



**For Immediate Release**

**DCM Shriram Ltd. announces Q4 & FY22 Financial Results**

**PAT for FY22 up 59% at Rs 1,067 crs, PBDIT up 52% at Rs 1,888 crs**

**PAT for Q4 FY22 up 73%, PBDIT up 69% YoY**

**Board Recommended Final Dividend 245%, Total for the year at 735%**

- **Net Revenues\* for Q4 FY22 up 28% YoY at Rs 2,796 crs.**
  - **Chloro-Vinyl** revenues up 85% at Rs 1,162 crs driven by prices.
  - **Fenesta** revenues up 30% at Rs 153 crs driven by project segment & prices.
  - **Sugar** revenues down 26%, at Rs 755\* crs due to lower sugar export since parity better in western/ southern states.
  
- **PBDIT for Q4 FY22 up 69% YoY at Rs 663 crs.**
  - **Chemical** PBDIT up 403% at Rs 369 crs due to better volumes & margins.
  - **Sugar Business** PBDIT down 19% at Rs 193 crs due to lower volumes & margins.
  - **Cost pressures** due to higher energy prices in Chloro-Vinyl businesses and sugarcane price in Sugar business.
  
- **Projects under implementation** in Chemicals and Sugar, aggregating to about 3,300 crores progressing well.
  
- **ROCE** is higher at 35% vs 20% in March'21.
  
- **New Investments**
  - Building manufacturing capabilities for Value added Agri inputs including Biologicals at an investment of Rs. 20 crs. Investment will be made through a subsidiary.
  - Augmenting extrusion capacity in Fenesta Business, at an investment of Rs. 47 crs.

*New Delhi, 5<sup>th</sup> May, 2022: DCM Shriram Ltd. announced its Q4 & FY22 financial results today.*

\* Net of Excise duty of Rs. 77 crs on country liquor sales.

## Q4 FY22 Highlights

Rs Crs

	Q4 FY22	Q4 FY21	Change (%)
<b>Net revenue from operations</b>	2,796*	2,191	28%
<b>PBDIT</b>	663	392	69%
<b>PBIT</b>	602	333	81%
<b>Finance Cost***</b>	17	25	-29%
<b>PAT</b>	401**	232	73%

\*Net of excise duty of Rs 77 crs on country liquor sales.

\*\*Tax payout at Rs 92 crs due to available MAT credit.

\*\*\*Net Finance cost for Q4 FY22 at –ve Rs 3 crs vs –ve Rs 3 crs for Q4 FY21.

### Key Developments – Q4 FY22

#### 1. Net Revenues (net of excise duty on sale of country liquor) up 28% YoY at Rs 2,796 crs.

##### □ The Revenues were positively impacted by:

- **Chemicals** revenues up 144% at Rs 865 crs driven by prices & volumes.
  - ECU prices up 118%. Prices were up across the product categories.
  - Caustic sales volumes up 21%. Sales volumes of Hydrogen were also up.
- **Vinyl** business revenues up 9% at Rs 297 crs driven by higher prices.
  - Carbide prices up 24% and PVC prices up 9%.
  - Carbide volumes up 119%. PVC volumes down 13% YoY for lower production of PVC due to higher payback from carbide. Overall production was higher during current quarter vs Q4 FY21.
- **Fertilizer** revenues up 108% at Rs 447 crs resulting from higher gas prices which is a pass through. Volumes also contributed, up 12%.
- **Fenesta** revenues up 30% at Rs 153 crs led by projects segment and higher prices. Order booking up 36%.
- **Shriram Farm Solutions (SFS)** revenues up 73% at Rs 112 crs driven by growth across the categories.

##### □ The Revenues were negatively impact by:

- **Overall Sugar** business revenues (net of excise duty on country liquor sales) down 26% at Rs 755 crs impacted by:

- Sugar exports lower due to end of subsidy and non-allocation of quota. Export parity better in western/ southern states. Company is continually exploring opportunities to export based on market prices.
- Domestic sugar revenues remained flat. Volumes down 9%, due to lower inventory levels and domestic sugar prices up 8%.
- Distillery volumes up 7% YoY and distillery prices also higher for current ethanol season.
- Bioseed, where Q4 is a small season, revenues lower 8% YoY at Rs 61 crs.
  - Revenue from India operations down 19% YoY due to lower volumes.
  - Revenue from international operations up 25% YoY, driven by corn.

**2. PBDIT for Q4 FY22 up 69% YoY at Rs 663 crs.**

□ **PBDIT was positively impacted by:**

- **Chemicals** PBDIT at Rs 369 crs, up 403% led by higher product prices and volumes. Both power & salt prices continue to be high, which were more than offset by better product prices.
- **Fertilizer** PBDIT at Rs 20 crs vs Rs 4 crs during Q4 FY21.
- **Fenesta** PBDIT at Rs 32 crs up 102% due to higher volumes in project segment and better retail segment margins.
- **Shriram Farm Solutions** PBDIT at Rs 2 crs vs –ve Rs 7 crs during Q4 FY21.

□ **PBDIT was negatively impacted by:**

- **Overall Sugar** PBDIT at Rs 193 crs down 19% on account of:
  - Lower sugar volumes both export and domestic as discussed above.
  - Higher sugar cost of production led by SAP increase & lower sugar recoveries.
- **Bioseed** PBDIT at loss Rs 50 crs vs Rs 38 crs for Q3 FY21 impacted by lower volumes and higher inventory provision/ write offs at India operations.
- **Vinyl** PBDIT came in marginally lower at Rs 122 crs down 4% YoY due to higher power & fuel costs.

**3. PAT for Q4 FY22 at Rs 401 crs vs Rs 232 crs during Q4 FY21. Tax payout at Rs 92 crs due to available MAT credit.**

**4. Net Debt as on 31st March, 2022 is Rs. 4 crs vs Rs 135 crs as on 31st March, 2021. ROCE came in at 35% vs 20% for FY21.**

## 5. Sugar Season update

- ❑ Last mill stopped crushing on 23<sup>rd</sup> April, 2022.
- ❑ Cane crushed for SY22 is 549 lac qtls vs 553 lac qtls for SY21.
- ❑ Recoveries on final molasses for the season stood at 11.26% (SY22) vs 11.73% (SY21).
- ❑ Sugar diverted for cane juice and B-Heavy ethanol production at 11.4 lac qtls.

## 6. New Projects approved by the Board:

- ❑ Shriram Farm Solutions - Developing manufacturing capabilities in Water soluble fertilizer and Biologicals. These facilities to come up in a wholly owned subsidiary at an investment cost of ~Rs 20 crs by Q3 FY24
- ❑ Fenesta - 2 Extrusion Lines and 1 Blending Line to increase capacity of uPVC extrusion from 8600 MT to 12284 MT p.a. at Kota, Rajasthan at an investment cost of ~Rs 47 crs by Q2 FY24
- ❑ Chemicals - To convert impurities in Salt into a commercial product (Sodium Sulphate in anhydrous form) & thereby reducing sludge generation at Bharuch Gujarat at an investment cost of ~Rs 25 crs by Q4 FY23.

## 7. Final Dividend recommended by the Board at 245% amounting to Rs 76.4 crs. Total for the year at 735% amounting to Rs 229.2 crs

## FY 22 Highlights

Rs Crs

	FY22	FY21	Change (%)
<b>Net revenue from operations</b>	9,627*	8,308	16%
<b>PBDIT</b>	1,888	1,244	52%
<b>PBIT</b>	1,650	1,011	63%
<b>Finance Cost***</b>	85	122	-30%
<b>PAT</b>	1,067**	673	59%

\*Net of excise duty of Rs 222 crs on country liquor sales.

\*\*Tax payout at Rs 264 crs due to available MAT credit.

\*\*\*Net Finance cost of FY22 at Rs 6.8 crs, for FY21 at Rs 47.5 crs.

## Key Developments – FY22

### 1. Net Revenues (net of excise duty on sale of country liquor) up 16% YoY at Rs 9,627 crs:

#### □ Net Revenues were positively impacted by:

- **Chemical** business revenues up 95% at Rs 2,498 crs driven by both volumes and prices. Volumes up 23%. ECU prices up 70%.
- **Vinyl** business revenues up 53% at Rs 1,119 crs driven by higher prices and volumes. PVC prices up 36%. Carbide prices up 66%. PVC and carbide volumes up 5% and 39% respectively.
- **Fenesta** revenues higher 47% at Rs 529 crs led by both retail and projects.
- Chloro-Vinyl and Fenesta businesses in Q1 FY21 were impacted by pandemic and lockdown due to Covid-19, resulting in loss of production leading to lower sales. Demand recovered slowly post lock down.
- **Fertilizer** revenues up 47% at Rs 1,327 crs resulting from higher gas prices which is a pass through. Volumes down 5% due to partial break down in Q1 FY22.
- **Shriam Farm Solutions** revenues up 11% at Rs 949 crs led by wheat seed and specialty nutrition.

#### □ Net Revenues were negatively impacted by:

- **Overall Sugar** business revenues (net of excise duty on country liquor sales) down 27% at Rs 2,474 crs.

- Sugar volumes down by 41%. Export as well as Domestic volumes were lower. Driven by regulatory framework, wherein lower sales quota was allocated and export subsidy was not announced. Better parity for western/ southern states.
- Ethanol volumes lower 4% due to lower availability of molasses and maintenance shut down during Q3 FY22.
- Sales realisations were better for Sugar and Ethanol which partly mitigated impact of lower volumes.
- **Bioseed** revenues down 13% at Rs 406 crs due to lower volumes of India operations. India operations revenues down 20%. International revenues up 12%.

**2. PBDIT for FY22 up 52% YoY at Rs 1,888 crs.**

**□ PBDIT was positively impacted by:**

- **Chemicals** PBDIT up 168% at Rs 875 crs led by higher prices and volumes.
- **Vinyl (Plastics)** PBDIT up 72% at Rs 493 crs led by higher prices and volumes.
- **Fenesta** PBDIT up 95% at Rs 84 crs due to higher volumes in projects as well as retail segment.
- **Shriram Farm Solutions** PBDIT up 24% at Rs 136 crs due to strong performance of wheat seed and specialty nutrition. Provisions for inventory were also lower in the current year.
- **Fertilizer** PBDIT up 23% at Rs 87 crs.
  - One time item in current period includes amount of Rs 33 crs received in Q1 FY22 for price revisions relating to previous years and last year revenues included Rs 19.8 crs for arrears recognized for past period during Q3 FY21.
  - Higher energy saving rate also positively impacted the earnings.

**□ PBDIT was negatively impacted by:**

- **Overall** sugar business PBDIT lower 20% at Rs 400 crs, due to:
  - Lower Sugar volumes for both domestic and export.
  - Higher rate of purchased molasses impacted the earnings in Distillery business.
  - Higher input costs for current sugar season along with lower recovery.
  - Higher sugar domestic prices and distillery prices had positive impact but was more than offset by costs

- **Bioseed** PBDIT at loss Rs 70 crs vs profit Rs 11 crs during same period last year. India operations impacted by a) lower volumes, b) higher Inventory provisioning / write-off. Earnings from International operations almost doubled.

3. **PAT** for FY22 at Rs 1,067 crs vs Rs 673 crs during FY21. Tax payout at Rs 264 crs due to available MAT credit.

**Commenting on the performance for the quarter and period ending March 2022, in a joint statement, Mr. Ajay Shriram, Chairman & Senior Managing Director, and Mr. Vikram Shriram, Vice Chairman & Managing Director, said:**

*The Company has witnessed a strong operating and financial performance during the year. The business environment was dynamic throughout the year, as a result of second and third wave of Covid-19 and geo political concerns. Supply chain disruption was a major challenge along with high energy prices. We are glad that our businesses have managed the uncertain operating environment very well, which is reflected in the performance as well.*

*Chloro-vinyl business continues to face cost pressures across all input materials, more specifically on account of energy costs. These pressures are not expected to come down in the near future. We believe that firm product prices should support high energy prices. We will continue to invest in improving cost efficiencies. Capital expenditure plans in this business are progressing well, although the project costs are facing headwinds of high commodity prices.*

*Sugar season has ended in April'22. The Cane crushed has been in line with last season albeit with lower recovery due to climatic factors. The Sugar business in Uttar Pradesh requires a better policy support from Centre and State government given the disadvantage of higher Sugarcane price which makes cane juice based Ethanol less remunerative and distance from ports which makes exports unviable without subsidy/ Quota. Capital expenditure projects in this businesses are progressing as per plan.*

*We are overhauling our Bioseed India business and expect it to turnaround in next two years. Farm solution business continues to grow and we are investing in developing research and manufacturing capabilities for value added agri-inputs including biologicals. Fenesta business is enhancing its portfolio and capacities to sustain growth momentum.*

*With comfortable balance sheet and Cash flows we will continue to deliver growth on a sustained basis.*



## Q4 FY22 – Segment Performance

Rs crs	Revenues			PBIT			PBIT Margins %	
Segments	Q4 FY22	Q4 FY21	YoY % Change	Q4 FY22	Q4 FY21	YoY % Change	Q4 FY22	Q4 FY21
Chloro-Vinyl	1161.6	627.1	85.2	465.4	176.1	164.3	40.1	28.1
Sugar	754.8*	1020.7	(26.0)	173.3	220.6	(21.5)	23.0	21.6
SFS	112.0	64.8	72.8	1.0	(7.6)	-	0.9	(11.7)
Bioseed	60.7	65.8	(7.7)	(51.7)	(39.7)	-	(85.1)	(60.3)
Fertilizer	446.7	214.9	107.9	16.9	1.4	1145.6	3.8	0.6
Others	297.5	211.9	40.4	24.7	15.4	59.7	8.3	7.3
-Fenesta	153.3	118.3	29.6	27.9	12.4	124.5	18.2	10.5
-Cement	50.0	46.5	7.5	(8.0)	(5.6)	-	(16.0)	(11.9)
-Others	94.2	47.2	99.8	4.7	8.6	(44.9)	5.0	18.1
<b>Total</b>	<b>2833.4</b>	<b>2205.1</b>	<b>28.5</b>	<b>629.6</b>	<b>366.3</b>	<b>71.9</b>	<b>22.2</b>	<b>16.6</b>
Less: Intersegment Revenue	37.6	14.5	158.5					
Less: Unallocable expenditure (Net)				27.5	33.1	(16.9)		
<b>Total</b>	<b>2795.8*</b>	<b>2190.6</b>	<b>27.6</b>	<b>602.1</b>	<b>333.2</b>	<b>80.7</b>	<b>21.5</b>	<b>15.2</b>

\* Net of excise duty of Rs 77 crs on country liquor sales.

Note: Net revenue includes operating income

## FY22 – Segment Performance

Rs crs	Revenues			PBIT			PBIT Margins %	
Segments	FY22	FY21	YoY % Change	FY22	FY21	YoY % Change	FY22	FY21
Chloro-Vinyl	3616.5	2015.2	79.5	1266.6	518.4	144.3	35.0	25.7
Sugar	2473.7*	3384.5	(26.9)	322.7	428.9	(24.8)	13.0	12.7
SFS	948.9	858.2	10.6	134.6	109.2	23.3	14.2	12.7
Bioseed	406.0	464.2	(12.5)	(76.3)	4.4	-	(18.8)	1.0
Fertilizer	1327.0	900.7	47.3	76.5	59.1	29.4	5.8	6.6
Others	967.7	741.2	30.6	54.6	40.3	35.5	5.6	5.4
-Fenesta	528.6	360.6	46.6	68.7	29.2	135.2	13.0	8.1
-Cement	181.4	173.3	4.7	(23.5)	3.5	-	(13.0)	2.0
-Others	257.7	207.3	24.3	9.4	7.6	23.6	3.6	3.7
<b>Total</b>	<b>9739.6</b>	<b>8364.0</b>	<b>16.4</b>	<b>1778.7</b>	<b>1160.3</b>	<b>53.3</b>	<b>18.3</b>	<b>13.9</b>
Less: Intersegment Revenue	112.2	55.9	100.8					
Less: Unallocable expenditure (Net)				128.4	149.1	(13.9)		
<b>Total</b>	<b>9627.4*</b>	<b>8308.2</b>	<b>15.9</b>	<b>1650.4</b>	<b>1011.2</b>	<b>63.2</b>	<b>17.1</b>	<b>12.2</b>

\* Net of excise duty of Rs 222 crs on country liquor sales.  
Note: Net revenue includes operating income

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