

DCM Shriram Q4 profit jumps nearly 6-fold at Rs 293 cr

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Its net profit stood at Rs 51 crore in the year-ago period, the company, which is into chemicals, sugar, fertiliser and seed businesses, said in a regulatory filing. Image Credit: Pixabay

DCM Shriram Wednesday reported a nearly six-fold jump in net profit at Rs 293 crore for the fourth quarter of last fiscal. Its net profit stood at Rs 51 crore in the year-ago period, the company, which is into chemicals, sugar, fertiliser and seed businesses, said in a regulatory filing.

Net revenue from operations rose 21 per cent to Rs 1,888 crore from Rs 1,566 crore in the year-ago period. During 2018-19, net profit increased 35 per cent to Rs 906 crore from Rs 670 crore in the year-ago period.

Net revenues rose 13 per cent to Rs 7,771 crore in the last fiscal from Rs 6,900 crore in 2017-18. The company's net debt increased to Rs 1,265 crore at the end of the last fiscal from Rs 653 crore at the end of the previous year.

"All our projects and initiatives for achieving scale, strengthening integration, costs reduction and rationalization of unviable activities have further strengthened our operating and returns profile," DCM Shriram Chairman & Sr MD Ajay Shriram and Vice Chairman & MD Vikram Shriram said in a joint statement. The chemical business continues to record strong performance with continuous volumes growth and steady margins, they added.

"We have commissioned additional around 500 tonnes per day (TPD) chlor-alkali capacity during the last 8 months. We are working to add 66 MW power plant by Q3 FY'20 to achieve cost reduction and add capacity of 700 TPD in chlor-alkali capacity with 120 MW of power by March 2021," they said. On the sugar sector, the company said the scenario continues to be challenging with the country expected to carry forward inventory equivalent to 6-7 months consumption. Prices remain around Rs 200 per quintal below costs.