

November 17, 2025

The National Stock Exchange of India Ltd. Listing Department Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 Company Symbol: DMCC	BSE Limited Department of Corporate Services Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code : 506405
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Sub: Transcript of Conference Call held on November 12, 2025 with investors and analysts on the financial performance of Q2FY26.

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, we are enclosing herewith the transcript of the Conference Call held on Wednesday, November 12, 2025, at 12:30 p.m. (IST) with investors and analysts on the financial performance of Q2FY26.

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

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

For DMCC Speciality Chemicals Limited

(Formerly known as "The Dharamsi Morarji Chemical Company Ltd)

Sonal Naik

Company Secretary & Compliance Officer

ICSI Membership No. ACS 43179

Encl: As Above



**“DMCC Speciality Chemicals Limited
Q2 & H1 FY’26 Earnings Conference Call”
November 12, 2025**



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

MR. DILIP GOKHALE
SENIOR EXECUTIVE VICE PRESIDENT
DMCC SPECIALITY CHEMICALS LIMITED

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

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

DMCC Speciality Chemicals Limited
Q2 and H1 FY'26 Earnings Conference Call
November 12, 2025

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 and H1 FY '26 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: Good afternoon. Welcome, everyone, and thanks for joining this Q2 and H1 FY '26 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; Mr. Dilip Gokhale – Senior Executive Vice President; and Ms. Sonal Naik, Company Secretary and Compliance Officer.

We'll 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 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 will now hand over the call to Mr. Bimal Goculdas for the opening comments. Over to you, sir.

Bimal Goculdas:

Thank you, Abhishek, and thank you to TIL Advisors for setting this up. Good afternoon, ladies and gentlemen. Thank you for attending this call. I would like to start by giving an overview of Q2 for our company.

As you have seen the presentation put up on our website, we had a top line of INR 126 crores, which is flat compared to the previous quarter and about 25% higher compared to the same quarter of the previous year.

In terms of profitability, the profit before tax was INR 8.28 crores compared to INR 11 crores in the previous quarter and about INR 8.6 crores in the same quarter of the previous year.

If you look at the 6 months results, we have crossed INR 250 crores top line and INR 19 crores is the profit before tax as compared to about INR 188 crores top line and INR 10.4 crores profit before tax for the first half of the previous financial year.

So, it has been a difficult quarter, mainly on account of 2 areas. In the first instance, as I mentioned, logistical challenges on the boron business. You see there was a change of distributor by the main supplier of the boron raw materials and the previous supplier used to keep stock in India. Now we have to buy ex-Turkey and pay advance before the material is shipped. So, that changes the time for arrival of the vessel by nearly 90 days to 100 days. And the new distributor took some time to set up the logistics. They still don't have any stock and no immediate plans to have stock in India. So, in fact, until April, they didn't get their organization set up at all. So, that resulted in some delay in the shipments. And it's only now in the month of November that we had sufficient material to operate the plant at capacity. So, we have lost those sales and that profitability as well. And so therefore, in spite of the previous quarter having a planned shutdown and this quarter not having a planned shutdown, the top line hasn't increased.

The other reason, and this is also clearly mentioned in our presentation is that exports, particularly to Europe have come down. On the positive side, and that is not because of competition or anything, but it's more because the consumption in Europe has come down. We have not lost business to competition, but because of internal issues within Europe, including their energy policy and things like that, they have reduced their consumption. And in fact, a lot of the plants are shutting down.

In terms of what are we going to do about looking at new markets. So, we have explored particularly the Latin American markets and happy to inform you that even the Chinese markets, and both those are shaping up well. While it will take time to replace the specialty chemical business of Europe with other geographies, we have made a reasonably good start.

We have also commissioned at the end of the quarter a solar power plant. The full effect of that, of course, will be seen in this quarter, current quarter onwards. But we expect to reduce

not only our electricity cost, but our carbon footprint even further with this. And more than 80% of our requirement at Roha will be covered by renewables and not by fossil fuels.

So, with that, I would just like to sum up, a difficult quarter, but we have done the best we could under the circumstances. And we look forward to the boron business recovering from the second half of the current quarter onwards.

And with that, I would like to open up for questions.

Moderator: Thank you very much. The first question is from the line of Sanjay Ladha from Bastion Research. Please go ahead.

Sanjay Ladha: Sir, my first question is on boron business. So, from what we understand is from you guys are facing slight problem in Q1 regarding the raw material supply and to almost Q2, it is a plant shutdown for the entire quarter. So, could you please elaborate on what exactly happened and what caused this? And it would be really helpful if you could quantify the loss of this business in terms of revenue and whether this business is a high-margin business or not or how should we think upon that on?

Bimal Goculdas: Any other question you have?

Sanjay Ladha: Yes, sir. So, my second question is regarding on Kutch smelter. So, in the previous year, you were cautious that because of the new facility coming up, the realization of the commodity business would have a negative impact. So, now we are witnessing post this capacity coming up, the prices are inching higher to that, what we understand.

So, could you possibly explain what is happening and what are the other factors at play here? Are the prices expected to remain higher for a while? And how should we think on that line?

Bimal Goculdas: Okay. Please complete your questions, then I'll answer all of them.

Sanjay Ladha: So, my other question would be related to export and so on and so forth. So, if we can come one by one, so I can ask you on that specific questions, if at all.

Bimal Goculdas: Okay. On the boron business, I explained a little bit in the introduction. Basically, the new distributor did not have any setup or any experience in the business. So, they had to start from zero. And there was no smooth transition from the old distributor to the new distributor. There was a complete lack of communication from the side of the suppliers, very slow communication from the side of the distributors. And the stocks that we used to buy from stock in India. So, the lead time was like a matter of days, like a couple of days and now we suddenly had to start with a lead time of 100 days and that too with a new company, which did not have any financial setup, they didn't have proper banking arrangements. They couldn't accept LCs, a lot of issues,

it's typical new business issues. And in fact, there were 2 companies. They said you pay the money into one company, shipment will happen from another company. We said, we can't do that and it took them time to set up their whole logistics and financial arrangements.

Now it's done, and things have started running smoothly. As I mentioned, only from the month of November, are we seeing reasonably good volumes. So, I have mentioned in earlier calls that the boron business would be around INR 10 crores per month. And that is what we have lost in terms of top line. And it is again a mix of commodity boron and specialty boron. So, we do not discuss exact margins, but these are typical margins that we would see for those businesses.

In terms of the Kutch smelter, it has started operations. Sulfur costs have gone up, not only for us, but for all consumers of sulfur and producers of sulfur-based sulfuric acid. So, far, we have been able to pass on the price increase to the customers. So, the top line growth is really a price growth, not a volume growth and we expect that once the smelter is fully operational, there will be some impact on the domestic market.

Domestic market is also growing because the main end use of sulfuric acid is fertilizers and the policy right now by the government is to increase the domestic production of fertilizers. So, that is on one side, there is increased output of sulfuric acid, but also increased consumption. At the moment, we are in a stable position from the market side. But I had cautioned because this would be a big disruption when it would come on stream, at least for some time until the consumption fully catches up with the new availability of material. So, that caution statement continues and so far, it has not affected the bottom line, but we shall see how it goes in the future.

Sanjay Ladha: Sir, to follow up for the first one, as you mentioned about the boron business. Just trying to understand, is the situation fully operational enough or is our shipment and all that process has been gone by and from the Q3 onwards, you will see things are going up and running so far, so is the right thing to say or it will take a quarter from here on as well?

Bimal Goculdas: From the second half of Q3, we will be in normal operation.

Sanjay Ladha: And sir, on the Kutch side, you said that sulfur as the prices are going up and therefore, you are able to pass on the prices and you also mentioned the cautious sign of that because you are mentioning that India plant, once the operational things will not get right. I couldn't understand. Could you highlight it more in detail on that aspect, if possible?

Bimal Goculdas: So, I am not privy to the actual operation status of the Kutch smelter. They have started supplying sulfuric acid into the market and as they fully scale up, it will put a large quantity of material into the market, which is bound to disrupt the pricing. We don't know when it will

happen. We don't know the extent, but I'm just giving a cautionary Statement as a matter of good governance.

Sanjay Ladha: Understood, sir. Sir, my next question would be on export business. So, if possible, could you please quantify your exposure to European and the U.S. market? It has been a while that the European market has been sluggish. Though you have stated to moving to newer geographies, as you highlighted in the commentary that Latin America and China, you are moving up. And what are your plans to further diversify on that or increase that market in Latin America and China or any other market apart from U.S. or Europe?

Bimal Goculdas: Yes. So, we are putting efforts to replace Europe. As I mentioned, looking at Latin American as well as Far East markets and there is always a curve, time line, which is required for entering new markets. Europe, we have been established for many years. I do not have the exact numbers, but our total exports were about INR 100 crores at one time, INR 120 crores even and out of that, at least INR 40 crores or so would be to Europe. So, that has practically disappeared and that is what we are looking to replace. Of course, we don't just want to replace. We want to grow also. But that's the quantum of the loss that we are facing and it is all specialty chemicals. So, that was a good contribution to the bottom line.

Sanjay Ladha: Sir, you also mentioned that in the Europe plant has been shut down. Does that mean that going forward, let's say, for assuming a year-end or from a 2 quarter onwards, so all that we will be not able to supply on the Europe market or is there any problem specific to the country, specific to the problem or are we seeing any revival on that terms?

Bimal Goculdas: So, honestly, until they change their energy policy and industrial policy, in my personal opinion, I do not think the European chemical industry will revive in Europe. The big companies, of course, may set up plants in other countries. So, I am not talking company specific, but I'm talking about the European manufacturing is going to be very difficult. So, a revival under current policy scenario to me looks difficult, but I'm certainly no expert on European chemical industry.

Sanjay Ladha: Sir, my another question would be on R&D and the new product development front. It has been a while that we have heard that you are on the new products that we are working on. So, can you please share any new product pipeline or any new names of the product, if you could help us understand the industry size, the product size and the application on that front, if you are looking to, I mean.

Bimal Goculdas: So, yes, we have currently not added any new products. We are working on process development. We are looking at expanding our applications and within the same chemistry areas. So, for example, if we are doing thiophenols, we are looking at different types of thiophenols. In the specialty borates, we are looking at some newer specialty borates. For the

sake of confidentiality, we are not specifying which product until we are at a different commercial stage.

Sanjay Ladha: But sir, any specific product or any industry you are looking at or if you can share any thought on that?

Bimal Goculdas: Not at this time.

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

Kalyan: First of all, I would congratulate the management for making the business in a genuine manner. You are one of the top class management, I think, in sharing the information in very, very genuine manner. So, broadly, I will ask only one question, sir. So, being a small cap company, what are your targets or what are your goals that you have set for upcoming years so that the small cap company can become big. So, we have completed so much of CAPEX already. But because of the industry dynamics, so the top line or bottom line were not increased as much as I expected rather. But in future, is there any chance for that rerating of the top line and bottom line? As per your understanding, is there any possibility for going for big CAPEX, sir?

Bimal Goculdas: Okay. Thank you for your kind words. I do not want to give any futuristic projections, but I can just say that we are working within our areas of expertise, particularly boron chemistry and sulfur chemistry to come out with new products. We are not currently looking at any large CAPEX. We are looking at incremental projects, which will sort of not have a big impact on our borrowings as well. We have reduced our debt, as you can probably see from the balance sheet, and we will continue to do so. We will be using some incremental CAPEX we will be doing using our existing cash flows as well as some borrowings. But the idea is not at this time to do any large CAPEX. We will do incremental things only for at least the current scenario.

If any opportunity comes up or if we believe that any of the products we are working on could grow to a level where we would need more than just the existing facilities and we would need to rethink our plants or anything like that, we are more than happy to do it. We are not averse to doing that. But we will wait for the right opportunity because currently, the opinion, not only my opinion, but that of the Board and the management is that it is better to be cautious under such an uncertain scenario.

Main customers in Europe going down, a lot of production is shifting to China, a market which we know very little about as yet although we have started some business there. But their scale of operation, their efficiencies, the government support they get is tremendous. And we need to be sure that we can compete in the long term before we take on any additional capital risk.

Kalyan: Okay, sir. Just a follow-up question to my initial question. Sir, actually, in chemical business, there are so many companies that are going for hydrocarbons and fluorochemicals like that.

So, is there any plan? Because my question is related with the chemicals, those who are having the much demand. Is there any possibility that management can think on that aspect?

Bimal Goculdas: Thank you. At the moment, we are not considering it. But we are open to ideas, and we will certainly look at any opportunities if we believe it is long-term sustainable.

Moderator: Thank you. The next question is from the line of Riya Patel as an individual investor. Please go ahead.

Riya Patel: Can you please give a segmental performance breakdown, like utilization for each segment, specialty and boron. What is the headroom for growth in the existing facilities for each segment?

Bimal Goculdas: So, our commodity business, which is sulfuric acid and allied products that operates at more than 90% capacity, I would say, between 95% to 100% capacity. The specialty chemical business is at or maybe slightly below 50%. So, that is where we have a lot of room if the demand comes back or if we create new markets and that is also, of course, where we have the higher margin products. So, this is the challenge we are facing at this time.

Riya Patel: Okay. My second question is regarding diversification of supplies of the raw materials for boron business. Given your update, it seem supply could still be, given the distributor is new, are we exploring any more alternatives?

Bimal Goculdas: Could you repeat that, please?

Riya Patel: Sir, the diversification of supplies of the raw materials of boron business, given your update, it seems like the supply could still be a challenge given the distributor is new. So, are we exploring any more alternatives?

Bimal Goculdas: So, we could explore, but the fact is that the current source is by far the most economical source. So, it is better to build up some more stocks and things like this and the change that happened earlier this year came as a complete surprise. Normally, these things happen in a more managed frame and this was a surprise to everybody. So, It is not practical to say that we will be able to diversify the supply chain for boron because what we have is the best and It is something which we need to optimize within the existing framework.

Riya Patel: Okay and my next question is on the working capital requirement. Given the new terms for the boron business and the rising prices of the raw materials in the commodity chemicals, sir, what is the expected rise in working capital requirements and would we see an increase in the short-term borrowing because of this?

Bimal Goculdas: You are exactly right. We will need more working capital. We have already arranged that with our bankers, and they are supporting us.

Moderator: Thank you. The next follow-up question is from the line of Sanjay Ladha from Bastion Research. Please go ahead.

Sanjay Ladha: Sir, I wanted to know that the supplier which you talked about for the boron and the distributors from where we are routing to, is it not possible that we directly contact the manufacturer and then get the direct supply? Is it not viable enough?

Bimal Goculdas: It is not possible given their structure.

Sanjay Ladha: And sir, my another question would be on capital allocation front since I see for the last 3, 4 years, we are repaying the debt, and we are on the continuous front to repay the debt in my understanding and since you are saying that from Q3 and Q4 onwards, our boron business will resume normalcy and if that's happening, then we are seeing INR 150 crores, INR 160-odd crores of top line and INR 20 crores of bottom line at the EBITDA level.

So, I wanted to know what we are able to do going forward? We will continue repaying the debt? Any buyback plans or any other management are thinking on that line or new product development? Any thought on that side?

Bimal Goculdas: Well, first of all, I didn't make any projections on the future profitability or anything like that. Because while one thing can go up, something else can come down. It is not a steady state. So, no projections for the future. But certainly, we are looking at growth. We are not looking at currently any buyback or any such corporate action. We will currently reduce our term loans. I mean that is going to happen anyway from our cash flows after we have spent whatever we need on CAPEX. And at the moment, as the previous investor asked, we are increasing our working capital requirement a little bit to fund the extra requirement of the boron business.

Sanjay Ladha: Okay. Sir, can you share, I just forgot what is the CAPEX plan we have? How much has been already done? How much has been the pending amount? What are the plans for the next year, if we are doing anything sort of that, if you can highlight that?

Bimal Goculdas: So, nothing significant at the moment. About INR 10 crores is our CAPEX approved for this year and it will be around the same level next year unless we do some other projects. So, we will come back to the Board as well as shareholders if there's anything significant.

Sanjay Ladha: Sir, just wanted to give you a request that on the disclosure front, since our boron business would be a larger part of the business or significant enough, can we break it down to commodity, specialty and boron business separately so that we get a better understanding going forward for the business?

Bimal Goculdas: So, that may not be in the interest of the company, but we will look at it.

Moderator: Thank you. The next question is from the line of Henil Bagadia from EquiCorp Associates. Please go ahead.

Henil Bagadia: So, just 2 quick questions. Since you said on the product diversification, you are looking at existing products, but new industry and new application use. Sir, is that more focused on the mid-premium segment or the high specialty segment where you obviously have low volumes? And how are you seeing the traction there? Because entering a completely new industry does take time to develop customers, send batches, get approvals. So, I mean it's a fairly long gestation project. And obviously, we are trying to see new geographies. So, some more understanding there.

Bimal Goculdas: Yes. You are right, it does take time. But there are 2 aspects to it. One is the process development aspect, which can also take time and one is the market development, which can take time. So, when we are looking at new applications for existing products, we already have the capacity. We already have the chemistry ready. So, that time is saved and it is not that we are not looking at new products. What I mentioned was that we are looking at products which are similar to our existing products. So, we can quickly commercialize if the demand fructifies. So, yes, there is a limited impact we can have on the customer approval time. That's really out of our control. But by building good facilities, by building good quality assurance systems, by making our products sustainable, like lowering our carbon footprint and things like that, we can be the preferred supplier and we can stand out amongst the competition to that extent. So, it encourages customers to look at us rather than look at our competition. So, we have been actively investing on those fronts also.

Henil Bagadia: Okay. Sir, also, the primary use of sulfur is basically in fertilizer, agrochemicals and then followed by paints, pigments, dyes, et cetera, I mean and construction chemicals, too, which, of course, is a slightly laggard here. So, is that my understanding right that this actually forms a majority of our end industry use applications for our products?

Bimal Goculdas: Yes, absolutely.

Henil Bagadia: So, when we are trying to enter using existing product chemistry, if we try to enter into the little more sticky parts like pharma, nutraceuticals or probably the semiconductor side, which has got very, very few suppliers. So, how does it pan out in terms of the gestation of customer approvals because they are already supplier base for all these existing products for them?

Bimal Goculdas: Yes. But you are talking about 2 extremes. One side is the fertilizer and other industrial applications and then you mentioned things like semiconductor. Frankly, there is no consumption as yet of the semiconductor raw materials in India. There is no fab. So, unless you have the fab, you can't consume this. And those are very, very difficult to manufacture chemicals. Nobody has the technology in India. And very few companies have the technology worldwide. But in terms of other end applications, polymers, for example, electroplating

chemicals, things like this, there it is not as extreme as semiconductor. And there, you can make entries reasonably quick. There is actual consumption in India and that's the space we are looking at.

Henil Bagadia:

Sir, lastly, China actually happens to be the world's largest producer of sulfuric acid and also, they have been using a lot of sulfuric acid for a lot of end industry applications. So, are there spaces where you actually see China could probably be a good piece in terms of our replacement from Europe to, I mean, in the APAC piece, China and probably LATAM, a few countries there? Maybe China itself would be having a lot of industries on the end sulfur application. So, I just wanted to understand, are there any white spaces where we as a company can probably fit in and probably supply to them?

Bimal Goculdas:

Yes, absolutely. So, China is the biggest producer by far in the world, but that also makes them the biggest consumer. You have to also find the right niche and the way we are positioned, if there is some product in sulfonation or something like that, we are as good as anybody in the world. And as the Chinese move downstream, there could be opportunities for us to enter into the markets and we are talking about specialty chemicals, low-volume products, where we have just started exploring earlier this year, but we believe there are good opportunities.

Henil Bagadia:

Okay. Sir, lastly, on the sulfuric side, are we there in the segment supplies to cosmetics or home and personal care products and is that a good percentage of our revenue or a very small percentage, nascent stage as of now?

Bimal Goculdas:

Very small.

Moderator:

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

Bimal Goculdas:

Thank you. I will just take the opportunity to thank all the investors. And maybe one point which I didn't make in my opening is about the U.S. tariffs. And I just wanted to say that not a single existing customer has refused product from us because of the new tariffs. So, they have continued buying as usual and it is a positive thing. I'm sure a lot of other chemical industries are also facing the same positive response from the U.S. market. And we hope that in the days to come, a good trade deal will be signed, and it will be the end of all this acrimony.

So, again, I would like to thank you for taking the time to attend this call and for your questions as well and for the patient hearing and for your support. We've had always good support from our shareholders for any decision we need from them, and we hope that will continue. Thank you very much.

Moderator:

On behalf of TIL Advisors, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.