



100 Years of Sulphur Chemistry

23rd November, 2020

To
Listing/Compliance Department,
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Dalai Street, Mumbai, 400 001.

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Ref: Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.
Sub: Transcript of the Conference Call on financial performance of Q2 of Financial Year 2020-21.

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, we are enclosing the transcript of the conference call held on Thursday, the 12th November, 2020, a copy of the said transcript of the conference call held on Thursday, the 12th November, 2020, can be viewed on the below link: <http://www.dmcc.com/investor--information/announcements>

Please take the above on record.

Thanking You
Yours Faithfully

For **THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED**



D. T. Gokhale
Sr. Executive Vice President and
Company secretary

CIN NUMBER: L24110MH1919PLC000564



THE DHARAMSI MORARJI CHEMICAL CO. LTD.

The Dharamsi Morarji Chemical Company Limited

Q2FY21 Earnings Conference Call

12th November, 2020

Management Participants

Mr. Bimal L. Goculdas – CEO and Managing Director

Mr. Chirag Shah – Chief Financial Officer

Mr. Dilip Gokhale – Senior Executive Vice President and Company Secretary



Analyst

Mr. Abhishek Mehra – The Investment Lab

Moderator:

Ladies and gentlemen, good day and welcome to the Q2 FY 21 earnings conference call of Dharamsi Morarji Chemical Company Limited. 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 star, then zero on your touch tone phone, please note that this conference is being recorded. I now hand the conference over to Mr. Abhishek Mehra from The Investment Lab. Thank you, and over to you sir.

Abhishek Mehra:

Thankyou Aisha, Welcome everyone, and thanks for joining this Q2FY21 earnings call for Dharamsi Morarji Chemical Company Limited. The result and investor update have been e-mailed to you and are also available on the stock exchanges. In case anyone does not have a copy of the press release, please do write to us and we will be happy to send it over to you. To take us through the result of this quarter and answer your questions we have today with us Mr. Bimal L. Goculdas - Managing Director and Chief Executive Officer, Mr. Dilip Gokhale - Senior Executive Vice President and Company Secretary and Mr. Chirag Shah - Chief Financial Officer.

We will be starting the call with brief overview of the company performance which will be followed by 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 constituted as a forward-looking statement must be viewed in conjunction with the uncertainties and risks that the company faces. These uncertainties and risks are included but not limited to what we have mentioned in the prospectus filed with the SEBI and subsequent annual reports which you will find on our website. With that said, I will now hand over the call to Mr. Bimal L. Goculdas. Over to you, sir.

Bimal Goculdas:

Thanks for organizing the call and, thank you all for attending this conference call. So just to give you a brief update about the operation, I think you all can see from the numbers that we have returned to normalcy in the domestic business, as well as in the overseas business. We found things coming back to what they were prior to COVID. We have seen reasonably good operating revenues as well as operating margins and the one item which is unusual in this quarter is that we have booked profit from the sale of the land in Rajasthan. That is a profit of Rs. 4.94 crore and that needs to be taken into account, when you look at the results.

Other than that, to just go through the different business segments very quickly, in the bulk chemical volumes were good but the margins were not great during the quarter of July to September and the specialty chemical business, both domestic and overseas compensated for this.

We found that compared to the previous quarter, most customers, were back in business. The Indian market was quite subdued in April, May and June because of lockdown. A lot of the downstream customers particularly in specialty chemicals, dyes and pigments were shut down, which affected our operations as well during that quarter, but we are happy to report that most of them are back in business now. Therefore, we had a reasonably

good results. With that I think, I am open to any question that you might have. Thank you.

Moderator: The first question is from the line of Mr. Viraj Mehta from Equirus Securities.

Viraj Mehta: Congratulations for good set of numbers. Sir, if you can talk a little bit about how our gross margins are behaving on both side of businesses and what's the kind of trend you see going forward. That'd be very helpful. That's my first question.

Bimal Goculdas: Okay. So, we prefer not to discuss margins per individual products. And if I were to combine them all and give you a gross margin number, it wouldn't make any sense because it's a combination of too many different products, but in general, I can tell you that, the gross margins for the bulk chemicals are substantially lower than the gross margin for the specialty chemicals. Looking forward I think I would refrain from making a very forward-looking statement except, I already said that the domestic markets and international markets are looking back to pre Covid levels in most places.

Viraj Mehta: Can you talk a little bit about your capex because around a year back we were going to do a large sum of capex on Sulfones, but in the latest presentation I do not see a mention of capex in sulfones, but I see a lot of capex to the tune of 60 cr. and 50 cr. in bulk chemicals, but not no mention of sulfones. So, what changed and some more colour on the projects that we are doing will be helpful.

Bimal Goculdas: If you see the presentation, we have mentioned that, in this particular year, thanks to the COVID, there's been a decline in demand for a couple of the sulfones. Mainly because it's used in thermal paper coating and those coatings are primarily used for example, in airline tickets, in stadium tickets. In baggage tags and things like that. You can all imagine that this year has seen a substantial reduction in demand for such things.

So rather than, investing in a market, which would already be crowded because of the reduction in demand, we've decided to reallocate the funds elsewhere. And we've mentioned this in the slide update on capex. It clearly mentions that. We are now looking at other investments. We have several products in the pipeline and we are looking at intermediate for a pharmaceutical and agrochemicals. We are looking at debottlenecking essentially. And, we are of course continuing with our project on sulphuric acid and allied products at Dahej.

Viraj Mehta: This will be the largest capex in the history of our company. Can you please elaborate how it will be funded, how much debt we will need for this? And almost all of these projects end between June and September of next year. So, how much can you do, how much we can do as a company, as a top line on this and how much time we will need for all of these projects to ramp up?

Bimal Goculdas: Okay. So. you know, the projects will extend up to December of next year. And yes, you're right that this is the highest ever capex, but you have to

keep in mind that we are creating a second site. The site at Roha has been in existence for 40 plus years and we are creating a second site at Dahej, which will be fairly similar in size, in terms of operations, as well as the physical side, as the Roha plant.

So, we will look at ramping up products over a period of time naturally, but the product we are looking at now, it's already existing business, which is expanding. And a couple of them are new products, which we're already doing on multipurpose plants. Since the volume is bigger, we decided to go for dedicated plant. So, it's not unknown business, it is an expansion of existing business and so we expect the ramp up time to be relatively short and typically 100 cr. of investment which is finally running at full capacity would be expected to generate about 200 cr. of revenue for our type of business.

Viraj Mehta: Just one last question. Generally, all of these businesses we are seeing most of these businesses are in the similar lines like our existing business, but our existing business also has commodity products. So, is it a fair assumption to have that we have that the gross margins of those businesses or new capex businesses will be relatively higher than the combined gross margin of the business today?

Bimal Goculdas: No, because we are also doing Capex for the bulk business. So, in general we would have a similar margin.

Viraj Mehta: Okay, thanks a lot, sir. and wish you all the best.

Moderator: Thank you. The next question is from Dhwanil Desai from Turtle capital, please go ahead.

Dhwanil Desai: I, have 3 questions, first one is, you know, I have been attending the AGM's and for the last AGM I was there, you were kind of more conservative and thinking back, maybe we will take time and see how are things all around the world and in India. And then we will go ahead with the capex. So, what changed in your view to go ahead and kind of, to do an expansion, not only what was kind of thought of, but even in addition to that. At that time, we were thinking of around 70-75 cr. of capex, and now, we are substantially higher than that. So, what has changed to push you in a direction where you are doing capex

Bimal Goculdas: So essentially the question mark was around the investment on the sulfones side. The others were in the old businesses. That's the only one, where we have changed our decision. We were anyway going ahead with the sulphuric acid, which is the biggest part of the capex and, the others for example, the expansion of Roha, we were going ahead with anyway, and the multi-purpose plant at Dahej, we were going ahead with it. There is no significant change, except in the decision on the sulfone and that is more connected to the market.

And I just missed out one of the questions, which I understand from the previous participant about the borrowed funds. And we would use, roughly, 2;1 debt to equity ratio.

Dhwanil Desai: So again, you know, correct me if I'm wrong, but my understanding was that the sulphuric acid plant for which you are doing the 50 cr. capex will serve as a base to use that and do more value added downstream products and eventually a large part of the capacity that you are putting up will be consumed within the company. And only a small part of that maybe will be sold as bulk chemicals.

Bimal Goculdas: 50%. It will have a 50-50 split.

Dhwanil Desai: So, 50% will be used as internal consumption and 50% will be sold as bulk chemicals.

Bimal Goculdas: Yes, that understanding is correct.

Dhwanil Desai: Okay. And last question is on the boron side. So, I think we had introduced one specialty product if I remember correctly, any more in the pipeline and how do you see the boron business in the next 2-3 years?

Bimal Goculdas: So, on the boron the side of the business, we are still facing, issues on non-availability of the main raw material, which is technical grade boric acid. That hasn't been sorted out yet. There are still restrictions on imports and things like that. So, we haven't put too much focus on downstream products based on that in the current quarter, we're looking more at the sulphur based downstream products.

Moderator: Thank you. The next question is from the line of Sajal Kapoor from Unseen Risk Advisors. Please go ahead.

Sajal Kapoor: Yeah, thanks for the opportunity. My questions are more on sanity check on the medium-term outlook. So, we are making elevated expansions in upstream and downstream chemistries to support both the custom synthesis as well as the pharma and agro specialty intermediates among some other things. So, is it fair to assume that once this project are fully commercial in say FY23 which will be the first full year of commercial production, that they will significantly improve our cash flows and materially improve the return ratios?

Bimal Goculdas: So cashflow, certainly, and return ratios, it depends on how you calculate, because as I said, we will be doing a mix of the commodity and the specialty. It doesn't mean that it will be a higher margin only on new investment. It would be around the same margins as we are doing now. But, if you see overall, we are not extending our equity too much so return on equity, yes, it would be better.

Sajal Kapoor: Yeah, I understand so upstream on sulphuric acid for example is a sort of a necessary evil because we need that for active consumption. And this is a one-time capex that we are doing, right? So, the further capex will predominantly be on the downstream side and other complex chemistries

rather than on the upstream. So, this is a one time. So, over a longer term, when we do higher value addition capex the return ratios will improve, right?

Bimal Goculdas: Yes. Well, once we've done this investment, we don't envisage any further investments in the bulk chemicals business, then for the next several years, we have enough feed stock.

Sajal Kapoor: Yeah, that's what understood. So that was my first question. And secondly, in any business, there are certain factors that affect the valuation of that business. So, I mean there are factors like, earnings or cashflow growth over a period and I'm talking about three, four, five years, obviously and the certainty attached to those cash flows. And more importantly there are things like return on invested, incremental capital deployed, and finally the entry barriers.

And that must be strong enough to keep the competitors at bay. So, these factors and regarding the certainty of the cash flows and we are doing this Capex. So, you must be having some sort of dialogue and discussions with our customers. How certain are we in terms of finding the market for this incremental capex that we are doing in these specialty intermediates as well as the custom synthesis there that's one.

And secondly, in terms of the entry barrier, how confident are we to sort of keep the competitors at bay? Because I believe we are focusing only on the sulfur chemistry where we have got decades of experience. So that should hopefully protect our margins and give more sustainability to our business.

Bimal Goculdas: So, one thing is, you know, certainty is not possible in business. If it was certain, then everybody would be doing it. But, to be, very candid, we are doing investments in products that we know already. And, there is always a force majeure clause in any kind of contracts or in any situation and if a calamity happens for any reason, the best of business plan can go out of the window.

But, from what discussions we've had with the customers and from what we have supplied, at the moment we are reasonably confident that we will achieve the cashflows planned from these projects. As far as the, entry barriers are concerned, you know, we have our backward integration which helps us.

And the second thing that helps us is whatever we get into isn't a big market. But, within those markets, we are big players. So, that also protects us, in terms of competition. And of course, our legacy, our experience. Also, our environment reliability and other things, all come into play.

Sajal Kapoor: And do you think the relationships and the track record that we have in the eyes of our customers, they will give us some sort of sustainable barrier to entry for the competitors because you need time to sort of establish those

relationships and the customer have to have that confidence that DMCC is their reliable partner?

Bimal Goculdas: Of course, it is customer contact and customer experience, and everything, but also you know, for the customer to switch, they need to have a good incentive. If we are not able to deliver, or we try to charge too high a price, or you know, until the competitor comes in with an extra low price. there's no incentive to change.

And we believe that our pricing for the product is well managed. We are not, squeezing the customer and at the same time we are not giving away too much to the customer. So that's the balance, which we need to take. And therefore, for somebody to come in with this kind of chemistry and undercut us substantially would be very difficult.

Moderator: Thank you, the next question is from the line of Mr. Rohit Balakrishnan from Vriddhi Capital, Please, go ahead.

Rohit Balakrishnan: Hello. So two questions related to the expansion, just wanted to understand two things, one, the products you mentioned, these are again some of the products that we already have and just we are scaling them up, so we had multipurpose plants and now we are scaling them up so more dedicated plants for them if you could just elaborate and what would be the asset turn that we would be expecting from the intermediates project .

Bimal Goculdas: So, we are doing both, we're doing dedicated plants as well as multipurpose plants. And, particularly as I said, we expect a 2x revenue, from this type of investment.

Rohit Balakrishnan: Okay. So, you're saying intermediates are also both dedicated and multipurpose plants

Bimal Goculdas: Yes, there are different plants. We are putting multipurpose facility as well as a dedicated plant.

Rohit Balakrishnan: Okay. So, as a block will the margins be similar to what you were expecting, in sulfones?

Bimal Goculdas: Yes.

Rohit Balakrishnan: Okay and just on sulfones. Do you expect to pick it up once again a couple of years down the line when the situation has normalized?

Bimal Goculdas: Absolutely, because you know, once the stadiums and cinema halls and airlines start filling up again, there will be a demand. And we are confident that, the long-term demand will exist. It will come back, but this is not the right time to put in money and enter an already crowded market.

Rohit Balakrishnan: Sure, on the sulphuric acid plant that we are putting out. So, I think you mentioned, 50-50 would be the split is that correct?

Bimal Goculdas: Yes.

Rohit Balakrishnan: By our understanding earlier and please correct me if I am wrong. As other project come online this ratio will skew more towards the internal consumption and a very low amount of bulk chemical will be sold.

Bimal Goculdas: I meant that it would be 50-50 once these plants are established.

Rohit Balakrishnan: The other question I had was, since most of the projects are coming on line somewhere in the next year. So FY23 will be the year where most of these projects are coming online. But just to understand for the next year, I mean, would it be fair to assume, that the quarter that just went by, assuming no disruptions any further in the external environment, that things can probably be like better from hereon as well?

Bimal Goculdas: It's tough to make a prediction like that and I stay away from some such things because it is difficult to predict but, as I mentioned, we saw the market coming back to normal as far as we're concerned. And, hopefully this will continue, subject to no more other disruption. You know, we're seeing the second wave in Europe again, we don't know what the impact of that. The US has still not got out of its first wave so, you know, let's see how things develop and it's hard to make a prediction on normalcy, but at least this last quarter was sort of normal.

Rohit Balakrishnan: Okay. and just couple of more questions, any pipeline of new products. Anything that you would like to share on that? I know it's a lot of projects that we are working on. Is there anything on that, I mean, the kind of product that you defined?

Bimal Goculdas: Yes. So, we are continuing to invest in R&D. And we're continuing to work on processes, which we believe will be globally competitive. And, yes, we do have products, beyond what we are investing at the moment. And those will be at different stages of development. At the laboratory or the pilot plant and we'll take that as it comes in the coming years. This is not the end of our investment.

Rohit Balakrishnan: Just one more thing on this, on this capex. So, one is just financial. The other is because all of them are bunched up pretty much together, logistically how are we handling it, the plant design, the logistical issues and issues related to that. So, I mean, if you can just share a bit about that as an organisation, if you're hiring more or, how are we handling challenges there?

Bimal Goculdas: So, we have a dedicated project team now and, for Dahej, we've got project manager on site as well, supported by a full project execution team, headed by our vice president. And, so it's adequately manned at the moment. We will need to add into for operating the plant, but as far as project execution is considered, that's well underway by now.

Rohit Balakrishnan: And we would be taking around 70 cr. of loan for this capex, so this would be at what rate of interest?

Bimal Goculdas: So, we have the option to convert them into foreign currency loan and we'll take a call on that, in which case it will be around 4% or 5%, but if we keep it in Indian rupee, it would be 9% to 10%.

Moderator: The next question is from the line of Mr. Aashav Patel from India. SME Investments. Please go ahead.

Aashav Patel: Congratulations on a good set of numbers. My question was pertaining to sulfuric acid prices. From our channel checks we understand that from July the prices of Sulfuric acid have gone up and are almost double of the previous levels, is this correct? And also, how are the sulphuric acid prices looking for the next couple of quarters?

Bimal Goculdas: So, in the past in July, August, September, as I mentioned already, there was no great increase in sulphuric acid price. Maybe towards the end of September, but that's not reflected in this quarter at all. And while there has been an increase thereafter, it's difficult to predict how long it will continue. These are fluctuations in commodity pricing. They go both ways. So, whenever you get the opportunity, you take advantage of them and the rest of the time, you still need to produce anyway. So, don't read too much into monthly fluctuations in acid prices.

Aashav Patel: If the current prices continue, can we deliver the margins which we did in FY19?

Bimal Goculdas: I haven't done that working, but I can assure you that the prices don't remain that high for that long.

Moderator: Thank you. The next question is from the line of Mr. Ankit Gupta from Bamboo Capital, please call it.

Ankit Gupta: Thanks for the opportunity. On the Capex side, I just wanted some clarification. On the specialty chemical side, the contract that we have entered with a client, is it for a product that we are already manufacturing or it's a new product?

Bimal Goculdas: Yes, the specialty chemicals is the one that we are already manufacturing.

Ankit Gupta: Okay, so this is a sort of a dedicated plant for a client that we are doing a capex for.

Bimal Goculdas: Not only one client, but it is a result of an agreement with a client which allows us to have a dedicated facility.

Ankit Gupta: Is it one of your largest products where we are the market leaders currently?

Bimal Goculdas: No comment on that.

Ankit Gupta: On the intermediate side also. are we also doing the same product currently or it's a new product, the 20 cr. capex that we will be doing.

Bimal Goculdas: It's a recently developed product

Ankit Gupta: Okay. But on the intermediate side, you know, we are seeing companies, both on the, on the agrochemical and pharmaceuticals side moving out from China and looking for manufacturers in India. So, you know, in the chemistry, where we have a strength. Can you throw some light on what kind of opportunities we see going ahead over the next three to five years, especially on the intermediate side?

Bimal Goculdas: In general, you know, India is a large importer. A 100 billion dollar plus of net importer of chemicals. Most of them are intermediate. And, the government, you know, already had some policy on pharmaceutical. There are production Linked incentives to replace imports. So, we are looking for a similar policy from the government on the intermediate and the chemical for other sectors as well, not just pharmaceuticals.

Nothing has been formally announced yet, but it is in the work. The whole idea is to reduce our dependence on A) imports and B) reduce our dependence on single country import which is particularly targeted towards the large trade deficit we have with China. So, you know, across the board, I would say that, India needs to ramp up its production and we have many disadvantages as far as China is concerned. And I don't want to go to all of them again, infrastructure, things like that. But as, you know, we cannot totally eliminate imports from China.

We have to be very clear about that. The Chinese are much bigger than we are in all products and they will continue to be the major force. What India has to do is focus on those particular areas where we believe we can compete internationally. Or we can replace Chinese import, but certainly, we are not going to be able to eliminate China can be in terms of it as a source of import.

Ankit Gupta: What kind of opportunities, we as a company see from the perspective manufacturing intermediates for pharma

Bimal Goculdas: So, you know, this is the reason we believe, this is the right time to make some investments. It's a government that has clearly indicated the need, to replace imports. Several Indian companies in the pharma and agro space are looking at the products where India can, eliminate imports and we are in dialogue with the people like that. And, certainly we would like to take advantage of opportunities that come but you have to remember that, it's always best to invest in technology or chemistry that you know already and we're not going to go out of our area of expertise just because, there could be an opportunity because the danger is, that if you are not adequately protected by backward integration or lower overall cost of technology or anything, then even the government's incentive, which will be say 5% of your production, on incremental value, will not be enough to protect you from competition.

So, you still need to be a globally competitive and use this incentive, I hope that there'll be an incentive, but like the government has given an incentive for pharma, if there's an incentive for chemicals you still need to be

globally competitive anyway, and use this as a sort of last incentive to help you make the investment decision.

But, I think you could still depend on import from China and there will be a long slow gradual process to come out of that.

- Ankit Gupta:** okay. Sure. So currently how much revenue are we generating from pharmaceutical and agrochemical space?
- Bimal Goculdas:** difficult to say, but on the specialty chemicals segment which is about 2/3rd of our sale, a good portion would be in these sectors, pharmaceuticals, agrochemicals, pigment, dyes, paints, coatings all of them. So, it's difficult to pinpoint exactly the percentage, but a reasonably good percentage would be from these sectors.
- Ankit Gupta:** Okay, and over the next 3-4 years, how many molecules are we planning to come out and what sectors will they be addressing?
- Bimal Goculdas:** I can only comment on the investments we are going to make right now and those are mentioned here. So, beyond that, you know, it's still at an early stage if I comment on numbers on numbers for that.
- Moderator:** Thank you. The next question is from the line of Mr. Aman Vij from Astute Investment management, please go ahead.
- Aman Vij:** Good evening Bimal Ji, I have two questions. The first question is on the domestic business. So, we had introduced two, three very good products last year where we were either the only players or one of the few players in the industry. Could you talk about how these products are scaling up?
- Bimal Goculdas:** In general, as I mentioned that apart from the slowdown due to COVID, the domestic market has now come back and we will see an increase across the board.
- Aman Vij:** Sir, I was talking specifically of the new products. So, are we seeing the traction, which we were expecting?
- Bimal Goculdas:** Certainly, slower than what we expected, because you know, we lost close to six-seven months on this, but the products are very much in our focus area.
- Aman Vij:** Is it expanding in terms of expectations from the customer and, and all the things, in that regard?
- Bimal Goculdas:** Yes.
- Aman Vij:** Sure. The second question on the export front, last year we had the big dip in exports because, the customer had frozen their demand and were not picking up products for 2 quarters. Going forward how you are seeing the demand shaping up.
- Bimal Goculdas:** Yeah. So, there's no indication of reduction in overseas demand for this year. There's no reduction this year like we saw in Q3 of the previous year,

but we are having a planned maintenance shutdown which I have also mentioned in the earnings presentation which will affect our financials this quarter. But in general, from the customer side, we don't see any slowdown.

- Aman Vij:** Sure. And the final question is, among the top three products. So, we are seeing strong demand in them. So, over the next few years will we continue to see such strong demand, or has the opportunity saturated?
- Bimal Goculdas:** Not necessarily, it's very different product to product. And even for the mature products, we would be able to see a good growth, if we have normalcy the market.
- Moderator:** The next question from Mr. Jeewan Patwa from Candyfloss Advisors Please go ahead.
- Jeewan Patwa:** So, the capacity that we have currently in Roha and in Dahej for sulfones, are we utilizing all that capacity or we are still not utilizing it 100%?
- Bimal Goculdas:** So, we are utilizing it at the moment. And if you recall, they were multipurpose plants, so the capacity is being utilized anyway
- Jeewan Patwa:** Okay and secondly, on the multipurpose plant, you mentioned a 10 cr. investment in two plants, so that was 10 cr. each or 10 cr. for two plants?
- Bimal Goculdas:** That's in total.
- Moderator:** Thank you. The next question is from the line of Mr. Ankit Gupta from Bamboo Capital, please go ahead.
- Ankit Gupta:** Sir, post this debottlenecking at Roha, how much sulphuric acid will we be selling outside?
- Bimal Goculdas:** We're not drastically changing the ratio of sulphuric acid sale, but we'll be expanding the production of three of our products at Roha with this debottlenecking. So that is the idea. It wouldn't be a substantial change in terms of sulphuric acid sale but it would be a good addition to our specialty product revenue.
- Moderator:** The next question is from the line of Mr. Raj Mathur from District Capital, please go ahead.
- Raj Mathur:** Well, I'm still new to the company. What I wanted to check is when I see the data, it's a 100-year old company and we have only now closed or reached or revenue base 180-200 cr. And now only after so many years you're thinking about capex and growing into different segments as you mentioned. So, I'm just trying to understand besides being the industry dynamics, what really has changed at the company level, then, so I'm not referring to the China dynamics or any of those things. Within the company what took you so long and what has triggered a new-found aggression to expand and to grow?

Bimal Goculdas: It's a very long answer to your question, but what I would briefly say that, if you go through the history of the company, we were a fertilizer company and most of our revenue about 75 to 80% of our revenue was from single super phosphate fertilizer and that product became unviable due to government policy. So, we had to in fact, stop the sale. Then we did 0 sale of that product. So, if you asked me, you know, 25 years ago, if you were about a 300 cr. company and 300 cr. in those days, was equivalent to about 3000 cr. now.

And most of that turnover had to be shut down. So, we came back, came out of that business, went through several tough years of restructuring. And now we have almost started again, maybe in the last 10 years or so. So that's, that's a very quick answer to your question, but it's a valid question, but we need to go back a lot in the history of the company to see where we were what we were doing and our financials and then how we came around now

Raj Mathur: Just one last question, who all is involved from the promoter family, I'm just thinking in terms of taking the journey forward, succession planning, professionalizing the management, who from the family's really involved and your thoughts on professionalizing the management team going forward?

Bimal Goculdas: If you see, I am the first person from the promoter family who is CEO. Prior to this all managing directors were professionals from seventies onwards. So, we have a history of having professionals and if there's nobody qualified from the family, maybe we'll go back to professionals again.

Moderator: I would now like to hand the conference over to the management for closing comments.

Bimal Goculdas: Thank you. I appreciate the time all of you have taken, and appreciate all the questions. The questions also give us an opportunity and a learning experience. And, we look forward to interacting with you next quarter again, at this time I would like to wish you all a Happy Diwali and a health and prosperous New Year.

Do stay safe, stay healthy and, please don't let your guard down during Diwali time, the virus has not gone away as yet. And, look forward to interacting again. Thank you.

Moderator: Thank you on behalf of Dharamsi Morarji Chemical Company Limited that concludes this conference.