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DCM Shriram Ltd.

Q2 & H1 FY22 - Results Presentation

October 19, 2021

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.

Note: All figures mentioned in the presentation are consolidated unless otherwise mentioned.

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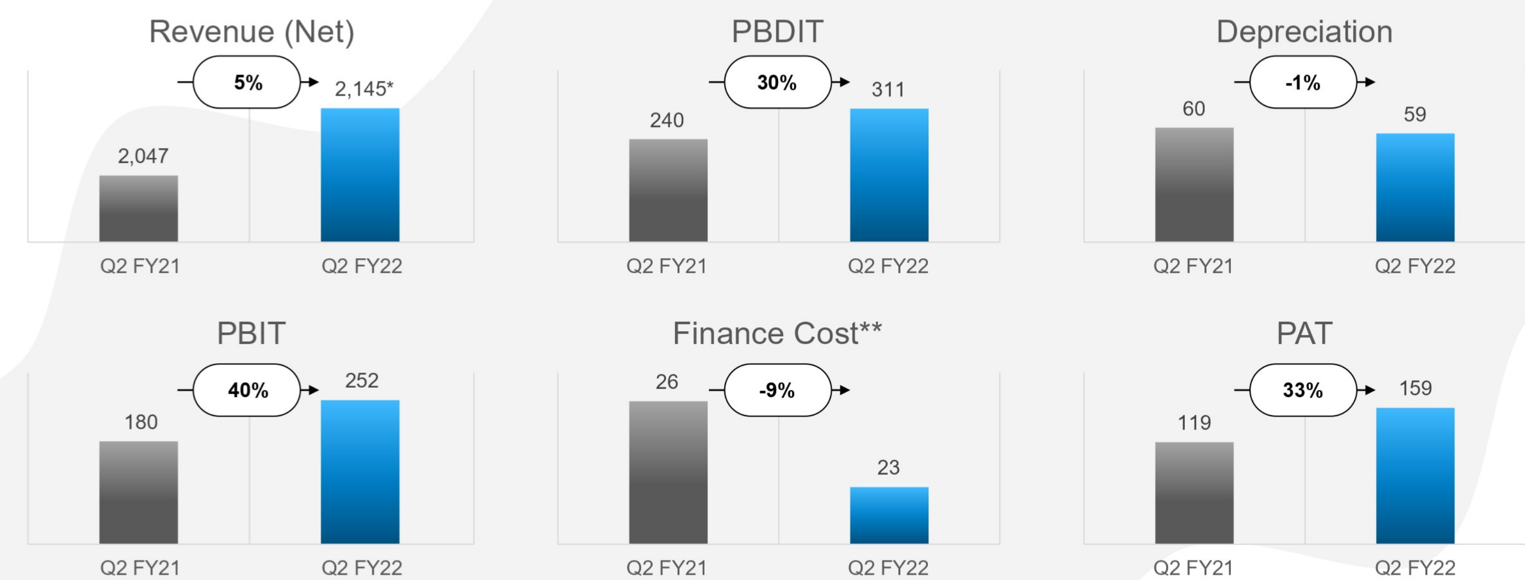

* Net of excise duty on country liquor sales amounting to Rs 33 crs.
**Net Finance cost for Q2 FY22 at Rs 3.6 crs, for Q2 FY21 at Rs 13.6 crs.

- **Surplus cash net of debt at 30th September, 2021 is Rs. 679 crs vs net debt of Rs 242 crs at 30th September, 2020 and Rs. 180 crs on 31st March 2021.**
  - **There is seasonality in Capital employed which is generally at the highest level during Q4 due to build up during the Sugar season and is lowest around September.**
  - **The ongoing capex programs in Chemicals and Sugar are expected to be commissioned as per plan and will be funded largely by internal accruals.**
- **Interim Dividend declared by the Board at 230% amounting to Rs 71.7 crs**

Note: *All figures in Rs. Crs, Net revenue includes operating income*

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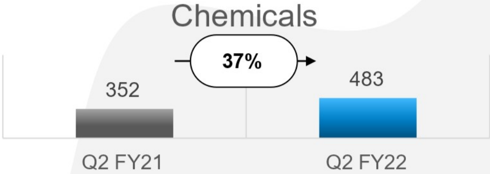
Revenue Drivers - Q2 FY22

Positive Revenue Drivers

Chemicals

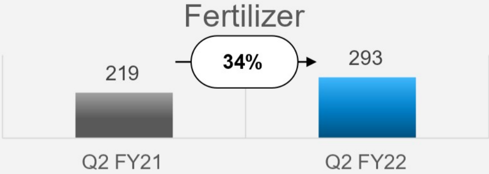


- Driven by both volumes and prices.
- Caustic sales volumes up 15% YoY. ECU realization up 22% YoY.
- Caustic Soda Flakes also saw healthy increase in prices. Utilization levels for the quarter at healthy 90% vs 78% for Q2 FY21.

Vinyl

- Driven by higher prices and higher volumes of PVC.
- PVC prices up 62% YoY. Carbide prices up 75% YoY. PVC prices continue to move with international prices which have been firming up.
- Volumes of PVC were higher by 23% YoY.

Fertilizer



- Revenues higher resulting from higher gas prices which is a pass through.

Fenesta

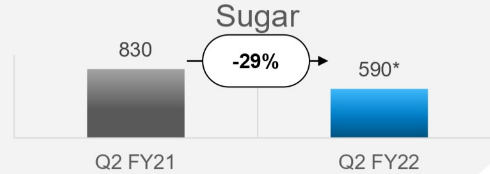
- Revenues up due to volumes. Order booking up 63% YoY for Q2 FY22

➢ **In the same period last year the demand in Chloro-Vinyl and Fenesta was impacted by Covid-19 Pandemic.**

Note: *All figures in Rs. crs*

Negative Revenue Drivers

Sugar



- Revenues (net of excise duty on country liquor sales amounting to Rs 33 crs) primarily impacted by lower sugar volumes. Sugar Volumes had a -ve impact of Rs 245 crs.
- Domestic sales volumes were lower at 12.3 lac qtls down 17% YoY on account of lower quota released by the government which is a direct result of lower available inventory.
- Exports was negligible vs about 5 lac qtls YoY since the total export quota allocated for SY20 was 22 lac qtls vs 12.5 lac qtls for SY21, which was largely fulfilled by Q4 FY21.
- Sugar domestic realizations and distillery realization were higher and had positive impact on revenues.

* Net of excise duty on country liquor sales amounting to Rs 33 crs.

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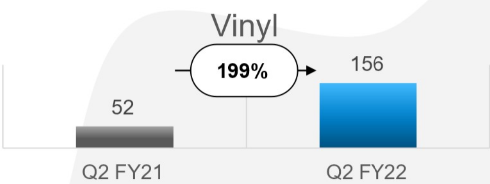
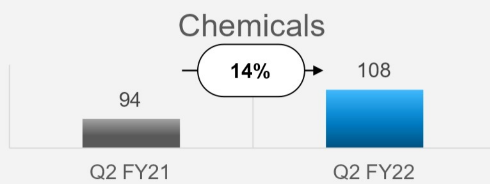
PBDIT Drivers - Q2 FY22

Positive PBDIT Drivers



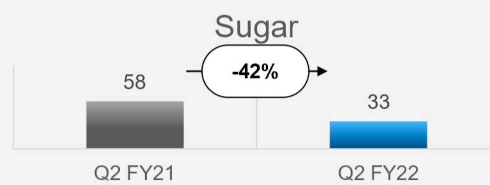
- Led by higher prices and PVC volumes.



- Led by volumes and higher product prices.

> - **Higher Sugar and Distillery realizations had positive impact on sugar earnings.**
> - **Key raw material inputs including coal costs in Chloro-Vinyl business had significant negative impact on earnings.**

Negative PBDIT Drivers



- Primarily impacted due to overall lower volumes. Sugar volumes (both domestic and export) are regulated by government. Higher rate of purchased molasses as well as the Ethanol mix also dragged the earnings.
- Q2 FY '21 had a provision for ~Rs. 27 crs. on account of reversal of incentives under SIPP 2013.

- Impacted by lower volumes primarily in India operations.

Note: *All figures in Rs. crs*

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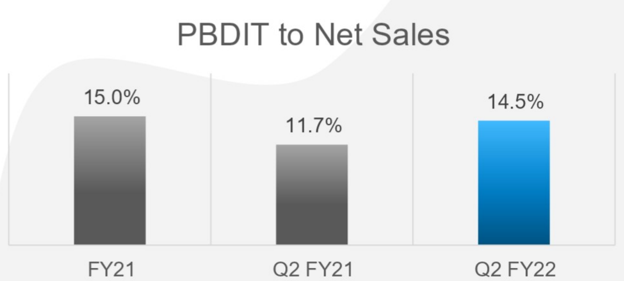
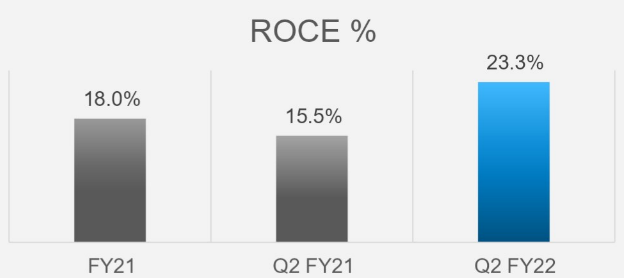
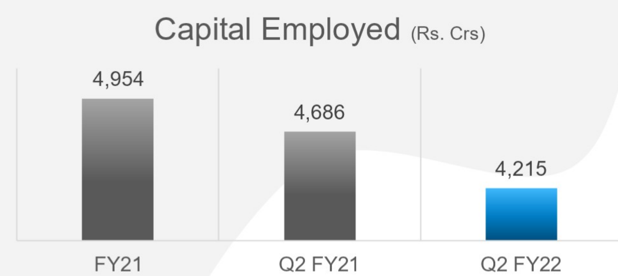
Returns & Leverage - Q2 FY22







Note: *ROCE and Net Debt/ EBITDA Calculated on TTM basis*

ROCE calculated on average of the capital employed at end of the quarters

Capital Employed excludes CWIP and Liquid Investments.

Q2 FY22 Net Debt is negative

Segment Performance - Q2 FY22

Rs crs	Revenues			PBIT			PBIT Margins %	
Segments	**Q2 FY22**	**Q2 FY21**	***YoY % Change***	**Q2 FY22**	**Q2 FY21**	***YoY % Change***	**Q2 FY22**	**Q2 FY21**
Chloro-Vinyl	**814.3**	***522.9***	***55.7***	**238.2**	***121.8***	***95.6***	***29.3***	***23.3***
Sugar	**589.9***	***830.0***	***(28.9)***	**14.2**	***39.1***	***(63.8)***	***2.4***	***4.7***
SFS	**178.3**	***189.0***	***(5.6)***	***21.1***	***21.5***	***(1.9)***	***11.8***	***11.4***
Bioseed	**77.4**	***107.4***	***(27.9)***	***(16.1)***	***5.6***	-	***(20.7)***	***5.2***
Fertilizer	**293.5**	***218.9***	***34.0***	**13.8**	***15.2***	***(9.6)***	***4.7***	***7.0***
Others	**209.2**	***187.9***	***11.3***	**10.2**	***14.4***	***(29.3)***	***4.9***	***7.7***
-Fenesta	130.1	*93.0*	*39.9*	14.7	*11.3*	*30.2*	*11.3*	*12.2*
-Cement	44.9	*47.1*	*(4.6)*	(4.0)	*3.3*	-	*(9.0)*	*6.9*
-Hariyali Kisaan Bazaar & others	34.2	*47.8*	*(28.5)*	*(0.5)*	*(0.2)*	-	*(1.5)*	*(0.4)*
Total	**2,162.7**	***2,056.1***	***5.2***	**281.3**	***217.6***	***29.3***	***13.0***	***10.6***
Less: Intersegment Revenue	17.9	*9.3*	*93.0*	-	-	-	-	-
Less: Unallocable expenditure (Net)	-	-	-	29.5	*37.9*	*(22.2)*	-	-
Total	**2,144.8***	***2,046.9***	***4.8***	**251.9**	***179.7***	***40.1***	***11.7***	***8.8***

** Net of excise duty on country liquor sales amounting to Rs 33 crs.*

Note: Net revenue includes operating income

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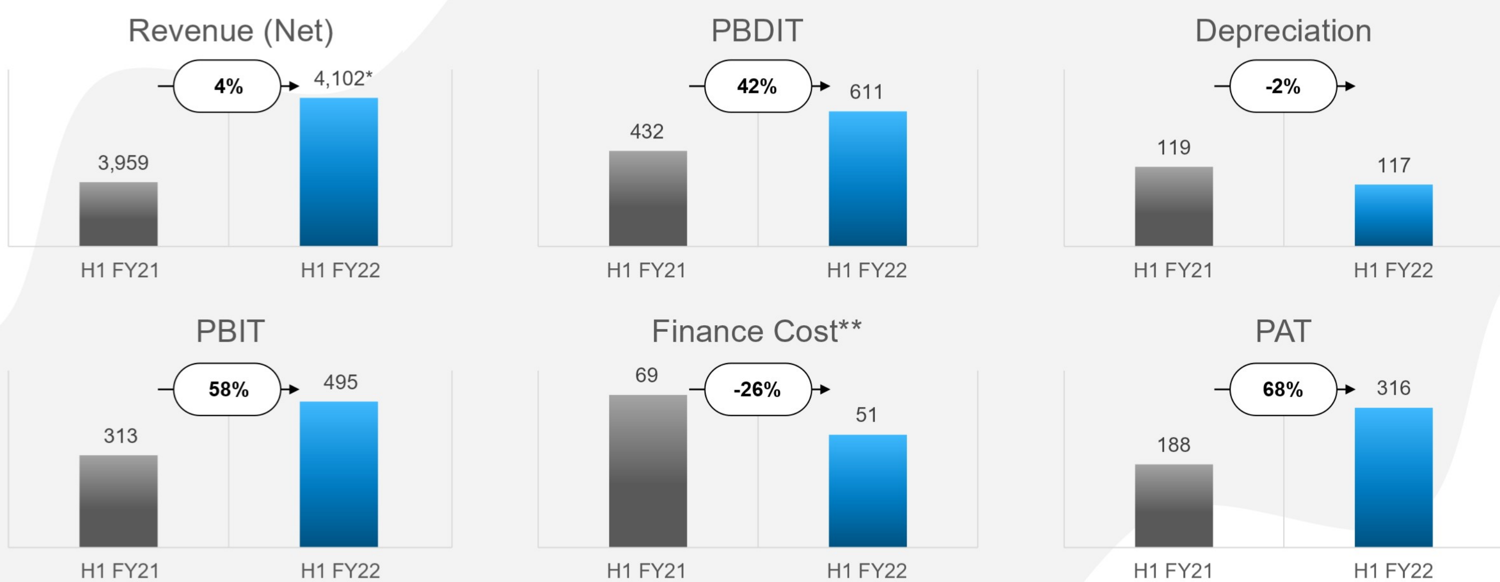
Financial Snapshot - H1 FY22



- **Long Term credit rating** upgraded to AA+ (from AA) by ICRA during H1 FY'22 and Short term rating of A1+ was reaffirmed. CRISIL has reaffirmed rating is A1+ on short term rating scale.

Note: *All figures in Rs. Crs, Net revenue includes operating income*

** Net of excise duty on country liquor sales amounting to Rs 84 crs.*

***Net Finance cost for H1 FY22 at Rs 14.3 crs, for H1 FY21 at Rs 37 crs.*

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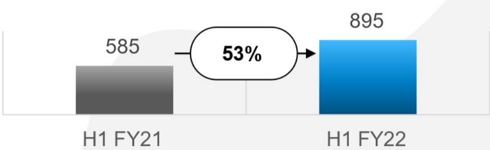
Revenue Drivers – H1 FY22

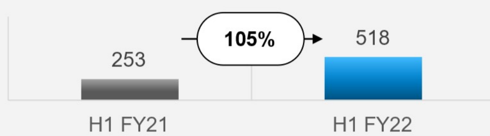
Positive Revenue Drivers

Chemical



- Driven by both volumes and prices. Volumes up 34% YoY.
- ECU Prices up 18%.

Vinyl

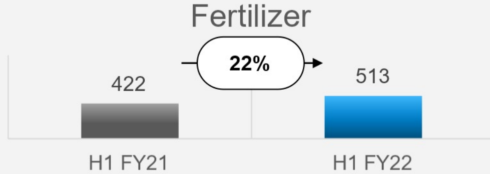


- Driven primarily by higher prices of products and also higher volumes of PVC.

Fenesta

- Led by volumes.
- Order booking up 69% YoY at Rs 280 crs.

Fertilizer



- Revenues up resulting from higher gas prices, a pass through. Revenues includes amount of Rs 33 crs received in Q1 FY22 for price revisions relating to previous years. Volumes lower 13% YoY. Plant operated at lower capacity due to partial break down during Q1 FY22.

> **Chloro-Vinyl and Fenesta businesses in Q1 FY21 was impacted by pandemic and lockdown due to Covid-19, resulting in loss of production leading to lower sales. Demand recovered gradually during Q2 FY21, however, remained below normal.**

Note: *All figures in Rs. crs*

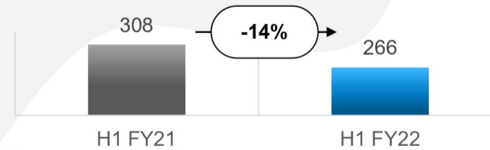
Negative Revenue Drivers

Sugar

- Domestic volumes lower due to lower monthly release. Export volumes lower as SY20 had export quota of 22 lac qtls vs 12.5 lac qtls for SY21.
- Domestic Sugar and Ethanol realizations were up that added to the revenues.
- Power volumes lower as sugar season 2021 ended early vs sugar season 2020.
- Country liquor sales for the period at Rs. 8 crs (Net of excise duty of Rs 84 crs).

* Net of excise duty on country liquor sales amounting to Rs 84 crs.

Bioseed



- India operations Bioseed revenues down 21% at Rs 191 crs impacted by lower volumes.

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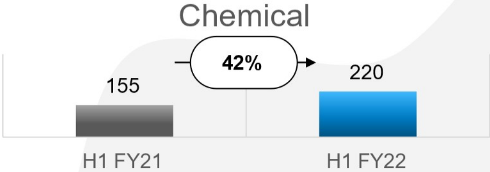
PBDIT Drivers – H1 FY22

Positive PBDIT Drivers

Chemical



- Led by volumes and higher product prices.

Vinyl

- Primarily by higher prices. PVC volumes had positive impact on the earnings.

Fenesta

- Higher execution in projects as well as retail verticals

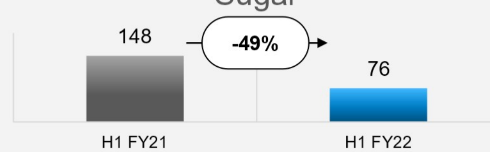
Fertilizer

- Earnings higher due to additional income of Rs 33 crs received during Q1 FY22 on account of price revisions relating to previous years. Lower volumes dragged down the earnings. Plant operated at 75% capacity utilization during Q1 FY22. Plant is stable now.

➢ **Last year pandemic related lockdowns and demand disruption had significant impact on earnings for Chloro-Vinyl and Fenesta business.**

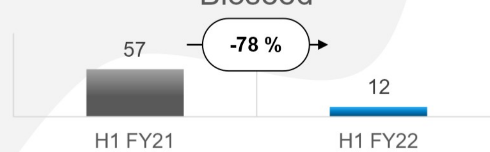
Negative PBDIT Drivers

Sugar



- Sugar volumes were lower for both domestic and export.
- Power volumes lower due to shorter sugar season 2021 vs SY20. Mills ended earlier in SY21.
- Higher rate of purchased molasses and higher off season expenses (during Q1 FY22 – a result of shorter season) also dragged the earnings.
- Higher sugar domestic prices and distillery prices had positive impact but was more than offset by lower volumes.

Bioseed



- Impacted by earnings from India operations due to lower volumes and higher overheads.

Note: *All figures in Rs. crs*

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Segment Performance - H1 FY22

Rs crs	Revenues			PBIT			PBIT Margins %	
Segments	**H1 FY22**	**H1 FY21**	***YoY % Change***	**H1 FY22**	**H1 FY21**	***YoY % Change***	**H1 FY22**	**H1 FY21**
Chloro-Vinyl	**1,412.7**	**838.5**	***68.5***	**416.1**	**165.2**	***151.9***	***29.5***	***19.7***
Sugar	**1,153.4***	**1,707.4**	***(32.4)***	**37.5**	**110.9**	***(66.1)***	***3.3***	***6.5***
SFS	**390.7**	**398.5**	***(1.9)***	***36.9***	**38.9**	***(5.2)***	***9.4***	***9.8***
Bioseed	**265.9**	**307.7**	***(13.6)***	**9.0**	**53.4**	***(83.1)***	***3.4***	***17.4***
Fertilizer	**513.0**	**422.1**	***21.6***	**44.0**	**21.0**	***109.7***	***8.6***	***5.0***
Others	**413.0**	**314.5**	***31.3***	**16.9**	**7.6**	***121.3***	***4.1***	***2.4***
-Fenesta	238.6	133.4	*78.8*	23.4	1.8	*1,195.0*	*9.8*	*1.4*
-Cement	91.5	78.4	*16.7*	(5.0)	5.8	-	*(5.5)*	*7.3*
-Hariyali Kisaan Bazaar & others	83.0	102.7	*(19.2)*	(1.6)	0.1	-	*(1.9)*	*0.1*
Total	**4,148.8**	**3,988.6**	***4.0***	**560.4**	**397.0**	***41.2***	***13.5***	***10.0***
Less: Intersegment Revenue	46.9	29.7	*57.8*	-	-	-	-	-
Less: Unallocable expenditure (Net)	-	-	-	65.4	84.2	-	-	-
Total	**4,101.9***	**3,958.9**	***3.6***	**494.9**	**312.8**	***58.2***	***12.1***	***7.9***

** Net of excise duty on country liquor sales amounting to Rs 84 crs.*

Note: Net revenue includes operating income

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Management's Message

Commenting on the performance for the quarter and period ending September 2021, in a joint statement, Mr. Ajay Shriram, Chairman & Senior Managing Director, and Mr. Vikram Shriram, Vice Chairman & Managing Director, said:

"We are glad to report a good overall performance during the quarter. The businesses environment remains disruptive despite relative normalization of Covid-19 during the quarter, given the global supply chain constraints led by climate induced factors, geo-political reasons and Covid-19.

Our Chloro-vinyl businesses have performed better given the improved demand as well as price scenario. However with global increase in energy prices as well as other key inputs, the cost pressures are high. There is significant uncertainty on inputs costs although we are having adequate supplies to ensure continuity of operations. We expect that higher product prices will support the increase in costs.

Our Sugar business is operating in a favorable operating environment which is good for the farmers as well as the industry. Although the SAP for Sugarcane has been revised upwards, we hope that product prices will support the increase in SAP. Higher international prices of Sugar augur well for the business.

For Our Agri Input business of Shriram Farm Solutions and Bioseed this is a limited season.

Our Investment projects of around Rs. 2,500 crs across businesses are under progress. 2nd wave of Covid -19 as well as extensive rains have impacted some of the project milestones, however we expect to commission the projects as per plan.

Given the health of our balance sheet and operating cash-flow, we will look forward to more growth avenues and enhance our scale, integration, value addition and cost positioning."

Segments

- Shriram Fertilizers & Chemicals, Kota - Rajasthan
- Fenesta Building Systems Bhiwadi, Chennai & Hyderabad
- Shriram Alkali & Chemicals, Bharuch-Gujarat
- Bioseed Hyderabad & Philippines
- Sugar Production units (Central UP) – Ajbapur, Rupapur, Hariawan & Loni

Distillery Units (Central UP) – Ajbapur & Hariawan

Chloro-Vinyl Businesses	Agri Businesses	Other Businesses
Caustic Soda (1,845 TPD)	Sugar (38,000 TCD)	Fenesta Building Systems (8,400 TPA)
Aluminum Chloride (60 TPD)	Co-Gen (155 MW)	Cement (400,000 TPA)
PVC Resins (220 TPD)	Distillery (350 KLD)	Polymer Compounds
Calcium carbide (112,000 TPA)	Shriram Farm Solutions	Hariyali Kisaan Bazaar
	Bioseeds	
	Fertilizers (379,500 TPA)	

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

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Chloro Vinyl Business

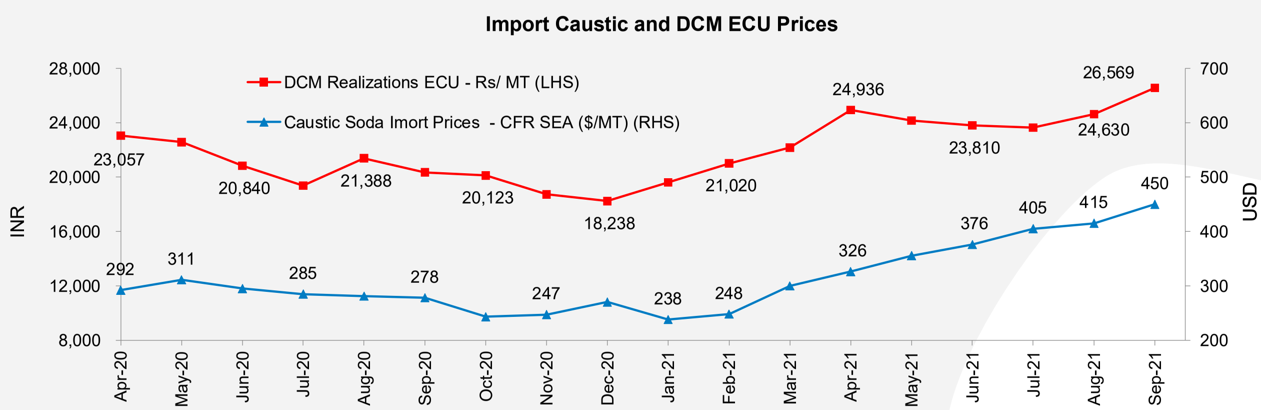
Particulars	Revenues (Rs. Cr.)	PBIT (Rs. Cr.)	Cap. Employed (Rs. Cr.)
Q2 FY21	**814.3**	**238.2**	**1,682.4**
Q2 FY20	*522.9*	*121.8*	*1,468.8*
% Shift	*55.7*	*95.6*	*14.5*
H1 FY21	**1,412.7**	**416.1**	**1,682.4**
H1 FY20	*838.5*	*165.2*	*1,468.8*
% Shift	*68.5*	*151.9*	*14.5*

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 259 crs at 30th Sep, 2021 vs Rs 68 crs at 30th Sep, 2020.

Chemicals

	Operational		Financial		
Particulars	**Caustic Sales (MT)**	**ECU Realizations (Rs./MT)**	**Revenues (Rs Cr.)**	**PBIT (Rs. Cr.)**	**PBIT Margin %**
Q2 FY22	**148,986**	24,924	**482.6**	**85.9**	**17.8**
Q2 FY21	*130,089*	*20,387*	*351.6*	*73.7*	*21.0*
% Shift	*14.5*	*22.3*	*37.2*	*16.6*	*(15.1)*
H1 FY22	**283,593**	**24,628**	**894.9**	**178.1**	**19.9**
H1 FY21	*212,148*	*20,954*	*585.5*	*113.9*	*19.5*
% Shift	*33.7*	*17.5*	*52.9*	*56.3*	*2.3*



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Chemicals

Industry Overview

- Demand in India has increased after the monsoon season as pandemic restrictions ease amid declining infection rate.
- For Q2 FY22, imports in India were 0.40 lac MT compared to 0.61 lac MT in Q2 FY21.
- For Q2 FY22, exports in India were 0.57 lac MT compared to 0.49 lac MT in Q1 FY21.

Performance Overview

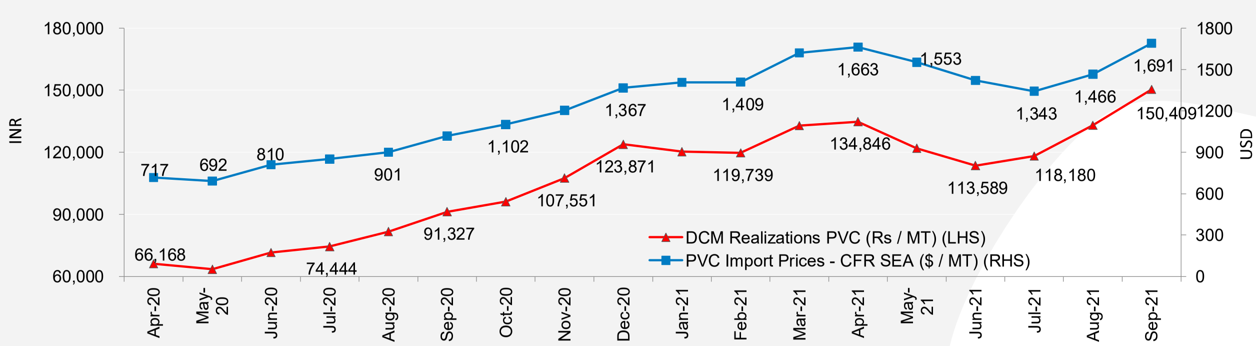
- Revenues for Q2 FY22 up 37% at Rs 483 crs.
  - Utilization levels for the quarter at healthy 90% vs ~85% during Q1 FY22 and 78% for Q2 FY21.Caustic volumes up 15% YoY. Post lockdown during Q1 FY21, demand picked up gradually leading to lower utilization levels during Q2 FY21 than normal.
  - ECU for Q2 FY22 up 22% at Rs 24,924/ MT. ECU prices for Sep'21 at Rs 26,569/ MT and has risen continuously during the quarter. Caustic Soda Flakes also saw healthy increase in prices.
  - Hydrogen and Al Chloride also had positive impact on the revenues during Q2 FY22 vs Q2 FY21.
- PBIT for Q2 FY22 up 17% YoY at Rs 86 crs. Earnings driven by higher volumes. Margins were lower since input prices especially of Coal and salt were higher and could not be fully offset by higher product prices. Aluminum Chloride continues to face cost pressures from higher aluminum prices.
- Revenues for H1 FY22 up 53% YoY at Rs 895 crs. Volumes up 34% YoY and ECU prices up 18% YoY. Q1 FY21 was impacted by lockdown due to Covid-19, resulting in loss of production leading to lower sales.
- PBIT for H1 FY22 up 56% YoY at Rs 178 crs led by higher product prices and higher volumes. Cost pressures were absorbed due to better margins YoY and higher volumes.

Outlook

- In the near term, the demand is expected to remain stable, exports are expected to grow. International prices are on a upswing that should more than offset the cost pressures.
- The various projects announced are expected to be commissioned on time.

Plastics

	Operational				Financial		
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 %**
Q2 FY22	**20,771**	**131,888**	**4,901**	**96,923**	**331.7**	**152.3**	**45.9**
Q2 FY21	*16,917*	*81,185*	*5,184*	*55,539*	*171.3*	*48.1*	*28.1*
% Shift	*22.8*	*62.5*	*(5.5)*	*74.5*	*93.7*	*216.6*	*63.5*
H1 FY22	**33,731**	**129,243**	**6,843**	**93,760**	**517.8**	**237.9**	**46.0**
H1 FY21	*27,205*	*75,782*	*7,019*	*55,490*	*253.0*	*51.2*	*20.2*
% Shift	*24.0*	*70.5*	*(2.5)*	*69.0*	*104.6*	*364.4*	*127.0*



Plastics

Performance Overview	▪ Revenue for Q2 FY22 up 94% YoY at Rs 332 crs driven primarily by prices. ○ PVC prices up 62% YoY and carbide prices up 75% YoY. Domestic PVC prices reached over Rs 150,000/MT during Sep'21 moving in line with international prices. ○ PVC volumes up 23% YoY. Carbide sales volumes down 5% YoY for higher production of PVC due to better margins. ▪ PBIT for Q2 FY22 at Rs 152 crs vs Rs 48 crs driven by higher prices. Input prices were higher YoY, however, were absorbed due to significant improvement in product prices. ▪ Revenues for H1 FY22 at Rs 518 crs vs Rs 253 crs driven by product prices and PVC volumes. PVC prices up 71% YoY. Carbide prices up 69% YoY. PVC volumes up 24% YoY impacted by Covid 19 during H1 FY21. Volumes were impacted during Q1 FY21 due to lockdown. Demand picked up gradually, thereafter. Demand recovered during H2 FY21, however, was again impacted during Q1 FY22 due to second wave of Covid 19. Demand has recovered post impact of second wave of Covid-19. ▪ PBIT for H1 FY22 at Rs 238 crs vs Rs 51 crs during same period last year led by higher prices. PBIT was impacted due to higher input costs YoY, however, this was more than offset by impact of higher product prices, hence the margins improved
Outlook	▪ In the near term the international prices and demand are expected to remain firm. ▪ Domestic prices continues to move with international prices.

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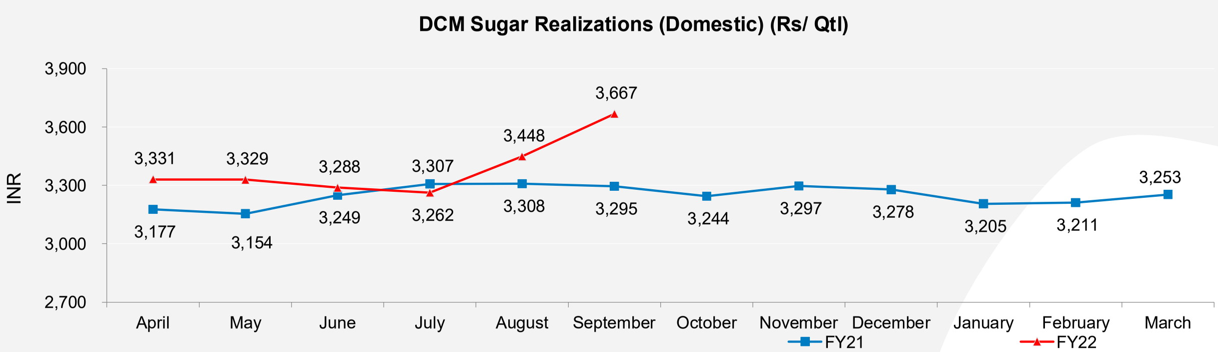
Sugar

Particulars	Revenues (Rs. Cr.)	PBIT (Rs. Cr.)	PBIT Margin %	Cap. Employed (Rs. Cr.)
Q2 FY22	**589.9***	**14.2**	**2.4**	**1,800.1**
Q2 FY21	*830.0*	*39.1*	*4.7*	*1,928.8*
% Shift	*(28.9)*	*(63.8)*	*(49.0)*	*(6.7)*
H1 FY22	**1,153.4***	**37.5**	**3.3**	**1,800.1**
H1 FY21	*1,707.4*	*110.9*	*6.5*	*1,928.8*
% Shift	*(32.4)*	*(66.1)*	*(49.9)*	*(6.7)*

Capital employed includes CWIP of Rs 39 crs at 30th September, 2021 vs Rs 22 crs at 30th September, 2020.



* Net of excise duty on country liquor sales amounting to Rs 33 crs and Rs 84 crs for Q2 FY22 and H1 FY22 respectively..

Sugar

	Operational							
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 FY22	**-**	**12.3**	**3,454**	**15**	**2.3**	**283.6**	**56.2**	**44.3**
Q2 FY21	*-*	*14.8*	*3,303*	*89*	*2.9*	*333.7*	*52.4*	*42.3*
% Shift	*-*	*(17.0)*	*4.6*	*(83.3)*	*(21.4)*	*(15.0)*	*7.2*	*4.7*
H1 FY22	**4.4**	**22.8**	**3,390**	**309**	**3.3**	**594.5**	**56.3**	**44.3**
H1 FY21	*12.4*	*31.1*	*3,246*	*723*	*3.5*	*619.6*	*52.2*	*42.3*
% Shift	*(64.7)*	*(26.8)*	*4.4*	*(57.3)*	*(4.9)*	*(4.0)*	*7.8*	*4.6*

*Distillery sales for B-heavy molasses is 162 lac ltrs for Q2 FY 22 and 74 lac ltrs for Q2 FY21.

Industry Overview

- Total exports for SY21 stand at 7.1 Mn Tonnes.
- Ethanol Supply

S. No.	Particulars	UOM	SY 18-19	SY 19-20	SY 20-21
1	Total Requirement by OMCs	Cr. Ltrs.	329	511	458
2	Total Qty Contracted	"	245	195	350
3	Total Lifting	"	188	182	261*

*till 10th Oct, 21.

- Average blending reached ~5% for SY 20. The present ethanol supply year 2020-21 has seen this rate reaching ~7.8%.

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Sugar

Performance Overview

- Revenues for Q2 FY22 overall sugar down 29% YoY at Rs 590 crs (net of excise duty on country liquor sales amounting to Rs 33 crs) impacted by lower exports and domestic volumes.
  - Sugar volumes had an impact of Rs 245 crs on revenues.
  - Exports were lower during Q2 FY22 at 0.1 lac qtls vs 5.0 lac qtls (YoY). Additional quota was allocated in between the season SY20 which was partly contracted in Q2 FY21. Overall Quota for SY 20 was 22 lac qtls and SY 21 was 12.5 lac qtls
  - Domestic sales volumes lower by 17% YoY at 12.3 lac qtls due to lower sales quota release from the government which is based on the inventory levels. Opening inventory in Q2 FY'21 was 34.5 vs 25 lac qtls in Q2 FY 22.
  - Domestic realizations were up 5% YoY for the quarter.
  - Distillery volumes down 15% YoY at 284 lac ltrs. Distillery realizations higher for current ethanol season. B- Heavy realizations higher 7% YoY and C- Heavy by 5% YoY.
- Overall PBIT for Q2 FY22 at Rs 14 crs vs Rs 39 crs for Q2 FY21.
  - Domestic sugar realizations had positive impact on PBIT vis a vis last year
  - Quarter earnings were –ve impacted by Rs 57 crs due to lower volumes in the segment. During Q2 FY21 one time provision of –ve Rs 27 crs taken against government dues under Sugar Industry, Co-Generation and Distillery Promotion Policy, 2013 was taken.
  - Higher rate of purchased molasses as well as the Ethanol mix also hampered earnings.
- Revenues for H1 FY22 down 32% at Rs 1,153 crs.
  - Primarily impacted due to lower sugar volumes to the tune of Rs 596 crs. Domestic volumes lower due to lower monthly release. Export volumes lower as SY20 had export quota of 22 lac qtls vs 12.5 lac qtls for SY21. Domestic Realizations up 4% YoY.
  - Power volumes lower as sugar season 2021 ended early vs sugar season 2020.
  - Higher sugar and distillery prices resulted in positive impact, but were offset by impact of volumes.
- PBIT for H1 FY22 lower 66% YoY at Rs 38 crs. Positive impact of higher prices of sugar and distillery were negated by impact due to lower volumes. Q1 FY22 had higher off season expenses charged due to early closure of mills vs Q1 FY21. Higher prices of purchased molasses also impacted the earnings during the present period.
- On Sugar year basis, the PBIT for SY21 was Rs 356 crs and for SY20 was Rs 402 crs impacted by volumes.
- Sugar inventory as on 30th September, 2021 at 12.6 lac qtls vs 14.7 lac qtls at 30th September, 2020.

Outlook

- Grain based Distillery project at Ajbapur with a capacity of 120 KLD moving as per schedule
- In the near term, international sugar prices are expected to remain firm

Shriram Farm Solutions

Particulars	Revenues (Rs. Cr.)	PBIT (Rs. Cr.)	PBIT Margin %	Cap. Employed (Rs. Cr.)
Q2 FY22	**178.3**	**21.1**	**11.8**	**(56.2)**
Q2 FY21	*189.0*	*21.5*	*11.4*	*(18.4)*
% Shift	*(5.6)*	*(1.9)*	*4.0*	-
H1 FY22	**390.7**	**36.9**	**9.4**	**(56.2)**
H1 FY21	*398.5*	*38.9*	*9.8*	*(18.4)*
% Shift	*(1.9)*	*(5.2)*	*(3.4)*	-

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 FY22 revenues down 6% YoY at Rs 178 crs. Revenues affected due to erratic monsoons and floods in many parts of the country.
- PBIT for Q2 FY22 remained flat at Rs 21 crs vs Rs 22 crs for Q2 FY21 despite revenues going down by 6% YoY. Contributions margins were healthy.
- Revenues for H1 FY22 marginally lower 2% YoY at Rs 391 crs impacted by Q2 FY22.
- PBIT for H1 FY22 lower 5% YoY at Rs 37 crs. Earnings were impacted by higher fixed expenses.
- Capital employed reduction is partly attributed to higher advances received for research wheat and partly to release of capital employed in bulk segment.

Outlook

- Expect good growth in value added inputs with enhanced focus on research based product portfolio.

Bioseed

Particulars	Revenues (Rs. Cr.)			PBIT (Rs. Cr.)	PBIT Margin %	Cap. Employed (Rs. Cr.)
	India	International	Total			
Q2 FY22	**55.1**	**22.3**	**77.4**	**(16.1)**	**(20.7)**	**498.0**
Q2 FY21	*73.8*	*33.6*	*107.4*	*5.6*	*5.2*	*433.4*
% Shift	*(25.3)*	*(33.7)*	*(27.9)*	-	-	*14.9*
H1 FY22	**191.0**	**74.8**	**265.9**	**9.0**	**3.4**	**498.0**
H1 FY21	*241.1*	*66.5*	*307.7*	*53.4*	*17.4*	*433.4*
% Shift	*(20.8)*	*12.5*	*(13.6)*	*(83.1)*	*(80.4)*	*14.9*

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

- Q2 FY22 revenues lower 28% YoY.
  - Revenue from India operations down 25% YoY due to lower volumes in Corn and Cotton. Q2 FY21 had higher institutional sales in corn. Q2 FY22 revenues were also impacted by erratic monsoons and effects of Covid 19 as second wave had larger impact in rural areas compared to first wave.
  - Revenue from international operations down 34% YoY. Sales were seen lower due to lower volumes in Paddy. Q1 FY22 saw preponement of sales of paddy from present quarter Q2. On YTD basis, Paddy sales were higher in present period YoY.
- Q2 FY22 PBIT at –ve Rs 16 crs vs Rs 6 crs for Q2 FY21. Earnings were impacted due to lower volumes in India and International operations.
- H1 FY22 revenues lower 14% YoY at Rs 266 crs impacted by lower volumes in India operations. International revenues were higher 12% YoY driven by higher corn and paddy sales during Q1 FY22. PBIT lower 83% YoY at Rs 9 crs impacted by earnings from India operations due to lower volumes and higher overheads.

Outlook

- Strong pipeline across portfolio including cotton will lead to good growth in medium term.

Fertilizers (Urea)

	Operational		Financial			
Particulars	**Sales (MT)**	**Realizations (Rs./MT)**	**Revenues (Rs. Cr.)**	**PBIT (Rs. Cr.)**	**PBIT Margin %**	**Cap. Employed (Rs. Cr.)**
Q2 FY22	**102,296**	**27,396**	**293.5**	**13.8**	**4.7**	**289.7**
Q2 FY21	*108,986*	*18,892*	*218.9*	*15.2*	*7.0*	*541.9*
% Shift	*(6.1)*	*45.0*	*34.0*	*(9.6)*	*(32.6)*	*(46.5)*
H1 FY22	**177,937**	**25,664**	**513.0**	**44.0**	**8.6**	**289.7**
H1 FY21	*204,039*	*19,499*	*422.1*	*21.0*	*5.0*	*541.9*
% Shift	*(12.8)*	*31.6*	*21.6*	*109.7*	*72.5*	*(46.5)*

Performance Overview

- Q2 FY22 revenues up 34% YoY at Rs 293 crs driven by higher prices. Higher prices (up 45% YoY) are reflection of higher gas prices (a pass through). Volumes lower 6% YoY,
- H1 FY22 revenues higher 22% YoY at Rs 513 crs. Higher gas prices which is a pass through had an impact of Rs 111 crs on revenues. Volumes had negative impact of Rs 54 crs. Plant operated at lower capacity due to partial break down during Q1 FY22. H1 FY22 revenues includes amount of Rs 33 crs received in Q1 FY22 for price revisions relating to previous years.
- H1 FY22 PBIT at Rs 44 crs vs Rs 21 crs during same period last year. PBIT higher on account of additional income of Rs 33 crs, as elaborated above, received during Q1 FY22. Lower volumes during the period dragged down the earnings.
- Subsidy outstanding as at 30th September, 2021 is Rs 266 crs vs Rs 465 crs as at 30th September, 2020. Trend of reduction in subsidy is a positive for the industry.

Outlook

- Business continues to work towards improving levels of energy consumption.

Other Businesses

- The ‘Others’ Segment in the financial results, includes Cement, Fenesta Building Systems and Hariyali Kisaan Bazaar.
- Revenues under ‘Others’ stood at Rs 209 crs in Q2 FY22 from Rs. 188 crs in Q2 FY21. PBIT for the quarter stood at Rs. 10 crs vis-à-vis Rs. 14 crs in Q2 FY21.

Fenesta Building Systems

	Operational			Financial		
Particulars	Order Book (Rs crs)			Revenues Total	PBIT	PBIT Margin %
	Retail	Projects	Total			
Q2 FY22	**98.7**	**94.8**	**193.4**	**130.1**	**14.7**	**11.3**
Q2 FY21	*72.4*	*46.6*	*119.0*	*93.0*	*11.3*	*12.2*
% Shift	*36.3*	*103.3*	*62.6*	*39.9*	*30.2*	*(6.9)*
H1 FY22	***155.2***	***124.9***	**280.1**	***238.6***	***23.4***	***9.8***
H1 FY21	*106.8*	*58.5*	*165.4*	*133.4*	*1.8*	*1.4*
% Shift	*45.2*	*113.5*	*69.4*	*78.8*	*1,195.0*	*624.4*

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

Performance Overview

- Q2 FY22 revenues up 40% at Rs 130 crs. Sequentially, revenues up 20%.
- Business was affected severely by lockdown due to Covid 19 during first wave and saw recovery with gradual lifting of restrictions impacting the volumes during Q2 FY21. Business was again marginally affected due to second wave of Covid 19 resulting in lower executions in the month of May'21. However, business has recovered post second wave.
- Order booking up 63% YoY for Q2 FY22.
- PBIT earnings for Q2 FY22 up 30% at Rs 15 crs, marginally impacted by higher fixed costs which were negated by impact of higher execution of products.
- H1 FY22 revenues higher 79% YoY due to higher Covid 19 impact during H1 FY21. PBIT higher resulting from higher volumes, however, was dragged by higher fixed costs.

Outlook

- Fenesta has been continuously focusing on improving geographical presence and also improving product offerings in both uPVC and System Aluminum segment and enhancing customer service.

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Cement

	Operational		Financial		
Particulars	**Sales (MT)**	**Realizations (Rs./MT)**	**Revenues (Rs. Cr.)**	**PBIT (Rs. Cr.)**	**PBIT Margin %**
Q2 FY22	**101,232**	***3,640***	**44.9**	**(4.0)**	**(9.0)**
Q2 FY21	*109,231*	*3,566*	*47.1*	*3.3*	*6.9*
% Shift	*(7.3)*	*2.1*	*(4.6)*	-	-
H1 FY22	**208,814**	***3,631***	**91.5**	**(5.0)**	**(5.5)**
H1 FY21	*178,876*	*3,641*	*78.4*	*5.8*	*7.3*
% Shift	*16.7*	*(0.3)*	*16.7*	-	-

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 FY22 revenues down 5% YoY at Rs 45 crs due to lower volumes. Volumes lower 7% YoY. Lower volumes resulted from extended rainy season up to September during current quarter vs last year. Prices marginally up 2% YoY.
- PBIT for Q2 FY22 lower due to higher fuel rate during present quarter vs Q2 FY21.
- H1 FY22 revenues up17% YoY at Rs 91 crs. Realizations were flat. Revenues were higher due to higher volumes 17%. Cement plant started operation during mid May'20 affected by Covid 19 restrictions during Q1 FY21 resulting in lower volumes vs Q1 FY22. Earnings for H1 FY22 were under pressure due to higher fuel rate during the current period.

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 optimize 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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