



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

**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 27.1.2020, please find attached a copy of Result Presentation on Unaudited Financial Results for the quarter and nine months ended 31.12.2019.

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: 2020.01.27 11:17:19 +05'30'

(Sameet Gambhir)  
Company Secretary

Dated : 27.1.2020

Encl. : as above

**DCM SHRIRAM LTD.**

Registered and Corporate Office: 2nd Floor (West Wing), Worldmark 1, Aerocity, New Delhi - 110037, India

Tel: +91 11 42100200 e-mail: [response@dcmsriram.com](mailto:response@dcmsriram.com) website: [www.dcmsriram.com](http://www.dcmsriram.com)

CIN No. L74899DL1989PLC034923



# DCM Shriram Ltd.

## Q3 & 9M FY20 - Results Presentation

January 27, 2020



# Safe Harbour

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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

# Table of Content

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Title	Slide No.
<b>Q3 FY20</b>	
Key Highlights	4
Returns & Leverage	5
Financial Snapshot	6
Segment Performance	7
<b>9M FY20</b>	
Key Highlights	8
Financial Snapshot	9
Segment Performance	10
<b>Management's Message</b>	<b>11</b>
<b>Segmental Details</b>	
Chloro-Vinyl Businesses	13-18
Sugar	19-21
Agri Input Businesses	22-24
Other Businesses	25-27
<b>About Us &amp; Investor Contacts</b>	<b>28</b>

# Q3 FY20 - Key Highlights

## 1. Net Revenues at Rs 2,195 crores up 4%:

- i. Overall Sugar revenues at Rs 762 crores up 23% YoY (Rs 144 crores) led by:
  - a. Higher distillery revenues by ~Rs 18 crores.
  - b. Higher sugar exports contributing to an increase of ~Rs 171 crores.
  - c. Domestic sugar revenues down by ~Rs 33 crores.
- ii. Shriram Farm Solutions (SFS) revenue at Rs 331 crores up 20% YoY driven by research wheat.
- iii. Chemicals revenues at Rs 392 crores down 22% YoY. ECU prices down 35% YoY. Volumes up 11% YoY.

## 2. PBDIT at Rs 323 crores down 9% YoY:

- i. Overall Sugar PBDIT at Rs 113 crores vs Rs 53 crores during same period last year. The results of last year included loss of Rs 65 crores on account of loss on exports net off financial assistance for cane price accrued vs Rs 6 crores loss in current quarter.
- ii. Chemicals PBDIT at Rs 124 crores down 50% YoY due to lower realizations.
- iii. SFS PBDIT at Rs 63 crores up 43% YoY driven by higher revenues and better product mix.
- iv. Plastics PBDIT at Rs 30 crores vs Rs 20 crores during Q3 FY19. PBDIT margin improved led by lower input costs.

## 3. Board approved sale of subsidiaries at Vietnam & Indonesia leading to one time debit of Rs 14.6 crores.

## 4. PAT stood at Rs 175 crores vs Rs 226 crores during same period last year.

## 5. Sugar Season updates:

- i. Crushing started in 1<sup>st</sup> week of November, 2019. Operations are stable.
- ii. Both the distilleries (including 200 KLD new distillery at Ajbapur) operating on B-Heavy molasses satisfactorily.
- iii. Cane Crushed up to 23<sup>rd</sup> Jan, 2020 is 268 lac qtls vs 219 lac qtls during same period previous season.
- iv. Recoveries up to 23<sup>rd</sup> Jan, 2020 is 10.63% vs 11.63% during same period previous season. Impact on recoveries due to B-heavy molasses production is estimated at ~0.72%.

## 6. Net Debt at 31<sup>st</sup> December, 2019 at Rs 971 crores vs Rs 754 crores at 31<sup>st</sup> December, 2018. Net Debt to EBITDA was 0.70 for Dec'19 (TTM). Net Debt increased resulting from higher working capital for sugar.

## 7. Projects under implementation at investment of Rs 1,070 crores on schedule.

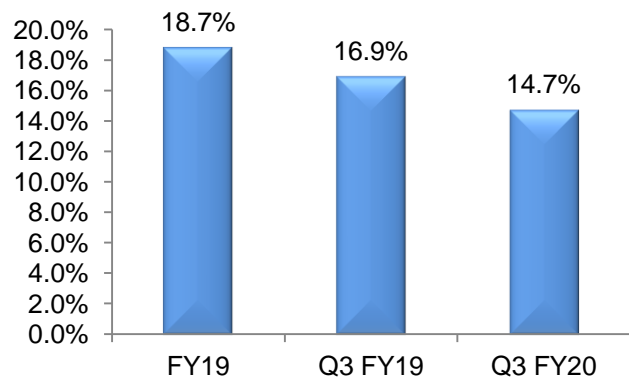
## 8. Completed Projects - a) 200 KLD Distillery at Ajbapur b) PVC expansion of 40 TPD at Kota c) 66 MW power plant at Kota partly commissioned in Jan'20, under stabilization phase.

## 9. Second Interim Dividend declared by the Board at 210% (LY: 210%), amounting to Rs 79 crores (including DDT).

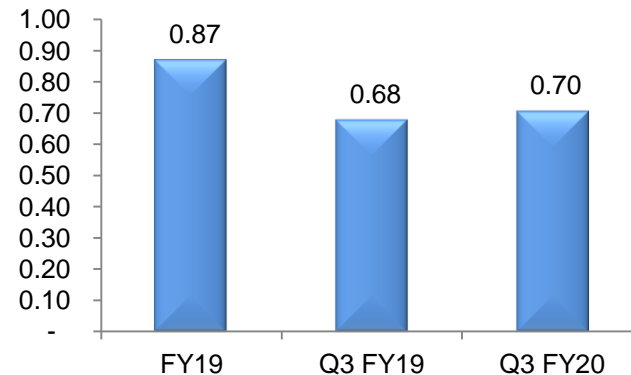


# Q3 FY20 - Returns & Leverage

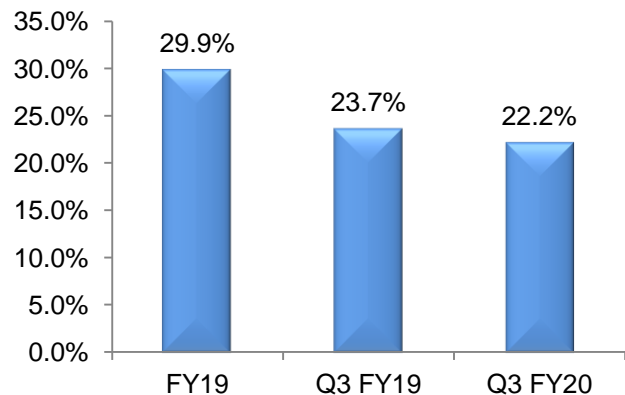
## PBDIT to Net Sales



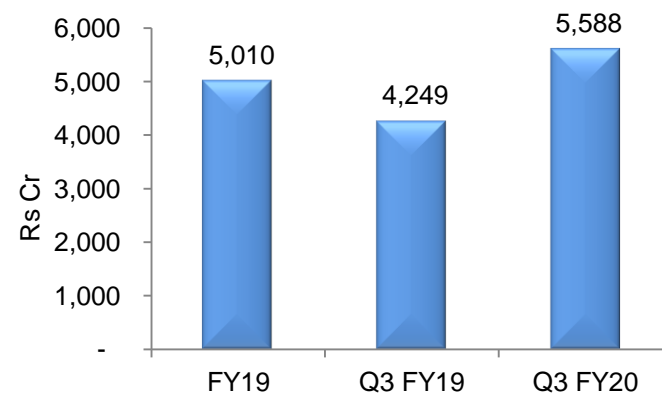
## Net Debt/ EBITDA



## ROCE



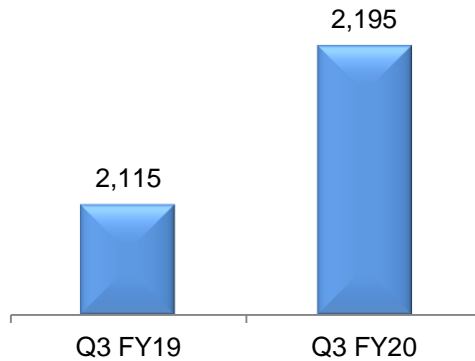
## Capital Employed (excluding CWIP)



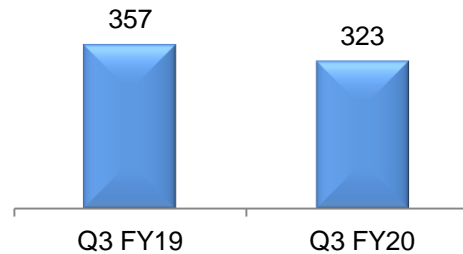
*ROCE and Net Debt/ EBITDA Calculated on TTM basis*

# Q3 FY20 - Financial Snapshot

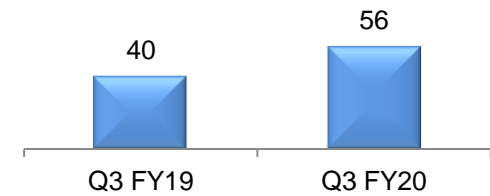
### Revenue (Net)



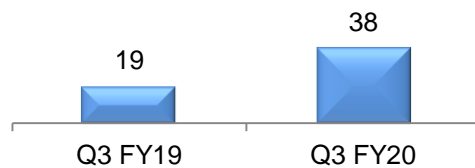
### PBDIT



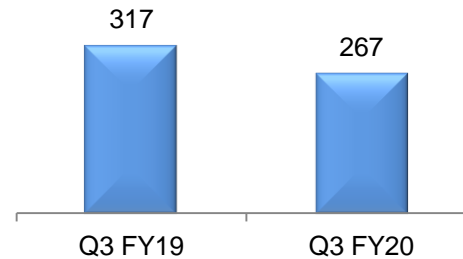
### Depreciation



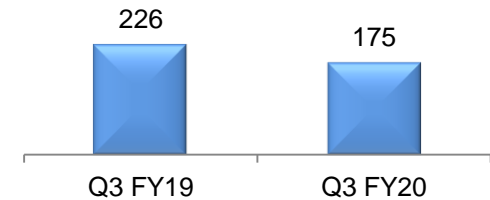
### Finance Cost



### PBIT



### PAT



Note: All figures in Rs. crores

Net revenue includes operating income

# Q3 FY20 - Segment Performance

Rs crs

Segments	Revenues			PBIT			PBIT Margins %	
	Q3 FY19	Q3 FY20	YoY % Change	Q3 FY19	Q3 FY20	YoY % Change	Q3 FY19	Q3 FY20
<b>Chemicals</b>	<b>504.8</b>	<b>392.3</b>	<b>(22.3)</b>	<b>235.1</b>	<b>104.5</b>	<b>(55.5)</b>	<b>46.6</b>	<b>26.6</b>
<b>Plastics</b>	<b>155.7</b>	<b>146.6</b>	<b>(5.8)</b>	<b>16.8</b>	<b>27.1</b>	<b>61.8</b>	<b>10.8</b>	<b>18.5</b>
<b>Sugar</b>	<b>618.5</b>	<b>762.2</b>	<b>23.2</b>	<b>42.5</b>	<b>96.7</b>	<b>127.5</b>	<b>6.9</b>	<b>12.7</b>
<b>SFS</b>	<b>275.8</b>	<b>331.4</b>	<b>20.2</b>	<b>44.0</b>	<b>62.8</b>	<b>42.7</b>	<b>16.0</b>	<b>18.9</b>
<b>Bioseed</b>	<b>63.3</b>	<b>82.6</b>	<b>30.6</b>	<b>(14.4)</b>	<b>(9.4)</b>	<b>-</b>	<b>(22.7)</b>	<b>(11.3)</b>
<b>Fertiliser</b>	<b>299.0</b>	<b>274.4</b>	<b>(8.2)</b>	<b>24.0</b>	<b>13.8</b>	<b>(42.6)</b>	<b>8.0</b>	<b>5.0</b>
<b>Others</b>	<b>209.7</b>	<b>214.7</b>	<b>2.4</b>	<b>5.2</b>	<b>8.2</b>	<b>55.9</b>	<b>2.5</b>	<b>3.8</b>
-Fenesta	97.0	107.3	10.6	12.0	13.5	12.7	12.3	12.6
-Cement	42.3	44.6	5.3	(6.4)	(5.3)	-	(15.2)	(11.9)
-Hariyali Kisaan Bazaar & others	70.3	62.8	(10.7)	(0.3)	(0.0)	-	(0.4)	(0.0)
<b>Total</b>	<b>2126.9</b>	<b>2,204.2</b>	<b>3.6</b>	<b>353.3</b>	<b>303.8</b>	<b>(14.0)</b>	<b>16.6</b>	<b>13.8</b>
<b>Less: Intersegment Revenue</b>	11.6	9.7	(16.9)					
<b>Less: Unallocable expenditure (Net)</b>				36.0	36.4	1.0		
<b>Total</b>	<b>2,115.2</b>	<b>2,194.6</b>	<b>3.7</b>	<b>317.2</b>	<b>267.4</b>	<b>(15.7)</b>	<b>15.0</b>	<b>12.2</b>

Note: Net revenue includes operating income



# 9M FY20 - Key Highlights

## 1. Net Revenues at Rs 5,850 crores down 1% YoY :

- i. Chemicals revenues at Rs 1,371 crores down 1% YoY. ECU prices down 19.0% YoY. Volumes up 18.9% YoY.
- ii. Overall Sugar revenues at Rs 1,683 down 2% YoY crores:
  - Exports revenues higher by ~Rs 187 crores.
  - Distillery contributed to an increase of ~Rs 20 crores.
  - Domestic sugar revenues lower by ~192 crores due to lower volumes consequent to sales release mechanism.
  - Power revenues lower by ~Rs 47 crores due to lower volumes and lower power tariffs.
- iii. Shriram Farm Solutions revenues up 7% YoY at Rs 688 crores led by research wheat.
- iv. Fenesta revenues at Rs 334 crores up 16% YoY supported by both retail and projects.
- v. Bioseed revenues at Rs 371 crores down 13% YoY due to challenges in BT cotton in domestic operations.

## 2. PBDIT at Rs 940 crores vs 1,017 crores during 9M FY19.

- i. Overall Sugar PBDIT at Rs 242 crores up 53%:
  - Higher earnings from Distillery.
  - Sugar domestic prices up 10% YoY led to better domestic margins.
  - Loss on exports net of financial assistance included for 9M FY19 at Rs 65 crores.
- ii. Plastic PBDIT at Rs 86 crores up 33% YoY due better margins led by lower input costs.
- iii. Chemicals PBDIT at Rs 553 crores down 22% YoY due to lower margins on account of lower ECU prices & flakes premium.
- iv. Fertilizer PBDIT at Rs 15 crores vs Rs 58 crores in 9M FY19 due to lower volumes and shut down costs. Plant had a shut down in April'19 which happens once in every two years. Plant is stable post shut down.

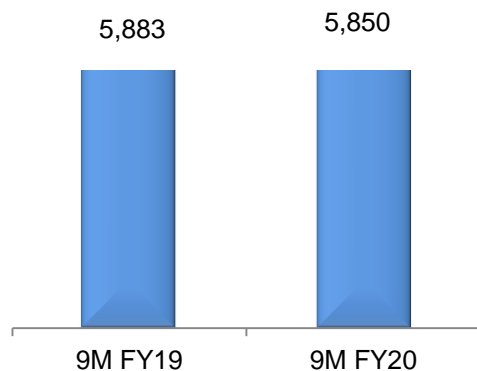
## 3. PAT stood at Rs 515 crores vs Rs 613 crores during same period last year.

## 4. Completed Projects - a) 332 TPD chlor-alkali capacity at Bharuch b) 200 KLD Distillery at Ajbapur c) PVC expansion of 40 TPD at Kota d) 66 MW power plant at Kota partly commissioned in Jan'20, under stabilization phase.

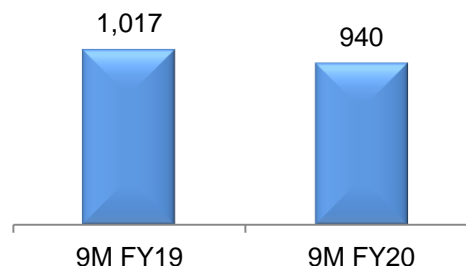
## 5. ICRA reaffirmed long term rating of AA and outlook revised to positive from stable. Short Term Rating reaffirmed at A1+.

# 9M FY20 - Financial Snapshot

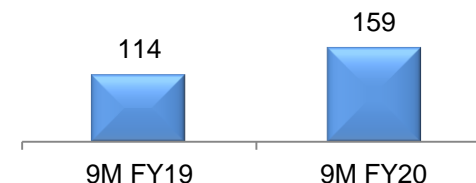
### Revenue (Net)



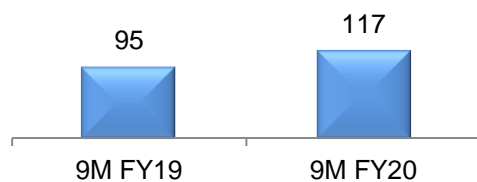
### PBDIT



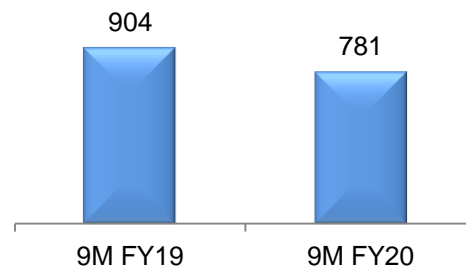
### Depreciation



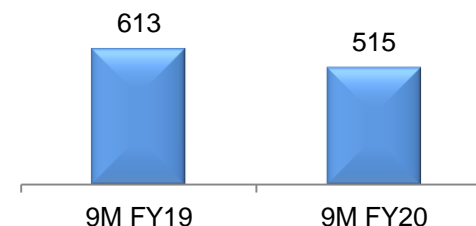
### Finance Cost



### PBIT



### PAT



Note: All figures in Rs. crores

Net revenue includes operating income

# 9M FY20 - Segment Performance

Rs crs

Segments	Revenues			PBIT			PBIT Margins %	
	9M FY19	9M FY20	YoY % Change	9M FY19	9M FY20	YoY % Change	9M FY19	9M FY20
<b>Chemicals</b>	<b>1,390.7</b>	<b>1,370.8</b>	<b>(1.4)</b>	<b>666.1</b>	<b>494.2</b>	<b>(25.8)</b>	<b>47.9</b>	<b>36.0</b>
<b>Plastics</b>	<b>435.9</b>	<b>423.1</b>	<b>(2.9)</b>	<b>56.5</b>	<b>76.8</b>	<b>35.9</b>	<b>13.0</b>	<b>18.1</b>
<b>Sugar</b>	<b>1,715.6</b>	<b>1,683.2</b>	<b>(1.9)</b>	<b>127.2</b>	<b>196.1</b>	<b>54.3</b>	<b>7.4</b>	<b>11.7</b>
<b>SFS</b>	<b>644.1</b>	<b>687.8</b>	<b>6.8</b>	<b>55.2</b>	<b>75.7</b>	<b>37.3</b>	<b>8.6</b>	<b>11.0</b>
<b>Bioseed</b>	<b>427.9</b>	<b>370.5</b>	<b>(13.4)</b>	<b>29.4</b>	<b>25.7</b>	<b>(12.6)</b>	<b>6.9</b>	<b>6.9</b>
<b>Fertiliser</b>	<b>773.7</b>	<b>716.2</b>	<b>(7.4)</b>	<b>50.2</b>	<b>6.4</b>	<b>(87.3)</b>	<b>6.5</b>	<b>0.9</b>
<b>Others</b>	<b>614.6</b>	<b>648.6</b>	<b>5.5</b>	<b>29.8</b>	<b>51.9</b>	<b>74.2</b>	<b>4.8</b>	<b>8.0</b>
-Fenesta	288.5	334.3	15.9	36.0	49.6	37.7	12.5	14.8
-Cement	124.3	132.3	6.4	(5.8)	1.9	-	(4.7)	1.4
-Hariyali Kisaan Bazaar & others	201.8	182.0	(9.8)	(0.4)	0.5	-	(0.2)	0.3
<b>Total</b>	<b>6,002.6</b>	<b>5,900.3</b>	<b>(1.7)</b>	<b>1,014.3</b>	<b>926.7</b>	<b>(8.6)</b>	<b>16.9</b>	<b>15.7</b>
<b>Less: Intersegment Revenue</b>	119.4	50.4	(57.8)					
<b>Less: Unallocable expenditure (Net)</b>				110.4	145.6	31.8		
<b>Total</b>	<b>5,883.2</b>	<b>5,849.9</b>	<b>(0.6)</b>	<b>903.9</b>	<b>781.2</b>	<b>(13.6)</b>	<b>15.4</b>	<b>13.4</b>

Note: Net revenue includes operating income

# Management's Message

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

*“The company achieved satisfactory operational performance across all the businesses & progressed its strategic initiatives. The financial results were adversely affected due to lower product prices in chloro-vinyl segment.*

*As part of plan to strengthen in sugar business, we commissioned a 200 KLD distillery at Ajbapur sugar factory taking the total distillery capacity to 350 KLD. The company started producing ethanol based on B-Heavy molasses and also contracted exports of 12.3 lac qtls of sugar. These steps will lead to stable profits and more efficient use of capital in the business.*

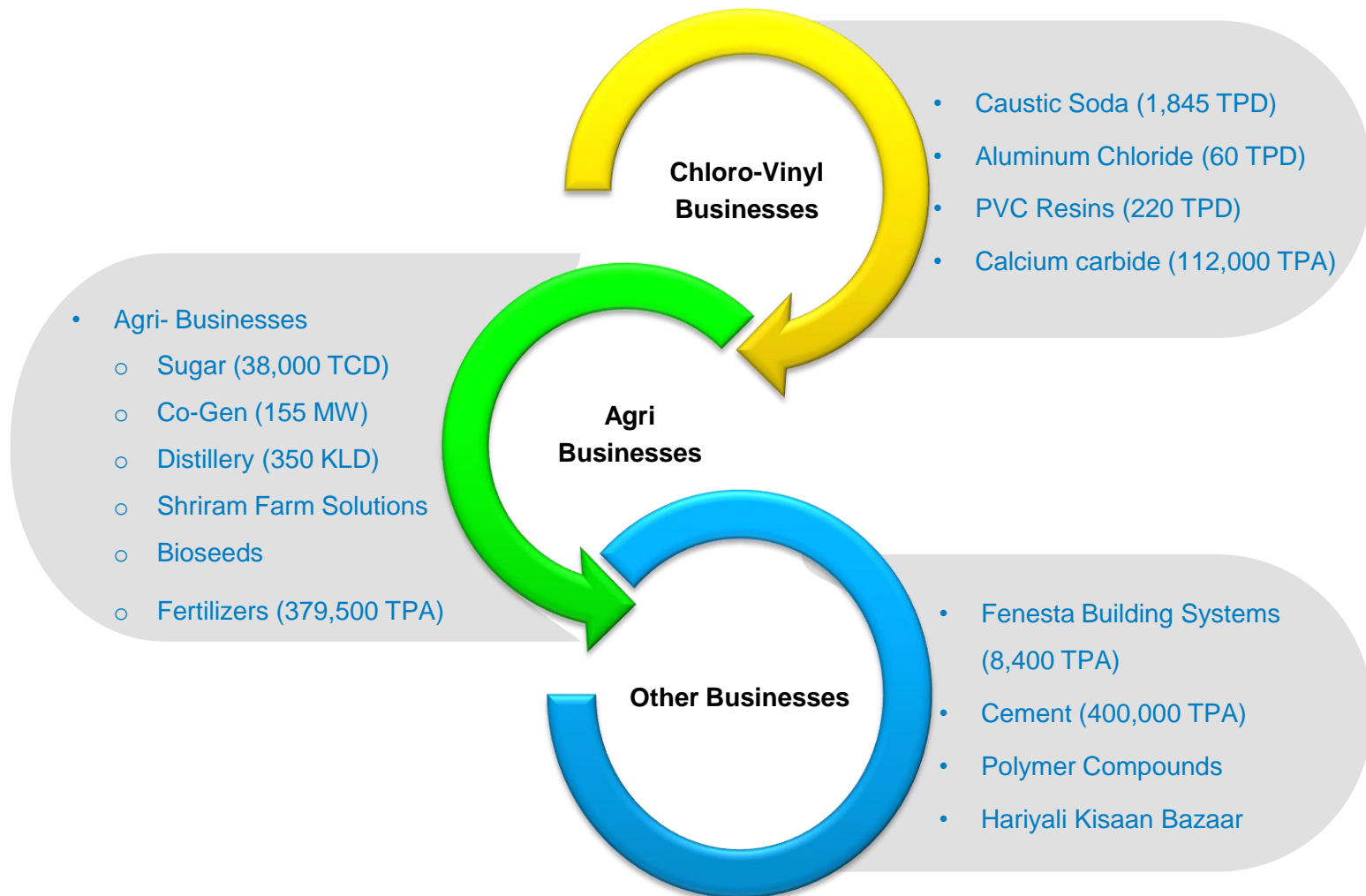
*The 66 MW new power plant has been partly commissioned in Jan'20 and will be fully commissioned in next few days. This would help in reducing power costs in our chloro-vinyl activities.*

*The chemical business is pursuing several initiatives to enhance production capacity as well as capacity utilization to achieve economies of scale and integration.*

*The Fenesta windows business, Bioseed and Shriram Farm Solutions are focusing on expanding product portfolio and market development activities which would result in turnover growth in next few quarters.*

*We continue to pursue sustainable earnings growth through enhancing scale & integration, improve cost structures and expand value added portfolio. The company is expected to deliver robust cash generation, in line with the strategic direction.”*

# Segmental Details



The business is supported by 248 MW (excluding new 66 MW power plant) 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.)
<b>Q3 FY20</b>	<b>539.0</b>	<b>131.6</b>	<b>1,520.4</b>
Q3 FY19	660.6	251.9	1,274.9
% Shift	(18.4)	(47.7)	19.3
<b>9M FY20</b>	<b>1,793.9</b>	<b>570.9</b>	<b>1,520.4</b>
9M FY19	1,826.7	722.6	1,274.9
% Shift	(1.8)	(21.0)	19.3

The Chloro-Vinyl business of the Company has highly integrated operations with multiple revenue streams and 209 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 245 crores at 31<sup>st</sup> December, 2019 vs Rs 198 crores at 31<sup>st</sup> December, 2018.

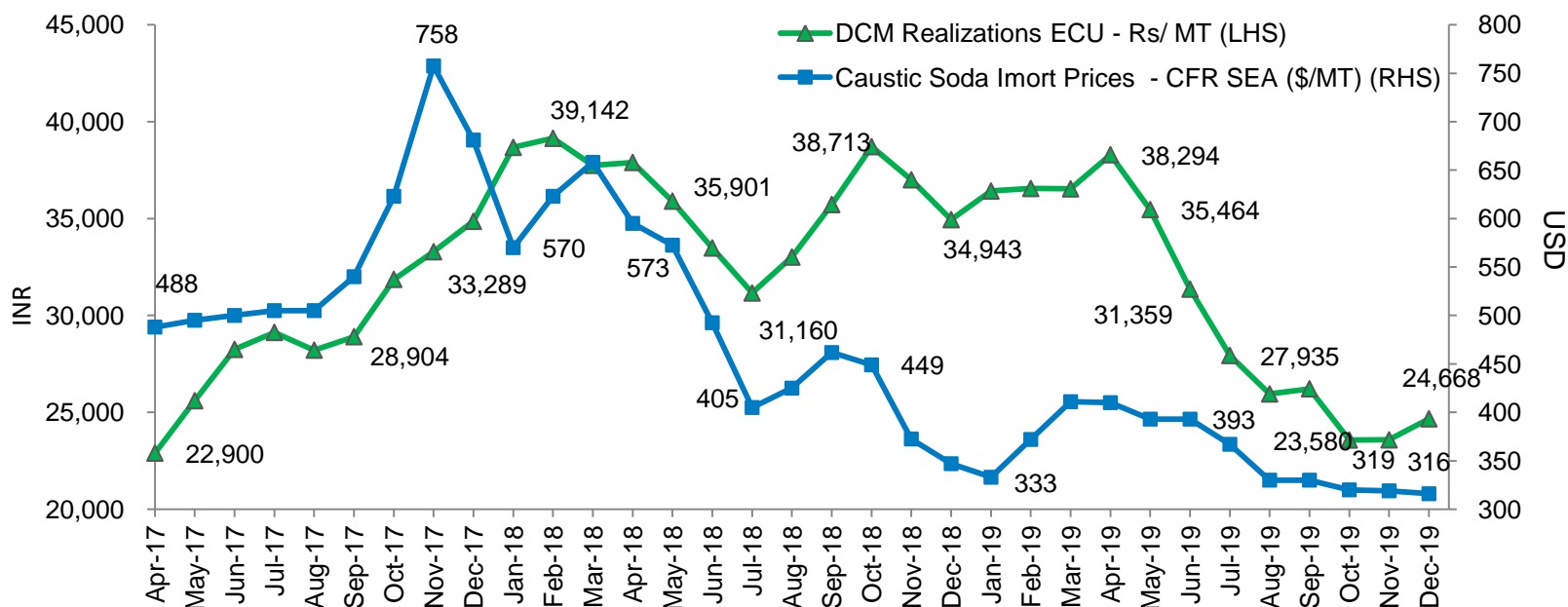
\*Excluding new 66 MW power plant.



# Chemicals

Particulars	Operational		Financial		
	Caustic Sales (MT)	ECU Realisations (Rs./MT)	Revenues (Rs Cr.)	PBIT (Rs. Cr.)	PBIT Margin %
<b>Q3 FY20</b>	<b>134,020</b>	23,954	<b>392.3</b>	<b>104.5</b>	<b>26.6</b>
Q3 FY19	120,443	36,967	504.8	235.1	46.6
% Shift	11.3	(35.2)	(22.3)	(55.5)	(42.8)
<b>9M FY20</b>	<b>405,687</b>	<b>28,689</b>	<b>1,370.8</b>	<b>494.2</b>	<b>36.0</b>
9M FY19	341,244	35,415	1,390.7	666.1	47.9
% Shift	18.9	(19.0)	(1.4)	(25.8)	(24.7)

### Import Caustic and DCM ECU Prices



# Chemicals

## Industry Overview

- ❑ The total capacity in the country went up by 10% in FY19 and is expected to go up further by ~7.5% in FY20.
- ❑ The total imports of caustic in the country during 9M FY'20 have gone up by 7% i.e. to 2.31 lac MT vs 2.16 lac MT for 9M FY19.
- ❑ Exports for 9M FY20 at 1.10 lac MT vs 1.35 lac MT during 9M FY19, exports have picked up in Q3 FY20 (at 0.53 lac MT ).
- ❑ The Caustic demand in the country has grown ~2%, due to low growth in all consuming sectors.

## Performance Overview

- ❑ **Q3 FY20**
  - Net Revenues at Rs 392 crores down 22% YoY.
    - ECU prices down 35% YoY due to softer Caustic (Liquid) prices and lower chlorine prices YoY. Volumes up 11% YoY.
  - PBIT for the quarter at Rs 105 crores vs Rs 235 crores in Q3 FY19 on account of lower margins due to lower ECU prices. Coal prices remained lower on year on year basis, whereas salt prices remained at similar levels.
  - PBIT margins at 27% for Q3 FY20 vs 47% for Q3 FY19.

# Chemicals

## Performance Overview

### □ 9M FY20

- Net revenues marginally down 1% YoY at Rs 1,371 crores. Volumes up 19% due to new capacities addition. ECU prices down 19% YoY on account of softer caustic (liquid) and chlorine prices. Caustic Flakes premium also lower in current period vs same period last year.
- PBIT at Rs 494 crores down 26% YoY due to lower margins on account of lower product prices. Coal prices came in lower year on year on year basis, whereas, salt prices were higher.
- PBIT margin at 36% vs 48% during same period last year.

## Outlook

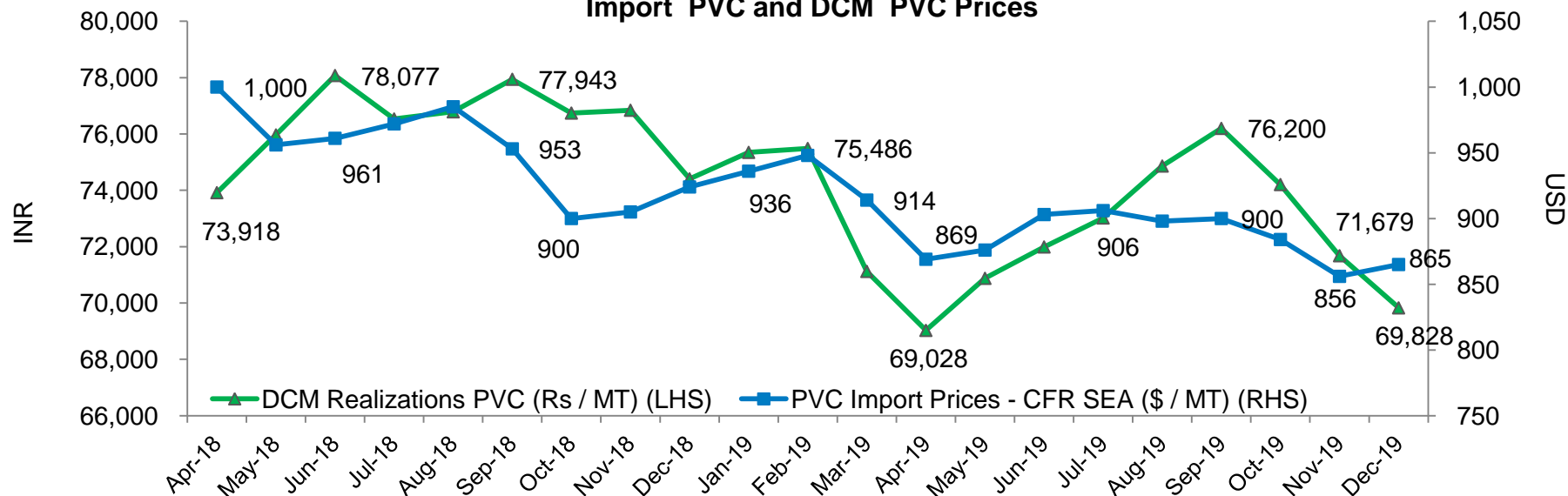
- Domestic ECU prices have fallen sharply during first half of current FY, and continue to be soft.
- Upcoming domestic capacities in Q4 FY20 at ~3 lac TPA. Prices may not see any immediate recoveries.
- Our expansion of Chlor alkali capacity by 700 TPD and captive power by 120 MW at Bharuch progressing as per schedule (to be commissioned in 2021-22).
- Commissioning of more efficient 66 MW power plant at Kota in Q4 FY20 will improve cost structures.

# Plastics

Particulars	Operational				Financial		
	PVC Sales (MT)	PVC XWR Realisations (Rs./MT)	Carbide Sales (MT)	Carbide XWR Realisations (Rs./MT)	Revenues (Rs Cr.)	PBIT (Rs. Cr.)	PBIT Margin %
<b>Q3 FY20</b>	<b>15,396</b>	<b>71,800</b>	<b>5,657</b>	<b>52,804</b>	<b>146.6</b>	<b>27.1</b>	<b>18.5</b>
Q3 FY19	15,410	75,859	6,515	52,530	155.7	16.8	10.8
% Shift	(0.1)	(5.4)	(13.2)	0.5	(5.8)	61.8	71.8
<b>9M FY20</b>	<b>44,654</b>	<b>72,190</b>	<b>15,767</b>	<b>54,949</b>	<b>423.1</b>	<b>76.8</b>	<b>18.1</b>
9M FY19	43,384	76,058	18,223	52,050	435.9	56.5	13.0
% Shift	2.9	(5.1)	(13.5)	5.6	(2.9)	35.9	40.0

# Plastics

### Import PVC and DCM PVC Prices



## Performance Overview

### Q3 FY20

- Net revenue down 6% YoY at Rs 147 crores due to lower PVC prices. PVC prices lower 5% YoY.
- PBIT up 62% YoY at Rs 27 crores driven by lower input prices led by pet coke.

### 9M FY20

- Net revenues down 3% YoY at Rs 423 crores. PVC prices lower 5% YoY. Carbide prices up 6% YoY. PVC volumes up 3% YoY, whereas, carbide volumes lower 13% YoY.
- PBIT up 36% YoY at Rs 77 crores due to lower input prices driven by pet coke.
- PBIT margin up to 18% from 13% during same period previous year.

## Outlook

- 40 TPD PVC plant commissioned during Q3 FY20 and the more efficient 66 MW power plant at Kota to be commissioned in Q4 FY20 shall further improve cost structures for ensuing periods.

# Sugar

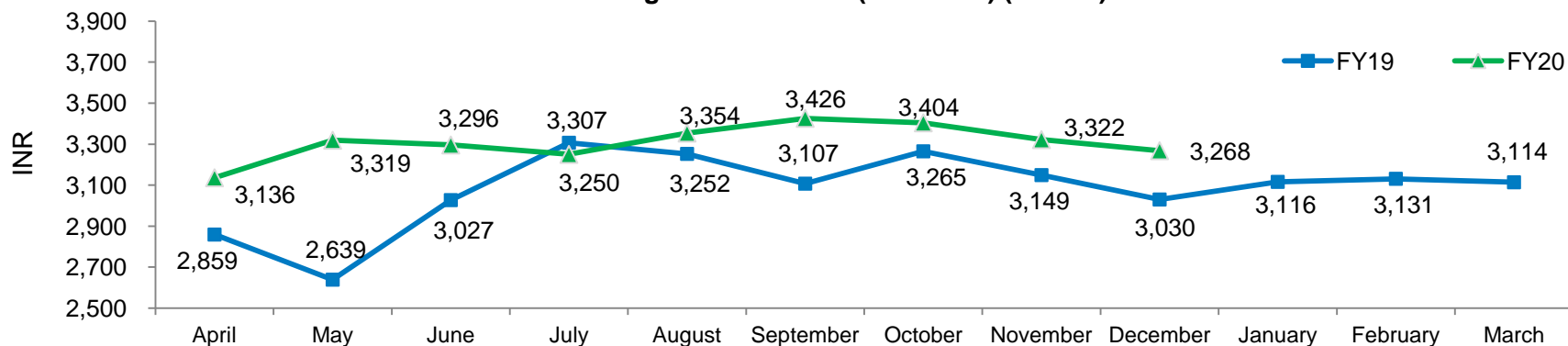
Particulars	Financial			
	Revenues (Rs. Cr.)	PBIT (Rs. Cr.)	PBIT Margin %	Cap. Employed (Rs. Cr.)
<b>Q3 FY20</b>	<b>762.2</b>	<b>96.7</b>	<b>12.7</b>	<b>2,075.5</b>
Q3 FY19	618.5	42.5	6.9	1,357.4
% Shift	23.2	127.5	84.6	52.9
<b>9M FY20</b>	<b>1,683.2</b>	<b>196.1</b>	<b>11.7</b>	<b>2,075.5</b>
9M FY19	1,715.6	127.2	7.4	1,357.4
% Shift	(1.9)	54.3	57.2	52.9

Season Updates
Crushing started in 1st week of November, 2019. Operations are stable.
Both the distilleries (including 200 KLD new distillery at Ajbapur) operating on B-Heavy molasses satisfactorily.
Cane Crushed up to 23rd Jan, 2020 is 268 lac qtls vs 219 lac qtls during same period previous season.
Recoveries up to 23 <sup>rd</sup> Jan, 2020 is 10.63% vs 11.63% during same period previous season. Impact on recoveries due to B-heavy molasses production is estimated at ~0.72%.

Sugar Capacity: 38,000TCD Power Co-Gen: 155MW (Exportable 87.5 MW) Distillery: 350KLD

Capital employed includes CWIP of Rs 48 crores at 31<sup>st</sup> December, 2019 vs Rs 387 crores at 31<sup>st</sup> December, 2018.

**DCM Sugar Realizations (Domestic) (Rs/ Qtl)**





# Sugar

Particulars	Operational							
	Sugar Production (Lac Qtls)	Sugar Sales (Domestic) (Lac Qtls)	Sugar (Domestic) Realizations (Rs/Qtl)	Power Sales (Lac Units)	Power Realizations (Rs/ unit)	Distillery Sales* (Lac Ltrs)	Distillery Realizations - B Heavy (Rs/ Ltrs)	Distillery Realizations - C Heavy (Rs/ Ltrs)
<b>Q3 FY20</b>	<b>19.1</b>	<b>12.6</b>	<b>3,333</b>	<b>959.0</b>	<b>3.5</b>	<b>129.0</b>	<b>52.8</b>	<b>40.8</b>
Q3 FY19	16.0	14.2	3,159	884.5	5.2	103.5	-	39.2
% Shift	19.2	(11.4)	5.5	8.4	(32.2)	24.6	-	4.1
<b>9M FY20</b>	<b>33.0</b>	<b>35.5</b>	<b>3,309</b>	<b>1,670.0</b>	<b>3.6</b>	<b>390.0</b>	<b>52.8</b>	<b>41.4</b>
9M FY19	35.4	44.2	3,015	2,047.4	5.2	370.8	-	37.1
% Shift	(7.0)	(19.7)	9.7	(18.4)	(31.5)	5.2	-	11.6

\*Distillery sales for B-heavy molasses is 56 lac ltrs for 9M FY 20 and Q3 FY20.

## Industry Overview

- ❑ Overall Sugar production down 26% YoY for current season till 15<sup>th</sup> Jan, 20. Total mills operative are 440 vs 511 for same period.
- ❑ Maharashtra and Karnataka production down by 55% and 18% respectively for the same period.
- ❑ U.P. production up 4%.
- ❑ First advance estimates by ISMA: Total sugar production during 2019-20 SS estimated at around 268.5 lac tonnes without considering the impact of sugar reduction due to diversion of B heavy molasses/ sugarcane juice to Ethanol. Sugar production during 2018-19 sugar season was 331.61 lac tons.
- ❑ The total finalized quantity of Ethanol to be supplied after first tender stood at 156 Cr ltr, out of which the finalized quantity of Ethanol to be supplied made from B heavy molasses and sugarcane juice stands at 61.63 Cr. ltr and 10.60 Cr. ltr respectively.

# Sugar Segment

## Performance Overview

### Q3 FY20

- Overall sugar revenues up 23% YoY at Rs 762 crores led by higher sugar and distillery revenues.
  - a. Higher distillery revenues by ~Rs 18 crores.
  - b. Higher sugar exports contributing to an increase of ~Rs 171 crores.
  - c. Domestic sugar revenues down by ~Rs 33 crores.
- Overall segment PBIT for up 128% YoY at Rs 97 crores. The results of last year included loss of Rs 65 crores on account of loss on exports net off financial assistance for cane price accrued vs Rs 6 crores loss in current quarter.
- Maintenance shut down lasting 26 days taken for distillery of 150 KLD during the quarter impacted distillery earnings.
- Power profits also lower resulting from Rs2/ per unit reduction in power tariff by UP Govt.
- Contracted 12.3 lac qtls for exports.
- Sugar inventory (domestic) at 31<sup>st</sup> December, 2019 stood 28.74 lac Qtl (20.79 lac Qtl at 31<sup>st</sup> December, 2018) valued at 3,020 per qtl.
- Capital employed higher at Rs 2,076 crores at 31<sup>st</sup> December, 2019 vs Rs 1,357 crores at 31<sup>st</sup> December, 2018 due to higher stock and fixed assets addition.

### 9M FY20

- Overall Sugar revenues at Rs 1,683 down 2% YoY crores on account of:
  - The domestic sugar sales volumes were down 20% YoY after the Govt stipulated sales release mechanism.
  - Power volumes are down 18% YoY due to shorter sugar season 2019. Power prices are also lower YoY consequent to reduction in tariffs by government.
  - Distillery revenues were higher by 13% YoY.
- Overall PBIT up 54% YoY at Rs 196 crores.
  - Higher earnings from Distillery.
  - Sugar domestic prices up 10% YoY. Loss on exports net of financial assistance was Rs 65 crores for 9M FY19.

## Outlook

- Production is estimated to be lower in SS 2020 vs SS2019. Exports likely to be around 4-5 mn tonnes, which would result into inventors to be around ~10 mn tonnes (higher than norm of ~5 mn tonnes). However, release mechanism and MSP to support the prices.
- Our 200 KLD Distillery commissioned during Q3 FY20 to provide full integration on molasses, thereby, providing insulation to molasses prices volatility.

# Shriram Farm Solutions

Particulars	Revenues (Rs. Cr.)	PBIT (Rs. Cr.)	PBIT Margin %	Cap. Employed (Rs. Cr.)
<b>Q3 FY20</b>	<b>331.4</b>	<b>62.8</b>	<b>18.9</b>	<b>159.8</b>
Q3 FY19	275.8	44.0	16.0	262.2
% Shift	20.2	42.7	(39.1)	(39.1)
<b>9M FY20</b>	<b>687.8</b>	<b>75.7</b>	<b>11.0</b>	<b>159.8</b>
9M FY19	644.1	55.2	8.6	262.2
% Shift	6.8	37.3	(39.1)	(39.1)

The products includes Seeds, Pesticides, Soluble Fertilizer, Micro-nutrients etc. This business is seasonal in nature and the results in the quarter are not representative of annual performance

## Performance Overview

### Q3 FY20

- Overall net revenues up 20% YoY led by research wheat.
- Overall PBIT higher 43% YoY at Rs 63 crores driven higher revenues and better product mix.

### 9M FY20

- Overall net revenues up 7% YoY driven by research wheat. Overall PBIT up 37% YoY at Rs 76 crores.

## Outlook

- Expect good growth in value added inputs with enhanced focus on this business.

Particulars	Revenues (Rs. Cr.)			PBIT (Rs. Cr.)	PBIT Margin %	Cap. Employed (Rs. Cr.)
	India	International	Total			
<b>Q3 FY20</b>	<b>57.3</b>	<b>25.3</b>	<b>82.6</b>	<b>(9.4)</b>	<b>(11.3)</b>	<b>496.1</b>
Q3 FY19	37.9	25.4	63.3	(14.4)	(22.7)	467.9
% Shift	51.2	(0.1)	30.6	-	-	6.0
<b>9M FY20</b>	<b>293.8</b>	<b>76.7</b>	<b>370.5</b>	<b>25.7</b>	<b>6.9</b>	<b>496.1</b>
9M FY19	358.3	69.6	427.9	29.4	6.9	467.9
% Shift	(18.0)	10.1	(13.4)	(12.6)	0.9	6.0

Bioseed business is intensely research based and is diversified across key crops (Cotton, Corn, Paddy, Bajra and Vegetables). India is the key market with presence across all above crops. International presence is in Vietnam, Philippines and Indonesia wherein the key crop is Corn. The performance of the business has seasonality, with Kharif being the major season in India.

## Performance Overview

### Q3 FY20

- Overall revenues up 31% YoY. Revenues from India operations (Q3 is a short season for India operations) up 51% YoY. International revenues remained flat.
- India operations had lower losses.

### 9M FY20

- Overall revenues down 13% YoY. Revenues from India operations down 18% YoY due to challenges in BT cotton segment. International revenues up 10% driven by corn sales.
- PBIT down 13% YoY due to lower volumes of BT cotton sales and higher overheads in international segment.
- Sales and PBIT, for subsidiaries approved by the board for sale, are Rs 11 crores and loss of Rs 16 crores for 9M FY20 respectively.

## Outlook

- Expect growth in business in medium growth.

# Fertilizers (Urea)

Particulars	Operational		Financial			
	Sales (MT)	Realisations (Rs./MT)	Revenues (Rs. Cr.)	PBIT (Rs. Cr.)	PBIT Margin %	Cap. Employed (Rs. Cr.)
<b>Q3 FY20</b>	<b>108,642</b>	<b>24,126</b>	<b>274.4</b>	<b>13.8</b>	<b>5.0</b>	<b>489.7</b>
Q3 FY19	106,274	26,771	299.0	24.0	8.0	484.4
% Shift	2.2	(9.9)	(8.2)	(42.6)	(37.4)	1.1
<b>9M FY20</b>	<b>281,020</b>	<b>24,505</b>	<b>716.2</b>	<b>6.4</b>	<b>0.9</b>	<b>489.7</b>
9M FY19	292,094	24,677	773.7	50.2	6.5	484.4
% Shift	(3.8)	(0.7)	(7.4)	(87.3)	(86.3)	1.1

## Performance Overview

### Q3 FY20

- Net revenues down 8% YoY due to lower prices consequent to lower input costs.
- PBIT at Rs 14 crores down 43% vis a vis previous year.
- Subsidy outstanding as on 31<sup>st</sup> December, 2019 Rs 383 crores vs Rs 423 crores as on 31<sup>st</sup> December, 2018.

### 9M FY20

- Net revenues down 7% YoY due to lower volumes and 9M FY19 included subsidy arrears of Rs 14 crores. Volumes lower 4% YoY due to shut down in April'19. Operations stable after shutdown in Q1 FY20.
- PBIT down 87% YoY due to shut down cost, lower volumes.

## Outlook

- Plant operations likely to be stable

# Other Businesses

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The 'Others' Segment in the financial results, includes Cement, Fenesta Building Systems and Hariyali Kisaan Bazaar.

Revenues under 'Others' stood at Rs 215 crores in Q3 FY20 from Rs. 210 crores in Q3 FY19. PBIT for the quarter stood at Rs. 8 crores vis-à-vis Rs. 5 crores in Q3 FY19.



# Fenesta Building Systems

Particulars	Operational			Financial		
	Order Book (Rs Cr.)			Revenues	PBIT	PBIT Margin
	Retail	Projects	Total	Total (Rs Cr.)	(Rs Cr.)	%
<b>Q3 FY20</b>	<b>79.0</b>	<b>29.6</b>	<b>108.6</b>	<b>107.3</b>	<b>13.5</b>	<b>12.6</b>
Q3 FY19	76.7	32.1	108.8	97.0	12.0	12.3
% Shift	3.1	(8.0)	(0.2)	10.6	12.7	1.9
<b>9M FY20</b>	<b>244.7</b>	<b>86.8</b>	<b>331.6</b>	<b>334.3</b>	<b>49.6</b>	<b>14.8</b>
9M FY19	227.7	94.5	322.3	288.5	36.0	12.5
% Shift	7.5	(8.1)	2.9	15.9	37.7	18.8

Fenesta a pan India brand has become synonymous with UPVC windows. Includes Retail and Project Segment

## Performance Overview

### Q3 FY20

- Retail order book up by 3% YoY. Projects down 8% YoY. Order book growth remained flat QoQ.
- Revenues up by 11% YoY supported by both retail and project segment. Sequentially, revenues down 10% due to low consumer sentiments.
- PBIT margin improved to 13% vs 12% during same period previous year.

### 9M FY20

- Retail order book up 7% YoY. Projects down 8%.
- Revenues up 16% YoY driven by both retail and projects segments.
- PBIT up 38% YoY on account of improved margins.

## Outlook

- Improvement in the overall economic scenario and uptick in the real estate sector will enable higher penetration of the uPVC window offerings.

# Cement

Particulars	Operational		Financial		
	Sales (MT)	Realisations (Rs./MT)	Revenues (Rs. Cr.)	PBIT (Rs. Cr.)	PBIT Margin %
<b>Q3 FY20</b>	<b>104,369</b>	<b>3,525</b>	<b>44.6</b>	<b>(5.3)</b>	<b>(11.9)</b>
Q3 FY19	109,099	3,128	42.3	(6.4)	(15.2)
% Shift	(4.3)	12.7	5.3	-	-
<b>9M FY20</b>	<b>307,401</b>	<b>3,543</b>	<b>132.3</b>	<b>1.9</b>	<b>1.4</b>
9M FY19	325,247	3,039	124.3	(5.8)	(4.7)
% Shift	(5.5)	16.6	6.4	-	-

The Cement business is small, since its capacity is driven by the waste generated from carbide plant. The Company markets its cement under the 'Shriram' brand

## Performance Overview

- ❑ **Q3 FY20**
  - Net revenues up 5% YoY led by higher realizations 13% YoY. Volumes lower 4% YoY.
- ❑ **9MFY20**
  - Net revenues up 6% YoY led by realizations up 17% YoY. Volumes lower 5% YoY.
  - PBIT turned +ve on account of improved margins led by higher prices.

## Outlook

- Business working on enhancing efficiencies further and optimizing costs.

# About Us & Investor Contacts

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DCM Shriram Ltd. is an integrated business entity, with extensive and growing presence across the entire Agri value chain and Chloro-Vinyl industry. The Company has added innovative value-added businesses in these domains primarily Bioseed and Fenesta. Access to captive power at all key manufacturing units enables the businesses to optimise competitive edge.

For more information on the Company, its products and services please log on to [www.dcmshriram.com](http://www.dcmshriram.com) or contact:

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