



DCM SHRIRAM

BSE Limited Phiroze JeeJeeBhoy Towers, Dalal Street, <u>Mumbai - 400 001</u>	National Stock Exchange of India Ltd., "Exchange Plaza", 5 th Floor, Plot No. C-1, G Block, Bandra-Kurla Complex, Bandra (E) <u>Mumbai – 400 051</u>
SCRIP CODE : 523367	SCRIP CODE : DCM SHRIRAM

Kind Attn: Department of Corporate Communications/Head – Listing Department

Sub: Update on the outcome of Board Meeting dated 3.6.2020

Dear Sirs,

This is in continuation to our letter dated 3.6.2020 on the captioned subject, please find attached a copy of Result Presentation on Audited Financial Results for the quarter and financial year ended March 31, 2020.

You are requested to kindly take note the above information on your records.

Thanking You,

Yours faithfully,
For DCM Shriram Ltd.

(Sameet Gambhir)
Company Secretary

Dated : 3.6.2020

DCM SHRIRAM LTD.

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CIN No. L74899DL1989PLC034923



DCM Shriram Ltd.

Q4 & FY20 - Results Presentation

June 3, 2020



Safe Harbour

Certain statements in this document may be forward-looking. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. DCM Shriram Ltd. will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

All figures are consolidated unless otherwise mentioned.

All references to 'lockdown' relate to 'lockdown restrictions' announced by Government of India and States effective 24th March '20.

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FY20 - Key Highlights

1. Total Revenues for the year at Rs 7,767 crores (FY 2019 : Rs 7,771 crores).

a) The revenues were positively impacted by:

- i. Commissioning of additional 332 TPD Chlor-Alkali capacity led to an increase in volumes by 13% YoY.
- ii. Commissioning of second distillery of 200 KLD contributed to a 41% YoY increase in distillery revenues. Distillery operations started utilization of B-heavy molasses, leading to diversion of 4.6 lac qtls from Sugar to Ethanol.
- iii. Domestic Sugar prices improved by 8% YoY. Sugar exports were up from 8.7 lacs qtls in FY19 to 12.8 lac qtls.
- iv. Turnover of Value added inputs vertical of Shriram Farm Solutions went up by 16% YoY, led by improved focus post rationalization of bulk fertilizer business.
- v. With the sale of subsidiary, SGFL in May 20, the company has now totally exited the SSP business.

b) The revenues were adversely impacted due to:

- i. 23% YoY drop in ECU realization for chlor-alkali products - led to reduction of about Rs 500 crores in revenue.
- ii. Lower domestic sales of Sugar, a result of lower demand and consequently lower releases.
- iii. Lockdown in March 20, which led to lower sales by ~ Rs 156 crores.

2. PBDIT at Rs 1,295 crores (FY19 : Rs 1,456 crores).

a) Factors contributing positively to PBDIT are:

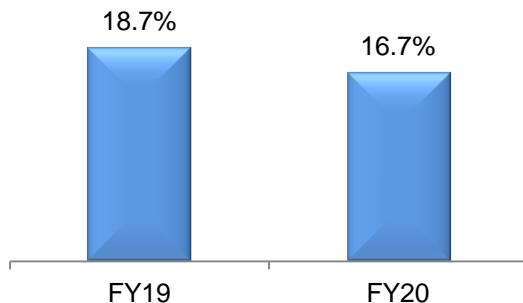
- i. Sugar PBDIT was up 14% led by higher domestic sugar prices and higher ethanol volumes. Reduction in power tariff, partially offset the gains.
- ii. Plastic PBDIT was up 19% YoY due to better margins led by lower input costs.
- iii. SFS PBDIT was up 67% YoY led by better earnings in Value added portfolio and lower losses in Bulk fertilizers, post rationalization.
- iv. Fertilizer PBDIT at Rs 91 crores vs Rs 28 crores in FY19. This was primarily due to one-time impact of reversal of provision made in to FY'19, consequent to removal of ambiguities in the Modified NPS III via government notification, amounting to Rs 38 crores. PBDIT excluding one-time impact of reversal of provision, for FY20 at Rs 53 crores vs Rs 66 crores in FY19. PBDIT for current year impacted by costs wrt maintenance shut down taken in April'19.
- v. Bioseed India profits improved as a result of rationalisation of fixed expenses.

FY20 - Key Highlights

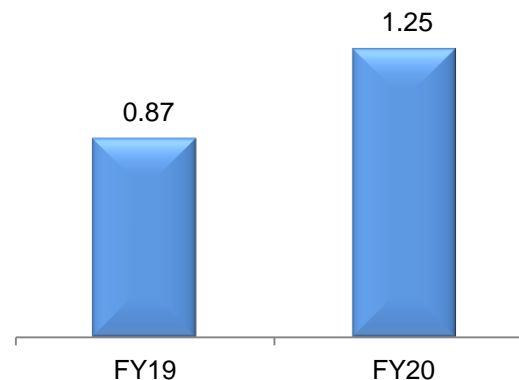
- b) PBDIT for the year for Chemicals business was lower by Rs. 340 crores a decline of 35% YoY. The ECU realization went down by 23% YoY. The impact was partly mitigated by volume increase by 13% YoY and lower coal costs.
3. A charge of Rs 14.8 crores is taken in FY20 for sale of subsidiary at Indonesia and Vietnam.
4. **PAT** stood at Rs 717 crores vs Rs 906 crores during last year.
5. **Net Debt** at 31st March, 2020 at Rs 1,623 crores vs Rs 1,265 crores at 31st March, 2019. Net Debt increased as a result of:
- Capital Expenditure outflow of Rs.596 crores during the year.
 - Higher Sugar business inventory at Rs. 1,434 crores vs Rs. 1,211 crores last year. Of this part will come down with higher sugar exports and regularization of Ethanol dispatches in Q1 FY 21.
 - Higher urea subsidy at Rs. 642 crores vs Rs. 533 crores last year.
6. **ROCE** has declined as a result of lower earnings as well as higher capital employed on account of capitalization of projects post completion during the year and higher working capital.
7. **Sugar Season update**
- a) Crushing days for SY20 is 183 days vs 182 days for SY19, last mill closed for season on 16.05.20.
- b) Cane Crushed during SY20 is 598 lac qtls vs 542 lac qtls during previous season.
- c) Recoveries based on final molasses stood at 11.92% for the SY 20 vs 12.09% for period previous season.
8. **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 in replacement of 50 MW power plants.
9. **Projects under implementation** – The schedule for implementation of capacity expansion at Bharuch for Caustic Soda Plant by 700 TPD (along with 120 MW Captive Power plant and Flaker capacity expansion of 500 TPD) at an investment of Rs.1,070 crores is being reworked after factoring in the Covid19 related disturbances.
10. **New Projects** - The Company decided to enter the business of Country Liquor as a forward integration of Sugar distillery operations. The Board has approved an investment of ~ Rs.42.40 Crores to set up Country Liquor bottling plant of capacity of 11,000 cases per day at Hariawan (UP) Sugar Unit. This will also enable swing capability between ethanol & country liquor.

FY20 - Returns & Leverage

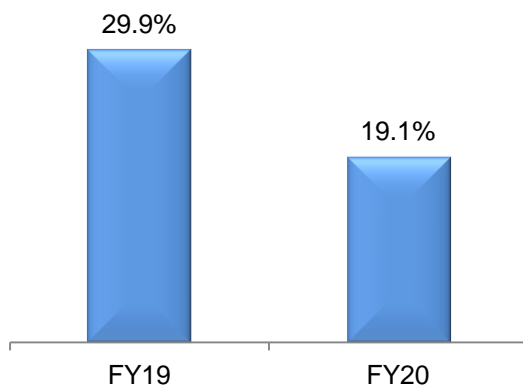
PBDIT to Net Sales



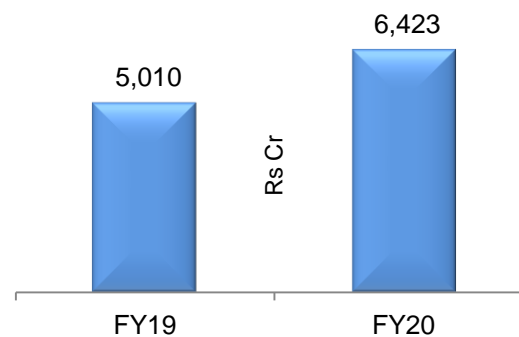
Net Debt/ EBITDA



ROCE*



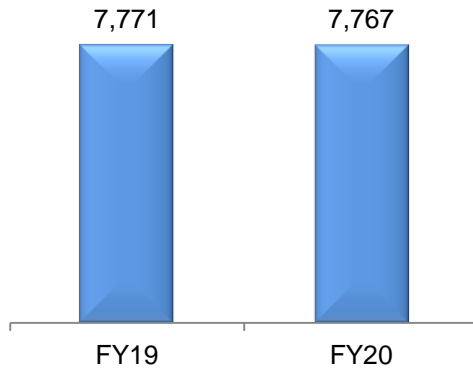
Capital Employed (excluding CWIP)



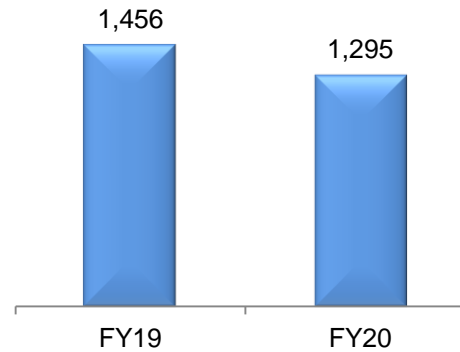
*ROCE calculated on average of quarter end capital employed for last 4 quarters.

FY20 - Financial Snapshot

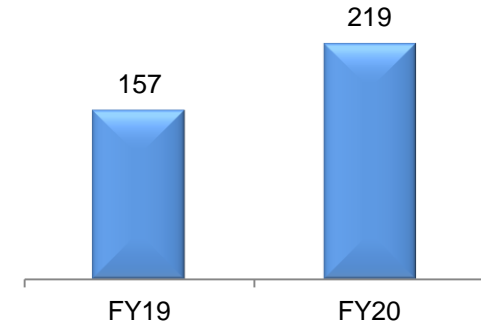
Revenue (Net)



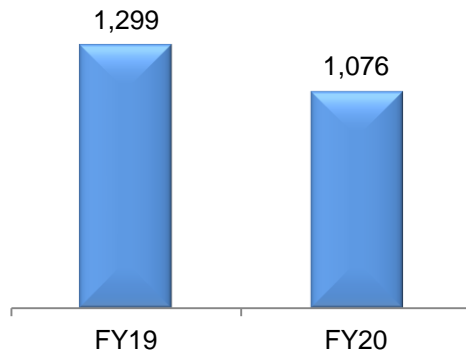
PBDIT



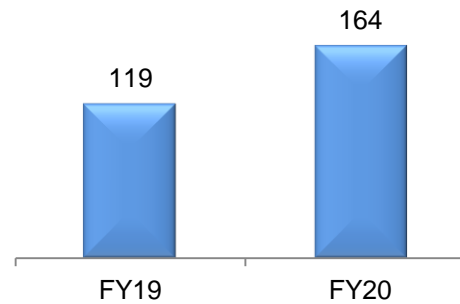
Depreciation



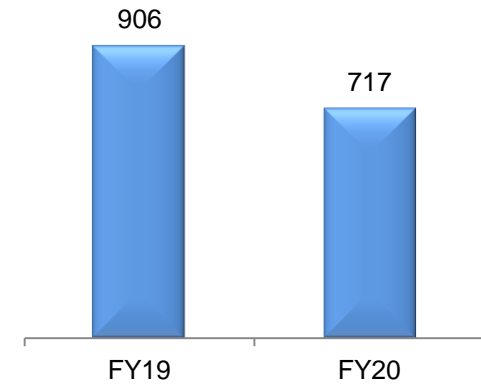
PBIT



Finance Cost



PAT



Note: All figures in Rs. crores

Net revenue includes operating income

FY20 - Segment Performance

Rs crores

Segments	Revenues			PBIT			PBIT Margins %	
	FY19	FY20	YoY % Change	FY19	FY20	YoY % Change	FY19	FY20
Chemicals	1,914.7	1,724.8	(9.9)	910.4	553.0	(39.3)	47.5	32.1
Plastics	588.0	553.4	(5.9)	83.2	98.9	19.0	14.1	17.9
Sugar	2,353.0	2,521.6	7.2	354.6	390.7	10.2	15.1	15.5
SFS	716.6	762.0	6.3	40.7	67.6	66.2	5.7	8.9
Bioseed	472.3	415.9	(12.0)	3.2	10.1	215.9	0.7	2.4
Fertiliser	1,041.0	1,016.6	(2.3)	17.7	79.7	349.1	1.7	7.8
Others	814.6	831.9	2.1	38.2	45.2	18.3	4.7	5.4
-Fenesta	390.5	418.9	7.3	48.3	53.2	10.0	12.4	12.7
-Cement	166.8	178.2	6.8	(7.5)	8.6	-	(4.5)	4.8
-Hariyali Kisaan Bazaar & others	257.3	234.8	(8.8)	(2.6)	(16.5)	-	(1.0)	(7.0)
Total	7,900.2	7,826.1	(0.9)	1,447.9	1,245.2	(14.0)	18.3	15.9
Less: Intersegment Revenue	129.1	58.9	(54.3)					
Less: Unallocable expenditure (Net)				148.8	169.4	13.9		
Total	7,771.1	7,767.1	(0.1)	1,299.2	1,075.9	(17.2)	16.7	13.9

Note: Net revenue includes operating income

Q4 FY20 - Key Highlights

1. **Net Revenues** at Rs 1,917 crores (Q4 FY19 : Rs 1,888 crores).

a) The revenues were positively impacted by:

- i. Higher domestic Sugar volumes up by 38% YoY and distillery volumes up 83% YoY consequent to commissioning of second distillery 200 KLD and Higher sugar prices 4% YoY.
- ii. SFS value added inputs revenues up 22% YoY with enhanced focus on this segment.

b) The revenues were adversely impacted due to the following:

- i. Chemicals ECU prices down 35% YoY leading to lower revenues by ~Rs 158 crores. Volumes down 4% YoY, impacted by nationwide lockdown due to Covid-19.
- ii. Lower PVC volumes 22% YoY a result of nationwide lockdown due to Covid-19.

2. **PBDIT** at Rs 355 crores (Q4 FY19 : Rs 439 crores).

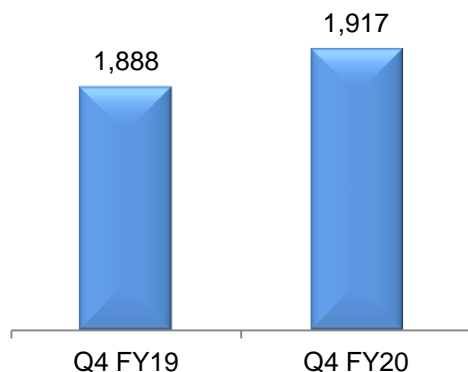
- i. Chemicals PBDIT down by Rs 182 crores due to lower ECU realizations.
- ii. Sugar profits are lower despite higher prices of Sugar and higher volumes Ethanol, since last year's Q4 results included impact of accrual of ~Rs 36 crores of cane price support from central govt. Lower power tariffs also impacted the earnings by about Rs 25 crores.
- iii. Fertilizer PBDIT at Rs 76 crores vs -ve Rs 30 crores during Q4 FY19. Provision of Rs 53 crores created up to Dec'19 (including Rs 38 crores in Q4 FY19) reversed in Q4 FY20 relating to provision for fixed costs under NPS III, consequent to removal of ambiguities in the Modified NPS III via government notification. Better energy efficiency added to the earnings.

3. **PAT** stood at Rs 201 crores vs Rs 293 crores during same period last year.

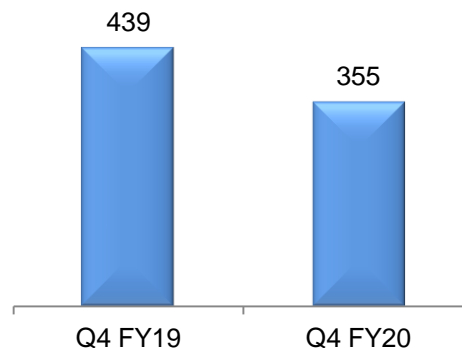
4. **Completed Projects** - 66 MW power plant at Kota commissioned during the quarter.

Q4 FY20 - Financial Snapshot

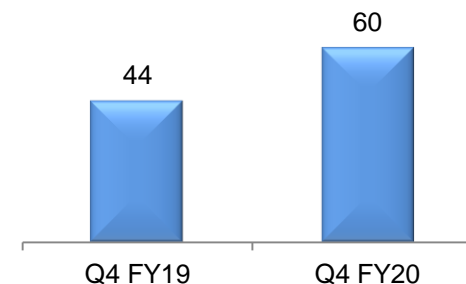
Revenue (Net)



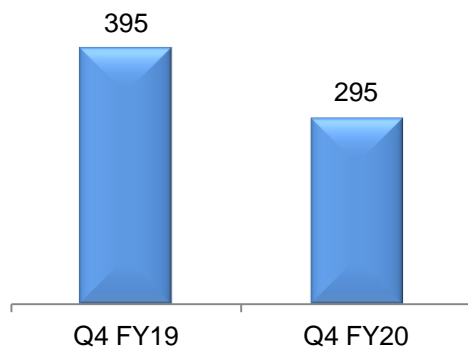
PBDIT



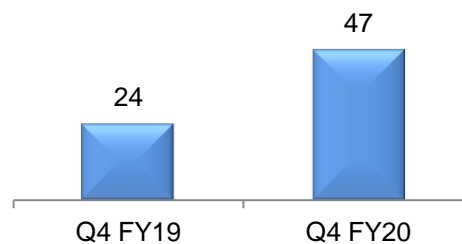
Depreciation



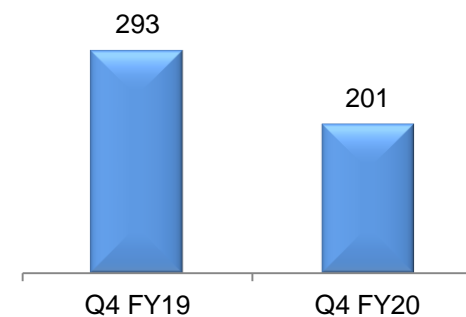
PBIT



Finance Cost



PAT



Note: All figures in Rs. crores

Net revenue includes operating income

Q4 FY20 - Segment Performance

Rs crores

Segments	Revenues			PBIT			PBIT Margins %	
	Q4 FY19	Q4 FY20	YoY % Change	Q4 FY19	Q4 FY20	YoY % Change	Q4 FY19	Q4 FY20
Chemicals	524.0	354.0	(32.4)	244.3	58.9	(75.9)	46.6	16.6
Plastics	152.1	130.3	(14.3)	26.7	22.2	(16.9)	17.5	17.0
Sugar	637.4	838.3	31.5	227.4	194.6	(14.5)	35.7	23.2
SFS	72.5	74.1	2.2	(14.5)	(8.2)	-	(20.0)	(11.0)
Bioseed	44.4	45.3	2.1	(26.2)	(15.5)	-	(59.0)	(34.2)
Fertiliser	267.3	300.4	12.4	(32.5)	73.3	-	(12.2)	24.4
Others	199.9	183.3	(8.3)	8.4	(6.7)	-	4.2	(3.7)
-Fenesta	101.9	84.6	(17.0)	12.3	3.6	(70.8)	12.1	4.3
-Cement	42.5	45.9	8.1	(1.6)	6.7	-	(3.8)	14.6
-Hariyali Kisaan Bazaar & others	55.5	52.9	(4.8)	(2.3)	(17.0)	-	(4.1)	(32.2)
Total	1897.6	1,925.8	1.5	433.7	318.5	(26.6)	22.9	16.5
Less: Intersegment Revenue	9.7	8.5	(12.0)					
Less: Unallocable expenditure (Net)				38.4	23.8	(38.0)		
Total	1,887.9	1,917.2	1.6	395.3	294.7	(25.5)	20.9	15.4

Note: Net revenue includes operating income

Management's Message

Commenting on the performance for the quarter and year ending March 2020, in a joint statement, Mr. Ajay Shriram, Chairman & Senior Managing Director, and Mr. Vikram Shriram, Vice Chairman & Managing Director, said:

“We continue to progress our strategic direction of enhancing scale, strengthening cost competitiveness, synergistic integration of operations and strong consumer value propositions.

We expanded chlor-alkali, pvc and distillery capacity during the year. The new capacities have stabilized and are helping the company in growing volumes continuously. The 66MW power plant commissioned at Kota in Q4'20 to replace the old 50 MW power plants will help in reducing costs and improving reliability of operations.

The chlorine based chemical businesses, a forward integration to chlor-alkali operations, are being grown over a period and we plan to continue to progress the same over next few years.

We are strengthening our product and geographic portfolio by exiting some under-performing areas and strengthening others. In Shriram Farm solutions, we have completed the exit from trading of bulk fertilizer and are strengthening the Value Added agri-inputs business. In Bio-seed we have exited Indonesia and Vietnam and are focusing on strengthening India and Philippines businesses. In Fenesta, we have added System aluminum windows to our portfolio.

We are simultaneously ensuring a sound financial, healthy cash generation and strong liquidity to ensure that we continue to meet all our obligations and commitments timely.

The recent developments relating to Covid19 adversely impacted some of our operations-leading to complete shutdown and then operating at lower production levels. The product prices also recorded softness. We are very hopeful that the position will improve continuously as more and more sectors open up. We are also working on utilizing the learnings of this period to further strengthen our operations including customer engagements, operating practices, supply chain, cost structures, working capital cycle, etc on sustained basis.

We are confident of a sustained growth over the medium term.”

Business in Covid-19 scenario (1/2)

➤ Covid -19 impact on Business is as follows:

- The lockdown as per the directions of Government of India and the States from March 24th onwards, affected part of our operations:
 - Sugar and Bioseed businesses, being categorized as essential, continued normal operations.
 - Chemicals, Shriram Farm solutions, Fertilizer resumed operations in early April'20.
 - Plastics, Fenesta and Cement operations resumed by mid May '20.
- Fertilizer and SFS have reached normal level of operations. Chloro-vinyl, Fenesta and Cement businesses are operating at 50-70% capacity and the production is improving in line with market demand.
- The operating and financial performance of the Company has been subdued during this period as a result lower volumes and prices for some of our businesses.
- Overall operating cash flows are comfortable. The Company has maintained adequate cash in hand and undrawn bank limits. It has met all its business, statutory and financial commitments as per the due dates and is maintaining adequate liquidity for future commitments.

Business in Covid-19 scenario (2/2)

➤ The Company has responded to Covid – 19 as follows:

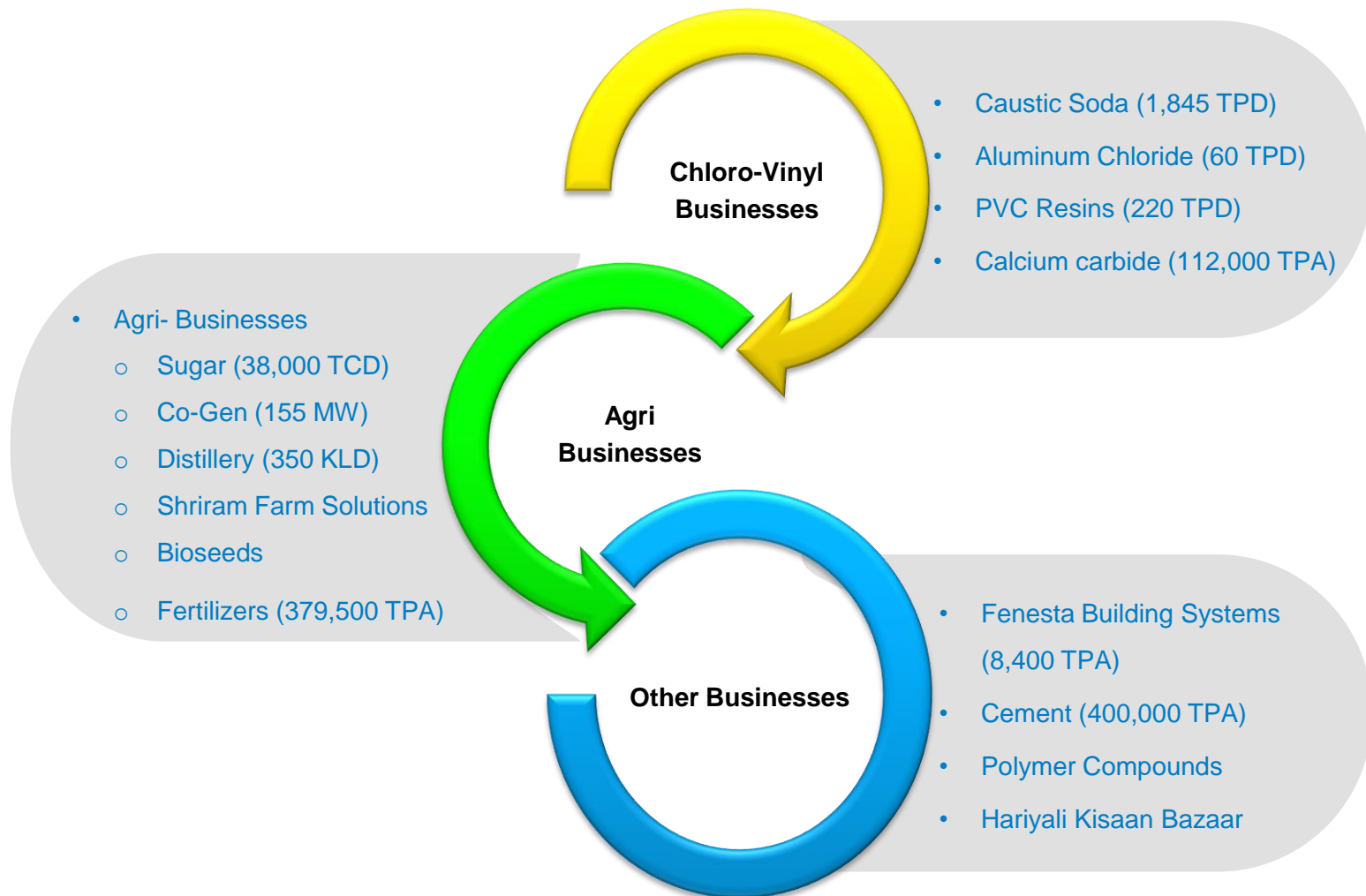
❖ Social

- Distribution of Sodium Hypochlorite a disinfectant from our Chemical Plants and alcohol based sanitizers from our Sugar plant. Distribution of Masks and Gloves across locations among communities.
- Spreading awareness about preventive steps among our employees, their families and communities around our plant locations.
- Enabling 'work from home' to the maximum extent possible.
- SOPs have been put in place at all the work places for maximum precautions and preventive steps, including canteens.
- Donations to Centre and State funds for Covid – 19.

❖ Business related

- The Company is focusing on increasing sales in all its businesses. It has enhanced engagement with customers and is also expanding the markets to newer geography. These steps are leading to continuous increase in production levels.
- The company is also conserving cash by optimizing the working capital and the capital expenditure.
- Simultaneously plans are being firmed up to enhance efficiency and optimize cost structures.

Segmental Details



The business is supported by 263 MW coal based power plant and 155 MW Co-Gen (Co-Gen included above).

Chloro Vinyl Business

Particulars	Revenues (Rs. Cr.)	PBIT (Rs. Cr.)	Cap. Employed (Rs. Cr.)
Q4 FY20	484.3	81.0	1,492.6
Q4 FY19	676.1	271.0	1,301.4
% Shift	(28.4)	(70.1)	14.7
FY20	2,278.2	652.0	1,492.6
FY19	2,502.7	993.5	1,301.4
% Shift	(9.0)	(34.4)	14.7

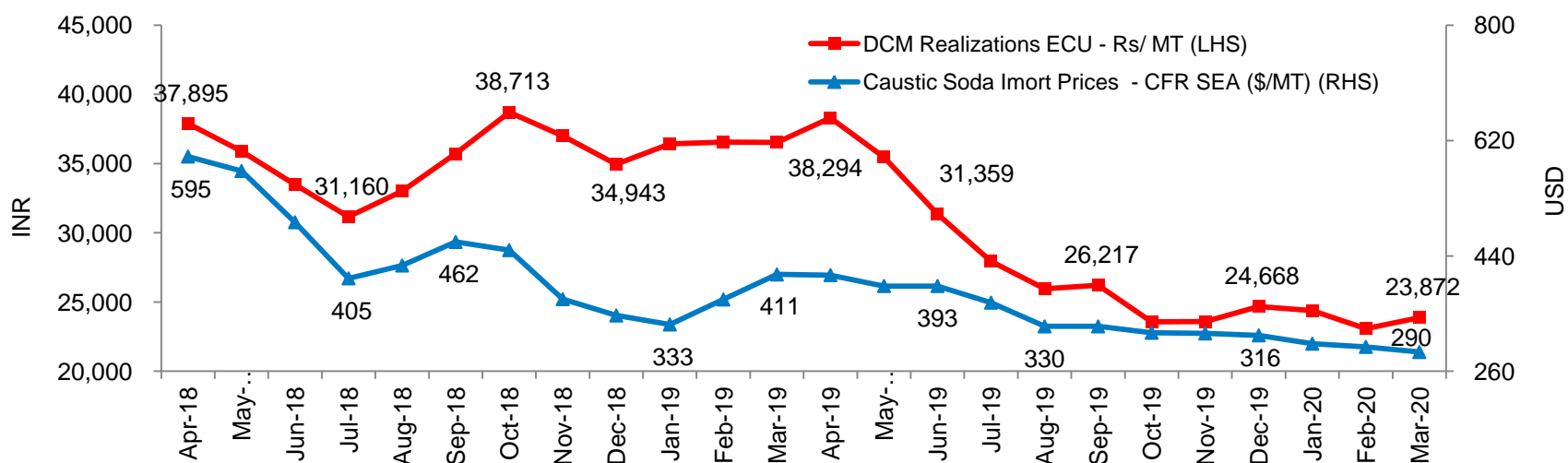
The Chloro-Vinyl business of the Company has highly integrated operations with multiple revenue streams and 225 MW captive power generation facilities. Chemicals operations are at two locations (Kota – Rajasthan and Bharuch – Gujarat), while Vinyl is at Kota only. Products includes Caustic (liquid and flakes), Chlorine, Hydrogen, Aluminum Chloride, PVC, Carbide, Stable Bleaching Powder.

Capital employed includes CWIP of Rs 38 crores at 31st March, 2020 vs Rs 215 crores at 31st March, 2019.

Chemicals

Operational			Financial		
Particulars	Caustic Sales (MT)	ECU Realizations (Rs./MT)	Revenues (Rs Cr.)	PBIT (Rs. Cr.)	PBIT Margin %
Q4 FY20	119,337	23,781	354.0	58.9	16.6
Q4 FY19	123,673	36,498	524.0	244.3	46.6
% Shift	(3.5)	(34.8)	(32.4)	(75.9)	(64.3)
FY20	525,024	27,579	1,724.8	553.0	32.1
FY19	464,918	35,696	1,914.7	910.4	47.5
% Shift	12.9	(22.7)	(9.9)	(39.3)	(32.6)

Import Caustic and DCM ECU Prices



Chemicals

Industry Overview

- The total imports of caustic in the country during Jan-Mar'20 have quadrupled to 0.98 lac MT vis a vis imports of only 0.19 lac MT in the same period last year. Total imports for FY'20 were 3.75 lac MT vs 2.35 lac MT of FY'19, an increase of ~60%.
- Exports were marginally up to 1.67 lac MT in FY'20 vs 1.62 lac in FY'19.
- Capacities increased by ~5% in FY20.
- COVID-19 has also impacted the industry with lower demand from consuming sectors.

Performance Overview

- Q4 FY20 Net Revenues at Rs 354 crores down 32% YoY.
 - ECU prices down 35% YoY due to softer Caustic (Liquid) prices and lower chlorine prices YoY. Volumes down 4% YoY impacted by lock down induced by Covid-19.
- PBIT for the quarter at Rs 59 crores vs Rs 244 crores in Q4 FY19 on account of :
 - Lower margins due to lower ECU prices.
 - Lower Volumes

Chemicals

Performance Overview

- Net revenues for FY20 at Rs 1,725 crores down 10% YoY driven lower prices. ECU prices down 23% due to lower liquid caustic and softer chlorine prices. Flakes premium lower YoY. Volumes up 13% (332 TPD plant commissioned in April'19 at Bharuch).
- PBIT for full year FY20 at Rs 553 crores down 39% YoY. The ECU realization went down by 23% YoY. The impact was partly mitigated by volume increase by 13% YoY and lower coal costs.
- PBIT margin for FY20 came in lower at 32% vs 48% last year.
- Plant was shut down in last week of March, 20 due to lockdown. Plant operations have commenced in early April'20 and are now operating at ~ 60-70% capacities in accordance with the market demand.

Outlook

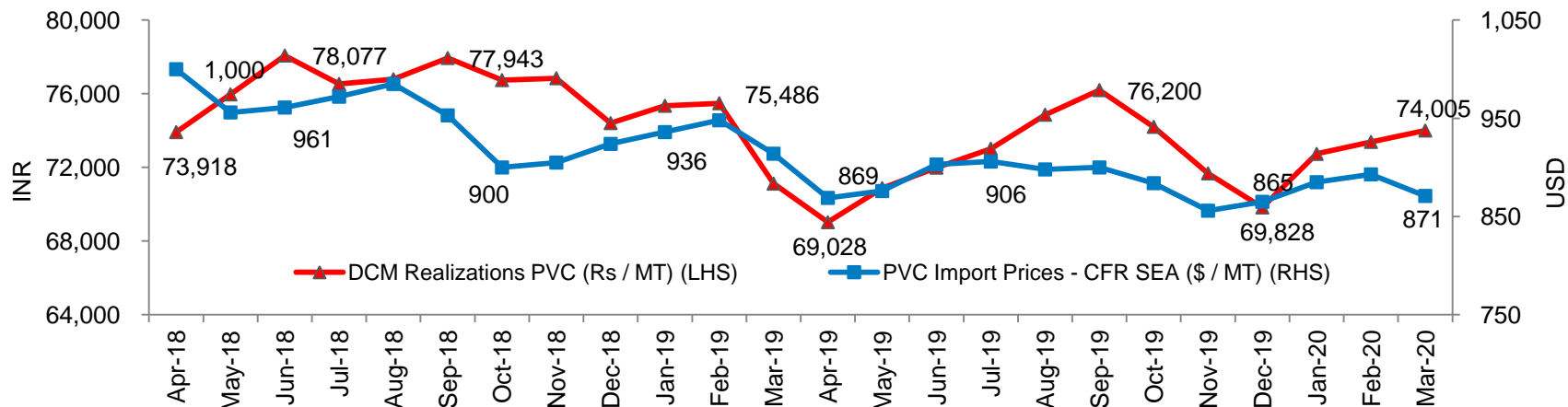
- Global caustic prices continue to be soft.
- Demand is expected to pick up further as the lockdown restrictions ease up.
- Capacity expansion at Bharuch of Caustic Soda Plant by 700 TPD (along with 120 MW Captive Power plant and Flaker capacity expansion of 500 TPD) at an investment of Rs.1,070 crores is in progress.
- More efficient 66 MW power plant commissioned at Kota (replaced old 50 MW) in Q4 FY20 will further improve cost structures.

Plastics

Particulars	Operational				Financial		
	PVC Sales (MT)	PVC XWR Realizations (Rs./MT)	Carbide Sales (MT)	Carbide XWR Realizations (Rs./MT)	Revenues (Rs Cr.)	PBIT (Rs. Cr.)	PBIT Margin %
Q4 FY20	11,723	72,741	7,413	53,082	130.3	22.2	17.0
Q4 FY19	15,054	74,041	6,674	54,420	152.1	26.7	17.5
% Shift	(22.1)	(1.8)	11.1	(2.5)	(14.3)	(16.9)	(3.0)
FY20	56,376	72,305	23,180	54,352	553.4	98.9	17.9
FY19	58,438	75,538	24,896	52,686	588.0	83.2	14.1
% Shift	(3.5)	(4.3)	(6.9)	3.2	(5.9)	19.0	26.4

Plastics

Import PVC and DCM PVC Prices



Performance Overview

- Net revenue for Q4 FY20 down 14% YoY at Rs 130 crores due to lower PVC volumes impacted by lockdown and lower prices. PVC volumes down 22% YoY. Carbide volumes up 11% YoY.
- Quarter PBIT down 17% YoY at Rs 22 crores. PBIT margin remained flat. Lower PBIT on account of lower PVC volumes.
- FY 20 Net revenues down 6% YoY at Rs 553 crores. PVC prices lower 4% YoY. Carbide prices up 3% YoY. PVC volumes down 4% YoY, carbide volumes lower 7% YoY.
- PBIT up 19% YoY at Rs 99 crores due to lower input prices. PBIT margin up to 18% from 14% during same period previous year.
- Plastics plant restarted operating from mid - May'20 post shutdown due to lockdown and is currently operating at ~ 70% capacity.

Outlook

- Demand is expected to pick up further as the lockdown restrictions ease up.
- More efficient 66 MW power plant at Kota commissioned in Q4 FY20 (replaced old 50 MW) shall further improve cost structures for ensuing periods.

Sugar

Particulars	Revenues (Rs. Cr.)	PBIT (Rs. Cr.)	PBIT Margin %	Cap. Employed (Rs. Cr.)
Q4 FY20	838.3	194.6	23.2	2,704.6
Q4 FY19	637.4	227.4	35.7	2,039.0
% Shift	31.5	(14.5)	(35.0)	32.6
FY20	2,521.6	390.7	15.5	2,704.6
FY19	2,353.0	354.6	15.1	2,039.0
% Shift	7.2	10.2	2.8	32.6

Season Updates	SY19	SY20
Crushing Days	182	183
Cane Crushed (Lac Qtls)	542	598
Recoveries %*	12.09%	11.92%

*On Final Molasses

- Sugar season ended with last mill closed on 16th May, 20.

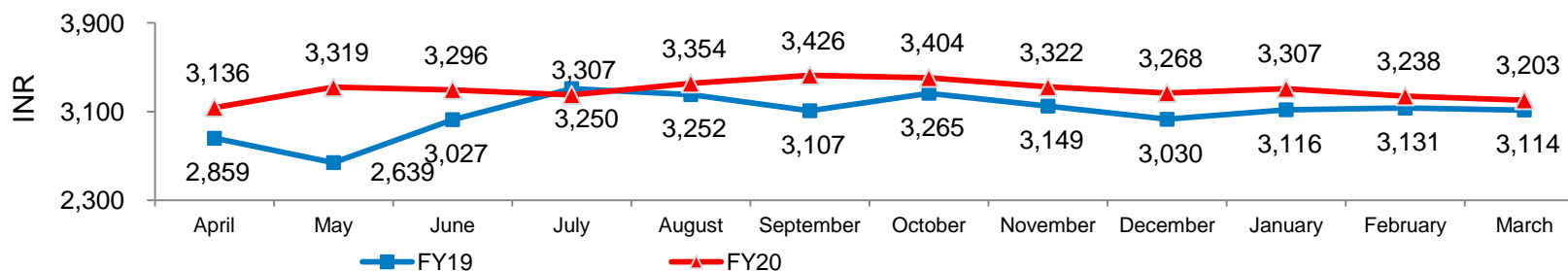
Capital employed includes CWIP of Rs 18 crores at 31st March, 2020 vs Rs 116 crores at 31st March, 2019.

Sugar Capacity: 38,000TCD

Power Co-Gen: 155MW (Exportable 87.5 MW)

Distillery: 350KLD

DCM Sugar Realizations (Domestic) (Rs/ Qtl)



Sugar

Particulars	Sugar Production (Lac Qtls)	Sugar Sales (Domestic) (Lac Qtls)	Sugar (Domestic) Realizations (Rs/Qtl)	Power Sales (Lac Units)	Power Realizations (Rs/ unit) (Lac Units)	Distillery Sales (Lac Ltrs)	Distillery Realizations - B Heavy (Rs/ Ltrs)	Distillery Realizations - C Heavy (Rs/ Ltrs)
Q4 FY20	34.8	15.4	3,255	1,547	3.5	207	53.4	-
Q4 FY19	35.7	11.2	3,120	1,313	5.1	113	-	42.8
% Shift	(2.3)	37.6	4.3	17.8	(31.7)	82.8	-	-
FY20	67.8	50.9	3,293	3,217	3.5	597	53.3	42.3
FY19	71.1	55.4	3,036	3,360	5.2	484	-	38.5
% Shift	(4.6)	(8.1)	8.4	(4.3)	(31.7)	23.3	-	9.9

*Distillery sales for B-heavy molasses is 203 lac ltrs for Q4 FY 20 and 259 lac ltrs for FY20.

Industry Overview

- ❑ Overall Sugar production till 15th May, 20 for the season at 26.47 Mn Tonnes vs 32.62 Mn Tonnes for previous season during same period. Maharashtra and Karnataka production down by 43% and 22% respectively for the same period. U.P. production up 5%.
- ❑ Till beginning of May, 2020, 4.2 Mn Tonnes have been contracted towards exports against quota of 6 Mn Tonnes.
- ❑ Domestic sugar consumption likely to be lower by ~10% for SY 20 due to Covid-19.
- ❑ The total finalized quantity of Ethanol to be supplied after second tender stood at 186.5 Cr ltrs, out of which the finalized quantity of Ethanol to be supplied made from B heavy molasses and sugarcane juice stands at 71.7 Cr. ltrs and 14.3 Cr. ltrs respectively.

Sugar

Performance Overview

- Q4 FY20 Overall sugar revenues up 32% YoY at Rs 838 crores led by:
 - a. Higher distillery revenues led by higher volumes 83% YoY consequent to commissioning of second distillery of 200 KLD.
 - b. Higher domestic sugar volumes 38% YoY and higher sugar prices 4% YoY.
 - c. Higher sugar exports revenues by ~Rs 19 crores.
- Overall PBIT for the quarter down 14% YoY at Rs 195 crores. Earnings are lower despite higher volumes and prices of Sugar and Ethanol, since last year's Q4 results included impact of accrual of ~Rs 36 crores of cane price support from central govt. Lower power tariffs also impacted the earnings by about Rs 25 crores.
- Sugar inventory at 31st March, 2020 stood 43.48 lac qtls (38.89 lac qtls at 31st March, 2019).
- Capital employed higher 33% YoY driven by higher stock and fixed assets additions.
- FY20 overall net revenues up 7% YoY at Rs 2,522 crores. Commissioning of second distillery of 200 KLD contributed to a 41% YoY increase in distillery revenues. Distillery operations started utilization of B-heavy molasses, leading to diversion of 4.6 lac qtls from Sugar to Ethanol. Domestic Sugar prices improved by 8%.
- Contracted and dispatched 12.8 lac qtls against exports till 31st March, 20 vs 8.7 lac qtls during last year. The company has further contracted for exports of 6.5 lac qtls in Q1'21.
- Full year overall PBIT up 10% YoY at Rs 391 crores driven by higher domestic sugar prices and higher ethanol volumes, however profits were partially offset due to reduction in power tariff.
- Sugar operations continued during lockdown. Crushing season ended with last mill closed on 16th May, 2020.

Outlook

- 200 KLD Distillery commissioned in Q3 FY20 running satisfactorily.
- Company expects to compensate lower domestic demand due to Covid by higher exports and use higher quantity of B Heavy molasses in distillery.
- **New Projects** - The Company decided to enter the business of Country Liquor as a forward integration for distillery operations. The Board has approved an investment of ~ Rs.42.40 crores to set up Country Liquor bottling plant of capacity of 11,000 cases/day at Hariawan unit (UP). This will also enable swing capability between ethanol & country liquor .

Shriram Farm Solutions

Particulars	Revenues (Rs. Cr.)	PBIT (Rs. Cr.)	PBIT Margin %	Cap. Employed (Rs. Cr.)
Q4 FY20	74.1	(8.2)	(11.0)	121.2
Q4 FY19	72.5	(14.5)	(20.0)	206.1
% Shift	2.2	-	(41.2)	(41.2)
FY20	762.0	67.6	8.9	121.2
FY19	716.6	40.7	5.7	206.1
% Shift	6.3	66.2	(41.2)	(41.2)

The products includes Seeds, Pesticides, Soluble Fertilizer, Micro-nutrients etc. This business is seasonal in nature and the results in the quarter are not representative of annual performance

Performance Overview

- Net revenues for the quarter up 2% YoY at Rs 74 crores.
- Lower losses during the quarter due to better product mix.
- FY 20 net revenues up 6% YoY at Rs 762 crores. Turnover of Value added inputs vertical of Shriram Farm Solutions went up by 16% YoY, led by improved focus post rationalization of bulk fertilizer business
- PBIT up 66% YoY at Rs 68 crores led by better earnings in Value added portfolio and lower losses in Bulk fertilizers, post rationalization.

Outlook

- With forecast of a normal monsoon and Agri-inputs being essential products, impact of Covid on this business, is expected to be minimal.
- Expect good growth in value added inputs with enhanced focus on this business.

Particulars	Revenues (Rs. Cr.)			PBIT (Rs. Cr.)	PBIT Margin %	Cap. Employed (Rs. Cr.)
	India	International	Total			
Q4 FY20	34.2	11.1	45.3	(15.5)	(34.2)	425.4
Q4 FY19	31.9	12.4	44.4	(26.2)	(59.0)	433.0
% Shift	7.1	(10.6)	2.1	-	-	(1.8)
FY20	328.0	87.8	415.9	10.1	2.4	425.4
FY19	390.2	82.1	472.3	3.2	0.7	433.0
% Shift	(15.9)	7.0	(12.0)	215.9	258.8	(1.8)

Bioseed business is intensely research based and is diversified across key crops (Cotton, Corn, Paddy, Bajra and Vegetables). India is the key market with presence across all above crops. International presence is in Philippines wherein the key crop is Corn. The performance of the business has seasonality, with Kharif being the major season in India.

Performance Overview

- Q4 generally have lower volumes in this segment. Overall revenues up 2% YoY at Rs 45 crores.
- Q4 Revenues from India operations up 7% YoY. International revenues lower 11%, impacted by operations in Indonesia with sale of Indonesia subsidiary completed in February, 2020.
- Vietnam subsidiary sale under process
- Lower losses during the quarter resulting from lower overheads in India operations.
- FY 20 overall net revenues lower 12% YoY at Rs 416 crores. India revenues down 16% YoY due to challenges in BT cotton segment. International revenues up 7% YoY led by corn sales.
- Earnings for FY 20 improved led by India despite lower volumes of BT cotton. India operations saw lower overheads as well as higher earnings from paddy, which mitigate the impact. Philippines operations continue to be profitable

Outlook

- With expectation of Normal monsoon in FY 21 and newer varieties in Corn, cotton and paddy, the business performance is expected to improve

Fertilizers (Urea)

Particulars	Operational			Financial		
	Sales (MT)	Realizations (Rs./MT)	Revenues (Rs. Cr.)	PBIT (Rs. Cr.)	PBIT Margin %	Cap. Employed (Rs. Cr.)
Q4 FY20	99,372	25,478	300.4	73.3	24.4	768.2
Q4 FY19	102,660	24,781	267.3	(32.5)	(12.2)	605.8
% Shift	(3.2)	2.8	12.4	-	-	26.8
FY20	380,392	24,968	1,016.6	79.7	7.8	768.2
FY19	394,755	24,926	1,041.0	17.7	1.7	605.8
% Shift	(3.6)	0.2	(2.3)	349.1	359.9	26.8

Performance Overview

- Q4 FY20 net revenues up 12% YoY. Claims related to fixed cost under NPS III recognized amounting to Rs 38 crores.
- Q4 PBIT at Rs 73 crores vs –ve Rs 32 crores in Q4 FY19. Provision of Rs 53 crores created up to Dec'19 (including Rs 38 crores in Q4 FY19) reversed in Q4 FY20 relating to provision for fixed costs under NPS III, consequent to removal of ambiguities in the Modified NPS III via government notification. Better energy efficiency also added to the earnings.
- FY20 net revenues lower 2% YoY due to lower volumes (down 4% YoY) resulting from maintenance shut down taken in April'19.
- FY 20 PBIT w/o adjustments for claims related to fixed cost under NPS III is Rs 41.7 crores vs Rs 55.7 crores for FY19. PBIT impacted by costs wrt maintenance shut down taken in April'19.
- Subsidy outstanding as at 31st March 20 is Rs 642 crores vs Rs 533 crores as at 31st March, 2019.

Outlook

- Fertilizer plant resumed operations and presently running at full capacity post shutdown due to lockdown.
- Business continues to achieve improved levels of energy consumption YoY

Other Businesses

The 'Others' Segment in the financial results, includes Cement, Fenesta Building Systems and Hariyali Kisaan Bazaar.

Revenues under 'Others' stood at Rs 183 crores in Q4 FY20 from Rs. 200 crores in Q4 FY19. PBIT for the quarter stood at –ve Rs. 7 crores vis-à-vis +ve Rs. 8 crores in Q4 FY19.

Fenesta Building Systems

Particulars	Operational			Financial		
	Order Book (Rs Crores)			Revenues Total	PBIT	PBIT Margin %
	Retail	Projects	Total			
Q4 FY20	70.7	60.3	131.0	84.6	3.6	4.3
Q4 FY19	98.3	35.7	134.0	101.9	12.3	12.1
% Shift	(28.0)	68.7	(2.2)	(17.0)	(70.8)	(64.8)
FY20	315.4	147.1	462.6	418.9	53.2	12.7
FY19	326.0	130.3	456.3	390.5	48.3	12.4
% Shift	(3.2)	12.9	1.4	7.3	10.0	2.6

Fenesta a pan India brand has become synonymous with UPVC windows. Includes Retail and Project Segment

Performance Overview

- Q4 FY20 overall order book lower by 2% YoY, up 21% QoQ. Projects up 69% YoY. Retail order book growth affected by Covid-19 situation.
- Revenues lower 17% YoY at R 85 crores and 21% QoQ on account of Covid-19 impact.
- FY 20 overall order book up 1% YoY. Projects up 13% & Retail down 3% YoY.
- Revenues for full year up 7% YoY at Rs 419 crores driven by both retail and projects segments. PBIT up 10% YoY.

Outlook

- Fenesta has been relentlessly focusing on improving geographical presence and also improving product offerings and enhancing customer service.
- Gradual lifting of lockdown is a positive sign, however, business may take longer time to pick up.

Cement

Particulars	Operational		Financial		
	Sales (MT)	Realizations (Rs./MT)	Revenues (Rs. Cr.)	PBIT (Rs. Cr.)	PBIT Margin %
Q4 FY20	101,284	3,657	45.9	6.7	14.6
Q4 FY19	109,299	3,116	42.5	(1.6)	(3.8)
% Shift	(7.3)	17.3	8.1	-	-
FY20	408,685	3,572	178.2	8.6	4.8
FY19	434,546	3,058	166.8	(7.5)	(4.5)
% Shift	(6.0)	16.8	6.8	-	-

The Cement business is small, since its capacity is driven by the waste generated from carbide plant. The Company markets its cement under the 'Shriram' brand

Performance Overview

- Q4 FY20 Net revenues up 8% YoY at Rs 46 crores led by higher realizations 17% YoY. Volumes lower 7% YoY.
- Quarter PBIT turned +ve on account of improved margins led by higher prices and lower power & fuel costs.

Outlook

- Business working on enhancing efficiencies further and optimizing costs.

About Us & Investor Contacts

DCM Shriram Ltd. is an integrated business entity, with extensive and growing presence across the entire Agri value chain and Chloro-Vinyl industry. The Company has added innovative value-added businesses in these domains primarily Bioseed and Fenesta. Access to captive power at all key manufacturing units enables the businesses to optimise competitive edge.

For more information on the Company, its products and services please log on to www.dcmshriram.com or contact:

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