

Twitter Thread by [drprashantmishra](#)



[drprashantmishra](#)

[@drprashantmish6](#)



DCW Ltd - CMP 28 rs ,some observations

1- CPVC - its only manufacturer of CPVC resin with capacity of 1000 MTPA(Meghmani and Grasim both are coming up with CPVC manufacturing capacity in next 2 yrs)provisional anti-dumping duty announced on 26th August 2019

has resulted into improvement in demand and average realisation improvement in demand and average realisation ,current capacity utilization of CPVC resin is 100%

2- SIOP- now 40% capacity utilization The SIOP segment turned profitable in 1HFY21

Both SIOP and CPVC contributed to 31% to the company's EBITDA in 9month (FY20: 18%, FY19: 5%).

3-The PVC segment turned profitable and reported segment EBITDA of INR 650M with margins 14.5% (1HFY20: EBITDA loss of 11 million, FY20: EBITDA loss of INR109 million, FY19: INR166 m

mainly on account of a surge in PVC resin prices,

4- Caustic soda and soda ash segment profitability likely to remain subdued and i am not very much optimistic on this commodity business

5-Current revenue of specialty chemical - around 14% and company is focusing on increasing

with current capacity revenue share can increase up to 25-30% of total revenue

6-Balance sheet is stretched The interest coverage (EBITDA/gross interest expense) at 1.5x in 1HFY21 (FY20: 1.4x, FY19: 1.6x) and net leverage (net debt/EBITDA) at 3.8x

7- Kotak special situation fund recently infused 410 cr in DCW in the form of Debentures

8- From existing capacity total 1800-1900 cr turnover can come (FY 20 1277cr)

9-Over 2,000-acre land at Sahapuram facility provides easy scale-up opportunity for specialty chemicals

and PVC without incurring additional capex for land

10-Clientele

Our Esteemed Clientele



Commodity Chemicals

National Aluminium Company
(NALCO)

Finolex Industries Limited

Hindustan Unilever Limited (HUL)

Ashirvad Pipes Pvt Limited

Tamil Nadu Newsprint and Papers
Limited

Manali Petrochemical Limited

Specialty Chemicals

Osaka Titanium Corporation, Japan

TOHO Titanium Company, Japan

TOR Minerals Malaysia Sdn Bhd

Astral Polytechnik Limited

Venator Americas LLC, USA

Master Builders Solutions, USA
(BASF)

Capacity

Capacity Overview



Specialty Chemicals

Commodity Chemicals

C-PVC

SIOP

Synthetic Rutile

PVC

Caustic Soda

Soda Ash



✓ Installed
Capacity:
10,00 TPA

✓ Installed
Capacity:
27,000 TPA

✓ Installed
Capacity:
42,000 TPA

✓ Installed
Capacity:
90,000 TPA

✓ Installed
Capacity:
96,000 TPA

✓ Installed
Capacity:
1,08,000 TPA