For Immediate Release

DCM Shriram Ltd. announces Q4 & FY21 Financial Results

Revenue for Q4 FY21 at Rs. 2,191 crs up 14% vs Q4 FY20

PAT for Q4 PAT FY21 at Rs. 232 crs, up 15% vs Q4 FY20

Full year revenue up 7% at Rs. 8,308 crs, PAT down 6% at Rs. 673 crs.

Board Recommended Final dividend of 190%

Q4 FY'21 vs Q4'FY20

- **Revenue increased by 14% to Rs 2,191 crs.**
  - **Vinyl** revenues up 109% led by higher product prices.
  - **Sugar** revenues up 22%, growth was led by higher volumes Ethanol and Sugar exports
  - **Fenesta** revenues were up 40% led by volumes growth.
- **PBDIT increased by 10% to Rs. 392 crs.**
  - **Vinyl** PBDIT up at Rs. 127 crs vs 26 crs in Q4 FY20
  - **Sugar** PBDIT up 12% at Rs. 239 crs.
- **Net Debt at** 31st March 2021 stood lower at Rs 180 crs vs Rs 1,623 crs at 31st March, 2020.
- **Projects under implementation** at an investment of about Rs 1,500 crs at Bharuch Chemical Complex progressing as per plan.

New Delhi, 4th May, 2021: DCM Shriram Ltd. announced its Q4 & FY21 financial results today.

Q4 FY21 Highlights

Rs Crs

	Q4 FY21	Q4 FY20	Change (%)
Net revenue from operations	2,191	1,917	14.3%
PBDIT	392	355	10.4%
PBIT	333	295	13.1%
Finance Cost	25	47	-47.0%
PAT	232	201	15.1%

Key Developments and Outlook – Q4 FY21

1. **Revenues** for Q4 FY21 up 14% YoY at Rs 2,191 crs:

- ❑ The revenues were positively impacted by:
    - ➢ Vinyl Business revenues were up 109% at Rs 272 crs, driven by PVC prices up 70% and carbide prices up 59%
    - ➢ Overall sugar revenues up 22% YoY at Rs 1,021 crs.
        - o Exports volumes at 10.8 lac qtls vs 4.6 lac qtls during same period last year. Due to late announcement of export policy for current sugar season, exports were deferred to Q4.
        - o Ethanol volumes up 51%, led by B-Heavy. Distillery realizations higher for current ethanol season.
    - ➢ Fenesta Business revenues up 40% YoY at Rs 118 crs led by both retail and projects segment. Retail order booking up 54% YoY.
    - ➢ Chemicals business revenues remained flat at Rs 355 crs. Caustic volumes up 7% YoY. ECU prices down 12% YoY (Sequentially the prices were up 10%). Hydrogen and aluminum chloride had a positive impact on revenues.
    - ➢ Last year saw impact on volumes in Q4 due to Covid-19 related lock down in March'20.
- ❑ The revenues were negatively impact by:
    - ➢ Fertilizers revenues at Rs 215 crs vs Rs 300 crs for Q4 FY20. Prices down 15% a reflection of lower gas prices (a pass through). Q4 FY20 had claim reversal related to fixed cost under NPS III.

2. **PBDIT** for Q4 FY21 up 10% YoY at Rs 392 crs.

- PBDIT was positively impacted by:

  - Vinyl (Plastics) PBDIT at Rs 127 crs vs Rs 26 crs driven by better margins due to higher product prices.

  - Overall sugar PBDIT up 12% YoY at Rs 239 crs. Earnings were driven by higher volumes and prices of exported Sugar as well as Ethanol. Domestic Sugar volumes as well as prices were lower. Cost of sugar in SY 21 was higher due to lower recoveries.

  - Fenesta PBDIT at Rs 16 crs up 123% led by volumes.

  - 66 MW CPP commissioned at Kota last year has added to savings for Chloro-vinyl business at Kota complex.

- PBDIT was negatively impacted by:

  - Chemicals PBDIT down 8% YoY at Rs 73 crs due to lower ECU realization offset by higher volumes. Another significant offsetting factor is the sale of downstream products - Hydrogen, Aluminum Chloride and SBP.

  - Bioseed PBDIT at –ve Rs 38 crs vs –ve Rs 14 crs for Q4 FY20 due to higher fixed expenses and provision made for old Cotton seed inventory.

  - Fertilizer PBDIT at Rs 4 crs vs Rs 76 crs during same period last year. Reduction is on account of reversal of provision of Rs 53 crs in Q4 FY20 relating to fixed costs under NPS III. The energy saving rate was lower due to lower gas prices impacting the earnings.

3. **PAT** for Q4 FY21 up 15% YoY at Rs 232 crs.

4. **Net Debt** at 31st March 2021 stood at Rs 180 crs vs Rs 1,623 crs at 31st March, 2020. The reduction in debt was led by lower Sugar inventory and significantly lower fertilizer subsidy outstanding. Judicious approach to Capex and working capital across businesses also led to lower net debt.

5. **ROCE** came in at 18.0% for FY21 from 19.8% for FY20 impacted by chemicals and restrictions on business operations in Q1 due to pandemic. ROCE improved sequentially (17.4% for Q3 FY21) led by better performance in Vinyl and sugar.

6. **Final Dividend** recommended by Board at 190% amounting to Rs 59.3 crs. Total dividend during the year at 465% which is 21.5% of PAT in line with the last year.

FY 21 Highlights

Rs Crs

	FY21	FY20	Change (%)
Net revenue from operations	8,308	7,767	7.0%
PBDIT	1,244	1,295	-3.9%
PBIT	1,011	1,076	-6.0%
Finance Cost	122	164	-25.5%
PAT	673	717	-6.1%

Key Developments and Outlook – FY21

1. **Revenues** for FY21 up 7% at Rs 8,308 crs. (FY 20 Rs. 7,767 crs)

- Revenues were positively impacted by:

  - Vinyl (Plastics) revenues up 32% YoY at Rs 732 crs driven by PVC prices up 36% YoY. PVC volumes up 13% YoY and carbide volumes lower 46% YoY, this was because the return on PVC was better than carbide. Domestic PVC prices moved in line with international prices.

  - Overall sugar revenues up 34% YoY at Rs 3,385 crs driven by:

    - Higher Sugar volumes, up 22% YoY (incl. exports).
    - Higher Ethanol volumes due to commissioning of new 200 KLD distillery at Ajbapur in end of Q3 FY20. FY21 Distillery volumes up 110% at 1,251 lac ltrs. Higher Ethanol prices in Q4 also contributed to the earnings.

  - SFS revenues for FY21 up 13% YoY at Rs 858 crs, despite rationalization of bulk segment. Revenue from value added segment up 25% YoY. Value added segment saw growth across product categories especially seeds.

  - Bioseed revenues were higher in India and well as Philippines driven by field crops.

- Revenues were negatively impacted by:

  - Chemicals revenues down 26% YoY at Rs 1,283 crs.

  - ECU realizations lower by 26% and lower Volumes by 10% YoY, affected by subdued demand due to Covid-19 pandemic as well as new capacity additions in the domestic industry in Q4 FY'20. International prices were also low.

- Fenesta revenues down 14% YoY at Rs 361 crs impacted by the Covid 19 restrictions during Q1 FY21. Sequential average capacity utilization increased from 37% in Q1 to full capacity in Q4 FY21. Overall order booking has also seen growth sequentially.

- Fertilizer revenues lower by 11% YoY at Rs 901 crs due to lower gas prices which is a pass through.

2. **PBDIT** for FY21 at Rs 1,244 crs vs Rs 1,295 crs for FY20.

- PBDIT was positively impacted by:

  - Vinyl (Plastics) PBDIT at Rs 287 crs for FY21 up 157%, driven by higher product prices and lower power costs. Lower power costs resulting from efficient new 66 MW power plant commissioned in Q4 FY20.

  - Overall Sugar business PBDIT up 11% at Rs 503 crs driven by higher volumes and margin from Sugar exports and higher volumes of Ethanol. PBDIT up 17% YoY excluding onetime impact of provision of Rs. 27 crs in Q2 FY'21, against dues from State Govt. under Sugar Industry, Co-gen and Distillery promotion policy 2013.

  - SFS PBDIT at Rs 110 crs up 60% YoY. Growth across categories in Value added segment especially Seeds.

  - 66 MW CPP at Kota complex commissioned in Q4 FY20, significantly added to savings.

- PBDIT was negatively impacted by:

  - Chemicals PBDIT for FY21 down 48% YoY at Rs 326 crs impacted by lower prices and lower volumes. Prices were primarily lower for Caustic Coda, Chlorine was in positive territory for the entire year. The downstream products of Hydrogen, Aluminum Chloride and SBP supported the earnings.

  - Fenesta PBDIT at Rs 43 crs down 35% YoY impacted by Covid-19 pandemic in Q1 FY'21. In H2 FY'21, the business has picked up to pre-covid levels.

- Fertilizer PBDIT at Rs 70 crs vs Rs 91 crs for FY20. In FY 20 there was a net reversal of Rs 38 crs wrt provision made for reimbursement costs under NPS III. This was partly offset by Rs. 20 crs post price notification received in Q3' FY 21 for FY 18-19.
- Bioseed earnings were lower, primarily because of provisioning of old Cotton seed inventory at India operations. In terms of International operations there was saving of losses post closure of Indonesia and Vietnam operations and better earnings at Philippines.

3. **PAT** for FY21 at Rs 673 crs vs Rs 717 crs during FY20.
4. **Credit rating** was reaffirmed by ICRA at 'AA' long term and 'A1+' Short term and Crisil short term rating 'A1+'.

Commenting on the performance for the quarter and financial year ending March 2021, in a joint statement, Mr. Ajay Shriram, Chairman & Senior Managing Director, and Mr. Vikram Shriram, Vice Chairman & Managing Director, said:

"FY'21 has been a year of disruptions caused by Covid-19. The Company adapted well to these disruptions and delivered a stable operating and financial performance. Almost all our businesses operated at normal levels in the second half of the year.

Our businesses have strengthened as a result of investments and well as rationalization made over last couple of years. We took another step towards our strategic direction of, integrating our businesses, enhancing scale and cost competitiveness, by announcing Projects in Downstream Chemicals at Bharuch.

Chemicals business which faced significant challenges for most part of the year, witnessed increased traction by end of Q4 FY'21. The 120 MW Power plant at Bharuch is expected to be commissioned in Q4 FY'22, which will add to cost competitiveness of Chemicals business.

We have over last 2-3 years invested in Distillery capacities to produce Ethanol. This has provided stability to Sugar Business. Government policies also have played a critical role in giving stability to the industry, we expect the Government to continue the policy framework in the interest of growth of Industry and farmers.

Capital employed in our fertilizer business has come down significantly with release of Subsidy by the Government in Q4 FY'21 under Atma Nirbhar Bharat Package. This should improve the returns in this business on sustainable basis.

The economic environment has again become uncertain with the new devastating wave of Covid-19, However our Balance sheet and Cash flows continue to be strong, which gives us confidence to handle uncertainties as well as provides us lot of flexibility to invest for future and enhance our growth.

In FY'21, the Company extended support to the Centre and State governments as well as local bodies in their fight against Covid-19. We will continue with our efforts to help our people, communities around us and our governments to fight this pandemic."

Q4 FY21 – Segment Performance

	Revenues			PBIT			PBIT Margins %	
Segments	**Q4 FY21**	**Q4 FY20**	***YoY % Change***	**Q4 FY21**	**Q4 FY20**	***YoY % Change***	**Q4 FY21**	**Q4 FY20**
Chloro-Vinyl	**627.1**	***484.3***	***29.5***	**176.1**	***81.0***	***117.3***	***28.1***	***16.7***
Sugar	**1,020.7**	***838.3***	***21.8***	**220.6**	***194.6***	***13.4***	***21.6***	***23.2***
SFS	**64.8**	***74.1***	***(12.6)***	***(7.6)***	***(8.2)***	***-***	***(11.7)***	***(11.0)***
Bioseed	**65.8**	***45.3***	***45.1***	***(39.7)***	***(15.5)***	***-***	***(60.3)***	***(34.2)***
Fertiliser	**214.9**	***300.4***	***(28.5)***	**1.4**	***73.3***	***(98.1)***	***0.6***	***24.4***
Others	**211.9**	***183.3***	***15.6***	**15.4**	***(6.7)***	***-***	***7.3***	***(3.7)***
-Fenesta	118.3	*84.6*	*39.8*	12.4	*3.6*	*245.6*	*10.5*	*4.3*
-Cement	46.5	*45.9*	*1.3*	(5.6)	*6.7*	*-*	*(11.9)*	*14.6*
-Hariyali Kisaan Bazaar & others	47.2	*52.9*	*(10.8)*	*8.6*	*(17.0)*	*-*	*18.1*	*(32.2)*
Total	**2,205.1**	***1,925.8***	***14.5***	**366.3**	***318.5***	***15.0***	***16.6***	***16.5***
Less: Intersegment Revenue	14.5	*8.5*	*70.3*					
Less: Unallocable expenditure (Net)				33.1	*23.8*	*38.8*		
Total	**2,190.6**	***1,917.2***	***14.3***	**333.2**	***294.7***	***13.1***	***15.2***	***15.4***

FY21 – Segment Performance

	Revenues			PBIT			PBIT Margins %	
Segments	**FY21**	**FY20**	***YoY % Change***	**FY21**	**FY20**	***YoY % Change***	**FY21**	**FY20**
Chloro-Vinyl	**2,015.2**	***2,278.2***	***(11.5)***	**518.4**	***652.0***	***(20.5)***	***25.7***	***28.6***
Sugar	**3,384.5**	***2,521.6***	***34.2***	**428.9**	***390.7***	***9.8***	***12.7***	***15.5***
SFS	**858.2**	***762.0***	***12.6***	**109.2**	***67.6***	***61.6***	***12.7***	***8.9***
Bioseed	**464.2**	***415.9***	***11.6***	**4.4**	***10.1***	***(56.3)***	***1.0***	***2.4***
Fertiliser	**900.7**	***1,016.6***	***(11.4)***	**59.1**	***79.7***	***(25.8)***	***6.6***	***7.8***
Others	**741.2**	***831.9***	***(10.9)***	**40.3**	***45.2***	***(10.9)***	***5.4***	***5.4***
-Fenesta	360.6	*418.9*	*(13.9)*	29.2	*53.2*	*(45.0)*	*8.1*	*12.7*
-Cement	173.3	*178.2*	*(2.7)*	3.5	*8.6*	*(59.2)*	*2.0*	*4.8*
-Hariyali Kisaan Bazaar & others	207.3	*234.8*	*(11.7)*	7.6	*(16.5)*	-	*3.7*	*(7.0)*
Total	**8,364.0**	***7,826.1***	***6.9***	**1,160.3**	***1,245.2***	***(6.8)***	***13.9***	***15.9***
Less: Intersegment Revenue	55.9	*58.9*	*(5.2)*					
Less: Unallocable expenditure (Net)				149.1	*169.4*	*(12.0)*		
Total	**8,308.2**	***7,767.1***	***7.0***	**1,011.2**	***1,075.9***	***(6.0)***	***12.2***	***13.9***

For further information, please contact:

Aman Pannu

Head- Corporate Communications

DCM Shriram Ltd.

+91 9899078610