



May 23, 2024

To,

<b>National Stock Exchange of India Ltd.</b> Exchange Plaza Bldg. 5 <sup>th</sup> Floor, Plot No.C-1 'G' Block, Near Wockhardt, Bandra Kurla Complex Mumbai 400 051 Fax: 26598237/38 Symbol: DCW	<b>BSE Limited</b> Department of Corporate Services, 1 <sup>st</sup> floor, New Trading Ring Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Fax : 22723121/3719/2037/2039 Scrip Code : 500117
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Dear Sir(s)/Madam,

**Sub: Transcript of Investor(s)/Analyst(s) Call - Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

In Compliance with the Regulation 30(6) of the Listing Regulations, please find enclosed herewith, the transcript of the Earnings Conference Call held on Friday, May 17, 2024 at 02:00 p.m. (IST) with Investor(s)/ Analyst(s), to discuss the Audited Financial Results for the Q4 - FY24.

The transcript has also been uploaded on the Company's website and can be accessed through the following link:

[https://dcwLtd.com/wp-content/uploads/2024/05/Transcript\\_170524.pdf](https://dcwLtd.com/wp-content/uploads/2024/05/Transcript_170524.pdf)

You are requested to take the aforesaid information on your record.

Thanking You,

Yours faithfully,

For DCW Limited



Dilip Darji  
Sr. General Manager (Legal) & Company Secretary  
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**DCW Limited**  
**Q4-FY24 Earnings Conference Call**  
**May 17, 2024**

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**Moderator:** Ladies and gentlemen, good day and welcome to the Q4 and FY2024 Earnings Conference Call of DCW Limited hosted by Valorem 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 an 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 Ms. Purvangi Jain from Valorem Advisors.

Thank you, and over to you ma'am.

**Purvangi Jain:** Good afternoon, everyone and a warm welcome to you all. My name is Purvangi Jain from Valorem Advisors.

We represent the Investor Relations of DCW Limited. On behalf of the company, I would like to thank you all for participating in the Company's Earnings Call for the 4<sup>th</sup> Quarter of the Financial Year 2024.

Before we begin, let me mention a short cautionary statement.

Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risk and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now let me introduce you to the management participating with us in today's earnings call and hand it over to them for their opening remarks.

We have with us Mr. Saatvik Jain- President, Mr. Amitabh Gupta – CEO, Mr. Sudarshan Ganapathy – COO and Mr. Pradipto Mukherjee - CFO.

Without any further delay, I request Mr. Saatvik Jain to start with his opening remarks.

**Saatvik Jain:**

Thanks, Purvangi. Good afternoon, everyone and welcome to DCW's Earnings Call to discuss Q4 and FY24 performance. We'll start today's call with a brief on the industry and also moving onto the Company's performance.

It has been an extremely difficult year for the Chemical Industry across all products. The global sentiments have been weak, fueled by weak demand in China, leading to excess imports into India and also weaker exports. Demand in India is not slacking, which is a big positive for the domestic market. Moving onto the industry dynamics of our products, we'll start with Soda Ash.

There has been an increase in production of Soda Ash internationally. An increase in supply along with weaker demand in U.S. and Europe has resulted in an oversupply situation, putting pressure on pricing.

This year, however, we do not see any capacity additions which we feel will lead to a rebalance in the supply and demand situation globally, bringing in some stability. The cheaper imports not only are putting pressure on pricing but have also resulted in the domestic industry operating at lower capacity utilizations.

For us, most of the year we have operated lower utilizations due to our own mechanical issues at the plant, as we have already discussed earlier. These are being resolved, and we hope to be producing at around 85% utilization in this fiscal year.

Like Soda Ash, PVC also suffered in the domestic market due to cheap products being dumped from China. However, the prices are gradually getting stabilized, indicating robust demand from downstream piping sector. The PVC Pipe industry is set to score a hat-trick of double digit volume growth of 10% to 12% YoY in this financial, signaling a strong demand from the end user industries. Owing to this, PVC demand is expected to remain strong and is growing at around 8% to 10% per annum.

Tightening of ocean trades across Asia are expected to increase the international PVC price announcements from major Asian PVC producers for June shipments.

As per Caustic Soda, irrespective of the global situation, the oversupply in the domestic market itself is a challenge. With the ECU being under tremendous pressure, domestic industry has been operating at below 80% utilization.

Moving onto Synthetic Rutile, the market situation in terms of TiO<sub>2</sub> demand in China is improving, though there is still a severe pressure on pricing. Unlike Quarter 3 of last year, we have seen some movement of our built-up inventory in Quarter 4 and are seeing improvement in the demand situation from Quarter 2, Quarter 3 of this year into China as well as into other markets.

As for CPVC and Synthetic Iron Oxide Pigment, they been significant contributors for DCW in this year. There has been severe pressure on pricing of CPVC, again due to Chinese imports. However, as the demand remains strong and is growing, we have added capacity this year and have achieved our highest ever CPVC sales. Our new capacity is now operating, and we are producing at around 100% utilization.

As for SIOP, even with the weaker pigment demand in the international market, we have managed to achieve our highest ever sales for this product. Work on our line balancing CAPEX is complete and are on the verge of commissioning.

Commercial volumes, however, will catch up with a lag effect.

Despite challenges in the chemical space, DCW has shown its resilience with continuous focus on Specialty Chemicals over the last couple of years, with investment in the segment yielding reasonable stability to our bottom line and has helped the company tied over the depressed environment in the commodity segments.

The Specialty Chemicals EBITDA for the Quarter stood at Rs. 46 crores as against Rs. 34 crores in the same Quarter of FY23. Even in this environment, we have managed to post an EBITDA shy of Rs. 200 crores for FY24.

For the first time in many years, our finance cost for the FY is at a normalized level of Rs. 74 crores and have maintained our credit rating at 'A'. Our long-term debt has also reduced by Rs. 100 crores this year.

Our investment in Renewable Energy project is also underway and hopeful to start drawing power from this from H2 of FY25.

With our investments completed towards the end of FY24 and the market situation improving, we see the benefits significantly picking up in H2 of this year and our overall hopeful for a better fiscal.

With that, I request our CFO - Pradipto Mukherjee to brief you on our financial performance.

**Pradipto Mukherjee:**

Good afternoon and welcome to the Q4 FY24 Earnings Call.

The financial highlights for the Quarter are as follows:

The revenue for Q4 stood at Rs. 622 crores as against Rs. 398 crores for Q3 and Rs. 588 crores in Q4 FY23 last year. This is an increase of 56% QoQ, and approximately 6% YoY.

The increase in top line was driven by higher sales in SIOP and CPVC, also marking our highest ever sales for the quarter. With early green shoots in export demand, the Synthetic Rutiles

volumes for the quarter, was also highest ever. However, there were certain cut-off benefits which occurred in this quarter from Q3.

The PVC price and volumes remain stable, with a slight improvement in net realizations being witnessed currently.

The demand for Caustic Soda, Lye and Soda Ash has remained subdued, with prices continue to correct, however at a slower pace.

The price correction was also witnessed in Synthetic Rutile and CPVC, QoQ, but it is expected to remain stable from here on.

Our EDITBA stood at Rs. 69 crores compared to Rs. 24 crores in Q3 and Rs. 104 crores in Q4 FY23. It's 1.9 times higher QoQ, but a decline of 34% YoY. While there was price correction across all our product segments, the input cost did not see any meaningful correction. This has resulted in a margin pressure for the company, for the current quarter, we clocked at 11% margin as against 18% in Q4 FY23.

Our continued focus and investment in the Specialty segment has resulted in providing stability to the bottom line. The share of Specialty EBITDA for Q4 rose to 67% as against 34% in Q4 FY23. The absolute EBITDA as already mentioned by Saatvik, stood at Rs. 46 crores for Q4 as against Rs. 35 crores in Q4 FY23, and increased by 33% YoY.

For the year as a whole, the revenue stood at Rs. 1872 crores as against Rs. 2634 crores in last fiscal. The debt of Rs. 762 crores is about 29%. The drop in realization across the board has resulted in price impact closer to Rs. 620 crores and lower volumes of Soda Ash due to continued technical issues; for Synthetic Rutile, the lower volumes were due to weak export demand had further contributed to the downfall of revenue.

EBIDTA the margins for the years stood at 10% as against 17% last fiscal, the drop predominantly due to price erosions as already mentioned in our Commodity segment. While CPVC also which is the price erosion of 28%.

The EBIDTA for the year stood at Rs. 194 crores versus Rs. 443 crores last year, down by 56%.

It's important to mention here that the Specialty EBIDTA for the full year stood at Rs.135 crores as against Rs. 115 crores last year, despite our price correction of CPVC has mentioned of 28%.

Quickly to touch upon the balance sheet, the long-term debts stood at the year end at Rs. 409 crores as against Rs. 504 crores last year, a reduction approximately by Rs. 100 crores. The cash maintained in the balance sheet at Rs. 170 crores as against Rs. 168 crores in the last fiscal.

The current ratio however for the company dipped to 1.13 versus 1.38 last fiscal, this was due to subdued business performance for the year.

It's worth mentioning that the company has also completed the major payment, for its growth project of Rs. 125 crores in CPVC and SIOP, which was announced earlier.

The company has also further invested Rs. 20 crores in group Captive Solar investment. The financial benefits of all the above investments are expected to accrue in a phased manner with a FY24-25, while CPVC already has been commercialized and favorable impacts have been witnessed in Q4.

With this we would be open for questions.

**Moderator:** We have our first question from the line of Sanjeev Damani from SKD Consulting. Please go ahead.

**Sanjeev Damani:** I would just request you to kindly give an appraisal of the pricing and production capacities of SIOP, Synthetic Rutile and CPVC, which we have expanded already, so at what monthly production rate we are running these plans?

**Pradipto Mukherjee:** After our investment in the SIOP plants, we are running practically at about 55% of the capacity. We are doing about 75 tons per day against the install capacity of about 85 tons per day. Synthetic Rutile, we are running to practically full-production and CPVC also we are running to our full-production.

**Sanjeev Damani:** CPVC now at 20,000 or even more because previously we used to produce some 13,000 tons against our capacity of 10,000 tons.

**Pradipto Mukherjee:** 13,000 tons, it's a combined capacity including the compounding, so the within capacity stands, which was standing at 10,000 tons that has become 20,000 tons now, full capacity of 1800 tons a month approximately.

**Sanjeev Damani:** So, 20,000 tons per annum is our raising capacity and when we convert it into CPVC compound, then the capacity gets enhanced by how much percentage?

**Pradipto Mukherjee:** Roughly by 20%.

**Sanjeev Damani:** And when we do, we make compound out of resin, then we have to add certain things from outside purchase items or within our in-house item we are adding there.

**Pradipto Mukherjee:** Compounding chemicals we don't manufacture, so it is not purchasing items.

**Sanjeev Damani:** Okay. So, for us margins are same whether we sell resin or we sell compounds?

**Pradipto Mukherjee:** More or less it's the same.

**Sanjeev Damani:** So, when we sell compounds, our margins are better.

Regarding Synthetic Rutile, I could not understand the figures that you have spoken. What is our capacity, and how much we are producing per month these days?

**Pradipto Mukherjee:** Post the debottlenecking of our capex, for Synthetic Rutile, our capacity is 40,000 tons, so we have been producing 90%.

**Sanjeev Damani:** So, 40,000 per annum or it is per month?

**Pradipto Mukherjee:** Per Annum.

**Sanjeev Damani:** And we are running at 90% there also.

Last time, in past conference you had mentioned about Yellow SIOP which will go to America and has gone for American approval, so is there any development to be understood about that product?

**Management:** No. All our products are very well approved like today, America is our biggest buyer and practically 60% of our production is exported and our product is very well accepted by the buyers over there, frankly our last Q4 sales shows; we sold total 8,000 tons, out of which practically 60% was exported and balance was in the domestic sale.

**Sanjeev Damani:** Is there further sign of improvement in American consumption in days to come? Because they are also now coming out of recession or slow down. So, can we estimate that we can export more?

**Management:** We would not like to keep all our eggs in one basket. So, we will be exploring other international markets as well and as well as the domestic markets. So, for the time being, even though the consumptions in U.S. may improve, but I think we will be concentrating more on the other markets than U.S. on alone.

**Sanjeev Damani:** Red and Yellow, only two type of SIOP we are manufacturing or even more?

**Management:** We make Red and Yellow but now very recently we have come up with the Black, whose samples have been sent to the buyer, and the initial reports which we have got is very well accepted by the buyers.

**Sanjeev Damani:** This time we produce 8,000 metric tons, so how much we can raise it to; this is 8000 metric ton on quarterly basis, am I right?

**Management:** Yes, that's true.

**Sanjeev Damani:** How much we can further improve on this capacity?

**Management:** Let me let me clarify, that 8,000 tons was not the production in the quarter, it was a little less. But then some of the stock went from the stock, so I think at best we can think of producing about 2,500 tons a month.

**Sanjeev Damani:** Thank you very much. All the best. These were very difficult periods, but regarding PVC can we see margin improvement in coming days in the domestic market?

**Management:** Yes, we are seeing early signs of margin improvements coming, but it's too early to celebrate, we have to see whether this are sustainable.

**Sanjeev Damani:** One fine point if I can touch upon. I was studying Epigral, so are we planning to add certain products which we are not making and Epigral is making that is Meghmani Fine Chemicals.

**Management:** We have a separate strategy team, they will look into it, if it fit within our chemistry, then we will act accordingly.

**Moderator:** We have our next question from the line of Parth Chouhan, a Shareholder. Please go ahead.

**Parth Chouhan:** I just wanted to know that in light of the prevailing conditions in the chemical industry, can you give some insight on the company's revenue for the upcoming period.

**Pradipto Mukherjee:** It would be very difficult as of now to give a guidance on the revenue. However, having said that, whatever revenues we've done this year is on our depressed price as what we have seen and the prices have gradually fallen over the year, so yearly revenue what you see is basically average of those prices.

Now what we are doing is we are only trying to focus on increase in volume so far as our Specialty segment is concerned where we see aggregated margins.

Now with that thought, we had invested to double our capacity into CPVC and also debottlenecking SIOP.

So, to put a number in such a volatile situation would be difficult on the revenue side, but these are the drivers as far as our growth is concerned for next year, like CPVC our CAPEX has been, so we would be operating at a capacity of 20,000 metric tons per annum. We are eyeing capacity of 27,000-28,000 tons of production of SIOP, which we intend to reduce the time lag for sale and target 25,000 tons of sale for next year. We concluded around 20,000 tons of sales this year, a 20% growth over there.

**Parth Chouhan:** And secondly, I just wanted to know that moving forward, what would be the percentage contribution of Specialty Chemicals to the overall revenue coming forward?



**Pradipto Mukherjee:** So, Specialty Chemical as a percentage of revenue is not that much meaningful because Specialty Chemical is high price low volume with high margin. The idea of organization to put in Specialty is basically to bring stability in the bottom line. You saw that our total profit for the company has come at Rs. 195, Rs. 193, Rs. 194 odd crores, our three commodity segments would have only contributed Rs. 60 crores, the balance Rs. 140 crores have come from the Specialty. The idea is basically to put a stability to a bottom line and shift our mix towards the Specialty segment. So, our target is basically to take our Specialty EBITDA to more than more than 50% in the outer year.

**Moderator:** We have our next question from the line of Rohit Nagraj from Centrum Broking. Please go ahead.

**Rohit Nagraj:** Sir, if you could just give us individual segment wise what is the current market environment, where are we in terms of cycle and how do we think margins or overall demand probably would start improving in the next possible future?

**Pradipto Mukherjee:** So, we basically have a five major product segments. In SIOP, we have been seeing a very steady margin of around 35%. We hope that would continue or maybe slightly improve because of the economies of scale of additional production coming in.

CPVC at current prices as well, we are seeing a 30% kind of a margin. PVC, we are a VC and PVC producer, the standard margin is 3% to 5%, but the profit string happens because of the inventory. So, when the PVC prices go up, we then report higher profits, if the PVC prices go down, we report a loss because of the effect of inventory carry.

Soda Ash is roughly the stable business, which gives us 18% to 20% kind of a margin for us, we have been bit challenged because of the technical issue to operate the plant at 80%. Once we go to our 100%, we think we should be north of 20% in terms of steady margin.

Caustic, obviously, as of now, the current prices have still been falling so QoQ there has been a reduction. We have now been operating Caustic not-for-profit because it's not yielding profits. We are basically operating Caustic to derive the inputs for Synthetic Rutile and CPVC that is Chlorine and HCL.

**Rohit Nagraj:** And just from the industry demand perspective in each of these segments, CPVC, that import substitute, so whatever we produce, we'll be able to sell it. But for the other segments, how has been the demand from the domestic market? And again, a similar thing from the exports for the product which you are doing?

**Pradipto Mukherjee:** All products, I think, except Caustic Soda, I think we are in a reasonably good place in terms of the demand. Only Caustic Soda, we are seeing a surplus capacity in the domestic industry, which will have some pressure on the production capacity, utilization and margin.

**Rohit Nagraj:** So, now our CAPEXs are coming to fruition, how will be the incremental capital allocation we are looking at? Are we looking at any diversification into some other segments or the same segments that we want to continue with the higher capacity addition?

**Pradipto Mukherjee:** So, I think as I've been, deliberations in our previous communications, we're basically trying to make our South facility become chlorine neutral by adding value added products. So, we have some additional CAPEX to come in our South facility to make the facility totally tied up and balanced in terms of chlorine, and also add the growth through value added products in our related chemistry. So, that is a journey which we have to run for a year, year and a half maybe, post that we would have to venture into newer chemistry which we started discussion in the drawing board now but it is premature for us to communicate that now.

**Moderator:** We have our next participant from the line of Giriraj Daga from Vasaria Family Trust. Please go ahead.

**Giriraj Daga:** So, would you be able to share the sales volume numbers for FY24 for each of the segment?

**Pradipto Mukherjee:** I think we intend to sell our capacity in the next year. Are you talking about the year gone by?

**Giriraj Daga:** First, I'm asking for FY24 and then the guidance for FY25 sales volume number.

**Pradipto Mukherjee:** We had operated at around, the production capacity; if we start with Caustic and Synthetic Rutile, so Synthetic Rutile, we had operated at 80% capacity, the sales were at 75%, so basically there were some inventory buildup over there.

SIOP we had worked at 65 tons per day as capacity which is 18,000 tons odd. We surpassed that capacity and we have been whispering distance of sales to 20,000 tons for the last year.

Caustic Soda, we would have done a 210-215 tons all throughout the year per day and have sold that, so I would off-hand is not able to tell you the quantity, but I can just check and get back.

CPVC we have done a 10,000 capacity from the old plant and around 2,000 tons from the new plant, so 12,000, that's a Q4 addition.

Soda Ash we've sold 80,000 plus odd tons and we have produced that much only.

PVC at around 1,00,000 tons production and sales.

**Giriraj Daga:** And the idea was to get the intersegment also. So, like, CPVC, you have mentioned production of about 14,500 for the full year, so I'm assuming the sales would be roughly about 14,000 level right?

**Pradipto Mukherjee:** That is CPVC. Yes, you're right.

So, sales would be around, 14,000 tons per annum. So, we have not built-up inventory in PVC and CPVC; we have built up inventory in SR and SIOP.

**Giriraj Daga:** SIOP, you have mentioned 21,570 is the production number, you mentioned sales numbers...

**Pradipto Mukherjee:** We have sold around 19,800 tons approximate.

**Giriraj Daga:** And then this number you expected to be about 25,000 – 26,000 this year, right?

**Pradipto Mukherjee:** That is what our intent is.

**Giriraj Daga:** And the CPVC I guess we are looking at about 18,000-18,500, 19,000, right?

**Pradipto Mukherjee:** We would try to reach a number of 20,000 tons, that's a full capacity, what we've laid down, so we hope to sell the entire 20,000 next year.

**Giriraj Daga:** And is there an inter-segment between Caustic Soda and PVC? So, I have the production numbers so is there a intersegmental number?

**Pradipto Mukherjee:** So, our Soda Ash sales, may for next year go up to 90,000 tons because we are planning to do our stopgap arrangement till such time the technical issues get resolved. So, we will be producing around 90,000 tons and selling 90,000 tons and increase by roughly a 10,000 tons, that's what our planning. CPVC and SIOP as I told you. PVC will remain same 1,00,000-ton production and sale. Caustic obviously will depend on how the prices play out. And SR, which is a 40,000-ton capacity, it obviously would depend on since its 100% exported that obviously would depend upon how the export plays, but we are hopeful to liquidate 90% of the capacity for next year.

**Giriraj Daga:** Sir, volume you mentioned 28,000 ton. What was the revenue number?

**Pradipto Mukherjee:** For SIOP?

**Giriraj Daga:** No, SR.

**Pradipto Mukherjee:** So, SR, it will be difficult to give you a revenue number projected for next year, since it's subsumed in a Caustic division, it would be difficult for me to pull out and retrieve it through operation.

**Giriraj Daga:** Last year, FY24, how much was revenue FY24 last year?

**Pradipto Mukherjee:** That's what I am saying, so the number is subsumed as a part of my Caustic division, so product as of now, it's not readily available. You can drop the question for us.

**Giriraj Daga:** Second, my question is in the like what is the CAPEX we are looking for FY25, and if you can break between the Growth CAPEX and Sustenance CAPEX?

**Pradipto Mukherjee:** Routine CAPEX roughly is around Rs. 35 to Rs. 40 crores per annum. Growth CAPEX is something we will just hold back, that is something of which we are deliberating, I think the announcement will come soon. And some efficiency CAPEX we will do, that's to the tune of around Rs. 15 to Rs. 20 crores.

**Giriraj Daga:** So, roughly Rs. 55 to Rs. 60 crores is fixed and Growth CAPEX as and when you decide will be additional over and above that.

**Pradipto Mukherjee:** Yes.

**Giriraj Daga:** And that's obviously like looking at the cash flow should be funded from the internal accruals?

**Pradipto Mukherjee:** No, we would be, if these CAPEXs which are maintenance of Rs. 60 crores which you counted will be from internal accruals, the Growth CAPEX would be obviously funded; this time we will go for bank borrowings for funding the Growth CAPEX.

**Giriraj Daga:** So, what is the average cost of debt as of now?

**Pradipto Mukherjee:** It's around 10%.

**Moderator:** We have our next question from the line of Saket Kapoor from Kapoor & Co. Please go ahead.

**Saket Kapoor:** Sir, you alluded to the fact that there is an additional capacity that has been commercialized in the Caustic soda segment. So, currently, I think Caustic Soda is also; Country used to be net importer of Caustic Soda. So, what's the status for the current Financial Year 2023-24, what have been our import on the Caustic front and what's the likelihood because of the additional capacity that has been commercialized?

**Pradipto Mukherjee:** So, we have not added any capacity in Caustic in the recent past. I think there's some miscommunication.

**Saket Kapoor:** Sir, I'm talking about the country, since you mentioned that the country capacity has moved up significantly, that was my question.

**Pradipto Mukherjee:** Let me put in this way, when the Caustic prices were quite robust, lot of the local manufacturer, they thought of investing in this particular business. Unfortunately, the demand has not risen to that extent, so there is a surplus today. And what happens when you produce Caustic Soda, Chlorine is like a co-product, so chlorine prices are very, very subdued, frankly speaking sometimes it is like a negative contribution, and that is the reason at least DCW has not put an any new money investments in Caustic Soda business and, well the rest of the industry is also struggling. So, as and when international prices firm up a little, we

export, otherwise, I think by force the production gets dropped because until the chlorine cannot be utilized, you cannot produce Caustic Soda. So, frankly, Caustic production in the country gets regulated by Chlorine and Hydrochloric Acid consumption in the country.

**Saket Kapoor:** Do we have the import numbers for the last Financial Year for Caustic Soda?

**Pradipto Mukherjee:** We don't have but we can possibly give it to you subsequently.

**Saket Kapoor:** And for Soda Ash, the realizations are down significantly as the prices did correct from the peak. So, what's the scenario for Soda Ash, since I think the domestic demand and supply are equally balanced? And how much have been the import for Soda Ash?

**Pradipto Mukherjee:** The local capacity is not sufficient to take care of the total demand in the country, but all said and done, internationally there is so much of surplus in Soda Ash that the prices are very, very subdued. I think we have hit the bottom; it cannot go any further down. So, let us hope the prices will come up a little in the near future. But all said and done India is a net importer of Soda Ash.

**Saket Kapoor:** I think, you said earlier last call or before that, you people were alluding to some unawaited import from countries like Turkey and Iran, so I would just have wanted to understand, what have been the quantity of import for Soda Ash, if there is any competitive number if you could give? And currently, exit of March, what are the price trends for Soda Ash? Any color you can share?

**Pradipto Mukherjee:** So, whatever we have the numbers available with us, I think the Soda Ash import for FY23 was around 4.8 lakh tons, and this year I think it's 11 lakhs tons which is what we have, so it's almost doubled from last year and for the reasons what we had spoken last time. And we think that the prices more or less would stabilize from here on as Mr. Amitabh Gupta said.

**Saket Kapoor:** And our issue with the production facility, when are we going to correct? When will we be getting the optimum desired quantity from our Soda Ash plant?

**Pradipto Mukherjee:** I think a support from the technical disruption has come from Germany and that we have done whatever has to be done from our side. We think that the support will be in place somewhere in Q4 of FY25, so we have to live for the next 3-4 quarters with us 90% kind of our capacity.

**Saket Kapoor:** For the net debt number, can you just elude the number once again, what is our net debt?

**Pradipto Mukherjee:** Net gross, the long-term borrowing has come down by Rs. 100 crores to Rs. 409 crores and the cash in the balance sheet is Rs. 170 crores. So, if you talk, we are talking of Rs. 280 crores of net debt.

**Saket Kapoor:** And what is the short-term borrowing?

**Pradipto Mukherjee:** Short term borrowing, I think we have around Rs. 25 to Rs. 26 crores.

**Saket Kapoor:** Only short-term borrowing?

**Pradipto Mukherjee:** Yes. When I say short term borrowing, it's short-term funded borrowing. It is rotational, which is around Rs 330 – Rs. 340 crores, which is subsumed in my creditors.

**Saket Kapoor:** And our current maturities?

**Pradipto Mukherjee:** So, the current maturity would be Rs. 131 crores, which is an outlay of cash for next year.

**Saket Kapoor:** And that we are going to pay from our cash generation only or are we going to borrow for this?

**Pradipto Mukherjee:** I mean we have to pay that from our generation only, I think that's what we have done this year also, so even this year being very bad, we had serviced the Rs. 125 crores of repayment and we have serviced Rs. 74 crores of interest from our current accruals only.

**Saket Kapoor:** So, our delisting strategy has borne the fruit for this current year when the commodity product has declined and it is the support from our value added or the special chemical products that has contributed. So, going ahead also we can continue to be dependent on Synthetic Rutile and CPVC as the main contributor, is that understanding correct?

**Pradipto Mukherjee:** I think what we are thinking over here is a true board for the company would be SIOP. CPVC, obviously we continue to consider that as a Speciality.

SR, obviously; there are price swings based on the market we sell, but it's obviously at an elevated margin level compared to our commodities. Our commodity so far, Caustic and PVC has been struggling for last 3-4 quarters.

**Saket Kapoor:** For SIOP, what is our current capacity utilization levels and how much more capacity augmentation had been contemplated?

**Pradipto Mukherjee:** A Capacity Utilization is 100% at 18,000 tons what we were operating. We have sold more than our capacity this year, at around 20,000 tons. As we complete the debottlenecking the capacity gets recasted to 27,000 to 28,000 tons, which we intend to fill up in the next one, one and half years.

So, our capacity will go up from 18,000 tons to 27,000 tons, that is production capacity, and our sales what we intend for immediately for FY25 will be around 25,000 to 26,000 tons which gets mitigated, that's what I'm saying in a year and year and half , we will be able to sell our full increased capacity in the market.

**Saket Kapoor:** And for the price trend, can you give some color, how the price utilization....

**Pradipto Mukherjee:** Prices have been firm for SIOP and it's not corrected with the market correction or other commodities or even CPVC. We hope that the price is maintained at this level.

**Saket Kapoor:** How should we benchmark it? What are the key indicators to track SIOP prices?

**Management:** It's basically the international pricing. All said and done China is the biggest producer in the world, so we have to follow Chinese prices and locally also is China pricing.

**Moderator:** We have our next question from the line of Sriram, Shareholder. Please go ahead.

**Sriram:** What is the CPVC compound capacity?

**Pradipto Mukherjee:** 12,000 tons per annum.

**Sriram:** Any further expansion in resin or compound, because currently you've said we are running at full capacity.

**Pradipto Mukherjee:** Not yet. We have not firmed up anything as of now.

**Moderator:** As there are no further questions, I would now like to hand the conference over to the management for closing comments.

**Saatvik Jain:** Thanks everyone for joining the call today and hope we've been able to answer all your questions. If you have any further information requests you can connect with our Investor Relations Advisors at Valorem and thank you once again.

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