

November 4, 2024

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| The National Stock Exchange of India Ltd. Listing Department Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 Company Symbol: DMCC | BSE Limited Department of Corporate Services Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code : 506405 |
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Sub: Transcript of Conference Call held on October 30, 2024 with investors and analysts on the financial performance of Q2FY25.

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, we are enclosing herewith the transcript of the Conference Call held on Wednesday, October 30, 2024, at 03:00 p.m. (IST) with investors and analysts on the financial performance of Q2FY25.

The said transcript will also be made available at the website of the Company at www.dmcc.com under Investors>>Announcements>>Analyst Investor Meets>>Investor Conference Call.

You are requested to kindly take the same on your record.

For DMCC Speciality Chemicals Limited
(Formerly known as “The Dharamsi Morarji Chemical Company Ltd)

Sonal Naik
Company Secretary & Compliance Officer
ICSI Membership No. ACS 43179
Encl: As Above

DMCC SPECIALITY CHEMICALS LIMITED
(Formerly known as “The Dharamsi Morarji Chemical Company Limited”)

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**“DMCC Speciality Chemicals Limited
Q2 & H1 FY’25 Earnings Conference Call”
October 30, 2024**



MANAGEMENT PARTICIPANTS

MR. BIMAL GOCULDAS
MANAGING DIRECTOR & CEO

MR. DILIP GOKHALE
SR. EXECUTIVE VICE-PRESIDENT

MS. SONAL NAIK
COMPANY SECRETARY AND COMPLIANCE OFFICER

MR. SUNIL KUMAR GOYAL
CHIEF FINANCE OFFICER

**DMCC Speciality Chemicals Limited
Q2 & H1 FY25 Earnings Conference Call
October 30, 2024**

Moderator: Ladies and gentlemen, good day and welcome to the Q2 & H1 FY25 Earnings Conference Call of DMCC Speciality Chemicals Limited hosted by TIL Advisors. 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 “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Abhishek Mehra from TIL Advisors. Thank you and over to you, sir.

Abhishek Mehra: Thank you, Sejal. Welcome everyone, and thanks for joining this Q2 & H1 FY25 Earnings Conference Call of DMCC Speciality Chemicals Limited. The investor updates have already been uploaded on the Stock Exchange, company’s website and e-mailed to you. In case you do not have a copy of the same, please feel free to reach out to us. To take us through the discussion, we have with us from the management team, Mr. Bimal Goculdas, Managing Director and CEO; Mr. Sunil Goyal, Chief Financial Officer; Ms. Sonal Naik, Company Secretary and Compliance Officer; and Mr. Dilip Gokhale, Senior Executive Vice President. We will be starting the call with a brief overview of the business and the financial performance in Q2 & H1 FY25, which will be followed by the Q&A session.

I would like to remind you all that everything said in this call, reflecting any outlook for the future which can be construed as a forward-looking statement must be viewed in conjunction with the risks and uncertainties that the company faces. These risks and uncertainties have been mentioned in our annual report. With that said, I would now like to hand over the call to Mr. Bimal Goculdas. Over to you, sir.

Bimal Goculdas: Thanks Abhishek for the introduction. First of all, good afternoon to everyone. Thank you for joining this call. My name is Bimal Goculdas and I would like to start by giving you a brief overview of the quarter’s business and then I will open up to any questions that you may have.

As you have seen from our published figures as well as our update on the website, it’s been a better quarter compared to several of the past few quarters. We have a top line of about 103 crores and an EBITDA margin of about 15%. And after considering expenses, we had a profit before tax of 8.5 crores and the profit after tax of 5.8 crores. So these numbers are substantially better than the previous quarter as well as the same quarter of the previous financial year. So most of the increase has been due to increased volumes and improvement in the Boron business. The only segment which has really not performed well is the overseas business. So exports we have seen slow down and there are multiple reasons for this, all of you are reading what’s happening in Europe and the slowdown in Europe has drastically affected our export sales. We don’t know when this will recover and whatever we are reading in published articles is that the pain will continue for some time. So, the domestic business has been good, both the commodity side and the specialty side. We have had volume growth as well as price growth. The raw material supply situation has been stable and we have had, in spite of all the problems

due to the Middle East conflict, we had do have increased freight and things like that, but we are able to pass on the cost in most of the cases.

So, I don't know whether this can be taken as a quarter, which is a representative quarter for the future. As you all know, I refrain from making futuristic projection, but it's been a relatively good quarter and I would be happy to answer questions based on this. I think, with that, I will open the floor to questions that you may have.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Harsh Sethia who is an Individual Investor. Please go ahead.

Harsh Sethia: I understand that you refrain from giving guidance's, but if you could help us understand whether the performance of this quarter is more to do with the bulk piece of our business versus the specialty piece or take, where have we seen more improvements, is it the sulfuric acid pricing which has sort of helped the EBITDA margin of this quarter or is there some other reason for it as well?

Bimal Goculdas: So, thank you. Was that the only question or do you have anything for?

Harsh Sethia: I have a few follow ups as well.

Bimal Goculdas: Okay. So would you like me to answer this first?

Harsh Sethia: Okay, that would be great.

Bimal Goculdas: So, basically it's been across the board, we have had increases and not only in pricing but also in volumes. So it's across the board except for the export market of speciality chemicals. So we have seen the Boron business grow, we have seen the commodities grow and we have seen the domestic speciality business grow as well.

Harsh Sethia: Okay. So you have been talking about the improvements in Boron business, even last quarter you made some commentary on that. So how sustainable is this and within Boron also you have further downstream products, so are those products improving or what is sort of driving this change in the Boron business of late?

Bimal Goculdas: So as you are aware, we had done some debottlenecking in the Boron business. So we have more products available for sale and the market has improved as well. And at the same time, we are developing downstream Boron products, so as not to depend on just the commodities and there we had some success, but we believe that there is a lot of scope to grow in that in the future.

Harsh Sethia: Okay. So, as far as roughly 103 crores Q2 top-line what would be the rough Boron contribution this quarter?

Bimal Goculdas: So, I have mentioned earlier why we don't give a breakup of individual product wise or anything like that, I mentioned earlier that we expect you know as we grow the Boron business for existing products, we would reach between 100 to 125 crores on an annualized basis. And we believe we are close to that.

Harsh Sethia: So, roughly 30 odd crores each quarter?

Bimal Goculdas: Yes, we will be close to that, Yes.

Harsh Sethia: And is there, since you mentioned scope for growth in Boron, so do we have the required capacity or would we need to make further investments in the Boron piece to deliver on that growth?

Bimal Goculdas: So we don't foresee the need for any significant investment at this time. There would be some debottlenecking exercise but nothing significant.

Harsh Sethia: And would that go for the sulfuric, sulfur chemistry business as well that we would have the required capacity currently even in the downstream part or, would we need to make any debottlenecking investments or anything like that in the existing current financial year?

Bimal Goculdas: Yes, currently we have no major investment plans. So we have the assets on the ground and we have capacities in our multi-purpose facilities as well. So we don't envisage any significant investment.

Harsh Sethia: Okay. So since we wouldn't have any incremental capacities for the foreseeable future, can you sort of highlight what is the quantum of debt we would be looking to repay depending upon our cash accrual in coming one or two years?

Bimal Goculdas: So, in general again, I won't talk about what we plan to do in the future, but what we have done in the past one year is, we pay roughly 2 crores per month. And if our cash flow improves we can repay more. But with our current cash flow also, we have been able to do this.

Harsh Sethia: Understood. One more question I had, was the agrochemical product you have mentioned that, that customer segment is not, has sort of been in told **10:18** for the last two odd years. But if we look at the recent, I would say performance at least of the Indian listed players in this industry. There has been some relief in this segment in the last two quarters. However, our commentary or outlook for the agrochemical piece of the business has not really changed. So, are we supplying more to foreign clients or can you explain this anomaly?

Bimal Goculdas: Yes, you are exactly right that our overseas business which we have lost is mostly in the agrochemical space and we haven't lost it to any competitors. We lost it because the market has gone and domestically, yes there is an improvement in volumes across the board which

includes some agrochemical companies as well. But overall, internationally we still see not good numbers even from the big multinational company.

Harsh Sethia: These are mainly European players?

Bimal Goculdas: Yes, but they are multinational so they are present in multiple geographies.

Harsh Sethia: Understood. And one last bit if I could squeeze in, on the new product development of the research side. So last two years have sort of been very challenging for the overall chemical industry and for us as well. So within this time, are we sort of focused on adding any I would say downstream products or have we sort of commercialized any products which when the cycle turns to drive the mantle for growth for two, three years, do we have the required pipeline to sort of deliver and this is like a two, three year window I am talking about not quarterly.

Bimal Goculdas: The answer is yes that we have continued to invest in process development and we believe that we selected the products which we would be globally competitive and we are bringing them to market, but it's still not made a significant impact on our bottom line yet and we hope as the market development continues that will change.

Harsh Sethia: So, these new products would be in the existing customer segments only like agrochemicals or whatever other segments we have been working with or is there like a sunrise sector or a emerging sector that you are looking to supply too?

Bimal Goculdas: So these are not new sectors entirely, but they are new end markets for us.

Moderator: Thank you. The next question is from the line of Ankit Gupta from Bamboo Capital. Please go ahead.

Ankit Gupta: Thanks for opportunity and congratulations for good set of numbers after a long time. So, sir just wanted to understand, we are one of the few companies in the chemical sector which is showing some signs of turnaround. So first question is, basically in your opening comment apart from the volume growth you did elude about increasing pricing also is actually pretty rare nowadays in most of the chemical companies. So if you can elaborate a bit on have we seen some.

Bimal Goculdas: I can't understand what you are saying.

Ankit Gupta: So, what I was saying is, like apart from the volume growth, we, we did talk about the improvement during price realization during the quarter. So if you can elaborate a bit on that, like have the prices bottomed out for our products and how much price increases have we seen in this quarter for our products?

Bimal Goculdas: So, while we monitor of course individual product prices, we don't share them publicly. I don't think that's in our interest to do. But, again in the commodities we can't say whether it's bottomed out or not bottomed out or going to change or what, because it's really not in our control and these things do change rapidly. So, what I can say is that in this past quarter, there has been a good growth in price as well as in the volume. We believe that there is a recovery in demand compared to what we have seen in the past few quarters. Our hope is that this demand increase is sustainable and it's coming from a systemic increase in end product requirement, not just some short term changes in stocks and all that, which is yet to be seen. So let's watch for a couple of quarters and see what happens. While we have positive indication, ultimately we have to see how long this lasts from the market size.

Ankit Gupta: Sure sir. So in any apart from a agro chemicals which is still undergoing tough times, which sectors you are seeing growth for us, leading us to increase in our demand for the products if you can talk about some of the sectors which are leading to the growth?

Bimal Goculdas: No, all others are doing pretty well. If you look at pigments, if you look at fertilizer volumes, if you look at paints, if you look at polymers, so in general all other sectors have now picked up and it's been much better than the past several quarters. I can't think of any other sector which is really still a drag. Mentioned in the previous question, domestically we are seeing some traction in the agrochemical sector as well, but international its a real problem.

Ankit Gupta: Sure. On the Boron side, we are almost touching our optimum revenue given our installed capacity. So any plans to like you alluded about debottlenecking on the Boron side. So, post that debottlenecking how much incremental revenue can we see or how much total revenue can we see from post debottlenecking exercise?

Bimal Goculdas: So let's see when it happens because, one is we can do the exercise but the market has to also accept the product and our focus will be not on just selling the bulk product but in developing downstream molecules. So that's really where our efforts are going to be. The investment is not very big as I mentioned earlier and it's something which we can possibly discuss over the next couple of calls.

Ankit Gupta: Sure, okay. Any indications on what will be our total capacity utilization across bulk and speciality side. If you can give an indication during Q2, how much was our capacity utilization?

Bimal Goculdas: So again, it varies product-to-product. But, I can tell you that the bulk chemicals is more than 90%. In most cases, we are more than 90% utilized, whether it's this quarter or previous quarter or before that, the thing is that in bulk chemicals if you have a good pricing then it makes a difference in the profitability. So, in the speciality chemicals we have in two double our capacity utilization, it's difficult to give an average across all the plants, but it ranges from about 50% in the worst case to about 80%, 85% in the best case.

Ankit Gupta: Sure, okay. And let's say hopefully the situation stabilizes for further in another like remains or improves from here on as well, over the next few quarters, and optimal capacity utilization with our current asset base. What kind of revenues do we expect to generate?

Bimal Goculdas: This question has come up many times even in past calls and it's difficult to answer exactly because it also depends on the selling price and the selling price very often also depends on so many considerations like raw material cost, ocean freight, all that. But, I mentioned before that with the last major investment that we made, we believe we can do around +500 crores with the current setup.

Ankit Gupta: Okay. And this will be based on the current prices which are actually at the lower end over the past three, four years?

Bimal Goculdas: No, I didn't say the prices at the lower end over the past three, four years. They have improved over the previous quarter. The previous quarter would have been amongst the bottom in the past six years.

Ankit Gupta: Okay. But this is based on, 500 crore is based on the current pricing that we are seeing?

Bimal Goculdas: Yes.

Ankit Gupta: Sure. And then let's say, for some of the products where we are seeing lower capacity utilization. So when their capacity utilization also improves to let's say 75%, 80%, our margins can also see an uptick from let's say 15%, 16% to more of let's say 19%, 20% whenever that happens.

Bimal Goculdas: So in general, I will answer that question because as I told you, the bulk chemicals we are already running at full capacity, close to full capacity. But the specialty chemicals are where we get a better margin and those are currently at lower capacity. So to answer your question, yes, once those plants start operating at higher capacity, there will be certainly an increase in the EBITDA margin.

Ankit Gupta: Sure. And sir just one last question on, we are already at around 100 crore kind of top line, of course I know this is after a very challenging time. And given, we have also deleveraged our balance sheet quite a bit over the past two years, and leverage and all is pretty healthy now, when do we expect that in the next phase of CAPEX will come for us, if the situation remains good at least over the next two, three quarters. So, any tentative plans or are you guys thinking on further expansion given that the room to grow from like we are already at 100 crore kind of quarterly run rate.

Bimal Goculdas: So, one good quarter is not enough to make an investment decision and so we look at it based on the development in our new product for the existing products, I believe we have sufficient

capacity. If we need more capacity, it will be for the new product and we look at that as the time comes, but certainly it is not something we are rushing into right now.

Ankit Gupta: Okay. And sir any indications on how many new products we have launched in this current financial year and how many products are we planning to launch for this entire fiscal and FY26?

Bimal Goculdas: So for significance there are two products which we believe will make a difference if they achieve the scale that we would like to. But again, we will discuss the actual performance when it happens.

Ankit Gupta: Okay. But these are for export market which like segment?

Bimal Goculdas: Overall domestic market.

Ankit Gupta: Okay. And which segments are they addressing, which industry are they going into?

Bimal Goculdas: So again, one goes into a wide range of industries and one goes into automotive type of application.

Moderator: Thank you. The next question is from the line of Jeevan Patwa from Sahasar Capital. Please go ahead.

Jeevan Patwa: Congratulations Bimal for good numbers after a very long time. I hope basically this numbers will now remain better. Obviously, it depends upon. So, the only question now I have is, do you still not able to see any sign from our European clients, about the about the demand, so picking up the products?

Bimal Goculdas: So very bluntly to answer your question, the answer is no because, I have also been talking to experts, chemical industry experts from Europe, I have been reading reports and all the indications are that, while they want to do something they are not sure how to do something. The energy cost are high, availability of skilled manpower is low, their appetite for investment is low. They are worried about increasing inflation, so they continue to buy lower cost products from China and other countries. So, these are systemic issues and once it gets into a recession type of situation, the outflow, the whole attitude is negative, and they are more worried about the future than optimistic about the future. So, population is an issue, energy continues to be an issue, their environmental, the green laws are now so strict that manufacturing is becoming almost impossible there. So, except for certain niche areas, my personal opinion and again it's my opinion only, is that Europe chemical industry will have a tough time.

Jeevan Patwa: Okay. So in that case, whatever capacity we have put up. So these are fungible capacity, right, we can use it for other products that we are right now working on?

Bimal Goculdas: So we have some dedicated products which are based in continuous plants and those are dedicated plants and others are made in a multi-purpose plants. So, in that sense, yes the multi-purpose plants can be diverted from one product to the other, but the dedicated plants cannot.

Jeevan Patwa: Okay. So for that we need to wait for the client to come back.

Bimal Goculdas: Correct, or we have to evaluate different markets and things like that.

Jeevan Patwa: Got it. And on the Boron side, we were about to set up a technical Boric acid plant. So, have we done any progress there or we are not going to do?

Bimal Goculdas: We made incremental investments over the past, so we do have a Boric acid plant technical way and we have done incremental debottlenecking on it and our idea is to grow the downstream products rather than the technical way Boric acid itself in a big way.

Moderator: Thank you. The next question is from the line of Sajal Kapoor who is an Individual Investor. Please go ahead.

Sajal Kapoor: Can you elaborate on the DMCC customer relationship dynamics for dedicated and multipurpose plant and what I mean is, could you provide your perspective on the lead time of contract negotiations and specifically the timeline from prospect to revenue conversion for both the multipurpose and all the development molecules as well as the development?

Bimal Goculdas: Sure. So in general for the plants which are dedicated, there is very little conversion time as such because we are established in those products. We are amongst the top producers in the world of those products, our quality and delivery and all is pretty well known. So, it's not, it doesn't take too long to convert a customer. We don't have to have a long approval time and things like this. It's different for products which are made where we are new entrance or whether it's a new product for us or a new customer for an existing product from a multipurpose plant because then it goes through like a long audit process, it goes through a qualification process and that could vary from customer-to-customer and industry-to-industry. So the pharma industry may have a much longer approval time than for example, somebody working in a less sensitive area or somebody working in a product which is far away from consumer use. So, it just depends on that particular application and difficult to give a general time line. But, I can say that it takes much longer than it would for our dedicated plant product.

Sajal Kapoor: Yes, so you mentioned about the long lead in case of pharmaceutical industry, if I were to ask you to compare between let's say an automobile industry where we have got some fluid and recent launches, so if you were to compare automobile industry with the pharma vis-à-vis on two dimensions, let's say the approval time for you to establish the relationship and then after the stickiness. So how long typically when you find yourself staying with that relationship once

the product has been approved after six months or 12 months or whatever is the product approval.

Bimal Goculdas: So, what we do is, we spend enough time on product selection so that we know we will be competitive once it is launched. And therefore, once we are approved, it's difficult to be dislodged, unless somebody comes out with a completely different know how or a completely different process. We find that and in my experience it's been that, that we don't get dislodged easily once we are in a particular customer.

Sajal Kapoor: And that's across industry, not just pharma?

Bimal Goculdas: Yes. And issues regarding, which in the drug master file whose name as they put and all that. So, those are different issues, but I am saying even apart from regulatory issues, it's not easy to get knocked out because somebody will have to come up with something dramatically different to disclosure. And that's because we select the product in such a way that we would have some advantage over the competition.

Sajal Kapoor: Yes, of course. And then Boron is an essential element in cross sciences and other industries. And my reading suggests that the role of Boron chemistry is increasing in the nutraceutical as well as the pharmaceutical space. How do you see the role of Boron chemistry through the length of pharma innovation and clinical trials in particular. And I am asking this question in the conference that I have seen DMCC participate regularly in CPHI and other industry events. And so if you could maybe club your experience on the Boron chemistry and usage and if there are any sort of development and traction that you find that where your scientist or something as a whole is getting engaged in the development of pharmaceutical drug clinical trials, etc., especially the Boron.

Bimal Goculdas: So we are not in that space at all very honestly. So we are not in the nutraceutical Boron products or in any pharmaceutical Boron products, we make much more basic molecules and even the new products we are developing are far away from that space. So, I have been reading about things like Boring, Borax science, and cyclical Boron rings, organo Boron compounds, but we are not in that space as yet.

Sajal Kapoor: Sure, that's helpful. And would it be possible to share how customers and innovators view as today compared to say five years ago because you have been attending these credit industry event, CPHI, etc., over past several years. So, what I am trying to understand is has the customer perception changed regarding the competence or the capability of DMCC, today versus let say four, five years?

Bimal Goculdas: So, we have been historically attending these industry events, but possibly our activity on LinkedIn and all was not so much, therefore it was not visible to the general public, but we use these forums general industry networking events to, it's a good meeting place for existing

customers, it's a good meeting place for new customers. And certainly you get to see what's happening around the world. So, we will continue doing that, DMCC is an old company and once you say that you are more than 100 years old, the question of reliability and all does not arise. So, although we are new to a lot of the products where we are supplying today compared to say historical numbers, the company reputation has always been pretty good and when we commit to deliver, we do deliver and if there is a problem we will take action, we will do the replacement as necessary. We will customize our product to what the customer needs, things like that. So, it's certainly positive that and we are getting into more and more areas and these customers, we don't have to go and introduce ourselves in most cases, people know us. The question is, whether we can supply something that those customers need and whether we can do it in competition with non-market economy suppliers.

Sajal Kapoor: That's interesting and helpful. And do you measure employee attrition and if possible, can you share the last three year average employee attrition, I was going through your annual report, I couldn't find anything about the employee attrition there?

Bimal Goculdas: I didn't get your question, sorry.

Sajal Kapoor: So, in terms of the employee churn or attrition, do you measure how many people you lose on an average and on a yearly basis, I was going through your annual report, generally companies disclose the attrition and in their annual reports, I couldn't find that number there in your annual report.

Bimal Goculdas: The reason is you don't find it, it's not a big number. It's not an issue of concern, we would have less than 5% attrition rate. But, it's something which we could start reporting in the future.

Sajal Kapoor: Sure. So, 5% is a very low number, in your sense is it because employees find it difficult to get an opportunity elsewhere in the local area where they are traveling and they may not be prepared to change down, places, etc., or is it something much more fundamental, culture related that employees genuinely like working in DMCC. So it could be either of those two, right?

Bimal Goculdas: So, if I answer that question without having a proper survey done, it would be just guess work. But in my opinion, it's probably a combination of all the things you mentioned and, it's a free world, in Dahej for example, there are literally hundreds of chemical companies and people may move from one to the other very easily. In Roha not so much, it's not such a big estate but if you look at marketing people or support staff or finance secretary, all that. They are based in Mumbai and there is enough opportunities across industry. So, I would say it's probably a combination of reasons keeping them with DMCC. Obviously, we may not be the best in pay, we may not be the best in other conditions. But overall, I guess we are not a bad employer at all. So, exact numbers again, don't know off hand, but it's certainly a low number.

Sajal Kapoor: Sure. And finally the current capacity utilization for our dedicated plants may not be a reliable indicator to trigger fresh capital expenditure because there is so much volatility and randomness in the ecosystem and future events may not on board as planned. So the question really is, how should management deal with such volatility and randomness in the industry and you alluded to what's happening in Europe. And who knows, Europe may never recover from this but excluding Europe and even in other jurisdictions, there is a war going on from there, there is a change of government and regulation happening, etc., it's so much randomness. How do you, what assessment do you do, before you undertake capital expenditures because a green field expansion they take three years of down field of course will take less amount of time. And how do you deal with this volatility, that's exactly the question.

Bimal Goculdas: So there is one simple answer to this is that you have to be very careful, because it is really unpredictable and things can change at the drop of a hat, politically as well as economically. So it's, unless you are certain, you don't put money on the ground and that's one of the reasons we have invested in multipurpose facility where there is some level of flexibility between products and it gives us the opportunity to move to something else. If one product fails or in any case we look at multiple geographies, we look at multiple customers. We don't develop products for a particular customer or only for a particular end use. So that's the only way you can share your risk sort off.

Sajal Kapoor: Yes. So, assuming that we only do debottlenecking and a smaller capital investments over the let say three, four years, the leverage in our balance sheet is reducing anyway. So does that mean that we may relook our dividend distribution of the buyback policy?

Bimal Goculdas: That's for the Board to decide, but it will certainly be on the table.

Sejal Kapoor: That's helpful. Thank you so much for all these adequate responses, wish you All the Best.

Moderator: Thank you. The next question is from the line of Rohit from Progressive Shares. Please go ahead.

Rohit: Couple of questions from my side. First one being, the company has helped Andhra Sugar Commission 500 TPD Sulfuric acid plant that happened somewhere in March, April, May during this year. So, are there any more such projects and how do these kind of projects help our operations and profitability?

Bimal Goculdas: So, we historically built more than 50 Sulfuric acid plants for customers across India in the Middle East in Africa. And while currently, it's not a very big business for us, but we do retain the engineering capability. We will evaluate opportunities in this area as well. So we have the team, we have the skills and we have the reputation. we are amongst the only technology suppliers in the world that is operating its own plants. So, this is a unique aspect of our consultancy business. So, we will look at more opportunities as again, I said, we are not going

to become an engineering company. We are going to remain a manufacturing company, but we will have engineering capability.

Rohit: Any more such services or consultancy businesses that you are currently working on which you would like to share with us?

Bimal Goculdas: Sure. We are working with GSFC for a 600 ton per day plant. We are working with Mangalore Chemicals and Fertilizers for a 300, 350 ton per day plant and some others in the pipeline.

Rohit: That's great. Sir we saw that you did mention about Europe where there are certain issues and certain part of the revenue is lost. But if we compare the numbers, our exports has gradually increased from 20% to 22% this quarter around that is x of Europe. So which are the other geographies which are helping you fetch or get more export business

Bimal Goculdas: So we are doing some to the US. We are doing a little bit to Latin America. It's not that Europe is zero, but it's in decline, so we still see some export but not the type of growth or the type of reliability we would expect and manufacturing is shifting away from Europe. So we have no illusions that it will come back in a hurry.

Rohit: I remember last Europe was somewhere around 60%, 61% of the total turnover. But then the turnover is also slightly lower two quarters ago. Currently Europe would be what percentage?

Bimal Goculdas: Sorry?

Rohit: The percentage of Europe in the current quarter from the total revenue?

Bimal Goculdas: Europe itself would be small because exports are also less than, if you see our total exports, it would be 20% of our sales 20%, 25% of our sales. So within that, Europe would be some part which I can't remember off hand.

Rohit: Okay, not an issue. Sir are there any long term contracts or committed volumes that you are looking at, because we have got quite a lot of customers which are reputed. So do these customers not come and say that let's do a contract for maybe three years or maybe five years or 10 years kind of committed volume?

Bimal Goculdas: So they don't commit at least for us. They are not take or pay agreements. So they take from us if they need it, but if they don't need it, then there's nothing we can do to enforce them because we can't force them to take a product. And in general, we haven't lost to competition, we lost because the product has disappeared.

Rohit: True. Last time when we spoke, we were talking about this new product for the automotive. That was around one and a half, two years ago. Sir, would you like to take us through, how soon or how late will this product be launched in the market?

Bimal Goculdas: So we have launched it and it's under multiple customer approvals. Some places that is approved and they are doing commercial and other places it's still at the trial stage. So we will, we will have more information as time goes by.

Rohit: As per your estimates, would you like to put a number to the market that you could cater to?

Bimal Goculdas: No.

Rohit: Okay, last question. I know you have been consistently trying to retire the debt. By when do you think the DMCC Speciality will be a debt free company?

Bimal Goculdas: So, as per the current run rate in about two years, we expect to extinguish our term debt, so our working capital may continue. But if we do some other projects, then again, that timeline may get extended.

Rohit: Do you have any such projects in mind which you intend to do where you might?

Bimal Goculdas: Nothing significant at this time.

Moderator: Thank you. As there are no further questions from the participants. I would now like to hand the conference over to Mr. Bimal Goculdas for closing comments.

Bimal Goculdas: Thank you. Once again, I would like to thank you all for taking the time to attend, to go through the results, to go through our presentation. And of course, to ask questions. I may say that we also learn from these questions. So, we encourage you to ask while we may not answer all the questions. If it's not in the interest of the company or if it's not our policy for futuristic outlook, but that doesn't mean that we are not working towards growing our business. So once again, wishing you all a Happy Diwali and a Healthy and Prosperous New Year and look forward to connecting again. Thank you.

Moderator: On behalf of DMCC Speciality Chemicals Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.