



For Immediate Release

DCM Shriram Ltd. announces its Q1 FY20 financial results

PBDIT up 8% YoY

PAT up 1% YoY at Rs 221 crores

- **Chemical** business registers volume growth of 22% YoY and PBDIT growth of 3%.
- **Sugar** PBDIT jumped to Rs 87 crores (LY Rs 7 crores) with major contribution from Distillery operations.
- Company is implementing a **capital expenditure** programme of Rs 1,642 crores in chemicals, PVC, distillery and captive power operations.

New Delhi, 23rd July, 2019: DCM Shriram Ltd. announced its Q1 FY20 financial results today.

Q1 FY20 Highlights

	Q1 FY20	Q1 FY19	Rs.cr Growth (%)
Net revenue from operations	1,902	2,068	-8.0%
PBDIT	374	347	7.7%
PBIT	324	311	4.2%
Finance Cost	37	35	3.6%
PAT	221	218	1.3%

Key Developments:

1. Net Revenues at Rs 1,902 crores (LY Rs 2,068 crores):

- a. Chemicals revenues up 18% YoY at Rs 552 crores led by volumes growth of 22% YoY, driven by new capacities additions at Kota and Bharuch during Aug 18 to April 19.
- b. Fenesta revenues up by 17% YoY driven by both retail and projects.
- c. Overall sugar segment revenues down 22% YoY at Rs 482 crores. Distillery revenue higher led by increased volumes 48% YoY. Sugar volumes lower 36% YoY (GOI imposed sales release mechanism effective June'18) and power volumes lower due to lower season days in Q1 FY20 vs Q1 FY19.
- d. Bioseeds International business revenue up 11% driven by corn in Philippines and Indonesia. Revenues for India operations lower by 46%, partly due to deferment of sales to Q2 FY20.

2. PBDIT up 8% YoY at Rs 374 crores.

- a. Chemicals PBDIT at Rs 270 crores vs Rs 263 crores during Q1 FY19, driven by higher volumes.
- b. Overall Sugar PBDIT at Rs 87 crores vs Rs 7 crores during same period previous year driven by higher sugar prices and contribution from Distillery. The net realizations (domestic) improved 17% YoY at Rs 3,249 per Qtl.
- c. Bioseed PBDIT down 36% YoY at Rs 31 crores due to lower volumes.

3. PBDIT Margin (to Net Sales) improved to 20% in Q1 FY20 vs 17% in Q1 FY19 with improvement in overall Sugar segment (18.1% in Q1 FY20 vs 1.2% in Q1 FY19).

4. PAT stood at Rs 221 crores vs Rs 218 crores during same period last year.

5. ROCE for TTM improved to 29% from 25% during same period last year.

6. Net Debt at 30th June, 2019 at Rs 1,186 crores vs Rs 639 crores at 30th June 2018 and Rs 1,265 crores at 31st March, 2019.

7. Projects under implementation at investment of Rs 1,642 crores.

8. ICRA reaffirmed **long term rating** of AA and outlook revised to positive from stable. Short Term Rating reaffirmed at A1+, both by ICRA and CRISIL.

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

“We are happy to report satisfactory performance of the company in Q1 FY20. We continue to move forward in our strategic direction of expanding scale, strengthening integration, achieve lowest cost of operations and enhance customer focus.

The chemical business achieved good volume growth. Sugar business reported improvements with higher contribution from Distillery operations. Fenesta continues to register satisfactory growth in retail and project segment.

The modernization cum expansion program covering Power, PVC and Distillery operations is progressing as per plan and will be commissioned in Q3 FY20. We are also working on finalizing business plan for chlorine downstream products, which when implemented will further strengthen our business profile.

In Sugar, the industry continues to work with the government to evolve a lasting mechanism to address the demands of the farmers and millers together, as it is apparent to stakeholders including the government that the fortunes of both are linked to each other.

As a growth-oriented enterprise, it is going to be our endeavor to strengthen business through capacity expansion, efficiency improvement and integration in order to realize the next level of growth, while ensuring a strong balance sheet.”

Q1 FY20 – Segment Performance

Rs crores

Segments	Revenues			PBIT			PBIT Margins %	
	Q1 FY19	Q1 FY20	YoY % Change	Q1 FY19	Q1 FY20	YoY % Change	Q1 FY19	Q1 FY20
Chemicals	469.0	551.7	17.6	248.1	250.5	1.0	52.9	45.4
Plastics	143.9	139.8	(2.8)	26.8	16.3	(39.2)	18.6	11.6
Sugar	618.1	481.9	(22.0)	(2.8)	72.6	-	(0.4)	15.1
SFS	211.4	197.0	(6.8)	9.8	4.8	(51.7)	4.7	2.4
- Bulk	54.6	31.3	(42.7)	2.4	(2.8)	-	4.3	(8.9)
- Value Added	156.8	165.7	5.7	7.5	7.5	0.8	4.8	4.5
Bioseed	281.9	170.5	(39.5)	47.7	29.7	(37.8)	16.9	17.4
Fertiliser	227.6	160.3	(29.6)	8.7	(22.5)	-	3.8	(14.0)
Others	213.4	226.7	6.2	11.8	19.7	66.8	5.5	8.7
-Fenesta	92.4	108.1	17.0	10.9	15.8	45.5	11.8	14.6
-Cement	41.7	47.8	14.6	0.9	4.0	365.1	2.1	8.4
-Hariyali Kisaan Bazaar & others	79.3	70.7	(10.8)	0.1	(0.1)	-	0.1	(0.2)
Total	2165.4	1,927.9	(11.0)	350.2	371.0	5.9	16.2	19.2
Less: Intersegment Revenue	97.5	25.4	(73.9)					
Less: Unallocable expenditure (Net)				39.4	47.2	19.8		
Total	2,067.9	1,902.5	(8.0)	310.8	323.9	4.2	15.0	17.0

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