherukuri:** The industries whom we are catering their growth is close to 10% to 14% in general, the volume growth.
- Rohan Patel:** Okay. That was from my side. If I have more question I will get back in the queue.
- Moderator:** Thank you. Ladies and gentlemen, we'll take that as the last question for today. I now hand the conference over to management for closing comments. Over to you.
- Hanumant Bhansali:** Thank you very much, everyone for your time today. In conclusion, kindly note that our results and investor presentations have been uploaded on the stock exchanges and the company's website. We at Vishnu Chemicals appreciate our shareholders and investors continued support as we together are working towards a future of sustained growth and value creation. If there are any further questions, feel free to reach out to us on investors@vishnuchemicals.com. Thank you, and have a good weekend.
- Moderator:** Thank you. On behalf of Emkay Global Financial Services, that concludes this conference. Thank you for joining us and you may now disconnect your lines.