



*For Immediate Release*

## DCM Shriram Ltd. announces its Q3 FY20 financial results

**Q3 Revenues at Rs 2,195 crores up 4% YoY, PAT at Rs 175 crores**  
**Company commissions expansion/ modernization projects of Rs 572 crores**  
**Board declared second interim dividend of 210%**

- **Revenues - Sugar business** revenues up 23 % YoY and **Shriram Farm Solutions** revenues up 20% YoY.
- **PBDIT** – Sugar and Shriram Farm Solutions registered growth of 113% YoY and 43% YoY respectively. Chemical lower by 50% YoY due to lower realizations.
- **Company diverts 1.9 lac qtls** of sugar towards ethanol and contracted exports of 12.3 lac qtls.
- **Projects commissioned** - a) 200 KLD Distillery at Ajbapur b) PVC expansion of 40 TPD at Kota c) 66 MW power plant at Kota partly commissioned in Jan'20.
- **Projects involving investment** of Rs 1,070 crores under implementation.

*New Delhi, 27<sup>th</sup> January, 2020: DCM Shriram Ltd. announced its Q3 FY20 financial results today.*

### Q3 FY20 Highlights

	Rs.cr		
	Q3 FY19	Q3 FY20	Growth (%)
Net revenue from operations	2,115	2,195	3.7%
PBDIT	357	323	-9.5%
PBIT	317	267	-15.7%
Finance Cost	19	38	104.9%
PAT	226	175	-22.3%

## Key Developments:

### 1. Net Revenues at Rs 2,195 crores up 4%:

- a. Overall Sugar revenues at Rs 762 crores up 23% YoY (Rs 144 crores) led by:
  - i. Higher distillery revenues by ~Rs 18 crores.
  - ii. Higher sugar exports of ~Rs 171 crores.
  - iii. Domestic sugar revenues down by ~Rs 33 crores.
- b. Shriram Farm Solutions (SFS) revenue at Rs 331 crores up 20% YoY driven by higher turnover of seeds.
- c. Chemicals revenues at Rs 392 crores down 22% YoY. ECU prices down 35% YoY. Volumes up 11% YoY.

### 2. PBDIT at Rs 323 crores down 9% YoY.

- a. Overall Sugar PBDIT at Rs 113 crores vs Rs 53 crores during same period last year. The results of last year included loss of Rs 65 crores on account of loss on exports net off financial assistance for cane price accrued vs Rs 6 crores loss in current quarter.
- b. Chemicals PBDIT at Rs 124 down 50% YoY due to lower realizations.
- c. SFS PBDIT at Rs 63 crores up 43% YoY driven by higher revenues and better product mix.
- d. Plastics PBDIT at Rs 30 crores vs Rs 20 crores during Q3 FY19. PBDIT margin improved led by lower input costs.

### 3. Board approved sale of subsidiaries at Vietnam & Indonesia leading to one time debit of Rs 14.6 crores.

### 4. PAT stood at Rs 175 crores vs Rs 226 crores during same period last year.

### 5. Sugar Season updates:

- a. Crushing started in 1<sup>st</sup> week of November, 2019. Operations are stable.
- b. Both the distilleries (including 200 KLD new distillery at Ajbapur) operating on B-Heavy molasses satisfactorily.
- c. Cane Crushed up to 23<sup>rd</sup> Jan, 2020 is 268 lac qtls vs 219 lac qtls during same period previous season.
- d. Recoveries up to 23<sup>rd</sup> Jan, 2020 is 10.63% vs 11.63% during same period previous season. Impact on recoveries due to B-heavy molasses production is estimated at ~0.72%.

6. **Net Debt** at 31<sup>st</sup> December, 2019 at Rs 971 crores vs Rs 754 crores at 31<sup>st</sup> December, 2018. Net Debt to EBITDA was 0.70 for Dec'19 (TTM). Net Debt increased resulting from higher working capital for sugar.
7. **Projects under implementation** at investment of Rs 1,070 crores on schedule.
8. **Completed Projects** - a) 200 KLD Distillery at Ajbapur b) PVC expansion of 40 TPD at Kota c) 66 MW power plant at Kota partly commissioned in Jan'20, under stabilization phase.
9. **Second Interim Dividend** declared by the Board at 210% (LY: 210%), amounting to Rs 79 crores (including DDT).

### 9M FY20 Highlights

	Rs.cr		
	9M FY19	9M FY20	Growth (%)
<b>Net revenue from operations</b>	5,883	5,850	-0.6%
<b>PBDIT</b>	1,017	940	-7.6%
<b>PBIT</b>	904	781	-13.6%
<b>Finance Cost</b>	95	117	23.1%
<b>PAT</b>	613	515	-15.9%

### Key Developments:

1. **Net Revenues** at Rs 5,850 crores down 1% YoY :
  - a. Chemicals revenues at Rs 1,371 crores down 1% YoY. ECU prices down 19.0% YoY. Volumes up 18.9% YoY.
  - b. Overall Sugar revenues at Rs 1,683 down 2% YoY crores:
    - i. Exports revenues higher by ~Rs 187 crores.
    - ii. Distillery contributed to an increase of ~Rs 20 crores.
    - iii. Domestic sugar revenues lower by ~192 crores due to lower volumes consequent to sales release mechanism.
    - iv. Power revenues lower by ~Rs 47 crores due to lower volumes and lower power tariffs.
  - c. Shriram Farm Solutions revenues up 7% YoY at Rs 688 crores led by research wheat.
  - d. Fenesta revenues at Rs 334 crores up 16% YoY supported by both retail and projects.

- e. Bioseed revenues at Rs 371 crores down 13% YoY due to challenges in BT cotton in domestic operations.

**2. PBDIT** at Rs 940 crores vs 1,017 crores during 9M FY19.

a. Overall Sugar PBDIT at Rs 242 crores up 53%:

- i. Higher earnings from Distillery.
- ii. Sugar domestic prices up 10% YoY led to better domestic margins.
- iii. Loss on exports net of financial assistance was Rs 65 crores for 9M FY19.

b. Plastic PBDIT at Rs 86 cores up 33% YoY due better margins led by lower input costs.

c. Chemicals PBDIT at Rs 553 crores down 22% YoY due to lower margins on account of lower ECU prices & flakes premium.

d. Fertilizer PBDIT at Rs 15 crores vs Rs 58 crores in 9M FY19 due to lower volumes and shut down costs. Plant had a shut down in April'19 which happens once in every two years. Plant is stable post shut down.

**3. PAT** stood at Rs 515 crores vs Rs 613 crores during same period last year.

**4. Completed Projects** - a) 332 TPD chlor-alkali capacity at Bharuch b) 200 KLD Distillery at Ajbapur c) PVC expansion of 40 TPD at Kota d) 66 MW power plant at Kota partly commissioned in Jan'20, under stabilization phase.

**5. ICRA** reaffirmed long **term rating of AA** and outlook revised to **positive** from stable. Short Term Rating reaffirmed at A1+.

**Commenting on the performance for the quarter and nine months ending December 2019, in a joint statement, Mr. Ajay Shriram, Chairman & Senior Managing Director, and Mr. Vikram Shriram, Vice Chairman & Managing Director, said:**

*“The company achieved satisfactory operational performance across all the businesses & progressed its strategic initiatives. The financial results were adversely affected due to lower product prices in chloro-vinyl segment.*

*As part of plan to strengthen in sugar business, we commissioned a 200 KLD distillery at Ajbapur sugar factory taking the total distillery capacity to 350 KLD. The company started producing ethanol based on B-Heavy molasses and also contracted exports of 12.3 lac qtls of sugar. These steps will lead to stable profits and more efficient use of capital in the business.*

*The 66 MW new power plant has been partly commissioned in Jan’20 and will be fully commissioned in next few days. This would help in reducing power costs in our chloro-vinyl activities.*

*The chemical business is pursuing several initiatives to enhance production capacity as well as capacity utilization to achieve economies of scale and integration.*

*The Fenesta windows business, Bioseed and Shriram Farm Solutions are focusing on expanding product portfolio and market development activities which would result in turnover growth in next few quarters.*

*We continue to pursue sustainable earnings growth through enhancing scale & integration, improve cost structures and expand value added portfolio. The company is expected to deliver robust cash generation, in line with the strategic direction.”*

### Q3 FY20 – Segment Performance

Rs crores

Segments	Revenues			PBIT			PBIT Margins %	
	Q3 FY19	Q3 FY20	YoY % Change	Q3 FY19	Q3 FY20	YoY % Change	Q3 FY19	Q3 FY20
<b>Chemicals</b>	<b>504.8</b>	<b>392.3</b>	<b>(22.3)</b>	<b>235.1</b>	<b>104.5</b>	<b>(55.5)</b>	<b>46.6</b>	<b>26.6</b>
<b>Plastics</b>	<b>155.7</b>	<b>146.6</b>	<b>(5.8)</b>	<b>16.8</b>	<b>27.1</b>	<b>61.8</b>	<b>10.8</b>	<b>18.5</b>
<b>Sugar</b>	<b>618.5</b>	<b>762.2</b>	<b>23.2</b>	<b>42.5</b>	<b>96.7</b>	<b>127.5</b>	<b>6.9</b>	<b>12.7</b>
<b>SFS</b>	<b>275.8</b>	<b>331.4</b>	<b>20.2</b>	<b>44.0</b>	<b>62.8</b>	<b>42.7</b>	<b>16.0</b>	<b>18.9</b>
<b>Bioseed</b>	<b>63.3</b>	<b>82.6</b>	<b>30.6</b>	<b>(14.4)</b>	<b>(9.4)</b>	<b>-</b>	<b>(22.7)</b>	<b>(11.3)</b>
<b>Fertiliser</b>	<b>299.0</b>	<b>274.4</b>	<b>(8.2)</b>	<b>24.0</b>	<b>13.8</b>	<b>(42.6)</b>	<b>8.0</b>	<b>5.0</b>
<b>Others</b>	<b>209.7</b>	<b>214.7</b>	<b>2.4</b>	<b>5.2</b>	<b>8.2</b>	<b>55.9</b>	<b>2.5</b>	<b>3.8</b>
-Fenesta	97.0	107.3	10.6	12.0	13.5	12.7	12.3	12.6
-Cement	42.3	44.6	5.3	(6.4)	(5.3)	-	(15.2)	(11.9)
-Hariyali Kisaan Bazaar & others	70.3	62.8	(10.7)	(0.3)	(0.0)	-	(0.4)	(0.0)
<b>Total</b>	<b>2126.9</b>	<b>2,204.2</b>	<b>3.6</b>	<b>353.3</b>	<b>303.8</b>	<b>(14.0)</b>	<b>16.6</b>	<b>13.8</b>
<b>Less: Intersegment Revenue</b>	11.6	9.7	(16.9)					
<b>Less: Unallocable expenditure (Net)</b>				36.0	36.4	1.0		
<b>Total</b>	<b>2,115.2</b>	<b>2,194.6</b>	<b>3.7</b>	<b>317.2</b>	<b>267.4</b>	<b>(15.7)</b>	<b>15.0</b>	<b>12.2</b>

## 9M FY20 – Segment Performance

Rs crores

Segments	Revenues			PBIT			PBIT Margins %	
	9M FY19	9M FY20	YoY % Change	9M FY19	9M FY20	YoY % Change	9M FY19	9M FY20
Chemicals	1,390.7	1,370.8	(1.4)	666.1	494.2	(25.8)	47.9	36.0
Plastics	435.9	423.1	(2.9)	56.5	76.8	35.9	13.0	18.1
Sugar	1,715.6	1,683.2	(1.9)	127.2	196.1	54.3	7.4	11.7
SFS	644.1	687.8	6.8	55.2	75.7	37.3	8.6	11.0
Bioseed	427.9	370.5	(13.4)	29.4	25.7	(12.6)	6.9	6.9
Fertiliser	773.7	716.2	(7.4)	50.2	6.4	(87.3)	6.5	0.9
Others	614.6	648.6	5.5	29.8	51.9	74.2	4.8	8.0
-Fenesta	288.5	334.3	15.9	36.0	49.6	37.7	12.5	14.8
-Cement	124.3	132.3	6.4	(5.8)	1.9	-	(4.7)	1.4
-Hariyali Kisaan Bazaar & others	201.8	182.0	(9.8)	(0.4)	0.5	-	(0.2)	0.3
<b>Total</b>	<b>6,002.6</b>	<b>5,900.3</b>	<b>(1.7)</b>	<b>1,014.3</b>	<b>926.7</b>	<b>(8.6)</b>	<b>16.9</b>	<b>15.7</b>
Less: Intersegment Revenue	119.4	50.4	(57.8)					
Less: Unallocable expenditure (Net)				110.4	145.6	31.8		
<b>Total</b>	<b>5,883.2</b>	<b>5,849.9</b>	<b>(0.6)</b>	<b>903.9</b>	<b>781.2</b>	<b>(13.6)</b>	<b>15.4</b>	<b>13.4</b>

For further information, please contact:

Aman Pannu

Head- Corporate Communications

DCM Shriram Ltd.

+91 9899078610