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May 31, 2024

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**

Sub: Transcript of Conference Call held on May 27, 2024, with investors and analysts on the financial performance of Q4FY24.

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 Monday, May 27, 2024, at 04:00 p.m. (IST) with investors and analysts on the financial performance of Q4FY24.

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)

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Company Secretary & Compliance Officer
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Encl: As Above

"DMCC Speciality Chemicals Limited

Q4 & FY'24 Earnings Conference Call"

May 27, 2024

MANAGEMENT PARTICIPANTS

MR. BIMAL GOCULDAS
MANAGING DIRECTOR & CEO

MR. DILIP GOKHALE
SR. EXECUTIVE VICE-PRESIDENT

MR. OMKAR MHAMUNKAR
COMPANY SECRETARY AND COMPLIANCE OFFICER

MR. SUNIL KUMAR GOYAL
CHIEF FINANCE OFFICER

Moderator: Ladies and gentlemen, good day and welcome to the Q4 & FY24 Earnings Conference Call of DMCC Speciality Chemicals Limited hosted by TIL Advisors. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the opening remarks conclude. 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, Mr. Mehra.

Abhishek Mehra: Thank you, Manuja. Welcome everyone, and thanks for joining this Q4 & FY24 Earnings Conference Call of DMCC Speciality Chemicals Limited. The investor updates have already been uploaded on the Stock Exchange, company 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; Mr. Omkar Mhamunkar, 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 Q4 & FY24, 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'd now like to hand over the call to Mr. Bimal Goculdas. Over to you, sir.

Bimal Goculdas: Thank you Abhishek for the introduction and also for organizing the call. Good afternoon ladies and gentlemen. It's my pleasure to take you through the performance of our company for the quarter and for the last financial year as well. We had shared the updates and the management remarks on the website, but I'll briefly make some statements and then open up to questions.

The last year, particularly the last quarter, was quite difficult, especially from the commodity chemicals point of view. While the volumes were good, the profitability was almost zero or even negative at times. There was reduced demand, there was oversupply. And I think one of the most difficult quarters as far as the commodity chemicals space is concerned. If we look at the geographical markets, Europe continues to be in trouble. I think their energy crisis has not improved substantially and the entire market outlook there is gloomy and negative, it's somewhat compensated by the US and by other economies. The Indian economy is also doing better, but the chemical industry globally is quite linked. So, one cannot really grow without others growing as well beyond the point. We have seen in the last quarter that the Chinese have been very aggressive in dumping chemicals. And they have in fact run their manufacturing plants at high capacity, but they haven't consumed that much of the chemicals, which means that there was much more for exports and that is where they try to crash prices and regain market share. We even had a little bit of trouble with logistics, particularly with the problems in the Red Sea. And for a while, there was a lack of availability of raw materials, especially for the Boron business and increase in freight costs. But I think that situation has improved as well.

On the domestic side and globally as well, we could see that the pigments, coatings and other sectors have improved compared to the previous three quarters. So, we are seeing some hope for recovery in these areas. The only one segment which does not or has not turned around as yet is the agrochemical sector. Even in that, we believe that the worst is over. So, I don't think it's going to decline any further, but all the issues with regards to destocking and muted demand and oversupply, things like that, which affected sales as well as sourcing from DMCC and other companies, I think the worst is over. So, we are looking forward to improvement, of course it's from a low base and it's crucial for not only us, but the entire agrochemical supply community as well. I think you'll all agree that ultimately food and other crops are what rise agrochemicals and nobody is eating less or consuming less in terms of cotton, soya bean, palm oil or anything like that. So, we expect it will recover. It's a question of when it happens and how fast the ramp up is.

Some of our Speciality chemicals do go into the agrochemical sector and they were the worst affected, some customers, multinationals particularly had zero requirements. They didn't run their plant at all during the year. And the Speciality chemicals, as you all know, are the ones which give us the better margins. So, in the agrochemical sector, it was a really tough time for us and it in fact reduced our exports substantially. So, if you look at the overall volumes while the topline has reduced dramatically, it's more connected to the reduction in prices of the raw materials than the volume. And we pass on prices of raw materials, so you can see that, although we reduced our topline, the delta between the selling price and the cost of raw materials has in fact improved a little bit in spite of all these challenges. So, for a quarter as well as for the year, we have done marginally better in that sense.

In terms of volume overall, we have had an increase in volume, though it may not show in the topline. But it is a concern really for us and the reason we didn't have a better financial performance is that the increase was more in the commodities which are lower margin and at times no margin and the volume reduction was in the Speciality particularly in exports, where we have much better margins. So, currently that's the situation on the operation side. As I said, most sectors except agrochemicals are looking much better already and we expect that agrochemicals will improve from here as well.

On other issues you can see that we've added a couple of directors at our recent board meeting. One of them is Mr. Haren Parekh, who's a seasoned finance professional. He was CFO of HDB Financial Services and he comes with almost 3 decades of experience. We also added another person, Mr. Kuldeep Tiwari, as an Executive Director to head our operations and he brings with him a couple of decades of operating experience, particularly in sulphuric acid, and has been responsible for the projects at Dahej as well. So, we strengthened our board, and we expect to continue to strengthen our management team as well as time goes by.

On certifications, happy to inform you that the Dahej site has also got the Responsible Care Certificate. It was audited by an independent team and found to have adequate investment and adequate performance in terms of environment, health, safety, etc. And so, both our sites are now, they're proud to bear the Responsible Care logo. We continue our journey towards reducing our carbon footprint. We've installed LPG for one of our operations replacing furnace oil, that's a much cleaner burning fuel and we continue on our journey towards self-reliance in energy. The major investment we made in the last year was for a turbine to generate power at our Roha site based on steam obtained from waste heat recovery. So that reduces our dependence on the grid and the Dahej site is in any case more than 90% independent of the grid, only about 10% of the power requirement is from the GEB grid. But this is an endless journey, and we'll continue to work wherever we can to reduce not only the carbon footprint, but also the water footprint. I think that's a summary of the operation side and I'd be happy to take questions from all of you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Prateek Chaudhary from Saamarthya Capital. Please go ahead.

Prateek Chaudhary: In your results commentary, we mentioned about early signs of recovery, could you explain what sectors are sort of witnessing that or any geographies where you're seeing some sort of demand coming back?

Bimal Goculdas: So, your audio was not very clear, but if I may repeat your question, you were asking which sectors and which geographies has shown a recovery. Is that correct?

Prateek Chaudhary: Yes, absolutely. Am I clear now?

Bimal Goculdas: Yes. So, as I mentioned, Europe continues to be a challenge not only because of the war in Ukraine, but also the energy costs and different governments coming in**,** some are right wing , which are going to affect the way the EU as a whole grows in the future and investments in the chemical sector may be difficult at this time. Interest costs have been high and with energy costs continuing to be high and uncertain. It's a tough one where you can even see the results and the commentary by major multinationals in the German, particularly the German chemical space. Other areas are better off, as I mentioned, China is producing again and competing aggressively with the rest of the world. The US is much better in terms of energy cost, and they are protecting their chemical industry as well as inviting manufacturing back into the country. So, we think that there will be a good growth from the US side as well. All sectors, as I mentioned, apart from the agrochemical sector, seem to be doing better. Again, we are not experts on any particular sector. We supplied to a wide range of industries, but it's clear from our order positions and in discussions with customers that this is the case, that there is a general optimism while I can't say the same for the agrochemical sector, at least it appears that the worst is over.

Prateek Chaudhary: And in one of your earlier calls, you had mentioned that we could reach somewhere close to Rs. 500 to Rs. 550 crores topline. As we stand today post commissioning of our new capacity, can you give us a road map of that journey, when exactly would we be able to touch those figures?

Bimal Goculdas: So, if you look at the previous financial year, we had a topline close to Rs. 400 crores. And what happened this time was that not only were the prices much lower, but also the capacity utilization in the Speciality chemicals was much lower. So, our investments are practically done in terms of CAPEX. We have enough capacity and when the market comes back, we will be in a good position to supply. So, it's two things, one is the return of the Speciality chemical markets, which we're seeing a lot of sectors except agrochemicals and pricing, which is again a lot of it is pass through. So, I'm not particularly concerned on that side. If raw material prices go up, you'll see a better topline. I'm more interested in a healthy bottomline and if we move more towards the Speciality, whatever is the raw material price and selling price, it doesn't matter that much, but we will surely see a much better EBITDA margin.

Prateek Chaudhary: What's our current utilization?

Bimal Goculdas: So, in the Speciality chemicals while I don't have an exact number and it depends on product to product, but I would say we are at about 50% capacity.

Prateek Chaudhary: And what would be broad mix of Speciality and non-Speciality in your revenue?

Bimal Goculdas: Right now it's 50:50.

Prateek Chaudhary: Any plans on reducing the debt further?

Bimal Goculdas: So yes, we are paying back about Rs. 2 crores every month and depending on our cash flow, we will be reducing the debt. As it stands now, we expect to at least get eliminated all our fixed term debt in 3 years, assuming we don't do any further CAPEX.

Prateek Chaudhary: Have we been working on any cost control measures which will further improve our efficiencies?

Bimal Goculdas: So, we are looking at ways to reduce our utilities. In terms of manpower, I think we are already at the bottom. In terms of utilities, we still believe we can go down further, and you will see some reduction in this year because of better operation and full year operation of the turbo generating set which we put in last year, which was sometime in September. We are also considering other non-conventional energy sources by which we will reduce costs further. But again, in terms of logistics and things like that, we are at the mercy of the shipping companies.

Prateek Chaudhary: And just to touch upon, I was looking at in the presentation, the R&D spends have declined sequentially year-on-year. If you could detail on the same and does this indicate that the pipeline for new products is not significant now?

Bimal Goculdas: No, it doesn't show that, so what happens is in terms of development, we've made some investments already. Right now, our efforts are more in the application development, which involves our R&D people as well as our marketing people. So, while we're doing some process development work, the investment is not really required when you're doing the application development at the same level as when you're doing the actual process development. So, we put money already in pilot plant, multipurpose plants and equipments and in analytical equipments as well. And so currently, we don't need that much extra expenditure. If we get into some new chemistry, if we get into some further process development, then we'll be investing again.

Prateek Chaudhary: Got it. On the Boron side, if you could tell about the scale of operation, the margin profile and what sort of opportunity do you see here, can this scale to as big as sulfur business and just to clarify, Boron do you classify under Speciality or non-Speciality?

Bimal Goculdas: So, Boron has both. It has specialities as well as commodities. And we have done some debottlenecking with very limited CAPEX. We've expanded our boric acid production, and we continue to do that, the market is suitable for that and we're also able to get the raw materials most of the time there was a hiccup during the Red Sea crisis, but apart from that, we are now well placed to grow this segment. So, we will grow both the commodities and the specialities and while we don't talk about individual product margins, I'll just say that it is quite healthy. And in terms of growth, we believe that we could do about Rs. 150 crores from our current scale of CAPEX, just from the Boron business.

Prateek Chaudhary: What would it be for the overall business on fully or near to optimum utilization?

Bimal Goculdas: So that would be optimum utilization.

Prateek Chaudhary: You spoke about the Boron business, which is Rs. 150 crores, you said. What would the same number be, which we have to consider our total business, DMCC's all businesses combined?

Bimal Goculdas: So, it depends entirely on the topline, and that the topline depends on the raw material cost.

Prateek Chaudhary: So on as per current raw material cost, if you could pick.

Bimal Goculdas: Raw material cost, it would be around between Rs. 450 to Rs. 500 crores.

Prateek Chaudhary: So, the balance Rs. 350 cores would be from non-boron business?

Bimal Goculdas: Yes.

Prateek Chaudhary: What's the split currently, Boron and the non-boron as of the Rs. 320 crores - Rs. 330 crores sales that we have done?

Bimal Goculdas: Boron is about 20% at the moment.

Prateek Chaudhary: The 20% means Rs. 60 crores, So Boron then is running at 40% utilization, right?

Bimal Goculdas: Yes, but remember that 40% utilization is not the correct number because we didn't have the full capacity for the full year.

Prateek Chaudhary: Got it. And just last question, in your reasonable estimates whatever feedback you're getting from the market, do you feel FY25 will be that year where we will be able to sort of branch out of our Rs. 300 crores– Rs. 350 crore trajectory of sale and then maybe crores Rs. 400 odd crores?

Bimal Goculdas: It's difficult to predict and I don't like to make forward-looking projections on topline or bottomline. We'll take it, as you know, we'll discuss every quarter and we'll come back with our analysis. But as I said, a lot of the segments are looking better and apart from agrochemicals, we have good visibility.

Prateek Chaudhary: How much would agrochemicals in terms of your end demand scale, what roughly would you be say, what would it be contributing by from agrochemical?

Bimal Goculdas: So in general, about 10% to 12% would be from agrochemicals, but most of that 10% to 12% is the Speciality, which is what has hurt us.

Moderator: Thank you. The next question is from the line of Abhishek Getam from Alpha Invesco, please go ahead.

Abhishek Getam: Sir, my question was on Sulfone. How much revenue did we do from sulfones for this year?

Bimal Goculdas: So, we don't publish individual product volumes, but as I said, a lot of the demand from Europe was muted. So, we had much lower than what we would like to have.

Abhishek Getam: Sir, I'm just asking in the sense that are we near sort of a capacity utilization of sulfones or is there like a CAPEX plan there?

Bimal Goculdas: So, there is no CAPEX plan, we are nowhere near capacity utilization. In fact now for the overall Speciality chemicals, we are at about 50% only.

Abhishek Getam: So, another question was on the anchor plant, which we have for one of the MNC customers European. So, what has been the pickup there for FY24?

Bimal Goculdas: So again, the sector wise is different and whatever business we had for the agrochemical sector has been near zero. Other sectors were okay, pigments, coatings, all that was fine. Polymers were fine, but for agrochemicals it was actually zero.

Abhishek Getam: Sir, based in the terms of the anchor plant, mostly FY24 was flat for FY23?

Bimal Goculdas: Yes, at least in international markets, even in domestic markets, in the beginning of the year, the pigments were in bad shape. Then pigments have started picking up only in calendar year 2024. So, we'll see how that progresses, but certainly from a volume point of view, financial year 23 and 24 was very poor for the Speciality chemicals.

Abhishek Getam: Understood sir. So, another question was on Boron, do you mention that we have a capacity to do Rs. 150 crores in future. Any CAPEX is needed to get there, or this is the existing installed capacity?

Bimal Goculdas: Yeah, very little CAPEX. It will be some debottlenecking type of thing, but nothing significant.

Abhishek Getam: That would be how much around Rs. 10 or Rs. 15 crores?

Bimal Goculdas: Less than that.

Moderator: Thank you. The next question is from the line of Girish Gulati, an individual investor. Please go ahead.

Girish Gulati: Sir, if you can just throw some light on the gross margins like what kind of gross margins we should see in a stabilized scenario in FY25 or FY26, because I think this quarter gross margins have taken a bit of a hit, so just some light on the gross margins. Thank you, sir.

Bimal Goculdas: So, I can't project how it's going to be, but I can tell you historically that we should be at least, if we have a good balance of Speciality and commodities and we go by the kind of working we had in the past, we would expect EBITDA of between 15% to 20% and that is what we were envisaging when we made the CAPEX at Dahej.

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

Rohit Ohri: Couple of questions. First one on the Boron side. How many of these downstream products that we can anticipate to be launched in the next 6, 9, 12 or 15 months?

Bimal Goculdas: So as I mentioned earlier, one of the specialities we've been working on is goes into automotive applications and we've had successful commercial trials. This had already mentioned that we were doing R&D trials in the previous quarters. We've been successful at the commercial level and we expect to ramp up over the next few quarters.

Rohit Ohri: Any number you would like to put on the topline that you can fetch from this initiative.

Bimal Goculdas: I'll prefer to discuss it on historical basis once it happens, but since I've already mentioned that we are working on this, I thought it's appropriate to give an update.

Rohit Ohri: Okay, that makes sense. Sir, of the total Speciality and non-Speciality, currently we are at around 60% Speciality. How far do you think that you can take Speciality to maybe 65, 70 or 75 or more than that?

Bimal Goculdas: So, right now it's about 50:50, but if you take the long-term average before we made the investment at Dahej, it was two-thirds Speciality and one-third commodity and that's the kind of mix we expect to have.

Rohit Ohri: So, we've added new geography this year that is Australia, can you take us through what sort of opportunities do you see there which segment or which chemistry are you dealing with, any long-term contracts with these guys in Australia?

Bimal Goculdas: No, it's not a very big market to overall for chemicals. They don't have much manufacturing. They have a lot of mining and for mining, they need certain products in terms of their equipment for their conveyor belts for example. So, we are supplying into that space, but it's not a huge opportunity. It is a long-term steady business, not very big.

Rohit Ohri: You did speak about reducing the debt by around Rs. 2 crores per month. Do you think you will be a debt free company by FY27 or FY28 long-term debt free?

Bimal Goculdas: If we don't do any other CAPEX, yes. And right now for the kind of operations we have in mind, we won't need anything substantial. So, our plan is to be debt free by then, yes.

Rohit Ohri: So, can you take us to the pain points and the gain points from the industry, maybe detergent, dyes, fertilizers, agro you said is a pain point. But in terms of boron, thermal power stations, steel industries, electroplating, where do you see that which are the domains where you see more traction coming through with high margin molecule should be sold?

Bimal Goculdas: So, in general, Boron is quite versatile, it goes into everything from fertilizers to steel and glass, ceramics and all that flask into pharmaceuticals as well, and there are some downstream products which we are working on. So, while the current requirement maybe for a certain product like say Boric Acid or whatever, we think that in the long term, the focus will need to be on downstream specialities and that's where we are working. I think there are opportunities in several areas in the Boron space and they're working on R&D as well as application development in these areas.

Rohit Ohri: There were some divestments or some non-core investments during the year. If you can just share what were these related to and are there any more pockets in future where we can get some more cash from these non-core businesses?

Bimal Goculdas: So, this was not a business actually, but it was a historical investment in shares of Indian Potash Limited where back in the days when we were a fertilizer company and probably, I think that investment was before I joined the company. So, I don't know the reason for making the investment at that time, but it was certainly of no strategic value to us now and we thought it would be better to encash, although it's not a listed company, it took us a while to develop the market for those shares, but we did and it helped us in our cash flow certainly in this last quarter.

Rohit Ohri: While we have some more other current assets around Rs. 5 crores or so, which is related to the land at Ambernath. Do you think that this will be solved during the year, or will it be pushed?

Bimal Goculdas: So, this is unfortunately not in our hands, and it depends on permissions that the buyer needs to get and things like that, so in fact the buyer is more anxious than we are, but there's nothing we can do to push it. We would like to finalize to get that as soon as possible.

Rohit Ohri: I know you don't like to give forward-looking statements, but we are running at around Rs. 820 million kind of quarterly run rate. Do you think that DMCC is gradually moving towards Rs. 930, 950 million per quarter kind of run rate?

Bimal Goculdas: Sorry I didn't get your last part.

Rohit Ohri: Do you think that DMCC is gradually moving towards Rs. 930, 950 million per quarter kind of run rate?

Bimal Goculdas: So, it's difficult to give a number because of the variations in the raw materials. As I mentioned earlier, we've had a positive growth in a lot of the volumes and the negative growth has been only in exports. And if we see that coming back, then you'll have a much better topline for sure, even at static raw material price.

Rohit Ohri: Last one from my side, you did mention that the R&D cost is kind of reducing. Do you think that it will go further down because from 1.91% we have come to somewhere like 1.09%? Do you think that there is more scope to reduce this, or will there be a ramp up going forward?

Bimal Goculdas: No, I don't think we'll go much below this, but surely as we add some chemistry, then we add some other products and we take it to commercialization, we will see an increase.

Rohit Ohri: When you say adding new chemistries, you're talking about absolutely brand new chemistry is it? something that is of sulfur or boron chemistry?

Bimal Goculdas: It would be allied, of course. It would be either downstream or it could be something allied. We're not talking about something out of the blue.

Moderator: Thank you. The next question is from the line of Chirag Jain from Yogya Capital. Please go ahead.

Chirag Jain: I have just two questions. Firstly, can you share the bulk chemical utilization for the previous year, FY24?

Bimal Goculdas: So, bulk chemicals are mostly at above 90% utilization. While I don't have the exact number for last year, but I can tell you that it is in that range itself.

Chirag Jain: Secondly, on the margins between Speciality and bulk segments, so can you give some color on that?

Bimal Goculdas: Sure. So, while I can't discuss individual products or individual segments on the margin, I can tell you that for the specialities, 20% and up is the number; while for the commodity it could be anything, it could be zero plus minus 5%, it's like that. Occasionally you get a bump up, but you are operating these plants mainly to get the peak stop for your Speciality chemical operations and also to get the utility. So sulfuric acid, for example in the previous quarter was at a very low level, we were selling at or below sulfur price and the specialities were a better margin, but we didn't have enough volume and that is the sort of story for most of last year.

Chirag Jain: So, I read that you target only segments with 30% margin. So how was that?

Bimal Goculdas: So that is for all our new products that is our target. And whatever new products we do, including the sulfones and all that, we do get that margin.

Chirag Jain: So from when can I assume that we have been targeting 30%? Has there been strategy before that has been implemented already?

Bimal Goculdas: Yes, so unfortunately, the volumes haven't cooperated, global markets haven't cooperated. So, we've seen a hit on our Speciality chemical volumes, particularly in exports, and that's what really affects our bottomline.

Chirag Jain: So, from FY22 or FY23 would be have implemented this strategy of 30%, am I right?

Bimal Goculdas: No, we've had that even before because when we decide what to invest in, in terms of R&D or what product to go in, our baseline is that if we are not going to be able to achieve that as a margin, then it's not worth spending R&D.

Moderator: Thank you. The next question is from the line of Sajal Kapoor, an individual investor. Please go ahead.

Sajal Kapoor: Given our current capacity utilization, if I heard it correctly, Bimal you said 50% is the current utilization in Speciality and 90% in bulk. So, talking specifically on the Speciality side, what would be that approximate percentage that may trigger further expansion, in Speciality, of course?

Bimal Goculdas: So, we have dedicated plants and we have multi-purpose plants. So, for the dedicated plants, it becomes a large investment if we need to go up further, because then you go to their continuous processes and you can't do it in sort of a modular fashion. You can do some debottlenecking, but it requires generally a larger investment, whereas in the multipurpose plants, you can achieve this with lower CAPEX, but to answer your question we would need to be at certainly 70%-80% and we would need to have good visibility. We would not rush to invest just because we are achieving high-capacity utilization. Because these things can change and we have seen them change. So, unless there is some pull from the market side, it would not tempt us into putting more money in CAPEX.

Sajal Kapoor: So, pull in terms of customer coming up with the proposal and willing to either invest partly or completely or at least give us a written contract kind of an assurance?

Bimal Goculdas: Correct.

Sajal Kapoor: And then is it fair to say that the dedicated plant is a one step further from the multi-purpose capacities that we have because logically thinking multipurpose is for product development at a smaller volume and then if we get the right kind of market customer fit, then we can potentially explore a dedicated plant for that specific product. Is that how usually it works or am I thinking along the wrong lines?

Bimal Goculdas: Yeah, that's exactly how we think. Other companies maybe having a different philosophy. Some may not have dedicated plants, some may have all multi-purpose plants. Some may have only dedicated plants, but we believe this is the right way to go for us.

Sajal Kapoor: And that's how typically customer approaches that show us that you have the capability to develop a specific chemistry at a smaller scale, we need to validate it and then if so automotive example that you gave earlier on this call, right and is that's the typical way to expand capacity from development going to or for multi-purpose going to full scale commercial at a dedicated level?

Bimal Goculdas: Yes.

Sajal Kapoor: Yeah, okay. And how long it would normally take to expand capacity other than debottlenecking? As you mentioned you have debottlenecking, which will consume probably Rs. 10 to Rs 15 crores in the current fiscal. Other than debottlenecking, if we were to expand our capacity, Brownfield is what I'm assuming because we have the land parcel available, is it a one year or 18 months or what kind of a timeframe it would be across, so I have got three parts to it, across bulk and the Speciality and then within the Speciality, if you could split between multipurpose and dedicated?

Bimal Goculdas: So bulk, we don't need to expand. We have enough capacity within, we would just sell less of sulfuric acid and convert it more into downstream products. So, we've got enough capacity on the bulk for the foreseeable future. What in terms of the timing or the duration of projects if you need to start from the environmental clearance level, then from day zero it would be 3 years before you could actually have commercial output in case of dedicated plants. In case of multi-purpose, it could be quicker, but you still need to ensure that you have the permissions in place before you could start.

Sajal Kapoor: Right. So even for Brownfield, we would need environment clearance for any further capacity expansion other than debottlenecking.

Bimal Goculdas: Yes. And not only for capacity expansion, but if you wanted to do something new and It was some existing product and you already had environmental clearance and you wanted to expand capacity, it would be much shorter, less than a year, but if it was new, if we need to go through environmental clearance, then it's a long process.

Sajal Kapoor: Sure. Now, I get that. So, for the allied chemistries that we are exploring, which will be related to Sulfur/Boron and they are potentially will be, if we were to expand it after successful experiment execution etc., there will be a need to do or undertake environment clearance.

Bimal Goculdas: Yes.

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

Bimal Goculdas: Thank you. I'd like to thank all of you who've been patient with the listening on this call and with the company performance. And again, I would like to assure you that my team and I are doing whatever we can to get through these tough times and we look forward to a brighter future with your support and of course with guidance from all our stakeholders. Thank you very much.

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