



1919 - 2019

100 Years of Sulphur Chemistry

11th August 2020

The Secretary
BSE Ltd.,
Floor 25,
Pheroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI-400001
Script Code: 506405

Dear Sirs,

Sub: Investor Presentation

Pursuant to Regulation 30(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, we enclose herewith Investors Presentation on the Company's Financial Performance for the quarter ended 30th June 2020.

The aforementioned presentation has been uploaded on the Company's website viz. www.dmcc.com.

We request you to take the above on your records and acknowledge receipt.

Thanking you,

Yours faithfully,

For The Dharamsi Morarji Chemical Co. Limited



D. T. Gokhale
Sr. Executive Vice President & Company Secretary

CIN NUMBER: L24110MH1919PLC000564

Investor Presentation

INVESTOR PRESENTATION
(AUGUST 2020)

BSE – DHARAMSI | 506405

Bloomberg – DMCC:IN

The Dharamsi Morarji Chemical Co. Limited

100 + years of expertise in Sulphur Chemistry



THE DHARAMSI MORARJI CHEMICAL CO. LTD.



TOGETHER FOR
SUSTAINABILITY



Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

DMCC

Financial Statement Summary

CONSOLIDATED P&L STATEMENT

Figures in INR Crores

PARTICULARS	Q1 FY21	Q4 FY20	Q1 FY20
Revenue from Operations	39.16	46.54	55.98
Total Income	39.53	52.08	56.29
Total Operating Expense	31.42	43.07	44.98
EBITDA	8.11	9.02	11.31
EBITDA Margins %	20.72%	19.37%	20.21%
Interest Cost	0.42	0.40	0.56
Depreciation and Amortisation	1.64	1.68	1.38
Profit Before Taxes	6.05	6.94	9.37
Profit After Taxes	5.43	6.82	7.35

-30.04% ▼

Q1FY21 Revenue from Operations at INR 39.16 crores as compared to INR 55.98 crores in Q1FY20

-28.28% ▼

Q1FY21 EBITDA at INR 8.11 crores as compared to INR 11.31 crores in Q1FY20

-26.18% ▼

Q1FY21 Profit After Tax at INR 5.43 crores as compared to INR 7.35 crores in Q1FY20

CLICK HERE to view the financial results- <https://www.bseindia.com/xml-data/corpfiling/AttachLive/29049301-a8b0-4f14-a9dd-8a84e9131394.pdf>

Management Remarks

FINANCIAL PERFORMANCE:

The quarter gone by was a difficult quarter for the business in terms of challenging macroeconomic environment due to the unprecedented impact of pandemic. The revenues of the company in Q1FY21 declined by 30.04% to 39.16 cr. as compared to 55.99 cr. in Q1FY20. The decline in revenues was on account of decline in volumes coupled with low realizations on the back of low raw material prices.

The declines in volumes is attributable to the following reasons:

- The manufacturing plants were not operational in the first week of April. Even after obtaining the necessary approvals, streamlining of logistical support for transportation of goods posed as an operational challenge.
- As per the directives received from the local authorities, the Roha facility was partially shut down for a period of 5 days in the first week of June as a precautionary measure to prevent any damage from Cyclone Nisarga

- Some of our client industries like dyes and intermediates were not fully operational up till June 2020, which further resulted in decline in volumes.

The Net-Profitability of the company in Q1FY21 declined by 26.18% to 5.42 cr. as compared to 7.35 cr. in Q1FY20. The company continued to maintain healthy profitability margins despite of decline in revenues. This was on account of higher contribution of specialty products in the overall sales.

PARTICULARS	Q1FY21	Q4FY20
Sales of Specialty chemicals (including exports)	~73%	~59%
Sales of Bulk Chemicals	~ 26%	~ 39%
Other Operating income	~1%	~2%

- With strong incentives from Chinese Government, the threat of low-cost products being dumped in the Indian markets has increased. The industry body has brought this to the attention of the government authorities, however no protective measures have been levied yet.
- The company is witnessing a recovery in volumes as all industries are now operational. Strong demand from industries like pharmaceutical and detergents have partially made up for the loss in volumes from other industries that are not operating at optimum capacities.
- The export market has done relatively well since the outbreak of the pandemic. Exports contributed ~ 34% of the total sales in Q1FY21 as compared to ~25% in Q4FY20. The industries in the export market have been fully operational and we expect this trend to continue for the current financial year.
- Performance of Boron business: The commodity segment of the boron business continues to face a challenging environment. Availability of raw materials, unfavorable market prices and non-operational end user industries have led to a subdued performance in this segment. However, the company has made decent progress in specialty segment of the boron business in domestic as well as export markets.
- In this tough economic environment, the company has not laid off any employees or reduced salaries. The company remains committed to supporting its entire team in these challenging times.

Update on Capex

Bulk chemicals at Dahej	Specialty chemicals at Dahej	Debottlenecking at Roha	Multipurpose plants at Dahej	Sulfones
<p>The company will be investing 50 cr. in adding incremental capacity in bulk chemicals segment.</p>	<p>The company will invest 20. Cr in a dedicated plant at Dahej facility.</p>	<p>The company is progressing well on its plans of debottlenecking at the Roha facility. The company will invest ~ 10 cr. on this project.</p>	<p>The company will further invest Rs. 10 cr. in 2 multipurpose plants at the Dahej facility.</p>	<p>The company had plans to invest Rs. 20 cr. for expansion in its Sulfones product category.</p>
<p>The company has been facing certain challenges in terms of delays from vendors, however the company is on track to complete the project by June 2021</p>	<p>The company will use this facility for contract manufacturing. The products to be manufactured and other details remain confidential as the company has signed an NDA.</p>	<p>The company is on track to complete this project by March 2021.</p>	<p>The company plans to begin commercial production in these multipurpose plants by Q3FY21</p>	<p>This currently has been put under review and the company will take a final call in the 3rd quarter of FY21.</p>
	<p>The plant is expected to begin commercial production in the 2nd half of FY21</p>			

Financial Statement Summary

CONSOLIDATED P&L STATEMENT

Figures in INR Crores

PARTICULARS	FY17	FY18	FY19	FY20
Revenue from operations	189.50	180.76	227.57	187.66
Total income	190.03	181.65	228.57	193.89
Total operating expense	160.34	158.75	175.07	166.08
EBITDA	30.21	23.78	54.5	34.04
EBITDA margins %	15.94%	13.16%	23.95%	18.14%
Interest cost	5.02	3.96	2.77	2.03
Depreciation and amortisation	3.72	4.19	4.51	6.16
Profit Before Taxes	21.47	15.63	47.22	25.85
Profit After Taxes	17.04	12.29	46.14	31.46

Financial Statement Summary

CONSOLIDATED BALANCE SHEET

Figures in INR Crores

PARTICULARS	FY17	FY18	FY19	FY20
Shareholders Fund	59.83	72.77	115.78	144.88
Non Current Liabilities	18.40	23.85	19.53	20.22
Current Liabilities	70.80	57.79	52.96	46.77
Total	149.04	154.42	188.27	211.88
Non Current Assets	89.08	92.17	101.63	112.47
Current Assets	59.96	62.25	86.64	99.40
Total	149.04	154.42	188.27	211.88

Financial Statement Summary

CONSOLIDATED CASH FLOW STATEMENT

Figures in INR Crores

PARTICULARS	FY17	FY18	FY19	FY20
Cash Flow From Operating Activities	28.99	18.36	20.85	26.99
Cash Flow from Investing Activities	(8.31)	(9.17)	(12.69)	(16.84)
Cash Flow from Financing Activities	(18.71)	(9.05)	(8.13)	(5.65)
Net increase/ decrease in cash and cash equivalents	1.96	0.13	0.03	4.49
Cash and Cash equivalents at beginning of year	1.68	3.65	3.78	3.81
Cash and Cash equivalents at end of year	3.65	3.78	3.81	8.31

Get in Touch

MR. DILIP T GOKHALE

*Sr. Executive Vice President & Company
Secretary*

**The Dharamsi Morarji Chemical Co.
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Safe Harbour

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