DCM SHRIAM
Growing with trust

DCM Shriram Ltd.

Q2 & H1 FY21 - Results Presentation

October 20, 2020

Safe Harbour

Certain statements in this document may be forward-looking. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. DCM Shriram Ltd. will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

All figures are consolidated unless otherwise mentioned.
All references to 'lockdown' relate to 'lockdown restrictions' announced by Government of India and States effective 24th March '20.

Table of Content

Q2 FY21 - Key Highlights

1. **Net Revenues** up 17% at Rs 2,047 crs vs Rs 1,753 crs in Q2'FY20

   a) The revenues (vs Q2 FY'20) were positively impacted by:

      i. Overall sugar business revenues up 89% YoY at Rs 830 crs led by volumes:

         - Sugar volumes up 74% YoY including exports of 5 lac qtls.
         - Higher Distillery volumes by 153% YoY. Second Distillery of 200 KLD capacity commissioned in December'19 led to higher volumes.
         - Significant reduction in Sugar inventory at 14.7 lac qtls vs 29.8 lac qtls in Sept '20.

      ii. Turnover of Value added inputs vertical of Shriram Farm Solutions went up by 32% YoY at Rs 189 crs driven by growth across all categories.

      iii. Plastics revenues up 25% YoY at Rs 171 crs led by higher volumes of PVC along with higher PVC prices.

   b) The revenues (vs Q2 FY'20) were negatively impacted by:

      i. Chemicals ECU was lower by 24% YoY net impact Rs. 58 crs. Volumes were lower by 4%, impact Rs. 18 crs.

      ii. Fenesta revenues down 22% YoY at Rs 93 crs impacted by pandemic due to nature of the business. However, with order booking up 9% YoY, performance is expected to improve further in coming months.

      iii. Fertilizers revenue down 22% YoY at Rs 219 crs due to lower gas prices (a pass through).

      iv. Bioseed revenues lower 9% vs Q2 FY20 because of preponement of sales to Q1 FY 21. Philippines continue to show good performance in corn and paddy.

Q2 FY21 - Key Highlights

2. **PBDIT** at Rs 240 crs vs Rs 243 crs during Q2 FY20.
    - Excluding the one time impact of -ve Rs. 27 crs. in Sugar (explained below), the PBDIT is Rs. 267 crs.

    a) Earnings were driven by:

    i. Sugar PBDIT (excl the one time impact) is at Rs 85 crs. vs Rs. 42 crs. in Q2 FY'20. Earnings resulted from higher sugar and distillery volumes. During Q2 FY'21 the business has taken a one time provision of –ve Rs 27 crs. against dues from Govt under Sugar Industry, Co-Gen and Distillery Promotion Policy, 2013.

    ii. SFS PBDIT at Rs 22 crs vs Rs 8 crs in Q2 FY20 driven by growth in volumes and margins.

    iii. Plastics PBDIT up 44% YoY at Rs 52 crs driven by higher PVC prices / volumes as well as lower power cost.

    iv. New power plant of 66 MW at Kota (commissioned in Feb FY'20) led to costs saving of ~Rs 21 crs. in Q2 FY'21.

    b) Earnings were lower on account of:

    i. Chemicals PBDIT down 41% YoY at Rs 94 crs primarily due to lower prices having an impact of Rs. 58 crs.

    ii. Fenesta earnings lower 37% YoY at Rs 15 crs due to lower volumes affected by pandemic. Sequentially, earnings are higher by Rs 21 crs.

3. **PAT** remained flat at Rs 119 crs vs Rs 119 crs during same period last year.

4. **Revenues and PBDIT in Q1 FY21** for our Chloro-vinyl and Fenesta businesses were impacted because of Covid-19 lead lockdowns and muted economic activity. Q2 has witnessed significant improvement

    a) Revenues from these businesses higher at Rs. 616 crs. vs Rs. 356 crs. in Q1 FY 21, primarily led by volumes.

    b) PBDIT from these businesses higher at Rs. 161 crs. vs Rs. 58 crs. in Q1 FY 21.

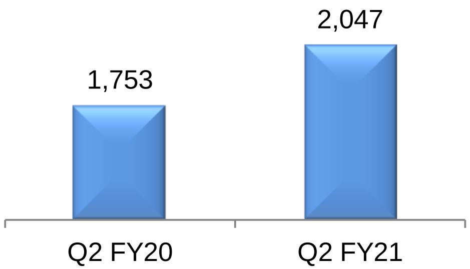
    c) Capacity utilization is near pre-covid-19 levels

Q2 FY21 - Key Highlights

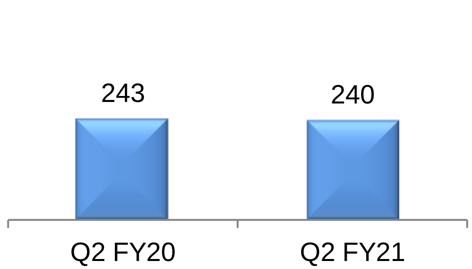
5. **Net Debt** at 30th Sep, 2020 at Rs 242 crs vs Rs 983 crs at 30th Sep, 2019 and Rs 1,167 crs at 30th June, 2020.
6. **ROCE** declined YoY as a result of Covid-19 impact on earnings as well as lower prices of Caustic Soda in Chemical business.
7. **Projects** – Company has started work on 120 MW new power plant at Bharuch to improve cost structure, expected to be commissioned in Q4 FY 22.
8. Company has completed sale of it Seeds Business in Vietnam

Q2 FY21 - Financial Snapshot

Revenue (Net)



PBDIT



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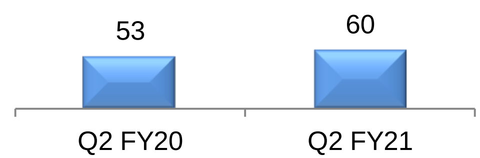

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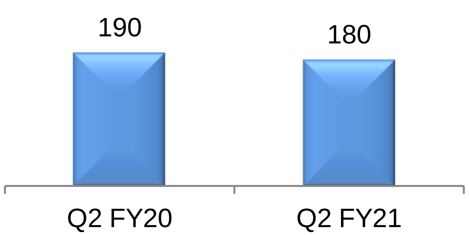
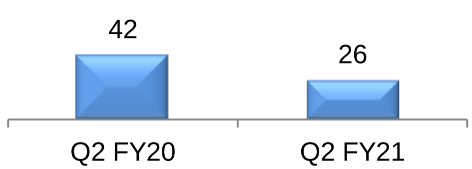
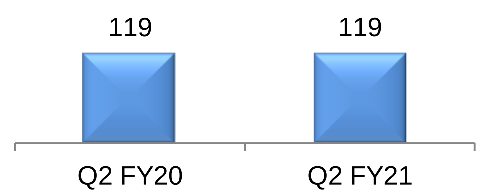


Finance Cost



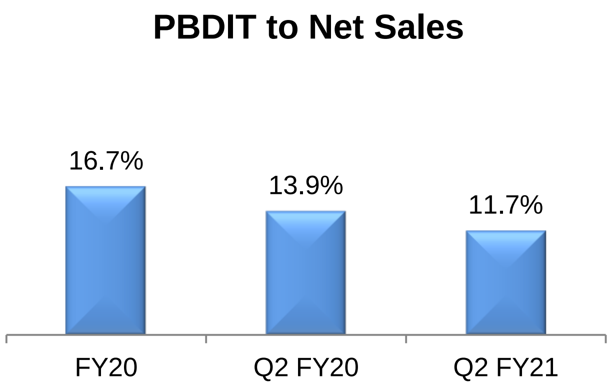
PAT

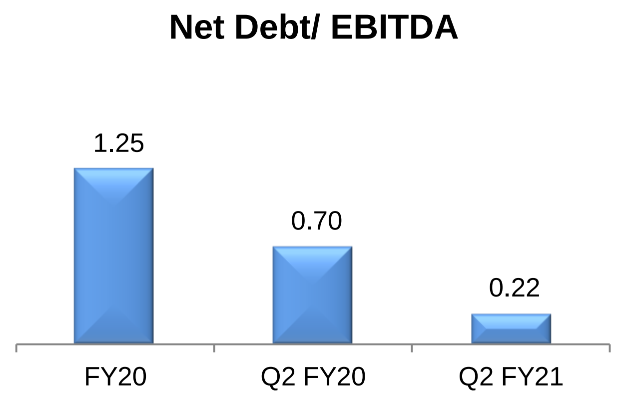


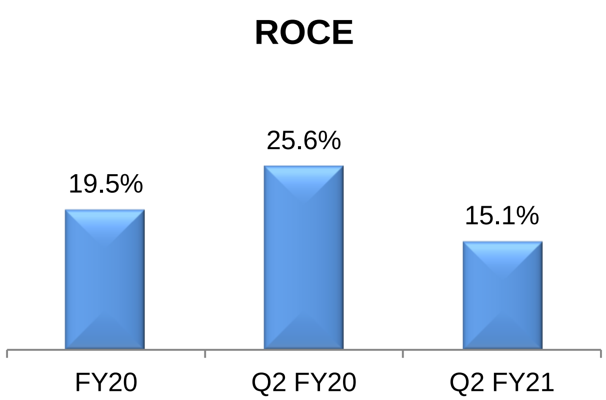
Note: All figures in Rs. crs

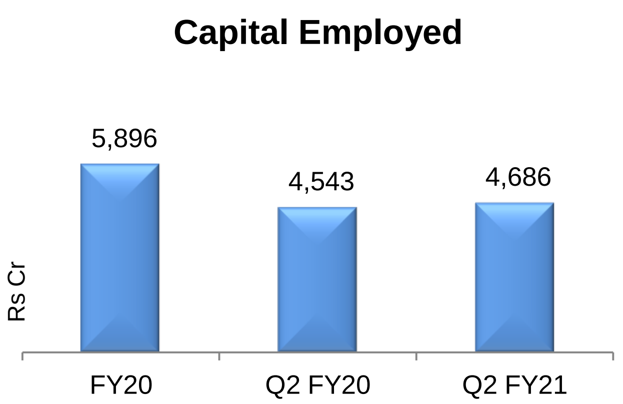
Net revenue includes operating income

Q2 FY21 - Returns & Leverage









Note :

ROCE and Net Debt/ EBITDA Calculated on TTM basis

ROCE calculated on average of quarter end capital employed for last 4 quarters.

Capital Employed excludes CWIP and Liquid Investments.

Q2 FY21 - Segment Performance

Rs crs

	Revenues			PBIT			PBIT Margins %	
Segments	**Q2 FY20**	**Q2 FY21**	***YoY % Change***	**Q2 FY20**	**Q2 FY21**	***YoY % Change***	**Q2 FY20**	**Q2 FY21**
Chemicals	**426.8**	**351.6**	***(17.6)***	**139.1**	**73.7**	***(47.0)***	***32.6***	***21.0***
Plastics	**136.6**	**171.3**	***25.3***	**33.4**	**48.1**	***44.2***	***24.4***	***28.1***
Sugar	**439.2**	**830.0**	***89.0***	**26.8**	**39.1**	***45.9***	***6.1***	***4.7***
SFS	**159.5**	**189.0**	***18.5***	***8.2***	**21.5**	***162.8***	***5.1***	***11.4***
Bioseed	**117.4**	**107.4**	***(8.5)***	**5.4**	**5.6**	***5.4***	***4.6***	***5.2***
Fertilizer	**281.5**	**218.9**	***(22.2)***	**15.1**	**15.2**	***0.9***	***5.4***	***7.0***
Others	**207.3**	**187.9**	***(9.3)***	**24.0**	**14.4**	***(40.1)***	***11.6***	***7.7***
-Fenesta	118.9	93.0	*(21.8)*	20.2	11.3	*(44.1)*	*17.0*	*12.2*
-Cement	39.9	47.1	*18.1*	3.2	3.3	*2.8*	*7.9*	*6.9*
-Hariyali Kisaan Bazaar & others	48.4	47.8	*(1.3)*	0.6	(0.2)	-	*1.3*	*(0.4)*
Total	**1768.3**	**2,056.1**	***16.3***	**252.0**	**217.6**	***(13.6)***	***14.2***	***10.6***
Less: Intersegment Revenue	15.4	9.3	(39.7)					
Less: Unallocable expenditure (Net)				62.0	37.9	*(38.9)*		
Total	**1,752.9**	**2,046.9**	***16.8***	**189.9**	**179.7**	***(5.4)***	***10.8***	***8.8***

Note: Net revenue includes operating income

H1 FY21 - Key Highlights

1. **Net Revenues** up 8% YoY at Rs 3,959 crs.

   a) Impact of Covid-19 on revenue in Q1 FY 21 was ~ Rs. 350 crs led by volumes, this has recovered significantly in Q2 FY'21

   b) Overall sugar business revenues up 85% YoY at Rs 1,707 crs driven by:

      i. Sugar volumes up 76% YoY. This includes export of 10 lac qtls in H1 FY21 vs 0.5 lac qtls vs LY

      ii. Higher Distillery volumes by 137% YoY. Second Distillery of 200 KLD capacity commissioned Q3 FY20 led to higher volumes. B-Heavy Molasses based ethanol sales at 283 lac ltr vs Nil in H1 FY20. Effective diversion of ~5 lac qtl of sugar to ethanol during SS 19-20

      iii. Significantly lower Sugar inventory at 30.09. 20 at 14.7 lac qtls vs 29.8 lac qtls at Sept 19

   c) SFS revenues up 12% YoY at Rs 398 crs, with value added segment up 29% YoY, across product categories

   d) Plastics (Vinyl) revenues down 8% YoY at Rs 253 crs due to lower volumes impacted by lockdown restrictions during Q1. Volumes as well as prices have picked up significantly in Q2

   e) Chemicals (Chlor-alkali) revenues down 40% at Rs 585 crs. ECU prices lower 32% YoY and volumes lower 22% YoY. Demand has been impacted by Covid 19, however, we are seeing good recovery with increase in economic activity.

   f) Fenesta revenues down 41% YoY at Rs 133 crs impacted by pandemic due to nature of the business. Business is witnessing regular recovery since May '20.

H1 FY21 - Key Highlights

2. **PBDIT** down 30% at Rs 432 crs:

    a) Chemicals PBDIT down 64% YoY at Rs 155 crs impacted by lower prices and volumes due to Covid 19. Sequentially PBDIT increased from Rs 61 crs. in Q1 to Rs. 94 crs. in Q2

    b) Plastics PBDIT up 8% YoY at Rs 60 crs. Sequentially, PBDIT increased from Rs 7 crs in Q1 to Rs 52 crs in Q2.

    c) Fenesta PBDIT down 79% YoY at Rs 9 crs due to lower volumes impacted by pandemic. Sequentially PBDIT went up from a loss of Rs. 6 crs. in Q1 to a profit of Rs. 15 crs in Q2 FY 21.

    d) Overall sugar earnings up 15 % YoY at Rs 148 crs. This includes:

        i. One time provision of Rs 27 taken in Q2 FY21 against government dues under Sugar Industry, Co-Generation and Distillery Promotion Policy, 2013

        ii. Onetime income relating to previous period in Q1 FY20 of Rs. 13.8 crs

    Excluding the above one time items, PBDIT up 52% at Rs. 175 crs driven by sugar and distillery volumes.

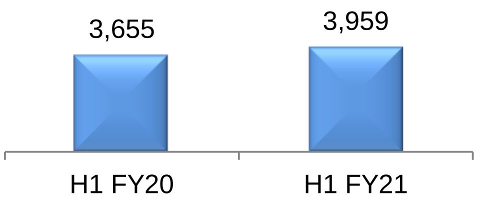
    e) SFS PBDIT up 193% YoY at Rs 39 crs driven by value added segment across product categories.

    f) Bioseed PBDIT up 48% at Rs 57 crs driven by better earnings from India operations and Philippines.

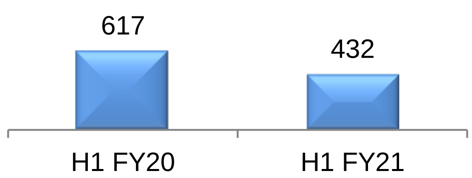
3. **PAT** at Rs 188 crs vs Rs 340 crs during H1 FY20.

H1 FY21 - Financial Snapshot

Revenue (Net)



PBDIT



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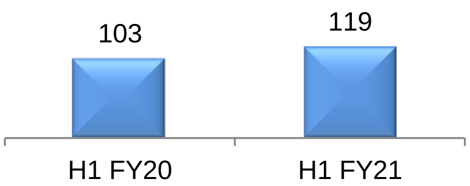

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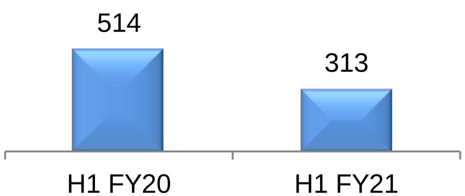

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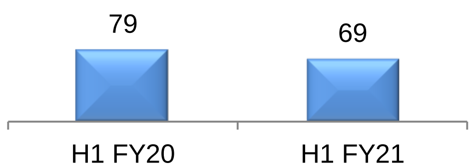

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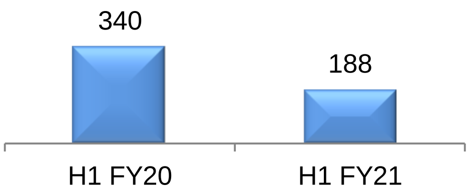


Note: All figures in Rs. crs

Net revenue includes operating income

H1 FY21 - Segment Performance

Rs crs

	Revenues			PBIT			PBIT Margins %	
Segments	**H1 FY20**	**H1 FY21**	***YoY % Change***	**H1 FY20**	**H1 FY21**	***YoY % Change***	**H1 FY20**	**H1 FY21**
Chemicals	**978.5**	**585.5**	***(40.2)***	**389.6**	**113.9**	***(70.8)***	***39.8***	***19.5***
Plastics	**276.5**	**253.0**	***(8.5)***	**49.6**	**51.2**	***3.2***	***18.0***	***20.2***
Sugar	**921.0**	**1,707.4**	***85.4***	**99.4**	**110.9**	***11.5***	***10.8***	***6.5***
SFS	**356.5**	**398.5**	***11.8***	***12.9***	**38.9**	***201.2***	***3.6***	***9.8***
Bioseed	**287.9**	**307.7**	***6.9***	**35.0**	**53.4**	***52.5***	***12.2***	***17.4***
Fertilizer	**441.8**	**422.1**	***(4.5)***	**(7.4)**	**21.0**	***-***	***(1.7)***	***5.0***
Others	**433.9**	**314.5**	***(27.5)***	**43.7**	**7.6**	***(82.6)***	***10.1***	***2.4***
-Fenesta	227.1	133.4	*(41.2)*	36.1	1.8	*(95.0)*	*15.9*	*1.4*
-Cement	87.7	78.4	*(10.6)*	7.2	5.8	*(19.8)*	*8.2*	*7.3*
-Hariyali Kisaan Bazaar & others	119.1	102.7	*(13.8)*	0.5	0.1	*(88.2)*	*0.4*	*0.1*
Total	**3696.1**	**3,988.6**	***7.9***	**623.0**	**397.0**	***(36.3)***	***16.9***	***10.0***
Less: Intersegment Revenue	40.8	29.7	(27.1)					
Less: Unallocable expenditure (Net)				109.2	84.2	*(22.9)*		
Total	**3,655.4**	**3,958.9**	***8.3***	**513.8**	**312.8**	***(39.1)***	***14.1***	***7.9***

Note: Net revenue includes operating income

Management's Message

Commenting on the performance for the quarter and half year ending September 2020, in a joint statement, Mr. Ajay Shriram, Chairman & Senior Managing Director, and Mr. Vikram Shriram, Vice Chairman & Managing Director, said:

"The operating as well as financial performance of the company has improved significantly over previous quarter which was impacted by the effect of Covid-19 pandemic. Although the operating challenges due to Covid-19 have reduced, the uncertainty of economic environment continues. Our investments as well as rationalization over last couple years has strengthened our businesses and helped us in sustaining a reasonable performance in these challenging times.

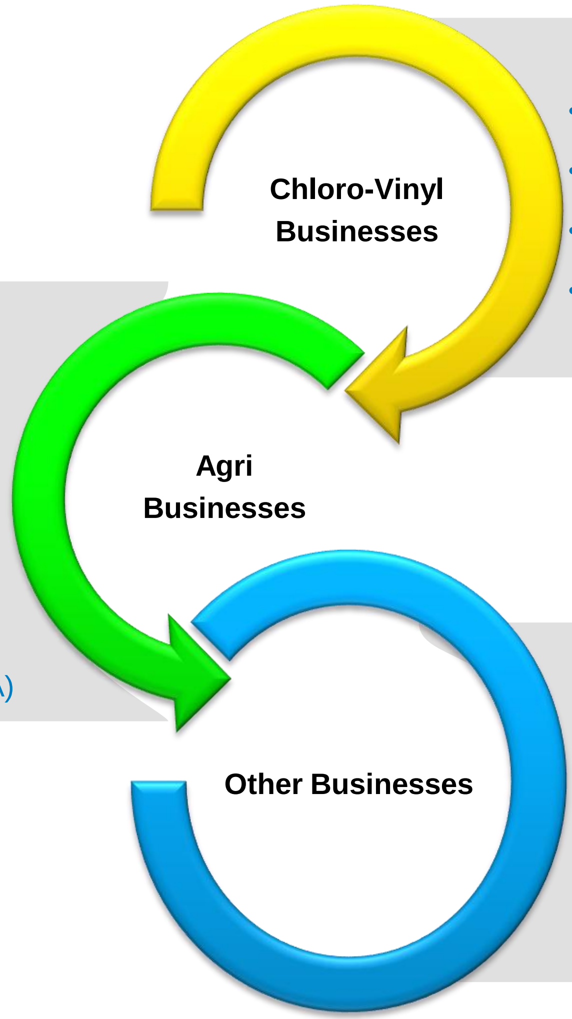
Our Chloro-Vinyl businesses have witnessed healthy increase in volumes since May'20 and are now operating at reasonable levels. Our investment in new and efficient power plant at Kota to replace the old plants in Q4 last year, has brought significant cost savings and made us more competitive and enabled higher capacity utilization. Chlor-Alkali business should witness further improvement in volumes and prices as the demand as well as international prices improve. We have started implementation of 120 MW coal based power plant at Bharuch that will improve cost competitiveness at our Chemicals complex at Bharuch.

In our Sugar business we have increased scale and forward integration over last few years with 200 KLD distillery added in Q3 last year. This along with Sugar exports has led lower working capital as well as higher earnings. These steps along with policy support from government has improved the returns as well as given stability to the business.

Our Agri input businesses have rationalized revenue verticals and improved product offerings. Discontinuation of trading in Bulk fertilizers and sale of international seeds business at Indonesia and Vietnam has helped in reducing losses and has improved the focus on core business. These steps have improved performance and augurs well for consistent growth of these businesses

Our Balance sheet as well as cashflows are healthy and enable us to continue our focus on building scale, integration and cost competitiveness in our businesses"

Segmental Details



Chloro-Vinyl Businesses

- Caustic Soda (1,845 TPD)
- Aluminum Chloride (60 TPD)
- PVC Resins (220 TPD)
- Calcium carbide (112,000 TPA)

Agri Businesses

- Agri- Businesses
  - Sugar (38,000 TCD)
  - Co-Gen (155 MW)
  - Distillery (350 KLD)
  - Shriram Farm Solutions
  - Bioseeds
  - Fertilizers (379,500 TPA)

Other Businesses

- Fenesta Building Systems (8,400 TPA)
- Cement (400,000 TPA)
- Polymer Compounds
- Hariyali Kisaan Bazaar

The business is supported by 263 MW coal based power plant and 155 MW Co-Gen (Co-Gen included above).

Chloro Vinyl Business

Particulars	Revenues (Rs. Cr.)	PBIT (Rs. Cr.)	Cap. Employed (Rs. Cr.)
Q2 FY21	**522.9**	**121.8**	**1,468.8**
Q2 FY20	*563.5*	*172.5*	*1,487.9*
% Shift	*(7.2)*	*(29.4)*	*(1.3)*
H1 FY21	**838.5**	**165.2**	**1,468.8**
H1 FY20	*1,255.0*	*439.3*	*1,487.9*
% Shift	*(33.2)*	*(62.4)*	*(1.3)*

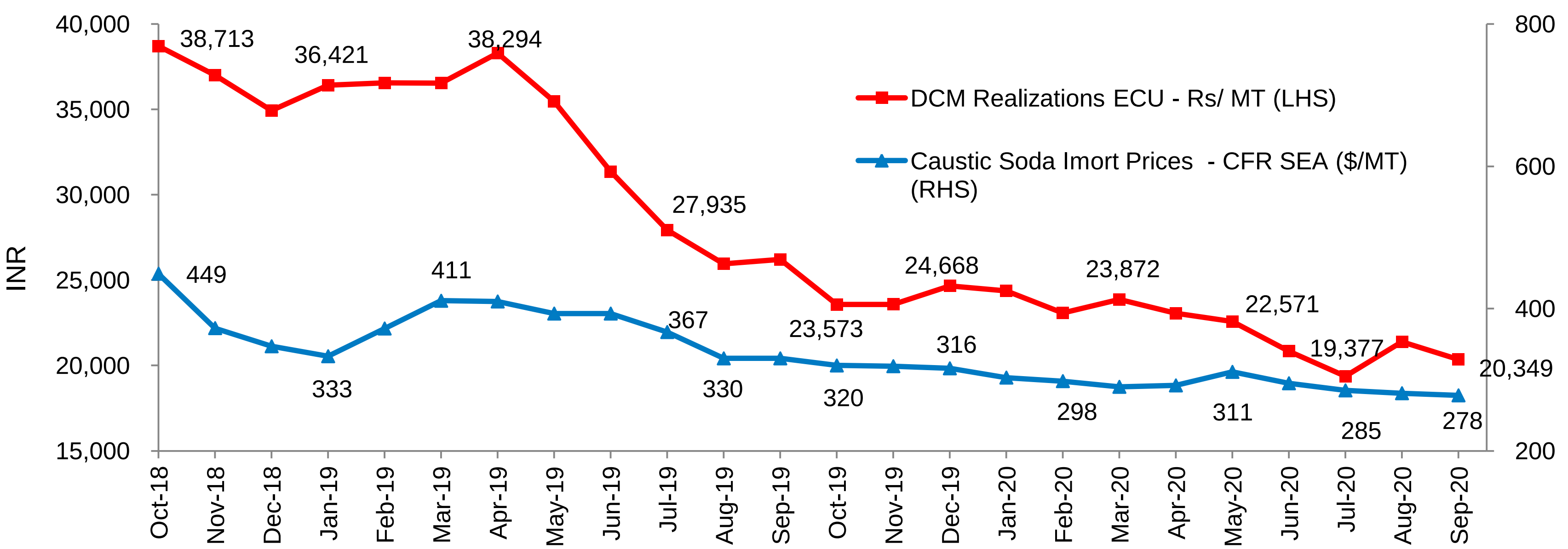
The Chloro-Vinyl business of the Company has highly integrated operations with multiple revenue streams and 225 MW captive power generation facilities. Chemicals operations are at two locations (Kota – Rajasthan and Bharuch – Gujarat), while Vinyl is at Kota only. Products includes Caustic (liquid and flakes), Chlorine, Hydrogen, Aluminum Chloride, PVC, Carbide, Stable Bleaching Powder.

Capital employed includes CWIP of Rs 68 crs at 30th Sep, 2020 vs Rs 233 crs at 30th Sep, 2019.

Chemicals

	Operational		Financial		
Particulars	**Caustic Sales (MT)**	**ECU Realizations (Rs./MT)**	**Revenues (Rs Cr.)**	**PBIT (Rs. Cr.)**	**PBIT Margin %**
Q2 FY21	**130,089**	20,387	**351.6**	**73.7**	**21.0**
Q2 FY20	*135,306*	*26,748*	*426.8*	*139.1*	*32.6*
% Shift	*(3.9)*	*(23.8)*	*(17.6)*	*(47.0)*	*(35.7)*
H1 FY21	**212,148**	**20,954**	**585.5**	**113.9**	**19.5**
H1 FY20	*271,668*	*30,985*	*978.5*	*389.6*	*39.8*
% Shift	*(21.9)*	*(32.4)*	*(40.2)*	*(70.8)*	*(51.1)*

Import Caustic and DCM ECU Prices

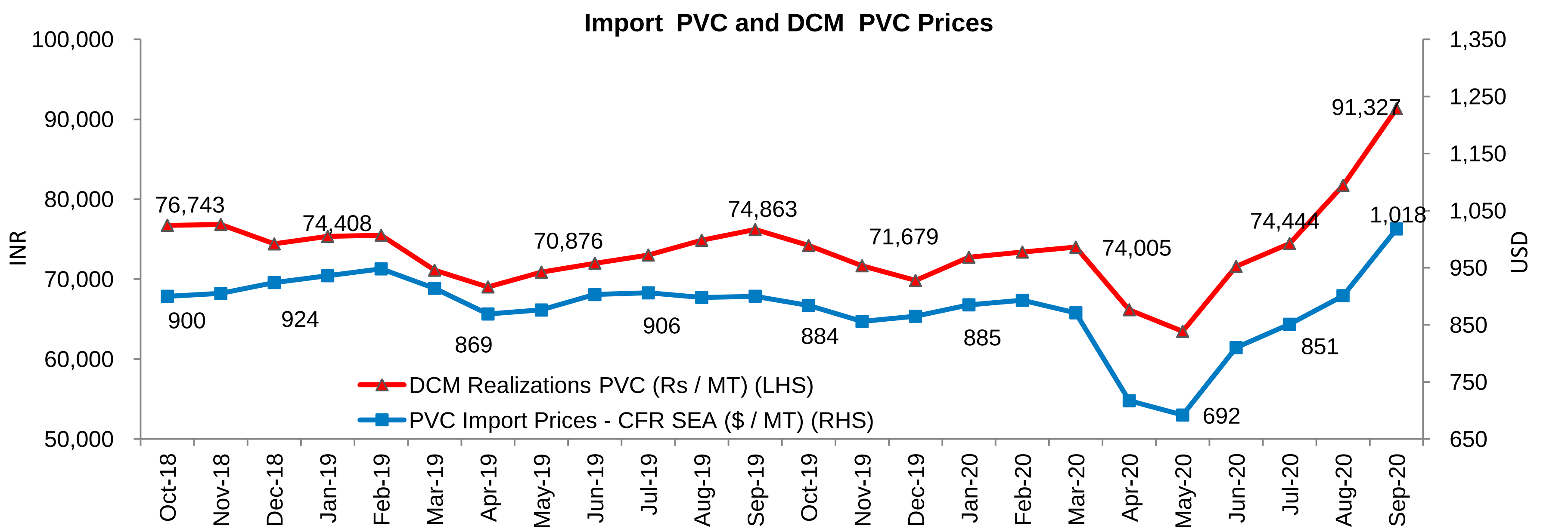


Chemicals

Industry Overview	▪ During Q2 2020-21, caustic soda imports were 0.61 lac MT compared to 0.80 of CPLY. ▪ During Q2 2020-21, caustic soda exports from India were 0.49 lac MT compared to 0.38 lac MT in CPLY (increase of ~29%). Exports have been growing. ▪ Domestic Industry is currently operating at around 70% levels of capacity utilization. ▪ Recovery gradually improving, as operating rates for some key consuming industries remains low. While ~70% demand from textile industry has recovered to pre covid levels, for pulp and paper industry it is around 65%.
Performance Overview	▪ Net Revenues for Q2 FY21 down 18% YoY at Rs 352 crs. ▪ Capacity utilization reached to ~81% in Sep 20. Volumes for the quarter lower 4% YoY. ECU prices down 24% YoY. Caustic Soda Flakes also saw sharp decline in prices. Lower prices had –ve impact of ~Rs. 58 crs. ▪ Prices continued to be under pressure due to low international prices and low demand from consuming sectors. However, with economic activity gradually increasing, utilization levels are improving which is a positive sign. ▪ PBIT for Q2 FY21 down 47% at Rs 74 crs due to lower prices and volumes. Power costs during the quarter were lower due to lower fuel costs as well as cost efficiency achieved at Kota due to 66 MW power plant commissioned last year replacing the old plant. ▪ Net revenues for H1 FY21 at Rs 585 crs down 40% YoY on account of lower ECU prices, 32% lower YoY, and lower volumes down 22% YoY. Lower volumes and lower prices had an impact of Rs 211 crs and Rs 180 crs respectively. Covid 19 had adverse impact on operations and demand from consuming sectors. Sequentially, the average capacity utilization has gone up from 51% in Q1 to 78% in Q2 FY 21. ▪ PBIT for H1 FY21 lower 71% at Rs. 114 crs YoY impacted by lower prices and lower volumes.
Outlook	▪ Demand is expected to pick up further as economy activity increase gradually. ▪ While the Capacity expansion (at Bharuch) of Chlor-alkali by 700 TPD and Flaker capacity by 500 TPD is being recalibrated, we have started working on implementing 120 MW new power plant in order to improve cost efficiencies.

Plastics

Particulars	PVC Sales (MT)	PVC XWR Realizations (Rs./MT)	Carbide Sales (MT)	Carbide XWR Realizations (Rs./MT)	Revenues (Rs Cr.)	PBIT (Rs. Cr.)	PBIT Margin %
	Operational				Financial		
Q2 FY21	**16,917**	**81,185**	**5,184**	**55,526**	**171.3**	**48.1**	**28.1**
Q2 FY20	*13,958*	*74,585*	*4,959*	*56,553*	*136.6*	*33.4*	*24.4*
% Shift	*21.2*	*8.8*	*4.5*	*(1.8)*	*25.3*	*44.2*	*15.0*
H1 FY21	**27,205**	**75,840**	**7,019**	**55,486**	**253.0**	**51.2**	**20.2**
H1 FY20	*29,258*	*72,395*	*10,110*	*56,150*	*276.5*	*49.6*	*18.0*
% Shift	*(7.0)*	*4.8*	*(30.6)*	*(1.2)*	*(8.5)*	*3.2*	*12.8*



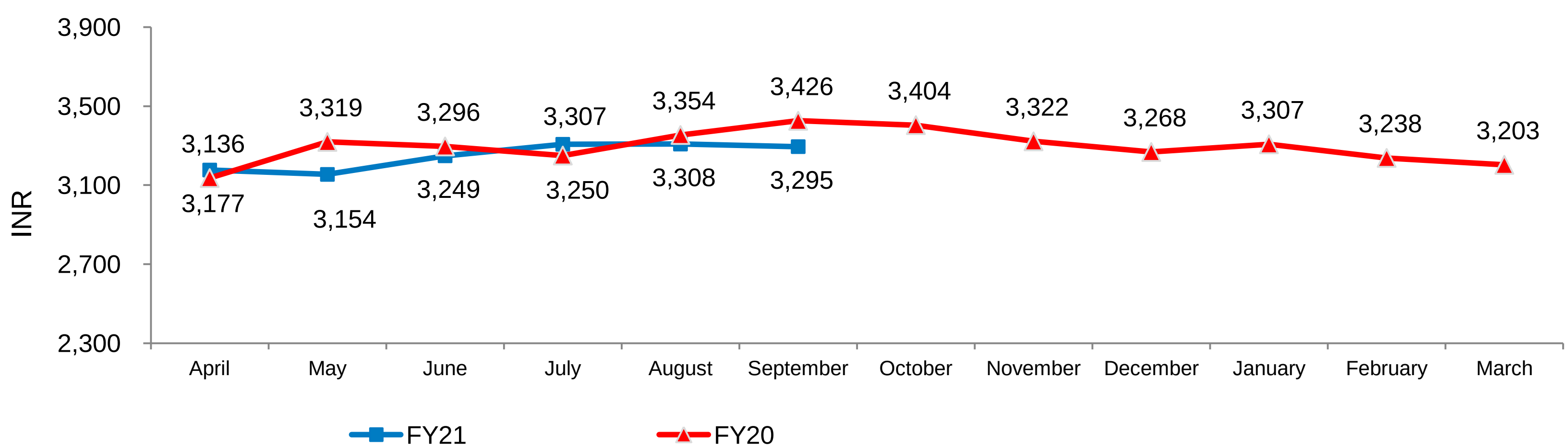
Plastics

Performance Overview	▪ Net revenue for Q2 FY21 up 25% YoY at Rs 171 crs. ▪ PVC volumes up 21% YoY and carbide volumes up 5% YoY. PVC prices up 9% YoY, whereas, carbide prices down 2% YoY. PVC prices have shown positive trend since May'20 in line with international prices. Plant has reached normal level of operations. ▪ Quarter PBIT up 44% YoY at Rs 48 crs due to higher volumes and higher PVC prices. Power costs came in lower for the quarter resulting from efficient new 66 MW power plant. ▪ Net revenues for H1 FY21 lower 8% YoY at Rs 253 crs. PVC volumes were lower 7% YoY and carbide volumes lower 31% YoY. PVC prices up 5% YoY and carbide prices lower 1% YoY. ▪ Plant was impacted by shutdown in Q1 and started operations in Mid May'20 resulting in lower volumes. Sequentially, the average capacity utilization has gone up from 44% in Q1 to 94% in Q2 FY. 21. ▪ PBIT for H1 FY21 up 3% YoY at Rs 51 crs. Lower power and fuel costs contributed to the earnings.
Outlook	▪ International prices are firm and demand is picking up as the economic activity recovers. ▪ More efficient 66 MW power plant commissioned at Kota (replaced old 50 MW) in Q4 FY20 has started to show tangible saving in power costs.

Sugar

Particulars	Revenues (Rs. Cr.)	PBIT (Rs. Cr.)	PBIT Margin %	Cap. Employed (Rs. Cr.)
Q2 FY21	**830.0**	**39.1**	**4.7**	**1,928.8**
Q2 FY20	*439.2*	*26.8*	*6.1*	*2,035.1*
% Shift	*89.0*	*45.9*	*(22.8)*	*(5.2)*
H1 FY21	**1,707.4**	**110.9**	**6.5**	**1,928.8**
H1 FY20	*921.0*	*99.4*	*10.8*	*2,035.1*
% Shift	*85.4*	*11.5*	*(39.8)*	*(5.2)*

Capital employed includes CWIP of Rs 22 crs at 30th Sep, 2020 vs Rs 288 crs at 30th Sep, 2019.



Sugar

Particulars	Sugar Production (Lac Qtls)	Sugar Sales (Domestic) (Lac Qtls)	Sugar (Domestic) Realizations (Rs/Qtl)	Power Sales (Lac Units)	Power Realizations (Rs/ unit) (Lac Units)	Distillery Sales (Lac Ltrs)	Distillery Realizations - B Heavy (Rs/ Ltrs)	Distillery Realizations - C Heavy (Rs/ Ltrs)
Q2 FY21	**-**	**14.8**	**3,303**	**89.0**	**2.9**	**333.7**	**52.4**	**42.3**
Q2 FY20	*-*	*11.4*	*3,343*	*16.4*	*3.6*	*132.0*	*-*	*40.9*
% Shift	*-*	*30.4*	*(1.2)*	*443.7*	*(21.3)*	*152.8*	*-*	*3.4*
H1 FY21	**12.4**	**31.1**	**3,246**	**723.0**	**3.6**	**619.6**	**52.2**	**42.3**
H1 FY20	*13.8*	*22.9*	*3,296*	*717.4*	*3.6*	*261.1*	*-*	*41.6*
% Shift	*(10.5)*	*35.9*	*(1.5)*	*0.8*	*1.0*	*137.3*	*-*	*1.9*

*Distillery sales for B-heavy molasses is 74 lac ltrs for Q2 FY 21 and Nil for Q2 FY20.

Industry Overview

- Till Sept' 20, 5.8 Mn Tonnes have been exported against quota of 6 Mn Tonnes. Total exports contracted for season 19-20 till Sept'20 at 5.9 Mn Tonnes.
- Sugar mills have contracted 195.1 Cr. ltr of Ethanol till Sept' 20 against 244.9 cr ltr last year. Out of this, 142.3 cr ltr have been lifted till Sept'20 against 169.1 cr ltr last year. Of the ethanol contracted by sugar mills, 76.2 Cr ltr is likely to be derived from B-heavy molasses and 86.1 Cr ltr from C-heavy molasses and 15.0 Cr ltr would be derived from 100% cane juice and 17.8 Cr ltr from damaged food grains.
- Till 30th Sept, 2020, average blending is at 5.07% vs 5.0% last year
- After accounting for the reduction in sugar production due to diversion of cane juice and B-molasses to ethanol, it is estimated that sugar production in the 2020-21 season will be at around 30.5 Mn Tonnes.

Sugar

Performance Overview	▪ Q2 FY21 Overall sugar revenues up 89% YoY at Rs 830 crs led by: ➢ Higher Sugar volumes, up 74% YoY including exports of 5 lac qtls. ➢ Higher Distillery volumes by 153% YoY. Second Distillery of 200 KLD capacity commissioned Q3 FY20 led to higher volume ▪ Overall PBIT for the quarter (excl one time item) stood at Rs. 66 crs vs Rs 27 cores in Q2 FY20. during this quarter one time provision of –ve Rs 27 crs taken against government dues under Sugar Industry, Co-Generation and Distillery Promotion Policy, 2013. Company has made a representation to the government against the disallowance. ▪ Contracted entire quota of exports of 22 lac qtls for season year 19-20. ▪ Sugar inventory at 30th Sep, 2020 stood 14.7 lac qtls (29.8 lac qtls at 30th Sep, 2019 and 43.5 lac qtls at 31st march '20). Higher sugar exports and ethanol production through B-Heavy molasses contributed significantly in inventory reduction. ▪ H1 FY21 overall sugar revenues up 85% at Rs 1,707 crs led by sugar and distillery volumes. ▪ H1 FY21 overall PBIT up 12% YoY at Rs 111 crs. Excluding one time items, PBIT stood up 61% YoY at Rs 138 crs.
Outlook	▪ With the continued support of government policies, Company will focus on higher exports as well as optimize use of B Heavy molasses in distillery. ▪ Project under implementation is moving as per plan

Shriram Farm Solutions

Particulars	Revenues (Rs. Cr.)	PBIT (Rs. Cr.)	PBIT Margin %	Cap. Employed (Rs. Cr.)
Q2 FY21	**189.0**	**21.5**	**11.4**	**(18.4)**
Q2 FY20	*159.5*	*8.2*	*5.1*	*140.5*
% Shift	*18.5*	*162.8*	*121.7*	-
H1 FY21	**398.5**	**38.9**	**9.8**	**(18.4)**
H1 FY20	*356.5*	*12.9*	*3.6*	*140.5*
% Shift	*11.8*	*201.2*	*169.5*	-

The products includes Seeds, Pesticides, Soluble Fertilizer, Micro-nutrients etc. This business is seasonal in nature and the results in the quarter are not representative of annual performance

Performance Overview

- Q2 FY21 Revenues up 19% YoY at Rs 189 crs.
- Turnover of Value added inputs vertical of Shriram Farm Solutions went up 32% YoY, driven by growth in all the product categories.
- PBIT for the quarter up 163% YoY at Rs 21 crs vs 8 crs during same period last year driven by better earnings from value added segment. Rationalization of Bulk fertilizer business last year and focus on value added segment is yielding sustained results.
- H1 FY21 Revenues up 12% YoY. PBIT at Rs 39 crs vs Rs 13 crs during same period last year. Performance is driven by growth across the product categories
- Capital employed stood negative at 30th Sep, 2020 due to higher customer advances for research wheat (which shall be reflected in sales in Q3 FY21, consequently CE will be back to normal levels) and release of net working capital related to bulk fertilizers.

Outlook

- Expect good growth in value added inputs with enhanced focus on this business.

Bioseed

Particulars	Revenues (Rs. Cr.)			PBIT (Rs. Cr.)	PBIT Margin %	Cap. Employed (Rs. Cr.)
	India	International	Total			
Q2 FY21	**73.8**	**33.6**	**107.4**	**5.6**	**5.2**	**433.4**
Q2 FY20	*100.0*	*17.4*	*117.4*	*5.4*	*4.6*	*511.1*
% Shift	*(26.2)*	*93.5*	*(8.5)*	*5.4*	*15.2*	*(15.2)*
H1 FY21	**241.1**	**66.5**	**307.7**	**53.4**	**17.4**	**433.4**
H1 FY20	*236.5*	*51.4*	*287.9*	*35.0*	*12.2*	*511.1*
% Shift	*1.9*	*29.6*	*6.9*	*52.5*	*42.7*	*(15.2)*

Bioseed business is intensely research based and is diversified across key crops (Cotton, Corn, Paddy, Bajra and Vegetables). India is the key market with presence across all above crops. International presence is in Philippines wherein the key crop is Corn. The performance of the business has seasonality, with Kharif being the major season in India.

Performance Overview

- Overall Q2 FY20 revenues down 9% YoY at Rs 107 crs.
  - Bioseed revenues lower 9% vs Q2 FY20 because of preponement of sales to Q1 FY21. Philippines continue to show good performance in corn and paddy.
  - International operations revenues stood at Rs 34 crs vs Rs 17 crs during same period last year, driven by Corn and Paddy in Philippines.
- Q2 FY21 PBIT earnings from international operations were offset by lower earnings from India operations due to lower volumes (preponment of sales to Q1 FY21).
- H1 FY21 overall revenues up 7% YoY. Corn and Paddy led both India and International (Philippines) operations. PBIT up 52% YoY driven by India and Philippines.

Outlook

- H2 is a small season for Bioseed India business. Expect reasonable growth in international geographies.

Fertilizers (Urea)

	Operational		Financial			
Particulars	**Sales (MT)**	**Realizations (Rs./MT)**	**Revenues (Rs. Cr.)**	**PBIT (Rs. Cr.)**	**PBIT Margin %**	**Cap. Employed (Rs. Cr.)**
Q2 FY21	**108,986**	**18,892**	**218.9**	**15.2**	**7.0**	**541.9**
Q2 FY20	*109,600*	*25,150*	*281.5*	*15.1*	*5.4*	*444.3*
% Shift	*(0.6)*	*(24.9)*	*(22.2)*	*0.9*	*29.7*	*22.0*
H1 FY21	**204,039**	**19,499**	**422.1**	**21.0**	**5.0**	**541.9**
H1 FY20	*172,378*	*24,752*	*441.8*	*(7.4)*	*(1.7)*	*444.3*
% Shift	*18.4*	*(21.2)*	*(4.5)*	*-*	*-*	*22.0*

Performance Overview

- Q2 FY21 Revenue down 22% YoY at Rs 219 crs reflection of lower gas prices (a pass through).
- Q2 FY21 PBIT remained flat at Rs 15 crs.
- H1 FY 21 revenues lower 4% YoY due to lower energy costs. Volumes up 18% YoY as plant had shut down in April'19.
- H1 FY21 PBIT at Rs 21 crs vs –ve Rs 7 crs during H1 FY20. Due to shut down, H1 FY20 had lower volumes and shut down costs.
- Subsidy outstanding as at 30th Sep, 20 is Rs 465 crs vs Rs 358 crs as at 30th Sep, 2019.

Outlook

- Business continues to achieve improved levels of energy consumption YoY.

Other Businesses

The ‘Others’ Segment in the financial results, includes Cement, Fenesta Building Systems and Hariyali Kisaan Bazaar.

Revenues under ‘Others’ stood at Rs 188 crs in Q2 FY21 from Rs. 207 crs in Q2 FY20. PBIT for the quarter stood at Rs. 14 crs vis-à-vis Rs. 24 crs in Q2 FY20.

Fenesta Building Systems

Particulars	Operational			Financial		
	Order Book (Rs Crs)			Revenues Total	PBIT	PBIT Margin %
	Retail	Projects	Total			
Q2 FY21	**72.4**	**46.6**	**119.0**	**93.0**	**11.3**	**12.2**
Q2 FY20	*84.9*	*24.0*	*108.9*	*118.9*	*20.2*	*17.0*
% Shift	*(14.7)*	*94.1*	*9.3*	*(21.8)*	*(44.1)*	*(28.5)*
H1 FY21	***106.8***	***58.5***	**165.4**	***133.4***	***1.8***	***1.4***
H1 FY20	*165.7*	*57.3*	*223.0*	*227.1*	*36.1*	*15.9*
% Shift	*(35.5)*	*2.1*	*(25.8)*	*(41.2)*	*(95.0)*	*(91.5)*

Fenesta a pan India brand has become synonymous with UPVC windows. Includes Retail and Project Segment

Performance Overview

- Q2 FY21 Revenues at Rs 93 crs vs Rs 119 crs during Q2 FY20. Fenesta business was severely impacted by Covid 19, however, with gradual lifting of restrictions, performance is satisfactory.
- Order book for the quarter up 9% YoY led by projects segment.
- Q2 FY21 PBIT at Rs 11 crs vs Rs 20 crs during Q2 FY20.
- H1 FY21 revenues and earnings impacted by the Covid 19 restrictions during Q1 FY21. Sequential average capacity utilization increased from 37% in Q1 to 81% in Q2 FY21.

Outlook

- Fenesta has been continuously focusing on improving geographical presence and also improving product offerings and enhancing customer service.
- Business is expected to pick up further with gradual increase in activity.

Cement

	Operational		Financial		
Particulars	**Sales (MT)**	**Realizations (Rs./MT)**	**Revenues (Rs. Cr.)**	**PBIT (Rs. Cr.)**	**PBIT Margin %**
Q2 FY21	**107,779**	***3,566***	**47.1**	**3.3**	**6.9**
Q2 FY20	*90,514*	*3,482*	*39.9*	*3.2*	*7.9*
% Shift	*19.1*	*2.4*	*18.1*	*2.8*	*(12.9)*
H1 FY21	**177,424**	***3,671***	**78.4**	**5.8**	**7.3**
H1 FY20	*203,032*	*3,553*	*87.7*	*7.2*	*8.2*
% Shift	*(12.6)*	*3.3*	*(10.6)*	*(19.8)*	*(10.3)*

The Cement business is small, since its capacity is driven by the waste generated from carbide plant. The Company markets its cement under the 'Shriram' brand

Performance Overview

- Q2 FY21 Revenues up 18% at Rs 47 crs vs Rs 40 crs during same period last year led by higher volumes. Volumes up 19% YoY.
- Q2 FY21 PBIT remained flat at Rs 3 crs.
- H1 FY21 revenues lower 11% YoY due to lower volumes impacted by lock down restrictions in Q1 FY21.
- H1 FY21 PBIT lower 20% YoY due to lower volumes.

Outlook

- Business working on enhancing efficiencies further and optimizing costs.

About Us & Investor Contacts

DCM Shriram Ltd. is an integrated business entity, with extensive and growing presence across the entire Agri value chain and Chloro-Vinyl industry. The Company has added innovative value- added businesses in these domains primarily Bioseed and Fenesta. Access to captive power at all key manufacturing units enables the businesses to optimise competitive edge.

For more information on the Company, its products and services please log on to **www.dcmshriram.com** or contact:

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