



# DCW Limited

- Incorporated in 1939, DCW Ltd. was established as Dhrangadhra Chemical Works at Dhrangadhra, Gujarat as India's first Soda Ash plant.
- Since then DCW has pioneered and created a strong presence in the Chlor-Alkali, Synthetic Rutile, and PVC business segments, with a successful record of innovation in new products and processes.
- Over the years the company has expanded, diversified, and modernized its operations with a diversified range of products for supply to customers in both, domestic and international markets with a conscious strategic shift towards specialty chemicals.
- DCW has an extensive distribution network spanning over 12 countries across the USA, Europe, Japan, Malaysia, and the Netherlands catering to over 100+ customers.
- Today it has two state-of-the-art manufacturing facilities located in Dhrangadhra, Gujarat, and Sahupuram, Tamil Nadu.

## BUSINESS MIX.....

- **Speciality Chemicals:** Synthetic Rutile (SR), Synthetic Iron Oxide Pigments (SIOP) and Chlorinated Poly Vinyl Chloride (C-PVC)
- **Commodity Chemicals:** Soda Ash, Caustic Soda, Poly Vinyl Chloride (PVC)
- **Intermediate Chemicals:** Liquid Chlorine, Hydrochloric Acid, Trichloroethylene, Utox, Ferric Chloride, and Sodium Hypochlorite, Sodium Bicarbonate and Ammonium Bicarbonate.

## KEY STRENGTHS.....

- Management has experience of more than eight decades.
- Strong customer base of 100+ customers spreaded across 12+ countries.
- Strategic Location -Sahupuram Facility situated in the vicinity of the port provides logistical advantage for the export markets and tactical raw material procurement
- Significant Scale-up Opportunities- Over 2,500- acre land at Sahupuram facility provides easy scale-up opportunity for specialty chemicals and PVC without incurring additional capex for land.
- Moving up the Value Chain - Increasing the contribution from high value, high margin Specialty Chemicals Segments.
- Exclusive Technology Tie-ups Licensed technology from Arkema (one of the 4 companies in world to hold the IP for C-PVC) & technology from Rockwood Pigments and patented technology for Yellow Pigment
- Self Sufficiency - Cogen power plant ensures cost-effective, uninterrupted power supply. Major raw materials like Salt, Liquid Chlorine, Hydrogen, Hydrochloric Acid, Leach Liquor etc. are sourced in-house
- Diversified Application Base - Catering to over 15 industries and revenue split is evened out among consumer base with the end-user market growing rapidly
- Well Established Relationships -With over 8 decades of existence, has strong relationships in domestic and international markets
- Niche & Diversified Product Mix - Diversified product mix of Commodity, Intermediate and Specialty Chemicals
- Planned Capital Expenditure - Setting the next growth phase led by Specialty Chemicals to boost revenue & margins and Capacity restoration already in process for the Commodity Chemicals Segment

## FINANCIAL PERFORMANCE.....

(INR Mn)	Total Income	EBITDA	EBITDA %	PAT	PAT %	EPS
<b>FY22</b>	24,547	3,248	13.23%	1,075	4.38%	3.78
<b>FY23</b>	26,338	4,285	16.27%	1,920	7.29%	6.50
<b>FY24</b>	18,716	1,755	9.38%	157	0.84%	0.53
<b>H1-FY25</b>	9,883	806	8.16%	55	0.56%	0.19

### Key Data

<b>BSE Code</b>	500117
<b>NSE Code</b>	DCW
<b>Reuters</b>	DCW.NS
<b>Bloomberg</b>	DCW:IN

### Market Data (INR)

As on 30th September, 2024

<b>Face Value</b>	2.00
<b>CMP</b>	94.14
<b>52 Week H/L</b>	105.34/46.90
<b>MCAP (Mn)</b>	27,785.89
<b>Shares O/S (Mn)</b>	295.16
<b>1 Yr Avg. Vol. ('000)</b>	6,172.32

### Performance

As on 30th September, 2024

	3M	6M	12M
<b>DCW Ltd</b>	69.77%	83.12%	65.19%
<b>SENSEX</b>	6.65%	13.97%	28.09%
<b>BSE Small-cap</b>	9.02%	31.18%	51.58%

### Shareholding Pattern As on 30th September, 2024

<b>Promoters</b>	44.86%
<b>Public</b>	43.89%
<b>FPI and AIF</b>	11.25%

## PRODUCT MIX .....

### 1. Commodity Chemicals:

- Soda Ash, also known as Sodium Carbonate, is a white, anhydrous, powdered, or granular substance. It is basically used in dyes, detergents, the pulp and paper industry, and other industrial products.
- Caustic Soda, also known as sodium hydroxide is basically used for waste water treatment, metal processing, soaps, and detergents.
- Poly Vinyl Chloride (PVC) is a high-strength thermoplastic material used in the insulation of cables, pipes, curtains, and many other everyday applications.

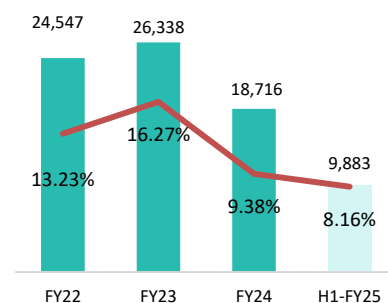
### 2. Specialty Chemicals:

- Chlorinated Poly Vinyl Chloride(C-PVC) is a versatile thermoplastic produced by the chlorination of PVC resin, which is significantly more flexible and can withstand higher temperatures than standard PVC . It is majorly used in manufacturing of hot and cold water pipes, construction, firefighting sprinkler devices, home heating devices, etc.
- Synthetic Iron Oxide Pigment (SIOP) is the most widely used of all colored inorganic pigments, primarily for their magnetic and pigmentary properties
- Synthetic Rutile , is a chemically modified ilmenite sand that has had most of the ferrous, non-titanium components removed and upgraded into Synthetic Rutile it is used in paints, plastic, coatings and paper industry.

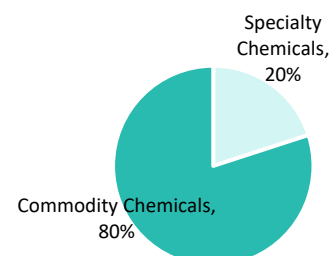
### 3. Intermediate Chemicals:

- Liquid Chlorine, Utox, Hydrochloric Acid, Trichloroethylene, Ferric Chloride, Sodium Bicarbonate, Ammonium Bicarbonate
- The intermediate chemicals are either used to make other products or are sold in the open market based on prevailing market demand and supply. The focus is to create value-added, high-margin products by using intermediate chemicals.

Operating Revenue (INR Mn) and EBITDA Margins (%) as on 30th September, 2024



Segmental Revenue Breakup as on 31<sup>st</sup> March, 2024



## STRATEGIC OVERVIEW .....

- Most of the raw materials like salt, power is inhouse produced .
- DCWs Sahupuram plant is the only plant in the world producing Iron Oxide Pigment with chlorine as raw material rather than Caustic soda. With this move it makes the most eco friendly product in world. DCW won CII project completion award - most innovative project in terms of end-to-end solution.
- DCW is the lowest cost producers of SIOP in world.
- DCW manufacturing is ZERO waste and ZERO effluent process.
- Patented technology for CPVC and SIOP production.
- With capacity expansion getting completed and increased product availability, DCW is taking steps to increase the exports.
- Capacity Expansion – successfully completed the line-balancing capex, thereby increasing the annual capacity of its Synthetic Iron Oxide Pigments Division from 18,000 tons to 30,000 tons. The company expects to ramp up the production in a phased manner and gradually increase its sales volume.
- Capacity Expansion – CPVC Phase III announced for capacity enhancement from 21,600 tons to 50,000 tons. 20,000 tons Expected Completion by Sep25 Balance Capacity Expected Completion by Mar26.

## PEER COMPARISON (TRAILING 12 MONTHS) INR Mn.....

Company	Operating Income	EBITDA	EBITDA %	Net Profit	PAT %	M Cap
DCW Ltd	20,077	1,634	8.1%	85	0.4%	27,786
Chemplast Sanmar Ltd	40,765	1,643	4.0%	(1,279)	(3.1)%	81,229
GHCL Ltd	32,440	7,617	23.5%	5,302	16.3%	65,262
Tata Chemicals	1,49,930	21,770	14.5%	(1,900)	(1.3)%	2,77,850
Epigral Ltd	22,734	6,330	27.8%	2,936	12.9%	94,925
DCM Shriram Ltd	1,18,718	11,397	9.6%	5,215	4.4%	1,61,494

**INCOME STATEMENT**

Particulars (INR Mn)	FY22	FY23	FY24	H1-FY25
<b>Operational Income</b>	<b>24,547</b>	<b>26,338</b>	<b>18,716</b>	<b>9,883</b>
Total Expenses	21,299	22,053	16,961	9,077
<b>EBITDA</b>	<b>3,248</b>	<b>4,285</b>	<b>1,755</b>	<b>806</b>
<b>EBITDA Margins (%)</b>	<b>13.23%</b>	<b>16.27%</b>	<b>9.38%</b>	<b>8.16%</b>
Other Income	61	153	183	124
Depreciation	885	902	938	494
Interest	1,131	1,261	735	352
<b>Profit before exceptional items</b>	<b>1,293</b>	<b>2,275</b>	<b>265</b>	<b>84</b>
Exceptional Item	139	469	(12)	-
<b>PBT</b>	<b>1,432</b>	<b>2,744</b>	<b>253</b>	<b>84</b>
Tax	357	824	97	29
<b>Profit After tax</b>	<b>1,075</b>	<b>1,920</b>	<b>157</b>	<b>55</b>
<b>PAT Margins (%)</b>	<b>4.38%</b>	<b>7.29%</b>	<b>0.84%</b>	<b>0.56%</b>
Other Comprehensive Income	(4)	(41)	(2)	-
<b>Total Comprehensive Income</b>	<b>1,071</b>	<b>1,879</b>	<b>155</b>	<b>55</b>
Diluted EPS (INR)	3.78	6.50	0.53	0.19

**BALANCE SHEET**

Particulars (INR Mn)	FY23	FY24	H1-FY25	Particulars (INR Mn)	FY23	FY24	H1-FY25
<b>EQUITIES &amp; LIABILITIES</b>				<b>Non-Current Assets</b>			
(A) Equity share capital	590	590	590	(A) Property, plant and equipment	12,839	13,005	13,014
(B) Other equity	9,661	9,727	9,782	(B) Capital work-in-progress	597	410	68
<b>Total Equity</b>	<b>10,251</b>	<b>10,317</b>	<b>10,372</b>	(C) Right-of-Use assets	121	110	101
<b>Non-Current Liabilities</b>				Financial Assets			
(A) Borrowings	3,807	2,817	2,345	(A) Investments	0	195	195
(B) Lease Liabilities	17	13	10	(B) Other Financial Assets	113	133	149
(C) Other Financial Liabilities	200	200	200	Income Tax Assets (Net)	10	93	114
Provisions	235	230	243	Other Non-Current Asset	77	32	79
Deferred Tax Liability (Net)	1,044	1,096	1,110	<b>Total Non-Current Assets</b>	<b>13,757</b>	<b>13,978</b>	<b>13,720</b>
(C) Other Non-Current Liabilities	84	77	74	<b>Current Assets</b>			
<b>Total Non-Current Liabilities</b>	<b>5,387</b>	<b>4,433</b>	<b>3,982</b>	Inventories	3,446	3,765	4,584
<b>Current liabilities</b>				Financial assets			
(i) Borrowings	1,242	1,547	2,200	(i) Investments	-	2	118
(ii) Trade payables	2,750	3,366	3,968	(ii) Trade receivables	1,329	1,142	1,128
(ii) Other Financial Liabilities	749	503	576	(iii) Cash & Bank Balances	1,684	1,694	1,992
(iv) Lease Liabilities	17	13	10	(iv) Loans	12	13	9
Other current liabilities	166	591	663	Other current assets	405	291	335
Provisions	71	115	115	<b>Total Current Assets</b>	<b>6,876</b>	<b>6,907</b>	<b>8,166</b>
Income Tax Liabilities (Net)	-	-	-	<b>Total Assets</b>	<b>20,633</b>	<b>20,885</b>	<b>21,886</b>
<b>Total Current Liabilities</b>	<b>4,995</b>	<b>6,135</b>	<b>7,532</b>				
<b>Total Liabilities</b>	<b>10,382</b>	<b>10,568</b>	<b>11,514</b>				
<b>Total Equities &amp; Liabilities</b>	<b>20,633</b>	<b>20,885</b>	<b>21,886</b>				

## INVESTOR RELATIONS TEAM AT VALOREM ADVISORS .....

Name	Designation	Email	Phone
Anuj Sonpal	CEO	anuj@valoremadvisors.com	+91-22-4903-9500
Sumeet Singhania	VP	sumeet@valoremadvisors.com	+91-22-4903-9505
Purvangi Jain	AVP	purvangi@valoremadvisors.com	+91-22-4903-9536
Nupur Jainkunia	AVP	nupurj@valoremadvisors.com	+91-22-4903-9536

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