DMCC SMARTER CHEMISTRY

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May 12, 2025

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Listing Department Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	Department of Corporate Services Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
Company Symbol: DMCC	**Scrip Code : 506405**

Sub: Transcript of Conference Call held on May 08, 2025 with investors and analysts on the financial performance of Q4FY25.

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 Thursday, May 08, 2025, at 03:00 p.m. (IST) with investors and analysts on the financial performance of Q4FY25.

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

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Date: 2025.05.12 17:01:10 +05'30'

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

"DMCC Speciality Chemicals Limited
Q4 & FY'25 Earnings Conference Call"
May 8, 2025

MANAGEMENT: **MR. BIMAL GOCULDAS**
MANAGING DIRECTOR & CEO
DMCC SPECIALITY CHEMICALS LIMITED

MS. SONAL NAIK
COMPANY SECRETARY AND COMPLIANCE OFFICER
DMCC SPECIALITY CHEMICALS LIMITED

MR. SUNIL KUMAR GOYAL
CHIEF FINANCE OFFICER
DMCC SPECIALITY CHEMICALS LIMITED

DMCC Speciality Chemicals Limited
Q4 FY'25 Earnings Conference Call
May 8, 2025

Moderator: Ladies and gentlemen, good day, and welcome to the Q4 FY '25 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, Rutuja. Welcome, everyone, and thanks for joining this Q4 FY '25 earnings conference call of DMCC Speciality Chemicals Limited. The investor updates have already been uploaded on the stock exchanges and on the company website. 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; and Ms. Sonal Naik, Company Secretary and Compliance Officer.

We will be starting the call with a brief overview of the business and the financial performance, 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 uncertainty 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: Thank you, Abhishek, and welcome to all the investors who have taken the time to join this conference call. I will be speaking a little bit about the Q4 and the full year 2024-'25 financial results. And after I give an introduction, I will be happy to take questions from anybody. Also, I would like to add that we've had a pretty good year overall. In terms of the last quarter, it has been INR 125 crores in top line and profit after tax of INR 6.47 crores, whereas for the full financial year it is INR 430 crores of top line and INR 21.5 crores of profit after tax.

I am sure all of you have had a chance to look at the results in some detail. For the full year, we've had EBITDA margins of about 13.5%. If you compare it to the previous year, it may not seem much of an increase, but I just point out that in the last year and particularly Q4 of last year, we had a profit on the sale of some investments, which was to the tune of about INR 8 crores before tax. So that needs to be factored in when you are comparing last quarter -- the same quarter of last year with this year's Q4.

So a little bit about our business. I am sure you know that we are into bulk as well as Specialty Chemicals. And overall, the situation has been better than the previous 2 years with one major exception being the European markets. You all know how Europe has struggled with the increase in cost, particularly that of energy and several chemical companies have reduced their production in Europe, and there is really not much expansion happening. So we have lost some of our exports to Europe as well, not to competition, but basically the consumption of those materials in Europe has come down. So apart from positive changes in the domestic consumption in India and particularly in the boron business where we have had some good growth, the export sales and that constitutes mostly Specialty Chemicals has taken a hit because of the EU market conditions. In terms of our debt and things like this, we are quite comfortably placed. We are repaying debt, and our long-term borrowings are now below INR 60 crores. Working capital position is quite comfortable. And all our major investments that we had planned have been made. So we are not envisaging any major CAPEX at this time.

The other couple of things I would like to add is that you are all aware of the tariff situation as far as the U.S. is concerned and while India is working towards negotiating a trade agreement, we will see what happens on that. But as far as our products are concerned, there don't appear to be too many producers in the U.S. Therefore, we do not expect any impact of the tariffs and if the tariffs do come into play, we will be in a position to pass them on to the customers in the U.S., as all our competition as well will face the same tariffs or higher tariffs. One of the potential threats to our profitability, as mentioned in the report, is the upcoming commissioning of a large copper smelter in Kutch, and that is expected to happen sometime later this year. Exact dates have not been announced. But that is expected to put some downward pressure on the sulfuric acid market and while it may mainly affect Northern Gujarat and things like this, so we do expect a trickle-down effect all over the country and the latest situation after the terrorist attacks in Pahalgam remains to be seen. It's an ongoing development. But we are confident that the Indian government will have considered everything when making the moves.

So, with that, I would like to open up for question.

Moderator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press "*" and "1" on the touchtone telephone. If you wish to withdraw yourself from the question queue, you may press "*" and "2". Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Yash Pareek, an individual investor.

Yash Pareek: Yes, sir. My question is on the capacity utilization level. Earlier, you had mentioned that current capacity, we go up to 500 plus top line. On a quarterly run rate, we are already there. Is it because of the jump in realization or we are operating at optimum capacity?

Bimal Goculdas: Yes. So that is a good question. We are seeing the growth in the top line as a combination of price increase as well as volume increase. We have not come close to achieving full capacity utilization in our plants as yet, but we've made progress over the previous year. And you are right, the increase in realization also has had a positive impact on the top line.

Yash Pareek: And sir, about the smelter capacity coming on stream in the current financial year, could you please share some details as someone new to the company, the connection between smelter and sulfuric acid. Can you please help me understand the same? How it will impact our operations?

Bimal Goculdas: Yes. The exact amount of sulfuric acid is not very clear, but it will be in a couple of thousand tons per day at least. We don't know the exact date it will start, but it is imminent. And the correlation is that copper smelters have a byproduct of sulfuric acid, and they can have this without burning sulfur. So when sulfur prices are low, it doesn't matter that much. But when sulfur prices are high, all the sulfur-based sulfuric acid plants are at a disadvantage compared to the smelter-based sulfuric acid plants.

Yash Pareek: Okay, sir. And in your commentary, you already mentioned about the -- that you are not planning any CAPEX. But don't you think it is the right time as the debt is going down and interest cost is going down, and it takes around like 1 to 2 years for the CAPEX. Don't you think it's the right time to evaluate the CAPEX?

Bimal Goculdas: So yes, you are right. What I said was that no major CAPEX, doesn't mean we are not going to do anything at all. We have a plan of about INR 10 crores to INR 15 crores, but nothing major compared to what we have done, the major expansion at Dahej, which happened over the last few years. We have nothing like that planned and what we will do is as we increase our utilization of the multipurpose plants, when we find that there's any particular product which is mature, we'll take it out of there and we'll put it into a dedicated plant, in which case, we'll come back to the Board and to the shareholders for the necessary CAPEX.

Yash Pareek: And sir, last one on the R&D pipeline. It has been a long time since we have heard from you about the new products in the pipeline. In the presentation, you have mentioned about the sulfone from a while now. Can you please elaborate a little bit on the R&D initiatives and the new products in the pipeline that will drive the growth of our company in future?

Bimal Goculdas: Yes. So we are working on several niche products. And it's competitively not to our advantage to specify which products are going to be our focus. But they are within the sulfur and boron chemicals specialty space. I can mention that much. And they are similar chemistries to what we are already doing. And within our multipurpose plants, we are able to meet the requirement of the customers at this time. And of course, we are continuing to invest in R&D and in the market development. And as they come to that level, we will then be able to share more information.

Yash Pareek: Ok. Thank you very much sir

Bimal Goculdas: Thank you.

Moderator: Thank you. Participants wishes to ask a question may press "*" and "1". The next question is from the line of Yashvi from Molecule.

Yashvi: So my first question is, given the plant shutdown in Q4 at Dahej, could you please help us quantify the loss of the business? And also, if you could give us an idea on the potential impact that it will have on Q1 and the financial performance?

Bimal Goculdas: So we are operating 2 plants, one at Dahej in Gujarat, one at Roha in Maharashtra. And the anchor plant at both locations is a sulfuric acid plant. So when this plant is shut down, most of the site also has to shut down. At Dahej, we had a smaller shutdown because it was spread across a little bit a few days in the previous quarter, which is Q3 and about 10 days in Q4. So you could say we lost 10 to 15 days production out of possible 90 days production during that particular quarter. And we have a shutdown in Roha in Q1 of '25-'26, and that will be a slightly longer shutdown. That is about 20 days to 25 days total shutdown time. So the corresponding impact on production and sales will be seen.

Yashvi: My next question is that in your comments, you mentioned that there's a compression in the EBITDA margin due to the sharp increase in sulfur prices. So like as you said, you will pass on the increase in the cost of Specialty Chemicals. Would it be fair to assume that the profitability in Specialty Chemicals side would be back to normal from the current quarter?

Bimal Goculdas: Yes. For most of our large volume contracts, we do pass on all the raw material changes, plus and minus. What happened in the previous quarter is an unusual jump in the sulfur price, which will get reflected in the contract pricing in Q1 of this financial year. So we will be able to pass it on. And normally, it's not this much, so it doesn't reflect like that. But this time, it was substantial. So I think 40% or so was a change in the price just across the last few months.

Yashvi: Okay, sir. And since the past 4-5 consecutive quarters, you have been giving positive commentary on the boron business and the development. It would be really helpful if you could give some more details as what progress we have made in the new downstream products? And how much of the CAPEX are we planning further in the segment?

Bimal Goculdas: Yes. So in terms of the overall business, the boron business achieved a good growth. We had about INR 100 crores in sales for the boron business in the past year. And our -- most of our CAPEX investment has been done. So what we will do is incremental investment or debottlenecking, that kind of thing. No substantial CAPEX needed.

Yashvi: Okay and if you could let us know the profitability of this segment, like the specialty margins or the commodity margins?

Bimal Goculdas: So we do not particularly give out the margin percentages. But suffice to say that the Specialty Chemicals business in general has a higher margin than the bulk chemicals.

Yashvi: Okay. And my last question is, so Europe has always been the largest export geography for us, and we have been hearing a slowdown and negligible demand from Europe. So in these last 2 years that we have thought of strategically shifting our focus to some other geography, or are we waiting for the things to turn around, like because all the shutdowns that we are doing and shutting the capacity? Is it a cyclical thing or a structural thing that we are doing? And how does that impact or what are we doing that would reduce the impact of the negligible demand to our business?

Bimal Goculdas: Yes. Again, good question. So we could see the European demand coming down and particularly impacted by the increasing costs, not only for energy, but for everything else as well. And we are looking at and we have been active in developing new markets. So we are making some headway in Latin American countries, where we have seen decent growth. And we are also selling some products into China, which we were not doing earlier. And while both of these have not yet made up for the loss of the European business, we believe that over a period of time, it will get substituted and to answer your question about whether the drop in European demand is temporary or more permanent, it requires a change in the complete thought process of the Europeans. They need to decide to protect their industry and to support manufacturing within the EU. While we have heard that the industry itself is asking for some kind of level playing field, some kind of protection, some kind of subsidies, so far, we don't believe anything has happened. Of course, I am no expert on European chemical policy. But we believe that sometimes they will have to take some stand. As you know, China is supporting its industry in a very big way, not only on the capital side, but also on the OpEx side and on export subsidies. So that way, if you just let things be, then they will take over everything. But I am sure that good counsel will prevail, and the Europeans will take steps to revive their industry.

Yashvi: And just a follow-up question on that. What are we expecting from the Latin America or the China side? As you said, we are moving forward to shifting geographies and focusing on other geographies as well. So what sort of growth are you expecting from these 2 regions? And by when do you expect the European loss to be fixed by these 2 regions?

Bimal Goculdas: So I don't give forward-looking projections, but I can tell you that we are working on it and perhaps at this time next year, we would be able to review this year's performance.

Moderator: Thank you. Ladies and gentlemen, to ask a question you may press "*" and "1". The next question is from the line of Ankit Gupta from Bamboo Capital.

Ankit Gupta: Thanks for the opportunity. Sir, on both the plants, Roha and Dahej, if you can talk about on the specialty side, how much is our capacity utilization? So this quarter, we are at a run rate of around INR 52 crores for the quarter. So how much room is there to increase it further given the realizations remain where they are or adjusting for some sulfur price increases that we intend to pass on in this quarter?

Bimal Goculdas: Yes. So it depends on product-to-product, we are at different percentages. But on the average, I would say we are between 50% to 60% in our Specialty Chemicals business in terms of capacity utilization.

Ankit Gupta: And in terms of room, let us say, taking the average of last year, so around INR 50 crores, INR 52 crores is our revenue from the specialty. So INR 210 crores kind of revenue is what we are generating annually at current capacity utilization. So from there, let's say, if the demand increases and some of our new products also take off. So like, can this reach around INR 280 crores, INR 300 crores kind of revenue when you reach at optimum capacity utilization from the specialty segment?

Bimal Goculdas: So certainly, it can grow. I won't project a particular number, but we have enough headroom and we have enough space available within our existing plants. And in terms of reactor capacity, etc, we are available sufficient to double our current sales of Specialty Chemicals.

Ankit Gupta: Okay. So it can even touch INR 400 crores is what you are saying?

Bimal Goculdas: Yes.

Ankit Gupta: Okay. Okay and on the margin front, the decline despite high sulfuric prices was primarily because of the increase in sulfur prices on the specialty side. Is that the right conclusion as per the company?

Bimal Goculdas: That is one thing. But if you compare to last year, remember, I said that there was an INR 8 crore profit before tax on sale of shares. So then if you minus that.

Ankit Gupta: I am looking at operating performance, there has been improvement on a Y-o-Y basis. There has been significant improvement, in fact, on a Y-o-Y basis. But on a Q-on-Q basis, we have seen some decline in the margin.

Bimal Goculdas: That is because of sulfur.

Ankit Gupta: Okay. And sir, on the boron side, like your commentary has been positive for quite a few quarters now. So if you can tell us exactly how do you see this business scaling up? If you can give a broad indication of how much is it contributing currently to the revenue? And how has been the growth in this segment in FY '25? And how do you see this segment going over the next year or 2?

Bimal Goculdas: So there, we have a little bit of headroom for growth, but not more than 20%, 30% headroom. And then we will have to make some further expansions, but our idea is not to expand in the bulk business anymore, but to look at specialty products. And once you get into specialty products, then it doesn't matter whether they are sulfur-based, boron-based, etc. We look at them as a separate yardstick itself. So we will consider that as just another specialty chemical.

Ankit Gupta: Sure. So currently, the entire boron field is through commodity products?

Bimal Goculdas: Not entirely. About 70% or so is the commodities.

Ankit Gupta: Okay. Okay. And how much is it contributing to our overall revenues, boron?

Bimal Goculdas: I would have to check, but roughly about INR 100 crores, INR 90 crores to INR 100 crores, something like that.

Ankit Gupta: Okay. Okay. Okay. And how do you see this segment going for us?

Bimal Goculdas: So it is a mature segment. As I said, we don't expect too much growth in the Base Chemicals. But in the specialties, there's opportunities in both domestic and export markets, which we are evaluating.

Ankit Gupta: Okay. Okay. And sir, on the margins front, given how things are currently, like can we assume that on a steady-state basis, if not 18%, 20%, but 15%, 16% margins is what we can look for the company to do on a steady-state basis?

Bimal Goculdas: No, there is no such thing, and I don't like to give forward projections because we are still heavily dependent on commodities, very difficult to project future margins and too many fluctuations, too many variables at any given time and becoming more and more variable every day, as you can see. So even in good times, I don't give projections. So certainly, in these times I'm not going to.

Ankit Gupta: Okay. I understand. And sir, on the new product launches, if you can talk about how many products we launched in FY '25, how has been their performance? How has their acceptability been? How do you see this product scaling up in FY '26-'27? And what are our plans for launching new products in the next 2 years?

Bimal Goculdas: Yes. So we have different stages of product introduction. First is doing the R&D itself to develop new processes. The second is to do test marketing and finally, it's through the commercial scale selling. So in terms of that, we have 3 products which we have done commercial sales, but it's still not become mature products. And we expect that it can vary from product-to-product. So I cannot tell you when it's going to become a regular product, but we are making them in multipurpose plants and so far all of them go through hiccups in terms of product testing. The customers will come back with new requirements on quality, then we'll make the changes, we'll go back to the customer, things like this. So then even the commercial trials, the customer will take with their product and get approval from their customer. So these are all long-time line items. And we expect that the products which we've recently launched will get fully accepted in this current year. And in this current year, we will develop some new products, which we'll take up in the next year for commercialization.

Ankit Gupta: Okay. Do we expect some of them have a potential or the market size to reach INR 30 crores to INR 50 crores on an individual molecule basis?

Bimal Goculdas: Yes, the market potential is there. But if you ask me when we will reach, etc, I cannot answer that.

Ankit Gupta: Got it. The 3 products we've launched last year FY '25, '26 and '27, how many products are you planning to launch on sulfur, sulphones or even boron side?

Bimal Goculdas: Difficult to say right now. But as soon as they are launched, in the next conference call we'll be able to tell you.

Moderator: Thank you. The next question is from the line of Amar Maurya from Lucky Investment. Please go ahead.

Amar Maurya: Thanks a lot for opportunity**.** Sir, what would be our volume growth in specialty as well as into bulk chemical in this year?

Bimal Goculdas: So in the bulk chemicals, we are practically running at full capacity. So even last year, we would have run at 90% or 95% capacity. And that continues in this year as well. So there is not much change in the volume of the bulk chemicals. But main change is in the volume of the specialties.

And while we don't publish individual product numbers or anything like that, but you can say at least 15% to 20% jump in the specialties.

Amar Maurya: Okay. But sir, as you said that you are already operating at 90% utilization. So basically, 30% growth in overall revenue, so you are saying 12% would be this. So 18% is largely a pricing growth, which we had seen in this particular whole year?

Bimal Goculdas: So it could be, I have not done that math, but -- and it changes from product-to-product. So in the -- when sulfur increases, sometimes you're able to pass on the price to the customers in the bulk chemicals, sometimes you're not able to. And in the specialty, generally you are able but there's always some lag of like a quarterly basis.

Amar Maurya: Okay. And what would be our capacity for specialty, like you have a bulk of 300 metric ton per day?

Bimal Goculdas: Yes. So it is not a particular – it is not one plant. It's multiple plants at both locations. So as I mentioned earlier, we are about 50% to 60% capacity utilization overall on the specialty. There is still scope to grow with our existing facility without making much CAPEX.

Amar Maurya: Okay. But any number for the capacity, per day capacity kind of thing for specialty?

Bimal Goculdas: No. There is no such thing.

Amar Maurya: Okay. And let me ask it other way around. Let's say, as you said, your specialty chemical currently is around 60% of overall revenue, and it is at 60% utilization level, right?

Bimal Goculdas: No, no, it is not. It is, I think, about 50%.

Amar Maurya: Okay. Sir, 50% utilization.

Bimal Goculdas: If you are looking at the quarter -- so looking at the quarter, we had about 42% specialties and 58% bulk.

Amar Maurya: And on a full year basis, what would be our specialty?

Bimal Goculdas: So roughly 50-50, I would say.

Amar Maurya: So let's say, sir, INR 200 crore odd revenue, INR 215 crores revenue and full year utilization would be at 50%. So the peak revenue from this plant could be around INR 430 crores?

Bimal Goculdas: Correct.

Amar Maurya: And this, according to you, you will achieve in 1 or 2 years, the peak utilization?

Bimal Goculdas: No. I never said that. I never said that.

Amar Maurya: No. I mean, I am just assuming to reach to some.

Bimal Goculdas: I do not want to comment on the future projection.

Amar Maurya: Okay. And largely, the specialty goes into which all industries?

Bimal Goculdas: So we focus on a type of chemistry like sulfur chemistry, boron chemistry, all that, and they are agnostic to the end users.

Amar Maurya: Okay.

Bimal Goculdas: So the end user would be in -- if you see in our presentation also, we have given you some of our customers mentioned there, and they are across fields. They are from paints and coatings to pigments to dyes, agrochemicals, pharmaceuticals, you name it. And all our business is B2B. So we would supply to other industrial companies.

Amar Maurya: And out of our export, how much would be U.S., sir?

Bimal Goculdas: So not very high, but Europe, U.S., China, Japan and a little bit of Latin America where we are selling.

Amar Maurya: So we are selling in China also?

Bimal Goculdas: Yes.

Amar Maurya: What is the reason? Like China is not competent in the sulfuric chemistry? Is it like that?

Bimal Goculdas: There are some products where we are more competitive than the Chinese.

Moderator: Thank you. The next question is from the line of Rajat Sethia from ithought pms.

Rajat Sethia: **J**ust one small clarification before I proceed to the question. So you said at the full level basis or full year basis FY '25 basis your specialty chemical mix was 50%?

Bimal Goculdas: Sorry, I could not hear that. I can hear you, but it's not clear what you're saying, Rajat.

Rajat Sethia: So at the full year level, like for financial year '25, specialty chemical mix was 50% in terms of revenues. Is that understanding correct?

Bimal Goculdas: Roughly, yes.

Rajat Sethia: Okay. And you said capacity utilization for specialty chemical was 50%, right?

Bimal Goculdas: Yes, 50% to 60%. It's across different products. So it's not one plant or it is not one product.

Rajat Sethia: And you mentioned that smelter-based sulfuric acid, they have slight bit more advantage over sulfur-based specialty sulfuric acid. So what is the reason for that? And how does that affect us?

Bimal Goculdas: So it has nothing to do with the specialties, but sulfur-based sulfuric acid is in general more expensive than smelter-based because the smelters don't need to burn sulfur. They get it as a byproduct of their copper smelter or zinc smelter operations.

Rajat Sethia: Okay. In a way, it is going to add to the overall capacity to the industry that will happen?

Bimal Goculdas: Yes. So it is going to put more tonnage out in the market. And that tonnage is not going to be based on your sulfur price. So right now, sulfur price being on the higher side, all sulfuric acid producers who are based on sulfur will face pressure.

Rajat Sethia: Right. And from when these capacities are coming online.

Bimal Goculdas: We have just seen the announcements. So we do not know when exactly it will come online, but we expect in the next 3 to 6 months, it will come online. But it is not in our control or anything.

Rajat Sethia: And sir, what's our annual maintenance CAPEX that we have to do every year irrespective of any shutdown?

Bimal Goculdas: So we have 2 types of maintenance expenditure. One is, of course, regular maintenance, just upkeep. The Roha plant was set up in the late '70s. Of course, we are doing every year maintenance. So it's not a 50-year-old plant, but it needs things like roads need to be repaired, painting, things like that, structures. So that is one part of it. And the other part is, say, once in a year or once in 2 years, we need to shut down our sulfuric acid plant for maintenance. So that's when we spend about INR 1.5 crores to INR 2 crores depending on what equipment needs to be replaced.

Rajat Sethia: Understood. Our new plant, Dahej plant, the specialty chemical or bulk chemical came up, is that under the new tax rate, lower tax rate regime, or is that under the same?

Bimal Goculdas: So both plants are in the same company, and we are currently under the old tax regime, but we expect by next year, we'll go to the new tax regime next year or the year after.

Rajat Sethia: Okay. Which means 25%, 26% or so, right?

Bimal Goculdas: Correct.

Rajat Sethia: And finally, in the boron segment where we did INR 100 crores almost, is that all low-margin commodity neutral product or --

Bimal Goculdas: Yes, about 70% is the low-margin product and about 30% would be the higher-margin product.

Rajat Sethia: And the higher margins would be in the same range as our other specialty chemical margins?

Bimal Goculdas: Yes. Yes. Typically, yes.

Rajat Sethia: Okay. And sir, our raw material problem related to this segment is completely sorted now?

Bimal Goculdas: So see, the thing is that in boron, there is no raw material in India. So there will continuously be a supply chain issue, whether it is something to do with Suez Canal, whether it is something to do with some other strike, shipping costs, availability, etc. So I will say this is like juggling. There is always some balls which are in the air, and you have to keep an eye on it all the time. So for the moment, I can say it's okay, but I can't tell you it is a permanent okay.

Moderator: Thank you. The next question is from the line of Siddharth from RB Investments. Please go ahead.

Siddharth: Just a small question from my side. In the PPT as well as earlier in the call, you mentioned regarding opening of a smelter. So could you just outline your approach going forward?

Bimal Goculdas: So I just mentioned it as abundant precaution as one of the threats coming up to our business. Because it's in the public domain that this Kutch copper smelter will start, and it will surely affect the availability of sulfuric acid, particularly on the Western coast of India. And difficult to gauge the impact. I mean, consumption in India is growing. Also, there could be exports of sulfuric acid from the smelter. But basically, I just wanted to point out to the shareholders that this is something which we are keeping an eye on. We cannot quantify the impact, but we know there will be an impact.

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

Rohit Ohri: A few questions from my side. This is more related to the new accounts you probably must have added during the year. The first one being Sudarshan Chemicals and second one, you moved from SOLVAY to SYENSQO. So if you can just highlight that which are the domains or the industries or the end user that you are targeting with these 2 new accounts?

Bimal Goculdas: So basically, what you see in the presentation is a sample listing of our customers. So it is not all the customers. But Clariant, I mean, the Heubach Clariant has been acquired by Sudarshan, and they are in pigments. They've become amongst the largest in the world in pigments now. So that is one. And the other one, SYENSQO is basically the specialty chemical business of

SOLVAY. Since they've changed the name, we've changed the name. And they continue to be clients. But it's across the board. It's not any particular targeted end use for us.

Rohit Ohri: Because SYENSQO is more interested in the Specialty Chemicals for circular economy, maybe automotive or maybe green hydrogen and battery businesses. So we'll be supplying to the specialty part. Is it?

Bimal Goculdas: Yes, yes.

Rohit Ohri: Okay. In addition to that, in the presentation, if you go through, you've added around 5 products for the boron chemistry, around 8 in specialty chemical and 1 on the bulk side. So which are the target industries or the developments that are happening over here?

Bimal Goculdas: So there are -- a lot of these would not necessarily be on a fully commercial side or targeted towards a particular end use. They are a wide range of end users. Boron also goes on to find applications in things like glass, ceramics, glass fiber, agriculture, all that. We've got products which go into micronutrient fertilizers, things like that. So it is not targeting any one particular industry. You have fire retardants as well.

Rohit Ohri: And in addition to that, your commentary also mentioned about these 3 products compared to previous year which are the domains? If you can take us through what exactly is it specialty or is it bulk side that you have added?

Bimal Goculdas: So they are specialties. They are not added. We've just mentioned them separately. But if you look at our annual report, they've always been there. This is a product where we are in the top 3 in the world. And they would go in multiple applications. Each one of them goes into different applications. The last one, sodium vinyl sulfonate particularly goes into coatings and emulsions. But the others have multiple end users.

Rohit Ohri: And even if you look at the presentation, you have added somewhere around 10 new cities.

Bimal Goculdas: Say that.

Rohit Ohri: If you look at the presentation, you've added around 10 new cities or geographies or 10 new dots on the globe. If you can take us through that, that are these high-margin businesses, or are you targeting that bulk businesses over here?

Bimal Goculdas: So no, no. Bulk business is mostly in India. Whatever we do outside India is specialties.

Rohit Ohri: Okay. Any guidelines that you want to share that you can go from around 13%, 14% EBITDA margins to maybe 17%, 18% in the next 3 years or something like that?

Bimal Goculdas: No, I don't make those kind of projections. But I've always maintained that the specialties are a higher margin. And as we expand our specialty business, we'll see an expansion in the EBITDA margin. In fact, one of the reasons we are not at higher levels is because of the slowdown in Europe, which has taken away a lot of our specialty chemical export business.

Rohit Ohri: But then directionally, you have that ambitious plan to reach 17%, 18% EBITDA margin, right?

Bimal Goculdas: We want to increase it for sure. And I don't know if I would put a particular target.

Rohit Ohri: You had mentioned about this shutdown, which will be in the current quarter, maybe 20, 25 days or so, probably that can give you somewhere around INR 85 crores, INR 90 crores kind of top line. Do you think for the full year, you wll be able to grow at the GDP growth rate of India?

Bimal Goculdas: So again, typically, the chemical industry grows faster than the GDP growth. But again, you're asking me to make futuristic projections, and I don't do that. But I can tell you in general that the chemical industry grows faster than GDP.

Moderator: Thank you. The next question is from the line of Vignesh Iyer from Sequent Investments. Please go ahead. There is no response from the participant. Participants wishes to ask a question may press "*" and "1". As there are no further questions from the participants, I now hand the conference over to Mr. Bimal Goculdas for closing comments.

Bimal Goculdas: So thank you once again, Abhishek and the TIL team for hosting this. Thanks to all the investors for attending the conference and for all your questions. And my team and I are -- we are -- let me reassure you that we are working through all these difficult times to try to increase our top line, bottom line, and we appreciate all the faith the investors have in our performance. So thank you, and have a good evening. Back to you, Abhishek.

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