



July 9, 2020

To,

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|---|---|
| 1. The BSE LIMITED
Department of Corporate Services,
1 st floor, New Trading Ring
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.
Fax : 22723121/3719/2037/2039
Scrip Code :500117 | 2. National Stock Exchange of India Ltd.
Exchange Plaza Bldg.
5 th Floor, Plot No.C-1
'G' Block, Near Wockhardt,
Bandra Kurla Complex,
Mumbai 400 051.
Fax:26598237/38
Scrip Code : DCW |
|---|---|

Dear Sir/Madam,

Sub: Press Release including Disclosure under SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020

Pursuant to the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, enclosed herewith is a copy of the Press Release to be distributed to the media, contents of which are self-explanatory.

Further, this press release should also be considered as a disclosure under SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 i.e. impact of CoVID - 19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This intimation is also being uploaded on the Company's website at www.dcwlimited.com.

You are requested to kindly take the same on record & oblige.

Thanking You,

Yours faithfully,
For DCW Limited


Name: Dilip Darji
General Manager (Legal) & Company Secretary
Membership No. ACS-22527



DCW LIMITED

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REGISTERED OFFICE : DHRANGADHRA - 363 315 (GUJRAT STATE)

Email: ho@dcwlimited.com, Website: www.dcwlimited.com, CIN-L24110GJ1939PLC000748



DCW LIMITED

CIN: L24110GJ1939PLC000748

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DCW Limited announces Q4 & FY20 results

PRESS RELEASE

Mumbai, Thursday, 09 July 2020: DCW Limited (“the Company” or “DCW”), specialty chemicals company headquartered in Mumbai, declared the financial results for the quarter and financial year ended on 31st March 2020 on Monday, 06th July 2020.

Impact due to Covid-19 on business operations-

The lockdown and several restrictions imposed on the movement of goods posed several challenges to the business of DCW limited towards the end of March 2020. The Company’s operations were hit substantially during that period. The Company has gradually restarted factory operations since 15th April 2020, adhering to the safety norms prescribed by various authorities.

- **Impact on financials:**

Disruption in the supply chain, coupled with lockdowns imposed by the authorities, impacted production and logistics. This led to a revenue loss of ~ Rs. 550 Mn in Q4FY20. Without this, the revenue would have been in-line with revenue of Q4FY19, coupled with this adverse fluctuation in foreign currency due to COVID-19, which has resulted in depreciation of rupee against all major currencies has also affected, Q4 & FY20 EBITDA without this EBITDA Margins would have been in-line with FY19 EBITDA and EBITDA Margins.

Update on liquidity and moratorium

As per the moratorium facility announced by the central government, the company has availed the moratorium facility from 31st March 2020 as a precautionary measure to preserve the precious cash in hand. The company has sufficient liquidity in hand to cover all the liabilities and opex.

Employee Welfare:

The company has supported all the employees during this pandemic. The company has paid full wages and salaries to all employees during the lockdown period. The Company has also adopted Work from Home for all its office employees and other staff to minimize and contain the spread of COVID –19. The company also assisted all the migrant employees for their stay and food in the hostel premises while ensuring all the safety and social distancing norms. The Company is taking utmost care of its workforce like periodic sanitization, social distancing, mandatory mask-wearing, thermal check at the gates, maintaining hygienic conditions, etc.

Serving the society during the uncertain times:

DCW is highly committed to serving society, even during these uncertain times. The Company is assisting the local government by supplying Sodium Hypo Chlorite (WHO recommended disinfectant) to the local community around the Sahupuram plant for sanitization purposes helping fight the spread of COVID19.

During this period of lockdown, as a part of our Corporate Social Responsibility, plenty of activities were executed to safeguard the public not only in and around our factory but also covered the entire region, which harvested a lot of appreciation from the general public. DCW donated Personal Protective Equipments (PPEs) to local (Arumuganeri & Authoor) police stations and also distributed more than 4,000 packets of ration packets (consisting of wheat, dal, rice oil, etc.) to the poor helping the local villages around Sahupuram and Dhrangadhra in tackling the difficulties resulting from COVID19.

Financial Performance – Q4 & FY20

- Revenue from operations for FY20 stood at Rs. 12,858.9 Mn, compared to Rs. 13,528 Mn in FY-19, degrowth of 4.95%. Revenue from operations for Q4FY20 stood at Rs. 2,981.5 Mn, degrowth of 17% on a YoY basis, primarily due to COVID-19 related disruptions.
- Without the COVID-19 related disruptions, the Q4FY20 financial and operating performance would have been significantly better.
- EBITDA declined to Rs. 1,550 Mn for FY-20, compared to Rs. 1,665 Mn in FY-19. The EBITDA was impacted primarily due to
 - Factory shutdowns due to COVID-19
 - Significant impact on the pricing of finished products
 - Adverse forex movements during Q4FY20
 - Inventory valuation losses on the stock of finished products.
- EBITDA for Q4FY20 stood at Rs.149.14 Mn compared to Rs.558.63 Mn in Q4FY19. EBITDA margin for Q4FY20 stood at 5% compared to 15.5% in Q4FY19. The decline in EBITDA margin was due to plant shutdowns and loss of revenue.
- FY20 profit after tax fell to Rs. -267.6 Mn on a YoY basis from Rs. -42.7 Mn. Q4FY20 profit after tax fell 727% on a YoY basis to Rs. -267.62 Mn. Cash PAT for FY20 stood at Rs. 614.12 Mn. The profitability for FY20 was impacted due to the following reasons -

- The finance cost for FY20 stood at Rs. 1,075 Mn., an increase of 3.3% on a YoY basis.
- A higher depreciation charge in FY20 stood at Rs 872 Mn. compared to FY19 of Rs 834 Mn., an increase of 4.6% on a YoY basis.

Commenting on the results, **Mr. Vivek Jain, Managing Director, DCW Ltd.**, said, “This pandemic impacted our operations and supply chain towards the end of the quarter. Nonetheless, we are looking at this as an opportunity to strengthen our capabilities and revisit our growth and value creation strategies. We have resumed our plant operations from the mid of April and currently operating at the best possible capacity considering difficulties caused due to social distancing norms. The company has undertaken various cost reduction initiatives, cash flow control measures and periodic reviews of receivables and order book. The company has not witnessed any additional risk to recover assets like inventories, investments, and receivables due to various risk mitigation strategies implemented by the company. We have not seen any impact on internal financial controls as well. The Company is well-positioned to fulfill its obligations and also does not foresee any significant impact on the business due to the non-fulfillment of the liabilities by any party.

We are following all the rules and regulations laid out by the local, state, and central authorities. We have sufficient liquidity and workforce to scale up the operations as the demand picks up, and social distancing norms are relaxed. We will continue to monitor the order book and ensure swift plant operations while focusing on efficient raw material sourcing, liquidity, reduction in the opex, and employee health.”

Q4&FY20 Financial Highlights –

(in Rs. Mn)

Particulars	Q4FY20	Q4FY19	YoY%	FY20	FY19	YoY%
Revenue	2,981.5	3,594.1	-17%	12,858.9	13,564.0	-5%
EBITDA	149.4	558.6	-73%	1,551	1,655	-6%
EBITDA Margin (%)	5.0%	15.5%	-1050bps	12.1%	12.2%	-10bps
Profit After Tax (PAT)	-250.6	149.1	-268%	-267.6	-42.7	-527%
PAT Margin (%)	-8.4%	4.1%	-1250bps	-2.1%	-0.3%	180bps

Financial Performance – Specialty Chemicals Division – Q4 & FY20

The company’s commodity chemical division consists of SIOP and C-PVC. The company is one of the few large-scale synthetic iron oxide manufacturers for red and yellow pigments. The company is the only C-PVC manufacturer in India. The company’s specialty chemicals facility is based out of Sahapuram, Tamil Nadu.

The company is focusing on increasing the revenue mix from specialty chemicals. The revenue mix between Commodity Chemicals: Specialty Chemicals for FY20 stood at 11%:89% % compared to 8%:92% in FY19.

SIOP Division

- Revenue for FY20 stood at Rs. 407.4 Mn, a robust growth of 22% on a YoY basis. Revenue for Q4FY20 stood at Rs. 150.5 Mn, compared to Rs. 78.7 Mn in Q4FY19.
- EBIT for FY20 stood at Rs. -14.68 Mn, a growth of 72% on a YoY basis. EBIT for Q4FY20 stood at Rs. -2.54 Mn, compared to Rs. -19.76 Mn in Q4FY19.
- The revenue growth in SIOP was primarily due to the debottlenecking of the capacities.

C-PVC Division

- Revenue for FY20 stood at Rs. 1,033.1 Mn, a robust growth of 25% on a YoY basis. Revenue for Q4FY20 stood at Rs. 217.9 Mn, compared to Rs. 224.4 Mn in Q4FY19.
- EBIT for FY20 stood at Rs. 295.1 Mn, a growth of 119% on a YoY basis. EBIT for Q4FY20 stood at Rs. 61.1 Mn, compared to Rs. 27.6 Mn in Q4FY19.
- The revenue growth is attributed to favorable government policies like anti-dumping duty and robust domestic demand.

Q4&FY20 Financial Highlights –

(in Rs. Mn)

	Q4FY20	Q4FY19	YoY%	FY20	FY19	YoY%
SIOP						
Revenue	150.5	78.7	91%	407.4	333.4	22%
EBIT	-2.5	-19.8	-87%	-14.7	-53.4	-72%
EBIT Margin (%)	-2%	-25%	-	-4%	-16%	-
C-PVC						
Revenue	217.9	224.4	-3%	1033.1	825.7	25%
EBIT	61.1	27.6	121%	295.1	134.6	119%
EBIT Margin (%)	28%	12%	-	29%	16%	-

Financial Performance – Commodity Chemicals Division – Q4 & FY20

The company's commodity chemical division consists of Caustic Soda, Soda Ash and PVC. Soda Ash facility is based out of Dhragandhra, Gujarat, while Caustic Soda and PVC facilities are based out of Sahapuram, Tamil Nadu.

Caustic Soda Division:

- Revenue for FY20 stood at Rs. 4,704.9 Mn, modest degrowth of 1% on a YoY basis. Revenue for Q4FY20 stood at Rs. 1058.6 Mn, compared to Rs. 1515.5 Mn in Q4FY19.
- EBIT for FY20 stood at Rs. 843 Mn, a growth of 9% on a YoY basis. The increase in EBIT is largely attributed to operating leverage and various cost reduction initiatives by the Company.

Soda Ash Division

- Revenue for FY20 stood at Rs. 2,000.5 Mn compared to Rs. 2,130.0 Mn on a YoY basis. Revenue for Q4FY20 stood at Rs. 426.89 Mn, compared to Rs. 548.67 Mn in Q4FY19.
- EBIT for FY20 stood at Rs. 425.89, degrowth of 20% on a YoY basis. EBIT for Q4FY20 stood at Rs.77.61 Mn, compared to Rs. 127.52 Mn in Q4FY19.

PVC Division

- Revenue for FY20 stood at Rs. 4,564.9 Mn, degrowth of 15% on a YoY basis. Such degrowth was led by loss in production on account of Covid-19 related shutdowns and softening of prices during the later period of FY20. Revenue for Q4FY20 stood at Rs. 1100.27 Mn, compared to Rs. 1203.34 Mn in Q4FY19.
- EBIT for FY20 stood at Rs. (109.51) Mn, degrowth of (188.3)% on a YoY basis. EBIT for Q4FY20 stood at Rs. (77.49) Mn, compared to Rs. 87.79 Mn in Q4FY19.

Q4&FY20 Financial Highlights –

(in Rs. Mn)

	Q4FY20	Q4FY19	YoY%	FY20	FY19	YoY%
Caustic Soda						
Revenue	1058.6	1515.5	-30%	4704.9	4776.1	-1%
EBIT	78.6	457.8	-83%	843.0	771.8	9%
EBIT Margin (%)	7%	30%	-	18%	16%	-
Soda Ash						
Revenue	426.9	548.7	-22%	2000.5	2145.5	-7%
EBIT	77.6	127.5	-39%	425.9	534.0	-20%
EBIT Margin (%)	18%	23%	-	21%	25%	-
PVC						
Revenue	1100.3	1203.3	-9%	4564.9	5345.8	-15%
EBIT	-77.5	87.8	-188%	-109.5	165.9	-166%
EBIT Margin (%)	-7%	7%	-	-2%	3%	-

About DCW

DCW is a specialty chemicals company, manufacturing PVC, C-PVC (chlorinated polyvinyl chloride), Caustic Soda, Soda Ash, and Synthetic Iron Oxide Pigment (SIOP). The Company is the only domestic manufacturer C-PVC, a versatile thermoplastic used mainly for manufacturing hot and cold-water pipes, industrial liquid handling, and a wide range of products serving a variety of applications. DCW's Caustic Soda, SIOP and PVC Units are in close proximity to the Tuticorin Port in Tamil Nadu, giving the Company a competitive edge over its peers to export its products to global markets.

For more information please contact:

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