



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: Press Release – information under Regulation 30 (6) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

Dear Sirs,

Please find attached a copy of Press Release.

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 : 1.5.2019

DCM SHRIRAM LTD.

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CIN No. L74899DL1989PLC034923 • (Formerly DCM Shriram Consolidated Ltd.)



For Immediate Release

DCM Shriram Ltd. announces FY19 & Q4 FY19 financial results

Net Profit for year up 35% YoY, PBDIT up 33%

Net Revenue up 13% YoY for FY19, Own Products revenues up 19%

- **Chemicals revenue** up 24% YoY for FY19, growth in volumes consequent to new capacity addition at Kota during Q2 FY19. Commissioning of 332 TPD Chlor-Alkali plant in April'19 & 60 TPD Aluminum chloride plant in Q4 FY19 will contribute to revenues and earnings from FY20.
- **Overall Sugar** revenues up 20% YoY for FY19 & PBIT at 355 crores up 276% YoY. Earnings from Distillery in current year and charge of Rs 157 crores on account of inventory write down in FY18 led to earnings growth. Commencement of 2nd Distillery of 200 KLD in Q3 FY20 will further strengthen the return profile.
- **Projects under implementation:** 700 TPD of Chlor-Alkali expansion with 120 MW Power plant at Bharuch to be commissioned by March'21 and 66 MW Power plant at Kota by Q3 FY20 will provide volume growth and cost savings over the period. Total investments of Rs 1,642 crores in next two years.

New Delhi, 1st May, 2019: DCM Shriram Ltd. announced its FY19 & Q4 FY19 financial results today.

FY'19 Highlights

	[Rs.cr]		
	FY19	FY18	Growth (%)
Net revenue from operations	7,771	6,900	13%
PBDIT	1,456	1,091	33%
PBIT	1,299	950	37%
Finance Cost	119	83	43%
PAT	906	670	35%

Key Developments and Outlook – FY19

1. Net Revenues at Rs 7,771 crores up 13% YoY:

a. Own Products – Revenues up by 19% YoY.

- i. Chemicals – Revenues up by 24% YoY (at Rs 1,915 crores) led by volumes gain of 9% driven by new capacity addition at Kota plant during Q2 FY19. Realizations up 12% YoY.
- ii. Sugar – Overall revenues up by 20% YoY (at Rs 2,353 crores).
 - Overall sugar sales volumes up by 32% YoY (including exports volumes of raw sugar of 8.7 lacs Qtl in FY19 vs nil in FY18). Domestic Sugar volumes up 14% YoY, domestic sugar prices down 15% YoY, leading to domestic sugar revenues down 2% YoY.
 - Distillery sales commenced in current FY contributed Rs 204 crores to revenue for FY19.
 - Power revenues up by 39% YoY driven by higher volumes due to new 30 MW plant commissioned during the Q4 FY19 and longer SY 18 which ended in June 2018.

iii. Fenesta – Revenues up by 17% YoY primarily led by retail segment.

b. Traded Products – Overall Revenues from traded products down by 18% YoY.

- i. Revenues of bulk fertilizers and Hariyali Kisaan Bazaar (Fuel Pumps) down by 40%, a planned strategic initiative to exit from both the activities.

- ii. Revenues of value added agri-inputs up by 9% YoY.

2. PBDIT at Rs 1,456 crores up 33% YoY.

- a. Chemicals – PBDIT at Rs 973 crores up 24% YoY driven by higher volumes due to increased capacity at Kota and higher ECU prices. Chlorine remained positive in FY19 vs negative in FY18.
- b. Sugar – Overall PBDIT for FY 19 at Rs 399 crores, vs Rs 126 crores last year:
 - i. Distillery operations contributed to earnings which started in Jan'18 (sales started in April'18).
 - ii. Last year, had taken charge of Rs 157 crores on account of inventory write down (Rs 5 crores in FY19) and a charge of Rs 28 crores on export obligations (Nil in FY19).
 - iii. Cost for SY 2019 is at ~Rs 3,300 per Qtl leading to a –ve margin of ~Rs 200 per Qtl for domestic sugar sales.
 - iv. Increase in power profits by Rs 35 crores (at Rs 127 cores) a result of higher power sales.
 - v. Sugar Inventory (domestic) at 31st March, 2019 stood 38.89 lac Qtl (28.97 lac Qtl previous year) valued at average rate of Rs 3,049 per Qtl.
 - vi. Contracted and produced entire sugar (raw) export quantity of 9.2 lac qtl including 8.7 lac qtl sold up to 31st March 2019.
- c. Plastics – PBDIT down by 10% YoY at Rs 94 crores due to higher power costs.
- d. Fertilizers – PBDIT at Rs 28 crores down 68% as claims relating to un-notified urea prices have been re-worked based on updated assessment leading to a charge of Rs 38 crores and higher shut down expenses. Had also accrued Rs 25 crores of arrears last year.

3. PAT for the year stood at Rs 906 crores up 35% YoY. EPS for the year stood at Rs 57.09 vs Rs 41.22 in FY18.

4. Gross Debt as on March 31, 2019 stood at Rs. 1,610 crores vs. Rs 756 crores as on March 31, 2018. Cash and Cash equivalents stood at Rs. 345 crores vs Rs. 102 crores for the same period. Thus, net debt was Rs 1,265 crores (Rs 653 crores last year).

5. Projects Commissioned :

- a. 168 TPD additional Chlor-Alkali capacity at Kota in Q2 FY19.
- b. Cane crushing expansion of 5000 TCD and Power Co-Gen of 30 MW at Hariawan Sugar unit in Q4 FY19.
- c. 60 TPD Aluminum Chloride at Bharuch in phases by Q4 FY19.
- d. 332 TPD commissioned at Bharuch in April' 2019

6. Projects under implementation at investment of Rs. 1,642 crores includes:

- a. Distillery (ethanol) of 200 KLD to be commissioned in Q3 FY20
- b. 700 TPD of Chlor-Alkali expansion with 120 MW Power plant at Bharuch to be commissioned by March'21 and 66 MW Power plant at Kota by Q3 FY20.
- c. PVC expansion at Kota to get commissioned by Q3 FY20.

7. Company completed the share buy-back program on 23rd October, 2018. 64.74 lac shares, representing 3.99% of capital, were bought (at price not exceeding Rs 450/ equity share) and extinguished at a total cost of Rs 249.999 crores plus incidentals.

8. ICRA reaffirmed long term rating from to 'AA' during the year. CRISIL reaffirmed highest rating of 'A1+' to commercial paper programme i.e. same as the rating assigned by ICRA.

9. Dividend – The Board recommended final dividend of 80% (LY: 40%) amounting to Rs 30.1 crores (including DDT). Total dividend for the year is 490% (LY: 410%).

Q4 FY'19 Highlights

	[Rs.cr]		
	Q4 FY19	Q4 FY18	Growth (%)
Net revenue from operations	1,888	1,566	21%
PBDIT	439	95	360%
PBIT	395	59	573%
Finance Cost	24	20	16%
PAT	293	51	477%

Key Developments and Outlook – Q4 FY 19

1. Net Revenues at Rs 1,888 crores up 21% YoY:

- a. Own Products – Revenues up by 30% YoY.
 - i. Chemicals – Revenues up by 9% YoY led by volumes gain of 12% YoY driven by new capacity addition at Kota plant during Q2 FY19. Realizations down 5% YoY. Aluminum Chloride commissioned fully in Q4 FY19 also added to the revenues.
 - ii. Sugar – Overall revenues up by 68% YoY at Rs 637 crores.
 - Domestic sugar revenue up by 21% YoY with volumes up by 19%, realizations down by 2%. Sugar exports contributed Rs 128 crores (Nil in Q4 FY18) to overall revenues.
 - Distillery sales commenced in current FY contributed to segment revenue growth by 13%.
 - Power revenues up by 23% YoY.
 - iii. Fenesta – Revenues up by 18% YoY. Both retail and projects segment contributed to the growth.
- b. Traded Products – Overall Revenues from traded products down by 38% YoY.
 - i. Revenues of bulk fertilizers and Hariyali Kisaan Bazaar (Fuel Pumps) down by 48%, a planned strategic initiative.
 - ii. Revenues of value added agri-inputs down by 18%.

2. PBDIT at Rs 439 crores up by 360%.

- a. Chemicals – PBDIT at Rs 262 crores down by 1%. Realizations down 5% YoY. Bharuch plant had a shut down during the quarter. Plant is stable now.
- b. Sugar – Overall PBDIT for the current quarter at Rs 241 crores vs –ve Rs 127 crores in Q4 FY18.
 - i. Distillery operations started in Jan'18 (sales started in April'18) contributed to earnings in current financial year.

- ii. Off season expenses were being deferred for interim results till last year. This has led to +ve impact of Rs 37.4 crores in current quarter over Q4 FY18.
 - iii. Q4 FY18 had sugar inventory write down charge of Rs 119 crores and charge of Rs 28 crores on export obligation.
 - c. Plastics – PBDIT up by 365% YoY at Rs 29 crores due to higher volumes and realizations. Also, lower carbon costs for the quarter vs Q4 FY18 since the usage of petcoke has been allowed.
- 3. PAT** for the quarter stood at Rs 293 crores vs Rs 51 crores during Q4 FY18. EPS for the quarter stood at Rs 18.67 vs Rs 3.12 in Q4 FY18.

Commenting on the performance for the quarter and financial year, 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 another quarter of satisfying performance for the company. All our projects and initiatives for achieving scale, strengthening integration, costs reduction and rationalization of un-viable activities have further strengthened our operating and returns profile. This has enabled us to pursue more initiatives for sustained growth over next few years.

Chemical business continues to record strong performance with continuous volumes growth and steady margins. We have commissioned additional $\simeq$ 500 TPD Chlor-Alkali capacity during last 8 months. We are working to add 66 MW power plant by Q3 FY20 to achieve cost reduction and add capacity of 700 TPD in Chlor-Alkali capacity with 120 MW of power by March’ 21. This will strengthen our market position and provide economies of scale. We are also working to firm up our plans for forward integration in chlorine downstream products in coming years.

Sugar scenario continues to be challenging with country expected to carry forward inventory equivalent to 6-7 months consumption. Prices remain $\simeq$ Rs 200 per Qtl below costs. Distillery operations started in Jan’18, and expanded power sale capacity has provided stability to the business. Commencement of 2nd Distillery in Q3 FY20 will further strengthen the return profile.

Healthy cash generations and strong Balance Sheet continues to be our focus area & helps us in sustained growth going forward.”

FY19 - Segment Performance

	Revenues			PBIT			PBIT Margins %	
Segments	FY 18	FY 19	YoY % Change	FY 18	FY 19	YoY % Change	FY 18	FY 19
Chloro Vinyl	2,098.8	2,502.7	19.2	817.5	993.5	21.5	39.0	39.7
Sugar	1,954.0	2,353.0	20.4	94.3	354.6	275.9	4.8	15.1
- Sugar	1,828.8	1,975.2	8.0	(0.5)	80.2	-	(0.0)	4.1
- Power	125.2	174.0	39.0	94.3	127.4	35.2	75.3	73.2
- Distillery	0.1	203.8	-	0.6	147.0	-	-	72.1
SFS	888.1	716.6	(19.3)	51.8	40.7	(21.4)	5.8	5.7
- Bulk	342.9	123.7	(63.9)	9.0	(19.2)	-	2.6	(15.5)
- Value Added	545.2	592.9	8.8	42.8	59.8	39.8	7.8	10.1
Bioseed	493.0	472.3	(4.2)	20.7	3.2	(84.5)	4.2	0.7
Fertilizer	801.6	1,041.0	29.9	77.9	17.7	(77.2)	9.7	1.7
Others	803.7	814.6	1.4	34.2	38.2	11.8	4.3	4.7
-Fenesta	332.4	390.5	17.5	30.5	48.3	58.6	9.2	12.4
-Cement	177.0	166.8	(5.8)	3.1	(7.5)	-	1.8	(4.5)
-Hariyali Kisaan Bazaar & others	294.3	257.3	(12.6)	0.6	(2.6)	-	0.2	(1.0)
Total	7,039.1	7,900.2	12.2	1,096.3	1,447.9	32.1	15.6	18.3
Less: Intersegment Revenue	138.6	129.1	(6.9)					
Less: Unallocable expenditure (Net)				146.0	148.8	1.9		
Total	6,900.5	7,771.1	12.6	950.4	1299.2	36.7	13.8	16.7

Q4 FY19 – Segment Performance

	Revenues			PBIT			PBIT Margins %	
Segments	Q4 FY18	Q4 FY19	YoY % Change	Q4 FY18	Q4 FY19	YoY % Change	Q4 FY18	Q4 FY19
Chloro Vinyl	591.2	676.1	14.4	254.0	271.0	6.7	43.0	40.1
Sugar	379.8	637.4	67.8	(136.6)	227.4	-	(36.0)	35.7
- Sugar	325.1	520.4	60.1	(179.8)	137.7	-	(55.3)	26.5
- Power	54.7	67.5	23.3	42.6	51.2	20.2	77.9	75.9
- Distillery	0.1	49.6	-	0.6	38.5	-	-	77.6
SFS	143.3	72.5	(49.4)	1.1	(14.5)	-	0.7	(20.0)
- Bulk	75.8	17.3	(77.2)	2.3	(13.1)	-	3.1	(76.1)
- Value Added	67.6	55.3	(18.2)	(1.3)	(1.4)	-	(1.9)	(2.5)
Bioseed	49.9	44.4	(11.1)	(45.5)	(26.2)	-	(91.0)	(59.0)
Fertilizer	222.8	267.3	19.9	18.3	(32.5)	-	8.2	(12.2)
Others	195.5	199.9	2.3	9.8	8.4	(13.7)	5.0	4.2
-Fenesta	86.6	101.9	17.7	8.0	12.3	54.0	9.2	12.1
-Cement	43.7	42.5	(2.8)	1.1	(1.6)	-	2.6	(3.8)
-Hariyali Kisaan Bazaar & others	65.2	55.5	(14.8)	0.7	(2.3)	-	1.0	(4.1)
Total	1582.6	1,897.6	19.9	101.1	433.7	329.2	6.4	22.9
Less: Intersegment Revenue	16.6	9.7	(41.6)					
Less: Unallocable expenditure (Net)				42.3	38.4	(9.2)		
Total	1,566.1	1,887.9	20.6	58.8	395.3	572.7	3.8	20.9

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