



For Immediate Release

DCM Shriram Ltd. announces Q4 & FY23 Financial Results

Net Revenue for Q4 FY23 at Rs 2,720 cr, down 3%

PAT for Q4 FY23 at Rs 187 cr, down 53% YoY

Board declared final dividend of 180% amounting to Rs 56.14 cr

- **Net Revenue for Q4 FY23 down 3% YoY at Rs 2,720 cr**
 - **Chloro-Vinyl** down 21% at Rs 918 cr primarily due to lower product prices
 - **Sugar business** up 24% at Rs 939 cr led by higher sugar & Ethanol volumes
 - **Fenesta** up 13% at Rs 173 cr led by volume growth
- **PBDIT for Q4 FY23 down 44% YoY at Rs 372 cr**
 - **Chemicals** down 53% at Rs 174 cr led by decline in product prices and continuing higher energy costs
 - **Vinyl** down by Rs 121 cr led by lower product prices and high energy costs
 - **Sugar business** up 10% at Rs 213 cr led by better product prices, especially exports
- **One time –ve impact of Rs. 23 crs.** on account of provision for Electricity duty on Auxiliary consumption in Rajasthan for prior periods
- **Projects:** In Sugar, 120 KLD distillery operational. In Chemicals the projects are delayed by a quarter owing to supply chain disruptions
- **Growth Going forward** - Projects in Sugar business commissioned during H2 of FY'23 (Rs. 530 crs.) and Chemicals business to be commissioned in FY'24 (~Rs. 2900 crs.) to drive growth along with Fenesta Building Systems and Shriram Farm Solutions Businesses
- **ROCE** at 27% vs 34% LY as a result

New Delhi, 2nd May, 2023: DCM Shriram Ltd. announced its Q4 & FY23 financial results today.

Q4 FY23 Highlights

Particulars	Rs/Cr		
	Q4 FY23	Q4 FY22	Change (%)
Net Revenue from Operations	2,720	2,796	-3
PBDIT	372	663	-44
PBIT	301	602	-50
Finance Cost	12	17	32
PAT	187	401	-53

* Net Revenue is net of excise duty of Rs 129 cr (LY 77) on country liquor sales.

Key Developments – Q4 FY23

1. Net Revenues (net of excise duty) down 3% YoY at Rs.2,720 cr for Q4 FY23.

- Revenue for Chloro-vinyl segment down 21% at Rs 918 cr:
 - **Chemicals** business down 13% YoY at Rs 750 cr driven by prices. ECU realization for Q4 FY23 down 17% YoY. Demand under pressure owing to global recessionary trends and new capacity additions in India.
 - **Vinyl** business down 44% YoY at Rs 168 cr driven by lower prices. PVC prices were down 35% in line with international prices owing to poor global demand from construction sector; Carbide prices were also down 26% YoY.
- **Sugar** business up 24% YoY at Rs 939 cr on account of higher sugar and distillery volumes and higher prices for both products. Sugar volumes at 16.7 lac qtls against 13.2 lac qtls and distillery volumes at 351 lac ltrs against 334 lac ltrs
- **SFS** down 41% at Rs 66 cr due to lower volumes in Vegetable seed and wheat seed sales completed in Q3 this year as against till Q4 last year. Also, Q4 is an off season.
- **Fenesta** up 13% YoY at Rs 173 cr due to higher volumes in project segment. Order booking up 10% YoY for Q4 FY23 driven by both segments
- **Fertilizer** down 4% at Rs 428 cr resulting from lower gas prices which is a pass through. Volumes up by 4%
- **Bioseed** up by 38% at Rs 84 cr led by volume growth. Q4 is off season in India.

2. **PBDIT** for Q4 FY23 down 44% YoY at Rs 372 cr.

➤ **Chloro Vinyl segment PBDIT at Rs 175 cr, down 64% YOY**

- **Chemicals** at Rs 174 cr vs Rs 369 cr last year led by lower ECUs and elevated energy costs. 120MW power plant & green power plant commissioning will bring down energy costs. New revenue streams to be commissioned in FY'24 to further strengthen the business.
- **Vinyl** at Rs 1 cr vs Rs 122 cr during same period last year led by significantly lower product prices. Working towards return optimization as carbide giving better returns than PVC.

➤ **Sugar** business up 10% at Rs 213 cr, due to better product prices, especially sugar exports. Increase in SAP last year not fully compensated by sugar prices.

➤ **SFS** at -ve Rs 11 cr vs Rs 2 cr last year as volumes lower of wheat seed and vegetable seed. This business has seasonality. Full year nos. are better than last year

➤ **Fenesta** at Rs 34 cr registered growth of 6%, led by higher volumes in projects & margins in retail and project segment.

➤ **Fertilizer** PBDIT at Rs 28 cr vs. Rs 20 cr last year on account of better efficiencies & higher energy prices. Volumes were also up 4%.

➤ **Bioseed** at Rs 25 cr loss vs loss of Rs 50 cr last year, led by volumes and higher inventory provisioning/ write offs last year

3. **PAT** for Q4 FY23 down 53% at Rs 187 crs vs Rs 401 crs last year.

4. **Net debt** as at 31st March, 2023 is Rs. 681 cr vs Rs. 4 cr as at 31st March, 2022.

5. **Projects** in sugar business have been commissioned except for approval for grain ethanol operations, which is expected soon. Projects in chemical business are slightly delayed given the supply chain disruptions. These are being funded by mix of debt and internal accruals.

6. **Final Dividend** declared by the Board in this meeting at 180% amounting to Rs 56.14 cr (Total for the year at 700% amounting to Rs 218.32 cr).

FY23 Highlights

Particulars	Rs/Cr		
	FY23	FY22	Change (%)
Net Revenue from Operations	11,547	9,627	20
PBDIT	1,726	1,888	-9
PBIT	1,466	1,650	-11
Finance Cost	53	85	38
PAT	911	1,067	-15

* Net Revenue is net of excise duty of Rs 533 cr (LY 222) on country liquor sales.

Key Developments – FY23

1. Net Revenues (net of excise duty) up 20% YoY at Rs.11,547 cr:

- **Chloro-vinyl** segment revenues up 9% at Rs 3,954 cr:
 - **Chemical** business revenues up 27% YoY at Rs 3,184 cr driven by prices of caustic lye, primarily in first 9 months. Chlorine prices are under pressure, though have improved QoQ.
 - **Vinyl** business revenues down 31% YoY at Rs 769 cr led by lower prices of PVC & Carbide by 27% & 18% respectively.
- **Sugar** business revenues (net of excise duty) up 21% YoY at Rs 2,994 cr led by higher sugar volumes (both domestic and exports) and better prices across products.
- **Shriram Farm Solutions** revenues were higher 9% YoY at Rs 1,034 cr driven by better prices and product mix. Continue to strengthen leadership position in Wheat seed.
- **Fenesta** revenues for FY23 higher by 32% YoY at Rs 696 cr led by volumes and prices across segments especially Projects. Order booking up 23% at Rs 826 cr.
- **Fertilizer** revenues up 50% at Rs 1,987 cr resulting from higher gas prices which is a pass through. Volumes also up by 3%
- **Bioseed** revenues were higher 19% YoY at Rs 483 cr driven by higher volumes.

2. PBDIT for FY23 down 9% YoY at Rs 1,726 cr vs Rs 1,888 cr for FY22.

- **Chloro Vinyl segment PBDIT at Rs 1,092 cr down 20% YOY:**
 - **Chemicals** up 15% at Rs 1,010 cr led by higher ECU realization in the first nine months. Gains moderated by higher input energy prices.
 - **Vinyl** PBDIT for FY23 at Rs 81 cr vs Rs 493 cr last year led primarily by lower output prices. Input costs have increased significantly YOY; however, they have come down in H2.
- **Sugar** business lower at Rs 322 cr vs Rs 400 cr last year, primarily due to:
 - Lower sugar margins due to increase in sugarcane SAP in last year not fully compensated by increase in sugar prices. Impact was partially mitigated by volumes of sugar export.
 - There was additional charge related to previous periods amounting to Rs 18 cr on account administration charges on captive molasses
 - Non availability of purchased C molasses
- **Shriram Farm Solutions** at Rs 186 cr vs Rs 136 cr largely led by better margins. Research wheat continued to dominate the market with 2 new varieties launched in this season.
- **Fenesta** at Rs 143 cr vs Rs 84 cr due to higher volumes & margins in both projects and retail segments
- **Fertilizer** up 62% at Rs 141 cr vs Rs 87 cr LY largely on account of higher savings rate and better energy efficiencies.
- **Bioseed** at –ve Rs 2 cr vs –ve Rs 70 cr led by better volumes and write off on account of inventory in last year.

3. PAT for FY23 down 15% at Rs 911 cr vs Rs 1,067 cr during FY22.

Commenting on the performance for the quarter and period ending March 2023, in a joint statement, Mr. Ajay Shriram, Chairman & Senior Managing Director, and Mr. Vikram Shriram, Vice Chairman & Managing Director, said:

The world economy is still recovering from the unprecedented disruptions in the last three years. It will take time for world trade to adapt to the new normal. Growth is expected to slow down especially in the advanced economies. Recession concerns have gained prominence, while worries about stubbornly high inflation persist. India continues to be in a sweet spot and will see healthy growth and so will our businesses.

The chloro-vinyl business delivered reasonable returns although they have come off their all-time highs witnessed last year. Though the output prices are expected to remain under pressure for a couple of quarters, the margins should be reasonable considering the captive energy costs likely to reduce in the coming quarters in view of reduced imported coal prices and commissioning of an efficient 120MW power plant and 50MW green power project for Bharuch by second quarter. In the coming year, Chemical business will usher a new era of growth with all the Chemical projects being commissioned. These projects are slightly delayed by a quarter given the supply constraints.

Sugar business continues to be stable though sugar prices have not yet increased to levels to compensate for the increase in sugarcane prices last year. India's crush and sugar production is expected to be much lower than last year and should support higher sugar prices domestically & globally. Our Sugarcane crush as well as recovery this season has been better than previous season. 120 KLD distillery is operational on molasses feedstock, the grain attachment is ready and awaiting regulatory approval, which is expected in Q1FY'24.

Fenesta & Shriram Farm Solution businesses continue to grow at a good rate.

Sustainability measures in the areas of green power, circular economy and resource conservation continue to be an integral part of all our businesses. Our balance sheet & cash flows are healthy and will weather economic uncertainties. We are actively looking for more avenues at growth.

Q4 FY23 – Segment Performance

Rs/Cr

Segments	Revenues			PBIT			PBIT Margins %	
	Q4'23	Q4'22	YoY % Change	Q4'23	Q4'22	YoY % Change	Q4'23	Q4'22
Chloro-Vinyl	918	1,162	(21)	147	465	(68)	16	40
Sugar *	939	755	24	189	173	9	20	23
SFS	66	112	(41)	(12)	1	-	-	1
Fenesta	173	153	13	28	28	1	16	18
Bioseed	84	61	38	(27)	(52)	-	-	-
Fertilizer	428	447	(4)	25	17	50	6	4
Others	139	144	(4)	(8)	(3)	-	-	-
-Cement	54	50	8	(8)	(8)	-	-	-
-Polytech & Hariyali	84	94	(10)	0	5	-	-	5
Total	2,746	2,833	(3)	343	630	(46)	12	22
Less: Intersegment Revenue	26	38	(30)					
Less: Unallocable Exp. (Net)				41	27	50		
Total	2,720	2,796	(3)	301	602	(50)	11	22

* Net Revenue is net of excise duty of Rs 129 cr (LY 77) on country liquor sales.

Note: Net revenue includes operating income

FY23 – Segment Performance

Rs/Cr

Segments	Revenues			PBIT			PBIT Margins %	
	FY23	FY22	YoY % Change	FY23	FY22	YoY % Change	FY23	FY22
Chloro-Vinyl	3,954	3,616	9	983	1,267	(22)	25	35
Sugar *	2,994	2,474	21	237	323	(27)	8	13
SFS	1,034	949	9	184	135	36	18	14
Fenesta	696	529	32	121	69	77	17	13
Bioseed	483	406	19	(9)	(76)	-	-	-
Fertilizer	1,987	1,327	50	129	76	69	7	6
Others	525	439	20	(39)	(14)	-	-	-
-Cement	182	181	0	(49)	(24)	-	-	-
-Polytech & Hariyali	343	258	33	10	9	11	3	4
Total	11,672	9,740	20	1,607	1,779	(10)	14	18
Less: Intersegment Revenue	125	112	11					
Less: Unallocable Exp. (Net)				141	128	10		
Total	11,547	9,627	20	1,466	1,650	(11)	13	17

* Net Revenue is net of excise duty of Rs 533 cr (LY 222) on country liquor sales.

Note: Net revenue includes operating income

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