



For Immediate Release

DCM Shriram Ltd. announces its Q1 FY21 financial results
Growth in Agri related businesses led to
Net Revenues at Rs 1,912 crores vs Rs 1,902 crores (CPLY)

➤ **Revenues:**

- **Agri related Businesses(ie Sugar, Ethanol and Agri inputs) -** Revenues at Rs. 1,490 crores, up 48% YOY
- **Chloro-Vinyl, Fenesta and other businesses-** Revenues down by almost 50% YoY. Plants are operating at 65-85% capacity currently.

➤ **PBDIT** for Q1 FY21 at Rs. 192 crores, a decline of 49% YoY, PAT at Rs 69 crores.

➤ **Credit rating** - reaffirmed by ICRA at 'AA' with stable outlook.

New Delhi, 21st July, 2020: DCM Shriram Ltd. announced its Q1 FY21 financial results today.

Q1 FY21 Highlights

	Q1 FY20	Q1 FY21	<i>Rs crores</i> Growth (%)
Net revenue from operations	1,902	1,912	0.5%
PBDIT	374	192	-48.6%
PBIT	324	133	-58.9%
Finance Cost	37	43	17.6%
PAT	221	69	-68.7%

Key Developments:

1. **Net Revenues** at Rs 1,912 crores vs Rs 1,902 crores during Q1 FY20.

a) The revenues of Agri related Businesses was up by 48 % at Rs. 1,490 crores vs Rs. 1,010 crores in Q1FY20:

- i. Steps taken to strengthen Sugar Business has enabled increase in revenues by 82% YoY at Rs 877 crores:
 - Higher Sugar volumes, up 77% YoY including exports of 5 lac qtls
 - Higher Distillery volumes by 122% YoY due to commissioning of second distillery of 200 KLD in Q3 FY20.
 - Ethanol sales volumes based on B-Heavy Molasses at 209 lac ltrs vs Nil in Q1 FY20
 - During the Sugar Season 19-20, utilization of B-heavy molasses for ethanol and Sugar exports of 17.3 lac qtls led to lower working capital by approximately Rs. 750 crores.
- ii. Turnover of Value added inputs vertical of Shriram Farm Solutions went up by 26% YoY, led by improved product demand and performance across all categories
- iii. Bioseed India revenues up 23% YoY driven by Corn and Hybrid Paddy
- iv. Fertilizer business had normal operations, revenues higher 27% driven by higher volumes 51% YoY. In Q1FY20 plant had a shut down in April'19.

b) The revenues were adversely impacted as a result of Covid-19 in following businesses:

- i. Lower volumes in Chemicals business by ~ 40% , leading to lower revenues by Rs. 214 crores. Now the plants are operating at around 70% capacity.
- ii. Plastics revenues down 42% YoY primarily due to lower volumes. The plant is now operating at ~ 85% capacity
- iii. Fenesta revenues down 63% YoY. The business is currently operating at ~65% of its capacity
- iv. Above factors had adverse impact on overall revenues to the extent of ~15%

c) Lower ECU realizations in Chemicals business by 38% had a -ve impact of Rs. 103 crores.

2. **PBDIT** at Rs 192 crores vs Rs 374 crores during Q1 FY20.
 - a) Sugar PBDIT up 3% at Rs 90 crores. In Q1FY20 there was a onetime income relating to previous period of Rs. 13.8 crores, excluding this, the effective increase in profits is 23%.
 - b) Chemicals PBDIT down 77% YoY at Rs 61 crores due to lower volumes and prices.
 - c) Plastics PBDIT at Rs 7 crores vs Rs 19 crores in Q1 FY 20, due to lower volumes and lower PVC prices.
 - d) SFS PBDIT at Rs 18 crores vs Rs 5 crores in Q1 FY20 driven by growth in value added inputs volumes
 - e) Bioseed earnings up 58% YoY at Rs. 50 crores. driven by better earnings from India operations.
 - f) Fixed expenses are lower during the quarter versus the same period last year.
 - g) Lower volumes in Chloro-vinyl and Fenesta businesses as a result of Covid-19 significantly impacted earnings.
3. **PAT** stood at Rs 69 crores vs Rs 221 crores during same period last year.
4. **Net Debt** at 30th June, 2020 at Rs 1,167 crores vs Rs 1,186 crores at 30th June, 2019 and Rs 1,623 crores at 31st March 2020.
5. **ROCE** has declined YoY as a result of Covid-19 impact on earnings as well as higher average capital employed on account of capitalization of projects post completion during last year, full year benefit on these projects is yet to accrue.
6. **Free Cash flow** is positive during the quarter leading to reduction in net borrowings.
7. **Liquidity** position of the Company is comfortable with Rs. 500 - 600 crores in liquid investments as on date and adequate unutilized bank credit lines.
8. **Credit rating** by ICRA has been reaffirmed at 'AA' with stable outlook.

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 operating in a tough economic environment which continues to be uncertain given the Covid-19 pandemic. Our efforts over last couple of years in terms of optimizing costs, enhancing scale and integration along with diversified businesses have ensured stability of our businesses.

Our Agri businesses have strengthened over the period with investments in Sugar towards forward integration and rationalization of loss making verticals in Bioseed and Shriram farm solutions. The product portfolio has improved across these businesses. Research focus in Bioseed and Shriram farm solution has resulted in strong product pipeline. These steps along with a conducive business environment and expected normal monsoons should augur well for growth of these businesses.

Our Chloro-vinyl businesses have been adversely impacted during the period in terms of volumes as well as prices. We are working towards maximizing volumes by increasing our customer base and market penetration. We expect that over next few quarters as the economic activity improves, the volumes and prices will improve.

We are taking further steps to strengthen our businesses in terms of forward integration in Chlor-alkali and Sugar businesses, enhancing product portfolio and research capabilities of our Agri businesses as well as optimizing our costs.

Our free cash flows are positive and balance sheet continues to be strong, which enable us to sustain in these uncertain times as well as to continue our growth initiatives”

Q1 FY21 – Segment Performance

Rs crores

Segments	Revenues			PBIT			PBIT Margins %	
	Q1 FY20	Q1 FY21	YoY % Change	Q1 FY20	Q1 FY21	YoY % Change	Q1 FY20	Q1 FY21
Chemicals	551.7	233.8	(57.6)	250.5	40.2	(83.9)	45.4	17.2
Plastics	139.8	81.8	(41.5)	16.3	3.1	(80.8)	11.6	3.8
Sugar	481.9	877.4	82.1	72.6	71.8	(1.2)	15.1	8.2
SFS	197.0	209.5	6.3	4.8	17.5	267.4	2.4	8.3
Bioseed	170.5	200.2	17.5	29.7	47.8	61.0	17.4	23.9
Fertilizer	160.3	203.2	26.7	(22.5)	5.8	-	(14.0)	2.8
Others	226.7	126.6	(44.2)	19.7	(6.8)	-	8.7	(5.3)
-Fenesta	108.1	40.4	(62.6)	15.8	(9.5)	-	14.6	(23.5)
-Cement	47.8	31.3	(34.6)	4.0	2.5	(37.8)	8.4	8.0
-Hariyali Kisaan Bazaar & others	70.7	54.9	(22.4)	(0.1)	0.3	-	(0.2)	0.5
Total	1927.9	1,932.4	0.2	371.0	179.3	(51.7)	19.2	9.3
Less: Intersegment Revenue	25.4	20.5	(19.5)					
Less: Unallocable expenditure (Net)				47.2	46.3	(1.9)		
Total	1,902.5	1,912.0	0.5	323.9	133.1	(58.9)	17.0	7.0

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