



August 13, 2020

To,

The BSE LIMITED
Department of Corporate Services,
1st floor, New Trading Ring
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.
Fax : 22723121/3719/2037/2039
Scrip Code :500117

National Stock Exchange of India Ltd.
Exchange Plaza Bldg.
5th 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 an update on 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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Email: ho@dcwlimited.com, Website: www.dcwlimited.com, CIN-L24110GJ1939PLC000748



DCW LIMITED

CIN: L24110GJ1939PLC000748

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DCW Limited announces Q1FY21 results with 60% PAT growth QoQ **PVC & C-PVC leads the performance**

PRESS RELEASE

Mumbai, Wednesday, 12 August 2020: DCW Limited (“the Company” or “DCW”), a speciality chemicals company headquartered in Mumbai, declared the financial results for the quarter ended on 30th June 2020 on Wednesday, 12th August 2020.

Impact due to Covid-19 on business operations-

The Company restarted factory operations from 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 various authorities impacted production and logistics in April and May 2020.

improvement in operational parameters –

- **Caustic Soda:** The sales volume was higher by about 119% sequentially. The revenue too witnessed an increase of 14.6% sequentially, which stood at INR 1,214 mn as against INR 1,059 Mn in Q4FY20.
- **C-PVC:** The capacity utilisation during the quarter improved to 73% as against 58% in Q4FY20. The sales volume was higher by about 16% sequentially. The revenue too witnessed an increase of 22% sequentially which stood at INR 266 mn as against INR 218 Mn in Q4FY20.

Financial Performance – Q1FY21

- Total revenue from operations for Q1FY21 stood at INR 2,854.1 Mn, compared to INR 3165.4 Mn in Q1FY20 and INR 2,981.5 Mn in Q4FY20, de-growth of 9.8% and 4.3% respectively, primarily due to COVID-19 related disruptions.
- Although the revenue declined by 4.3% sequentially, EBITDA grew by 123.4% to INR 333.8 Mn for Q1FY21, compared to INR 149.4 Mn in Q4FY20. The growth in EBITDA is primarily due to higher capacity utilisation.
- PVC operating margins were boosted by tactical procurement of raw materials.
- Post anti-dumping duty by Govt of India on import of C-PVC has led to better realisations. NSR for C-PVC has seen an improvement of about 7% QoQ.
- PVC and C-PVC contributed ~40% of the total revenue ~68% of EBIT in Q1FY21.
- EBITDA margin for Q1FY21 stood at 11.7% compared to 5.0% in Q4FY20.
- Q1FY21 profit after tax stood at INR (98.4) Mn on a QoQ basis from INR (250.6) Mn. Cash PAT for Q1FY21 stood at INR 117.9 Mn.

Commenting on the results, **Mr. Vivek Jain, Managing Director, DCW Ltd.**, said, “Throughout the ongoing situation, employee safety has remained our foremost priority. The Company’s performance in Q1FY21 was better than Q4FY20, on account of better volume sales and realisations coupled with efficient handling of raw material and other operational costs. Despite the unprecedented times, we were able to quickly scale up the production owing to pick-up in demand for our products, especially CPVC. The recovery in business, particularly in the speciality chemical business is encouraging, and we expect to get back to normalcy by the fourth quarter of this year. During Q1FY21, we have adopted a new strategy with a focus on the supply chain, capacity utilisation, conservative approach towards capex and reduction in operating costs. During the quarter, there was no significant change towards liquidity position. We remain committed towards efficient handling of capital.

Going forward, the company aims to increase the revenue contribution from speciality chemicals like C-PVC and SIOP while keeping the production and utilisation of commodity chemicals like Caustic Soda, PVC and Soda Ash to its optimum level. The company has recalibrated its growth and value creation strategy and will strive towards achieving these goals.”

Q1FY21 Financial Highlights –

(in INR Mn)

Particulars	Q1FY21	Q1FY20	YoY%	Q4FY20	QoQ%	FY20	FY19	YoY%
Revenue	2,854.1	3,165.4	-9.8%	2,981.5	-4.3%	12,858.9	13,564.0	-5%
EBITDA	333.8	493.6	-32.4%	149.4	123.4%	1,551	1,655	-6%
EBITDA Margin (%)	11.7%	15.6%	-390bps	5.0%	670Bps	12.1%	12.2%	-10bps
Profit After Tax (PAT)	-98.4	15.1	-752.6%	-250.6	60.7%	-267.6	-42.7	-527%
PAT Margin (%)	-3.4%	0.5%	-390bps	-8.4%	500bps	-2.1%	-0.3%	180bps

Speciality Chemicals Division – Q1FY21

The company's speciality 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 speciality chemicals facility is based out of Sahapuram, Tamil Nadu.

The company is focusing on increasing the revenue mix from speciality chemicals. The revenue mix between Commodity Chemicals: Specialty Chemicals for Q1FY21 stood at 87%:13% compared to 88%:12% and 92%:8% in Q4FY20 and Q1FY20 respectively.

SIOP Division

- Revenue for Q1FY21 stood at INR 102.9 Mn, as against INR 66.7 Mn in Q1FY20 and INR 150.5 Mn in Q4FY20.
- Revenue grew on an annual basis largely due to debottlenecking of the capacities. NSR improved by 5% on a QoQ basis.
- EBIT for Q1FY21 stood at INR (56.4) Mn, as against INR (60.7) Mn in Q1FY20.

C-PVC Division

- Revenue for Q1FY21 stood at INR 265.9 Mn, a robust growth of 23.2% and 52.6% on a QoQ and YoY basis respectively.
- Robust growth in the C-PVC revenue is largely attributed to strong domestic demand and favourable government policies.
- EBIT for Q1FY21 stood at INR 52.7 Mn, a growth of 177.8% on a QoQ basis.
- Capacity utilisation in Q1FY21 stood at 73% as against 58% in Q4FY20 and 89% in Q1FY20 respectively.

Speciality Chemicals Performance Highlights –

(in INR Mn)

	Q1FY21	Q1FY20	YoY%	Q4FY20	QoQ%	FY20	FY19	YoY%
SIOP								
Revenue	102.9	66.7	54.5%	144.7	-28.9%	407.4	333.4	22%
EBIT	-56.4	-60.7	7.1%	-52.6	7.2%	-14.7	-53.4	-72%
EBIT Margin (%)	-54.8%	-90.9%	-	-36.4%	-	-4%	-16%	-
C-PVC								
Revenue	265.9	174.3	52.6%	215.1	23.2%	1033.1	825.7	25%
EBIT	52.7	-5.6	1041%	18.9	178.8%	295.1	134.6	119%
EBIT Margin (%)	19.8%	-3.2%	-	8.8%		29%	16%	-

Commodity Chemicals Division – Q1FY21

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 Q1FY21 stood at INR 1,213.3 Mn, a growth of 16.3% on a QoQ basis and a modest de-growth of 3.9 % on a YoY basis. The growth in revenue on a QoQ basis is primarily attributed to higher production.
- EBIT for Q1FY21 stood at INR 53.8 Mn, as against INR 227.4 in Q4FY20. The fall in EBIT is largely attributed to a fall in demand and subdued prices in the market.

Soda Ash Division

- Revenue for Q1FY21 stood at INR 366.9 Mn compared to INR 557.0 Mn in Q1FY20 and INR 419.2 Mn in Q4FY20.
- EBIT for Q1FY21 stood at INR 10.1, as against INR 135.7 Mn in Q4FY20. EBIT margins were impacted primarily due to fall in capacity utilization.

PVC Division

- Revenue for Q1FY21 stood at INR 847.9 Mn, de-growth of 19.7% and 21.98% on a YoY and QoQ basis respectively.
- EBIT for Q1FY21 stood at INR 27.1 Mn, as against INR (94.9) Mn in Q4FY20.
- EBIT margins improved sequentially due to improvement in the average realization.

Commodity Chemicals Performance Highlights –

(in INR Mn)

	Q1FY21	Q1FY20	YoY%	Q4FY20	QoQ%	FY20	FY19	YoY%
Caustic Soda								
Revenue	1,213.3	1262.2	-.3.9%	1058.6	16.3%	4704.9	4776.1	-1%
EBIT	53.8	227.4	-76.3%	-2.2	2545%	843.0	771.8	9%
EBIT Margin (%)	4.4%	18.0%	-	-0.2%	-	18%	16%	-
Soda Ash								
Revenue	366.9	557.0	-34.1%	419.2	-12.5%	2000.5	2145.5	-7%
EBIT	10.1	135.7	-92.6%	57.3	-82.4%	425.9	534.0	-20%
EBIT Margin (%)	2.8%	24.4%	-	13.7%	-	21%	25%	-
PVC								
Revenue	847.9	1056.1	-19.7%	1086.0	-21.9%	4564.9	5345.8	-15%
EBIT	27.1	-44.4	161%	-94.9	128.6%	-109.5	165.9	-166%
EBIT Margin (%)	3.2%	-4.2%	-	-8.7%	-	-2%	3%	-

Outlook:

- The margins in PVC are expected to remain better on account of favorable market condition, and higher capacity utilization. (Q1 margins may not continue due to increase in raw material prices, though in absolute terms profit may increase)
- The trend in C-PVC is expected to remain encouraging as imports are likely to remain costlier on account of anti-dumping duty and weaker domestic currency.
- Going forward for FY21, we expect the share of PVC and C-PVC in overall revenue and EBIT to improve further on account of higher volumes coupled with better realizations.

About DCW

DCW is a speciality 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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