



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 : DCMSHRIRAM

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

Sub: Update on the outcome of Board Meeting

Dear Sirs,

This is in continuation to our letter dated 21.7.2020, please find attached a copy of Result Presentation on Unaudited Financial Results for the quarter ended 30.06.2020.

The attached Investor Presentation contains the impact of Covid-19 on the operations / business of the Company. Accordingly it should be treated as compliance of SEBI Circular SEBI/HO/CFD/ CMD1/CIR/P/2020/84 dated 20th May 2020.

You are requested to kindly take the above information on your records and disseminate the same including at your website.

Thanking You,

Yours faithfully,
For DCM Shriram Ltd.



(Sameet Gambhir)
Company Secretary

Dated : 21.7.2020

Encl. : as above

DCM SHRIRAM LTD.

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CIN No. L74899DL1989PLC034923



DCM Shriram Ltd.

Q1 FY21 - Results Presentation

July 21, 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.

Table of Content

Title	Slide No.
Q1 FY21	
Key Highlights	4
Returns & Leverage	6
Financial Snapshot	7
Segment Performance	8
Management's Message	9
Segmental Details	
Chloro-Vinyl Businesses	11-15
Sugar	16-18
Agri Input Businesses	19-21
Other Businesses	22-24
About Us & Investor Contacts	25

Q1 FY21 - Key Highlights

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

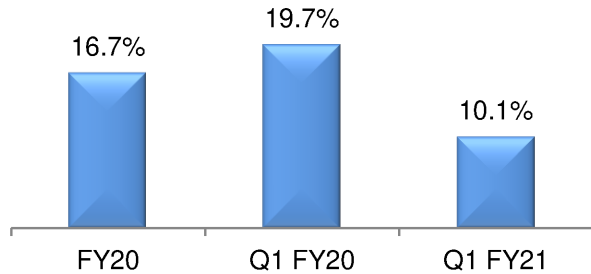
- a) The revenues of Agri related Businesses was up by 48 % at Rs. 1,490 crores vs Rs. 1,010 crores in Q1FY20:
 - i. Steps taken to strengthen Sugar Business has enabled increase in revenues up 82% YoY at Rs 877 crores::
 - Higher Sugar volumes, up 77% YoY including exports of 5 lac qtls
 - Higher Distillery 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 led to overall revenues of the company being lower by ~15%
- c) Lower ECU realizations in Chemicals business by 38% had a -ve impact of Rs. 103 crores

Q1 FY21 - Key Highlights

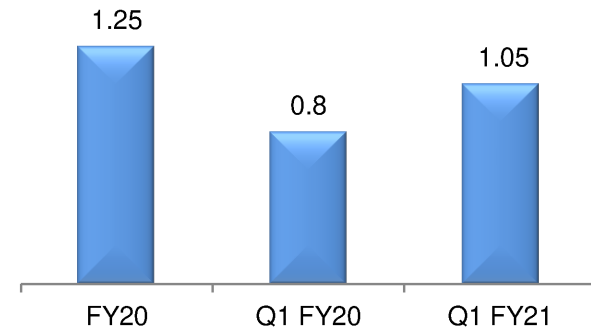
2. **PBDIT** at Rs 192 crores vs Rs 374 crores during Q1 FY20.
 - a) Sugar PBDIT up 3% at Rs 90 crores. In Q1FY20 there was a onetime income relating to previous period of Rs. 13.8 crores, excluding this the effective increase in profits is 23%.
 - b) Chemicals PBDIT down 77% YoY at Rs 61 crores due 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.

Q1 FY20 - Returns & Leverage

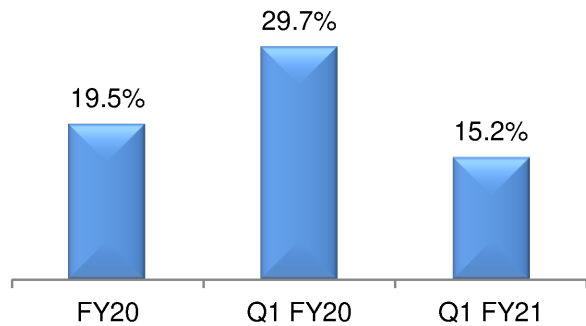
PBDIT to Net Sales



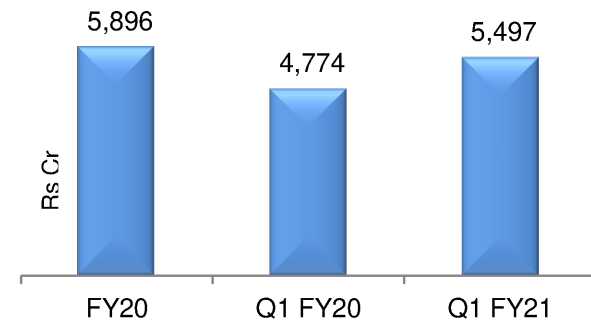
Net Debt/ EBITDA



ROCE



Capital Employed



Note :

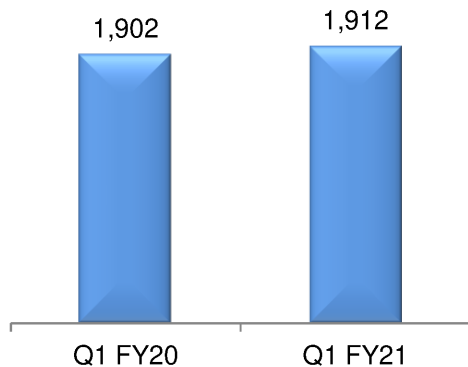
ROCE and Net Debt/ EBITDA Calculated on TTM basis

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

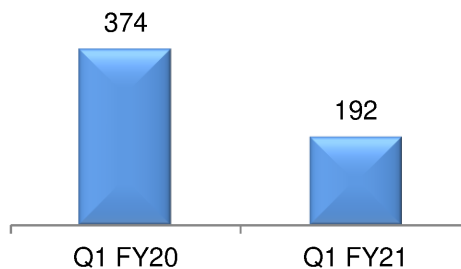
Capital Employed excludes CWIP and Liquid Investments.

Q1 FY21 - Financial Snapshot

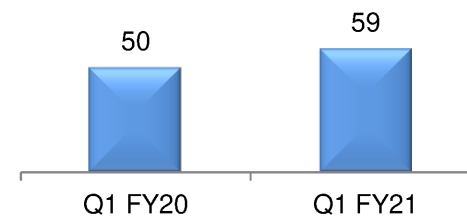
Revenue (Net)



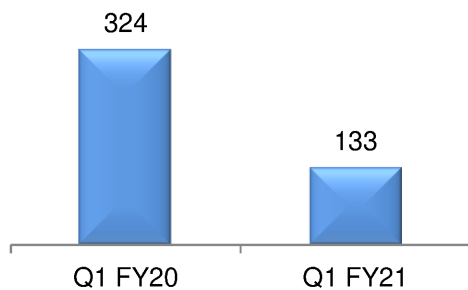
PBDIT



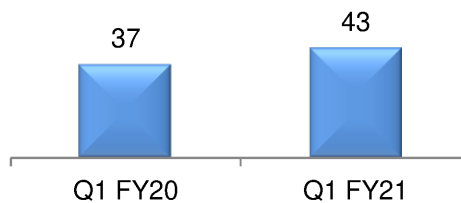
Depreciation



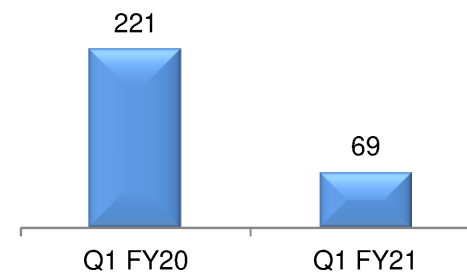
PBIT



Finance Cost



PAT



Note: All figures in Rs. crores

Net revenue includes operating income

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	1,927.9	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

Note: Net revenue includes operating income

Management's Message

Commenting on the performance for the quarter ending June 2020, 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.

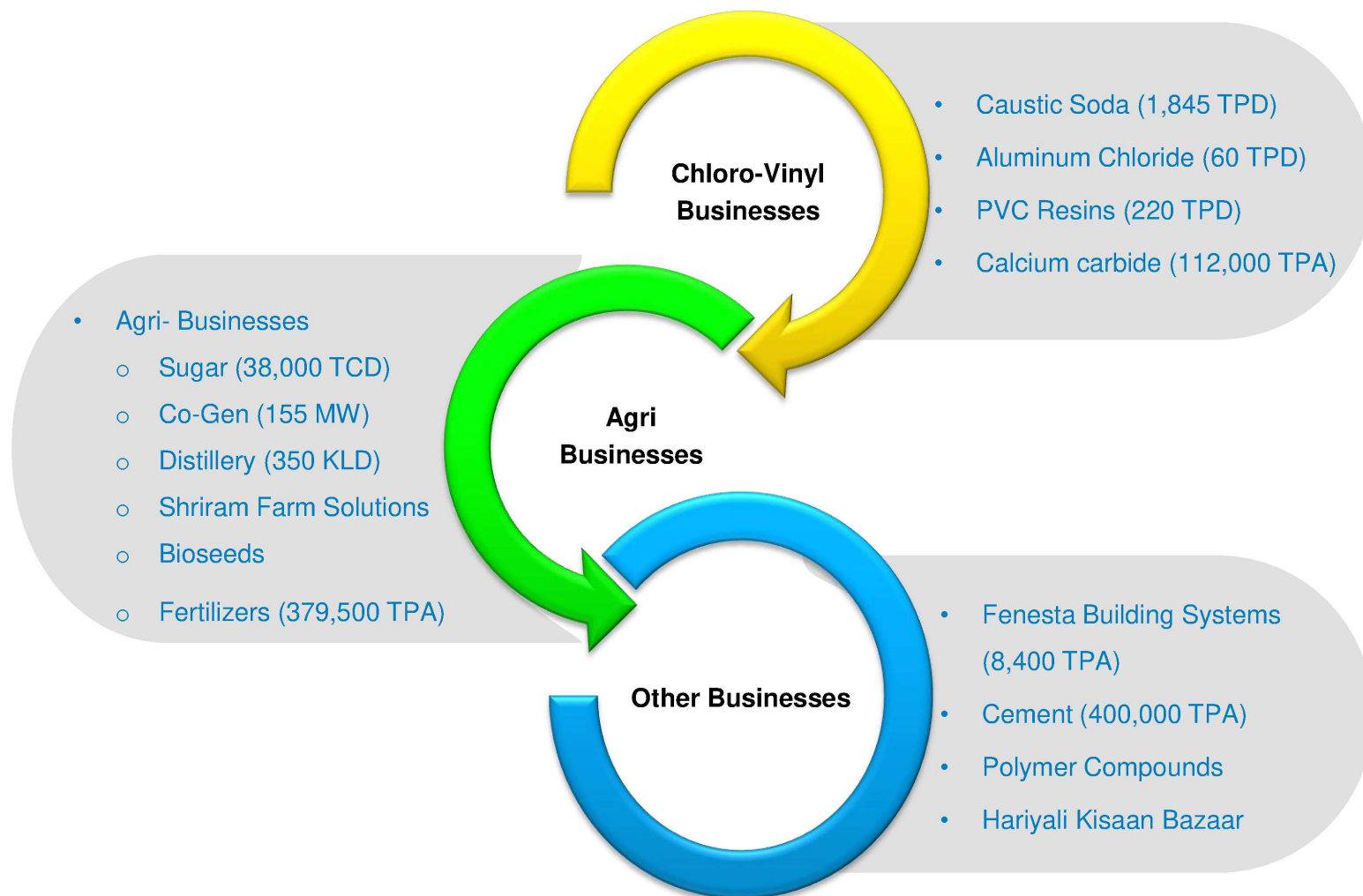
Our Agri businesses have strengthened over the period with investments in Sugar towards forward integration and rationalization of loss making verticals in Bioseed and Shriram farm solutions. The product portfolio has improved across these businesses. Research focus in Bioseed and Shriram farm solution 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”

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.)
Q1 FY21	315.6	43.4	1,496.4
<i>Q1 FY20</i>	<i>691.5</i>	<i>266.8</i>	<i>1,401.5</i>
<i>% Shift</i>	<i>(54.4)</i>	<i>(83.7)</i>	<i>6.8</i>

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 53 crores at 30th June, 2020 vs Rs 154 crores at 30th June, 2019.

Chemicals

	Operational		Financial		
Particulars	Caustic Sales (MT)	ECU Realizations (Rs./MT)	Revenues (Rs Cr.)	PBIT (Rs. Cr.)	PBIT Margin %
Q1 FY21	82,059	21,838	233.8	40.2	17.2
<i>Q1 FY20</i>	<i>136,361</i>	<i>35,025</i>	<i>551.7</i>	<i>250.5</i>	<i>45.4</i>
<i>% Shift</i>	<i>(39.8)</i>	<i>(37.7)</i>	<i>(57.6)</i>	<i>(83.9)</i>	<i>(62.1)</i>

Import Caustic and DCM ECU Prices

