DCM SHRIRAM

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

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

Sub: Update on the outcome of Board Meeting dated 24.10.2019

Dear Sirs,

This is in continuation to our letter dated 24.10.2019, please find attached a copy of Press Release on Unaudited Financial Results for the quarter and half year ended 30.09.2019.

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

Digitally signed by SAMEET GAMBHIR
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Date: 2019.10.24 15:20:24 +05'30'

(Sameet Gambhir)
Company Secretary

Dated : 24.10.2019

For Immediate Release

DCM Shriram Ltd. announces its Q2 FY20 financial results

Q2 Revenue up 3.1% YoY

PAT lower by 12.2% YoY for H1 & 29.5% for Q2 FY20

Board declared interim dividend of 200%

- **Chemical business** recorded drop in profit due to 20% reduction in prices YoY. 25% growth in volumes helped in part mitigation of –ve effect.
- **Fenesta** continues its healthy growth with revenue up 20% YoY.
- **Capital expenditure** programme of Rs 1,642 crores in chemicals, PVC, distillery and captive power operations to be commissioned in phases during Nov/ Dec'19 to June'21.

New Delhi, 24th October, 2019: DCM Shriram Ltd. announced its Q2 FY20 financial results today.

Q2 FY20 Highlights

Rs.cr

	Q2 FY19	Q2 FY20	Growth (%)
Net revenue from operations	1,700	1,753	3.1%
PBDIT	313	243	-22.4%
PBIT	276	190	-31.1%
Finance Cost	41	42	2.7%
PAT	169	119	-29.5%

Key Developments:

1. **Net Revenues** up 3% YoY at Rs 1753 crores:

   a. Chemicals revenues up 2% YoY at Rs 427 crores. Caustic volumes up 25% YoY driven by new capacities additions. ECU prices down 20% YoY.

b. Fenesta revenues up 20% YoY at Rs 119 crores driven by both retail and projects segments.

c. Overall Sugar revenues down 8% YoY at Rs 439 crores due to lower volumes of sugar sales and distillery.

   i. Sugar volumes down 6% YoY consequence of lower release under release mechanism.

   ii. Distillery volumes down 27% YoY due to higher sales in Q2 FY19 from earlier period stock. Production in Q2 FY20 up 26% YoY. Distillery running at full capacity.

d. Bioseeds revenues up 42% YoY at Rs 117 crores. Revenues for H1 FY20 from India operations down 26% YoY at Rs 237 crores due to lower cotton seed sales. International revenues for Q2 FY20 up 27% YoY. Philippines continues to show good growth.

2. **PBDIT** at Rs 243 crores vs 313 crores in Q2 FY19. The PBDIT last year during the same period was higher due to sugar stock revaluation gain of Rs 49 crores:

   a. Chemicals PBDIT down 20% YoY at Rs 159 crores due to lower prices & higher costs which was partly mitigated by higher volumes.
   b. Overall Sugar PBDIT down at Rs 42 crores vs Rs 98 crores due to lower distillery volumes and stock revaluation gain in Q2 FY19 as explained above.

3. **PAT** stood at Rs 119 crores vs Rs 169 crores during same period last year.

4. **ROCE** for Twelve Trailing months (TTM) at 25% from 24% during same period last year.

5. **Net Debt** at 30th September, 2019 at Rs 983 crores vs Rs 460 crores at 30th September 2018. Net Debt to EBITDA was 0.70 for Sep'19 (TTM). Net Debt increased resulting from higher working capital for sugar.

6. **Projects under implementation** at investment of Rs 1,642 crores on schedule.

7. **Interim Dividend** declared by the Board at 200% (LY: 200%), amounting to Rs 75.2 crores (including DDT).

H1 FY20 Highlights

Rs.cr

	H1 FY19	H1 FY20	Growth (%)
Net revenue from operations	3,768	3,655	-3.0%
PBDIT	661	617	-6.6%
PBIT	587	514	-12.4%
Finance Cost	77	79	3.1%
PAT	387	340	-12.2%

Key Developments:

1. **Net Revenues** down 3% YoY at Rs 3,655 crores:

   a. Chemicals revenues up 10% YoY at Rs 979 crores driven by volumes gain of 23% YoY consequent to new capacities additions. ECU prices down 10% YoY.

   b. Overall Sugar revenues down 16% YoY at Rs 921 crores due to lower sugar and power volumes.

      i. Sugar volumes down 24% YoY. GOI imposed sales release mechanism in June'18 which is continuing, thereby, resulting in lower sugar volumes vs same period last year.

      ii. Power volumes down 39% YoY. Power volumes down in H1 FY20 as season 2019 ended on 26th May, 2019 while season 2018 continued till 16th June, 2018, resulting in lesser crushing days in H1 FY20.

   c. Bioseeds revenues down 21% YoY at Rs 288 crores.

      i. India operations are heavily dependent on monsoons. Net Revenue for India operations down 26% YoY primarily impacted by lower volumes in BT cotton due to erratic rainfall.

      ii. International revenues up 16% YoY.

   d. Fenesta revenues up19% YoY reflecting continuous strong momentum.

2. **PBDIT** at Rs 617 crores vs 661 crores in H1 FY19.

   a. Chemicals PBDIT down 7% YoY at Rs 429 crores due to lower margins on account of lower ECU prices & flakes premium and higher costs.

   b. Overall Sugar PBDIT up 23% YoY at Rs 129 crores led by better sugar realizations and earnings from distillery. Domestic sugar realizations up 12% YoY.

   c. Fertilizer PBDIT at –ve Rs 2 crores vs +ve Rs 31 crores in H1 FY19 due to lower volumes and shut down costs. Plant had a shut down in April'19 which happens once in every two years.

3. **PAT** stood at Rs 340 crores vs Rs 387 crores during same period last year.

Commenting on the performance for the quarter and half year ending September 2019, in a joint statement, Mr. Ajay Shriram, Chairman & Senior Managing Director, and Mr. Vikram Shriram, Vice Chairman & Managing Director, said:

"We have reported satisfactory performance during the quarter. The steps taken over the last couple of years have provided the strength to successfully overcome business cycles & challenges.

Chemical business was marked by significant volumes gain consequent to capacity additions during Sep'18-April'19. This provided economies of scale and mitigated partly the drop in ECU realizations. We expect prices to stabilize soon.

Sugar has seen stable prices. However, the large stock carryover is leading to high borrowing and finance costs. The commencement of our 2nd distillery of 200 KLD in Nov'19 will provide further strength to this business.

Fenesta has shown good growth both in the retail and project sides of the operation. We are taking steps to sustain growth going forward.

Our capex initiatives are proceeding as per timelines. These initiatives will enhance scale, strengthen cost competitiveness and integration going forward.

We remain committed to achieve consistent growth and healthy balance sheet by being best in class in terms of strategy & execution."

Q2 FY20 – Segment Performance

Rs crores

	Revenues			PBIT			PBIT Margins %	
Segments	**Q2 FY19**	**Q2 FY20**	***YoY % Change***	**Q2 FY19**	**Q2 FY20**	***YoY % Change***	**Q2 FY19**	**Q2 FY20**
Chemicals	**416.9**	**426.8**	***2.4***	**182.9**	**139.1**	***(23.9)***	***43.9***	***32.6***
Plastics	**136.3**	**136.6**	***0.2***	**13.0**	**33.4**	***157.7***	***9.5***	***24.4***
Sugar	**478.9**	**439.2**	***(8.3)***	**87.4**	**26.8**	***(69.3)***	***18.2***	***6.1***
SFS	**156.9**	**159.5**	***1.6***	***1.3***	**8.2**	***518.9***	***0.8***	***5.1***
- Bulk	30.2	16.6	*(45.1)*	(5.3)	(1.7)	-	*(17.5)*	*(10.0)*
- Value Added	126.7	142.9	*12.8*	6.6	9.8	*48.5*	*5.2*	*6.9*
Bioseed	**82.7**	**117.4**	***41.9***	**(4.0)**	**5.4**	**-**	***(4.8)***	***4.6***
Fertiliser	**247.0**	**281.5**	***13.9***	**17.6**	**15.1**	***(14.0)***	***7.1***	***5.4***
Others	**191.5**	**207.3**	***8.2***	**12.7**	**24.0**	***88.6***	***6.7***	***11.6***
-Fenesta	99.0	118.9	*20.1*	13.1	20.2	*54.0*	*13.3*	*17.0*
-Cement	40.3	39.9	*(1.0)*	(0.3)	3.2	-	*(0.6)*	*7.9*
-Hariyali Kisaan Bazaar & others	52.2	48.5	*(7.2)*	(0.2)	0.6	-	*(0.3)*	*1.3*
Total	**1710.3**	**1,768.3**	***3.4***	**310.8**	**252.0**	***(18.9)***	***18.2***	***14.2***
Less: Intersegment Revenue	10.2	15.4	50.1					
Less: Unallocable expenditure (Net)				35.0	62.0	*77.3*		
Total	**1,700.1**	**1,752.9**	***3.1***	**275.9**	**189.9**	***(31.1)***	***16.2***	***10.8***

H1 FY20 – Segment Performance

Rs crores

	Revenues			PBIT			PBIT Margins %	
Segments	**H1 FY19**	**H1 FY20**	***YoY % Change***	**H1 FY19**	**H1 FY20**	***YoY % Change***	**H1 FY19**	**H1 FY20**
Chemicals	**885.9**	**978.5**	***10.5***	**431.0**	**389.6**	***(9.6)***	***48.7***	***39.8***
Plastics	**280.2**	**276.5**	***(1.3)***	**39.7**	**49.6**	***25.0***	***14.2***	***18.0***
Sugar	**1,097.0**	**921.0**	***(16.0)***	**84.6**	**99.4**	***17.5***	***7.7***	***10.8***
SFS	**368.3**	**356.5**	***(3.2)***	**11.2**	**12.9**	***15.8***	***3.0***	***3.6***
- Bulk	84.9	47.9	*(43.5)*	(2.9)	(4.4)	-	*(3.5)*	*(9.3)*
- Value Added	283.5	308.6	*8.9*	14.1	17.4	*23.1*	*5.0*	*5.6*
Bioseed	**364.7**	**287.9**	***(21.1)***	**43.8**	**35.0**	***(20.0)***	***12.0***	***12.2***
Fertiliser	**474.7**	**441.8**	***(6.9)***	**26.2**	**(7.4)**	**-**	***5.5***	***(1.7)***
Others	**404.9**	**433.9**	***7.2***	**24.6**	**43.7**	***78.1***	***6.1***	***10.1***
-Fenesta	191.5	227.1	*18.6*	24.0	36.1	*50.2*	*12.5*	*15.9*
-Cement	82.0	87.7	*7.0*	0.6	7.2	*1,075.4*	*0.7*	*8.2*
-Hariyali Kisaan Bazaar & others	131.4	119.2	*(9.4)*	(0.1)	0.5	-	*(0.0)*	*0.4*
Total	**3,875.7**	**3,696.1**	***(4.6)***	**661.0**	**623.0**	***(5.8)***	***17.1***	***16.9***
Less: Intersegment Revenue	107.8	40.8	*(62.2)*					
Less: Unallocable expenditure (Net)				74.3	109.2	46.8		
Total	**3,768.0**	**3,655.4**	***(3.0)***	**586.7**	**513.8**	***(12.4)***	***15.6***	***14.1***

For further information, please contact:

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