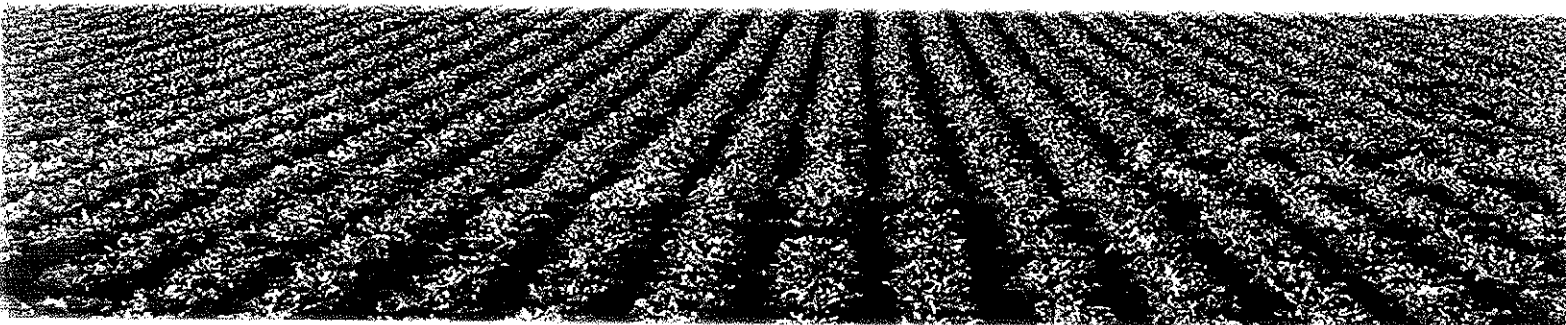


DCM SHRIRAM

Growing with trust

DCM Shriram Ltd.

Q3 & 9M FY16 - Results Presentation



Safe Harbour

Certain statements in this document may be forward-looking statements. 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

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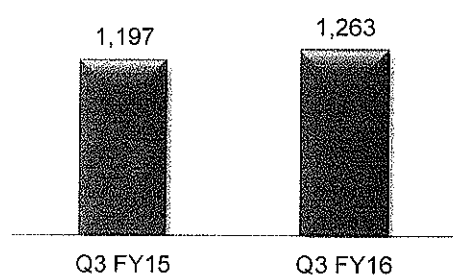
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Q3 FY16 – Key Highlights

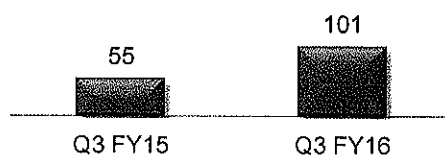
1. **Net Revenues** increased by 5.5% YoY to Rs 1,263 crores (LY: Rs 1197 crores)
 - a. Sales of Bulk Fertilisers up by Rs 104 crores
 - b. Sales of Hariyali (Fuel Outlets) down by Rs 23 crores and Sugar by Rs 43 crores
2. **PBDIT** increased to Rs 101 crores, up 85% YoY, contributed by
 - a. Sugar business – with lower losses, primarily due to lower inventory writedowns, a result of higher current prices and lower cost of production led by better sugar recovery
 - b. Chloro-Vinyl business – Improvement in earnings vs. same period last year is because in Q3FY15 there was unprecedented drop in prices. In the current quarter the prices are lower compared to beginning of the year, impacting margins
 - c. Bioseed business - losses stood lower vs. last year as last year had a one time inventory writeoff in international business
 - d. Cement business' had lower losses driven by lower input costs vis-à-vis last year
3. **Subsidy Outstanding** stood higher by 33% to Rs 584 crores as compared with on Rs 441 crores as on Dec 31, 2014
4. **Finance costs** stood lower at Rs 14 crores down from Rs 26 crores in Q3 FY 15
5. **PAT** increased to Rs 60 crores, up 121% from Rs 27 crores in Q3 FY 15
6. **Net Debt** as on Dec 31, 2015 stood at Rs. 435 crores vis-à-vis Rs. 432 crores as on Sep 30, 2015 and Rs 491 crores as on Dec 31, 2014. Balance Sheet continues to be strong

Q3 FY16 – Financial Snapshot

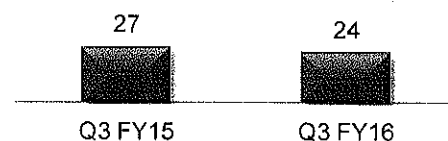
Revenues



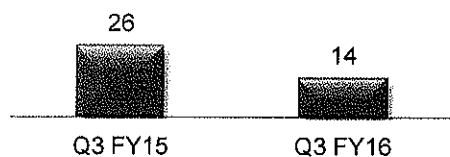
EBITDA



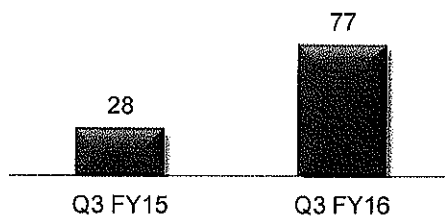
Depreciation



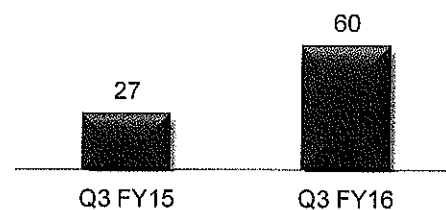
Finance Costs



PBIT



PAT



Note: All figures in Rs. Crores

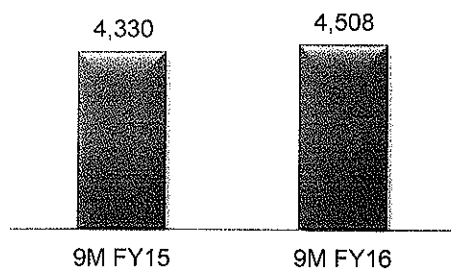
Q3 FY16 - Segment Performance

Rs. crore

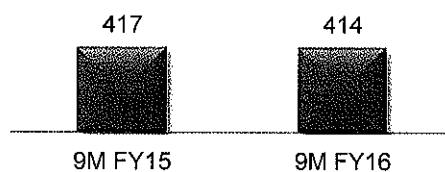
Segments	Revenues			PBIT			PBIT Margins %	
	Q3 FY15	Q3 FY16	YoY % Change	Q3 FY15	Q3 FY16	YoY % Change	Q3 FY15	Q3 FY16
Chloro Vinyl	293.7	296.5	0.9	60.0	83.6	39.3	20.4	28.2
Sugar	169.6	126.2	(25.6)	(21.0)	(1.9)	-	(12.4)	(1.5)
Agri Inputs	522.6	654.6	25.3	6.1	14.4	137.2	1.2	2.2
- Shriram Farm Solutions	281.5	378.9	34.6	22.7	17.9	(21.4)	8.1	4.7
- Bioseed	29.5	46.4	57.2	(34.7)	(20.4)	-	(117.6)	(43.9)
- Fertiliser	211.5	229.2	8.4	18.1	16.9	(6.5)	8.5	7.4
Cement	31.2	33.0	5.6	(6.8)	(3.7)	-	(21.8)	(11.2)
Hariyali Kisaan Bazaar	119.9	96.6	(19.4)	3.2	0.5	(83.6)	2.6	0.5
Others	67.1	71.2	6.0	0.1	1.3	-	0.2	1.8
Total	1,204.0	1,277.9	6.1	41.6	94.2	126.6	3.5	7.4
Less: Intersegment Revenue	7.0	15.0	114.9					
Less: Unallocable expenditure (Net)				14.0	17.4	24.0		
Total	1,197.1	1,262.9	5.5	27.6	76.8	178.6	2.3	6.1

9M FY16 – Financial Snapshot

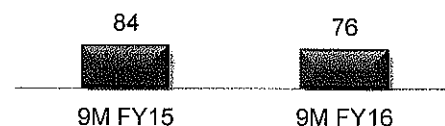
Revenues



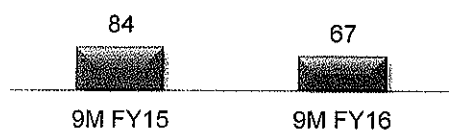
EBITDA



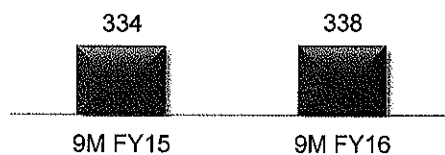
Depreciation



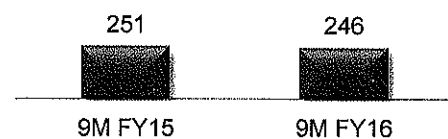
Finance Costs



PBIT



PAT



Note: All figures in Rs. Crores

9M FY16 - Segment Performance

Rs. crore

Segments	Revenues			PBIT			PBIT Margins %	
	9M FY 15	9M FY 16	YoY % Change	9M FY 15	9M FY 16	YoY % Change	9M FY 15	9M FY 16
Chloro Vinyl	934.0	928.0	(0.6)	244.9	253.2	3.4	26.2	27.3
Sugar	710.3	609.6	(14.2)	(12.5)	30.8	-	(1.8)	5.1
Agri Inputs	2,217.7	2,541.4	14.6	148.7	106.8	(28.2)	6.7	4.2
- Shriram Farm Solutions	1,169.1	1,475.9	26.2	70.8	56.1	(20.8)	6.1	3.8
- Bioseed	492.5	443.2	(10.0)	42.9	25.8	(39.8)	8.7	5.8
- Fertiliser	556.1	622.3	11.9	35.0	24.9	(28.9)	6.3	4.0
Cement	102.9	102.5	(0.4)	(4.0)	(3.5)	-	(3.8)	(3.4)
Hariyali Kisaan Bazaar	368.2	293.5	(20.3)	3.9	(0.1)	-	1.0	(0.0)
Others	197.9	215.0	8.7	(4.5)	5.3	-	(2.3)	2.5
Total	4,531.0	4,690.0	3.5	376.6	392.6	4.2	8.3	8.4
Less: Intersegment Revenue	201.1	181.8	(9.6)					
Less: Unallocable expenditure (Net)				43.1	54.4	26.2		
Total	4329.9	4508.2	4.1	333.6	338.2	1.4	7.7	7.5

Q3 FY16 - Performance Overview & Outlook

Chloro-Vinyl

- Current PVC prices have seen a significant drop compared to prices in April 15. Chemical prices also have declined in the same period.
- Input costs are declining at a slower pace
- New taxes and levies on coal based power are imposing additional burden
- Overall margins declining in the current year, though better than Q3 FY 15 wherein the decline was very sharp led by unprecedented low prices
- Increase in Capital Employed of the segment is due to the undergoing capacity expansion at Bharuch

Outlook

- The Business is vulnerable to cheaper imports, with limited custom duty protection. The domestic prices will follow global price trends
- Expect higher Chlor Alkali volumes in Q1 FY 17 as the company commissions its expanded capacity at Bharuch
- New captive power plant at Bharuch to start by Sep 2016
- Maintenance shutdown in Chemicals and PVC businesses planned in Q4 FY 16 at both the Kota and Bharuch plants

Sugar

- Lower revenue in Q3 FY 16 vis-à-vis last year was primarily due to lower volumes and realisations, a result of lower opening inventory this quarter
- Operating losses stood lower during the quarter vis-à-vis last year on account of lower inventory write-down, a result of higher sugar recovery in the current season and improved current realizations
 - Sugar recovery in the current season till Dec stood higher at 10.7% vs. 9.9% last season
 - Current prices are around Rs 3,000/Qtl only marginally less than the cost of production

Outlook

- Recently announced UP Cane policy is in line with last year's scheme; SAP unchanged but State Govt's subsidy reduced by Rs 5/Qtl of cane consumed
- Establishing cane and sugar price linkage will provide long term direction to the industry
- Sugar production in India is expected to be less than last year. Govt. / Industry pursuing for exports also
- Sugar co-gen expansion project is on schedule, to be commissioned before the next sugar season

Q3 FY16 - Performance Overview & Outlook

Shriram Farm Solutions

- Revenue increase during Q3 FY 16 vs. last year was due to higher sales volumes of bulk fertilisers
- 'Value Added' inputs vertical's revenue stood lower by 5% YoY on account of
 - Delayed sowing in the Rabi season amid distressed farm economics that adversely impacted off-take of crop care chemicals and micronutrients during the quarter
- Lower business earnings during the quarter was primarily on account of weaker margins in bulk fertilizers and lower sales of Value added inputs
- Business' capital employed increased substantially due to rise in subsidy outstandings and higher inventory of bulk fertilisers

Outlook

- Overall performance will depend on weather pattern in Kharif season
- Central Govt. has recently issued Cotton Seed Price Control order. Govt's decision in the matter will affect the performance
- High subsidy outstanding in bulk fertilizers is resulting in higher working capital requirements
- Company continues to focus on marketing initiatives and efforts towards growing distribution network, demand creation and product portfolio to drive growth over medium term for 'Value Added' business vertical

Bioseed

- Q3 FY 16 revenues increase was primarily due to higher sales (Corn) in the international business
- Domestic business' revenue also stood higher due to higher sales of vegetable seeds during the quarter vis-à-vis last year
- Earnings improvement was primarily in international operations, as corresponding quarter last year there was one time inventory writeoff
- Weather plays a vital role in performance of this business, which has been adverse in our areas of operations, impacting growth

Outlook

- Central Govt's decision under the newly promulgated Cotton Seed Price Control order will affect the performance
- Business expected to witness growth in the medium term driven by high focus on R&D and a strong product pipeline
- New product offerings and increasing marketing efforts to drive growth in operations

Q3 FY16 - Performance Overview & Outlook

Fertilisers

- Increase in Q3 FY 16 revenue was due to higher volumes vs. last year
- In Q3 FY 16, energy efficiency stood better both sequentially and vis-à-vis last year
- Earnings benefited from allowance by Govt. of Rs 200/Thscm of gas as marketing margin
- Tightening in energy efficiency norms under the new Urea policy (effective 1st June 2015) weighed on earnings
- Subsidy outstanding substantially higher vis-à-vis last year, a result of high pooled gas prices

Outlook

- Continuous focus on improvement in energy efficiencies
- Higher subsidy outstanding leading to downward pressure on earnings due to higher finance costs
- Retention prices are not in line with cost increases impacting earnings of this business

Cement

- Higher revenue during the quarter was due to higher sales volumes
- Cement realizations continue to remain soft and stood 2% down sequentially
- Improvement in earnings during the quarter vs. last year was on account of higher revenue and lower cost of key input materials

Hariyali Kisaan Bazaar

- Revenues from fuel sales only
- Lower earnings is on account of lower sale of properties

Others

- Fenesta business' revenue stood higher during the quarter primarily due to higher sales volumes from the 'Projects' segment
- Order Booking witnessed strong growth for both 'Retail' and 'Project' segments in 9M FY 16
- Business operations continue to be positive at PBT level

Management's Message

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

"The company reported a satisfactory performance with stable operations and positive improvements in sugar margin structure and outlook

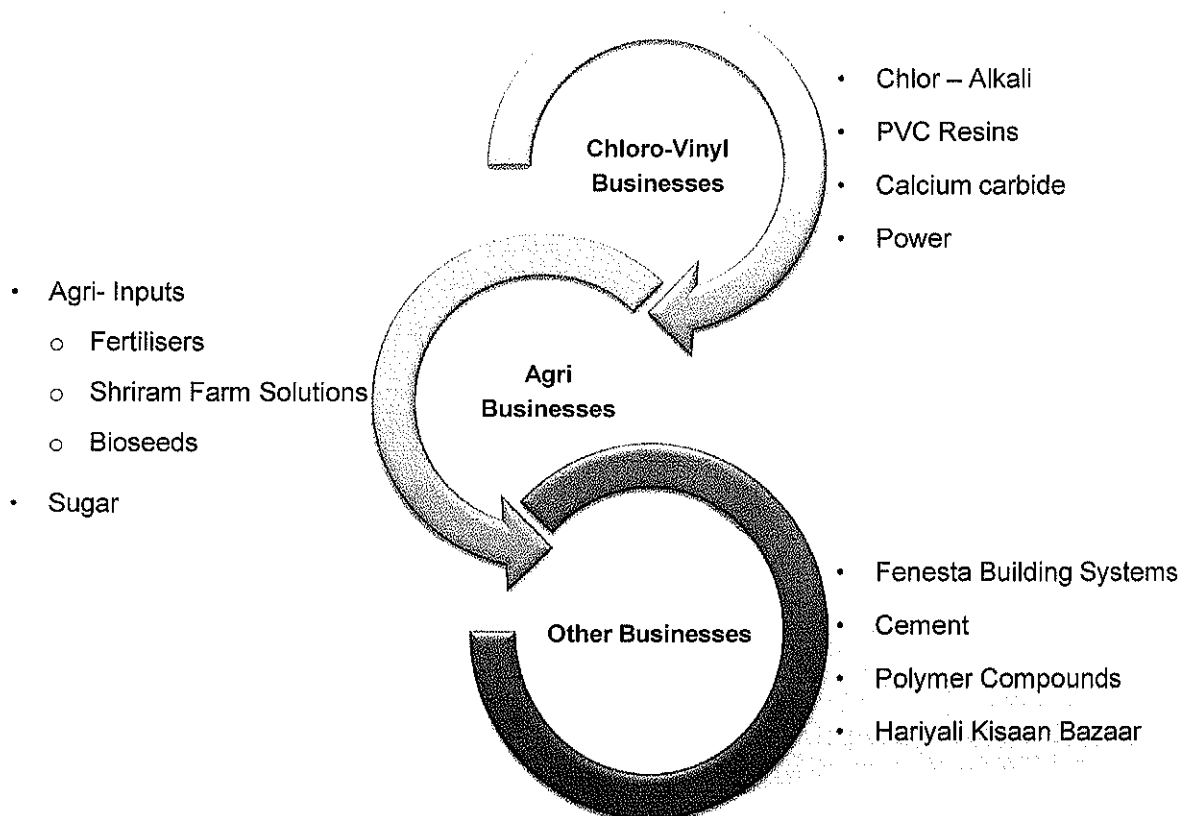
The policy framework for Sugar business is moving in the right direction with the Govt. and industry pursuing export of surplus sugar, developing a rational cane pricing policy linking sugarcane and encouraging the production and use of ethanol. Weather pattern has also helped in improving the situation. The Govt. and industry has to carry forward the steps being undertaken. Establishing cane and sugar price linkage will provide long term direction to the industry.

Chloro Vinyl business is directly impacted by the Global conditions and faces threat from low priced imports. We continue to focus on improving our cost structure and scale to strengthen our competitiveness.

Growth of our Agri-input businesses is affected by adverse weather conditions. We are further strengthening our product portfolio and intensifying our marketing efforts.

Our capex programs in the Chemicals and Sugar businesses are progressing well and will add to company's performance from FY 17 onwards. Our healthy balance sheet and reasonable cash flows enable us to comfortably fund our ongoing capex programs and give us flexibility to take up future growth projects"

Segmental Overview



Chloro Vinyl Business

Particulars	Revenues (Rs. cr.)	PBIT (Rs. cr.)	Cap. Employed (Rs. cr.)
Q3 FY16	296.5	83.6	598.0
Q3 FY15	293.7	60.0	486.2
% Shift	0.9	39.3	23.0
9M FY16	928.0	253.2	598.0
9M FY15	934.0	244.9	486.2
% Shift	(0.6)	3.4	23.0

The Chloro-Vinyl business of the Company has highly integrated operations with multiple revenue streams and 143 MW captive power generation facilities. Chlor-Alkali operations are at two locations (Kota – Rajasthan and Bharuch – Gujarat). The multiple revenue streams enable the Company to optimize operations in a manner to maximize the contribution per unit of power .

Chlor-Alkali

Particulars	Operational		Financial	
	Sales (MT)	Realisations (Rs./MT)	Revenues (Rs. cr.)	PBIT (Rs. cr.)
Q3 FY16	68,471	23,853	182.4	59.5
Q3 FY15	66,898	21,573	161.5	33.3
% Shift	2.3	10.6	13.0	78.6
9M FY16	205,034	24,184	550.9	179.5
9M FY15	193,078	24,069	511.4	131.8
% Shift	6.2	0.5	7.7	36.2

Performance Overview

- Chlor Alkali business' revenue stood higher by 13% YoY. Last year prices witnessed a sharp drop in the third quarter
- Earnings stood higher by 79% YoY due to prices being higher, although QoQ the prices are lower. Lower costs of key inputs and better efficiencies vs. last year has helped, although sequentially the fall in prices is more than the decline in costs
 - Higher power costs at Kota plant due to the levy of duties and green cess moderated the earnings increase in Q3 FY 16
- Increase in Capital Employed of the segment is due to the undergoing capacity expansion at Bharuch

Outlook

- The domestic prices will follow global price trends. There is limited duty protection from cheaper imports
- Business focused on efficiency improvement initiatives to further optimize its cost structure
- Expect higher Chlor Alkali volumes in Q1 FY17 as the company commissions its expanded capacity at Bharuch
- New captive power plant at Bharuch to start by Sep 2016
- Maintenance shutdown in the business planned in Q4 FY 16 at both the Kota and Bharuch plants

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.)
Q3 FY16	13,272	63,148	6,470	43,421	114.0	24.1
Q3 FY15	15,789	65,221	5,438	43,408	132.2	26.7
% Shift	(15.9)	(3.2)	19.0	0.0	(13.8)	(9.8)
9M FY16	45,058	65,363	16,688	43,139	377.2	73.7
9M FY15	46,576	72,686	16,252	43,412	422.6	113.1
% Shift	(3.3)	(10.1)	2.7	(0.6)	(10.7)	(34.9)

Performance Overview

- Lower sales volumes and softer realizations of PVC Resins led to decline in revenue vis-à-vis last year
- PVC realizations are on a declining trend in line with movement in global prices
- While carbon material and lime costs stood lower vis-à-vis Q2 FY 15, that of power increased due to increases in coal freight, electricity duty and Green cess imposed by the Central and State Govts. during budgetary announcements, offsetting the benefit of other lower costs

Outlook

- Global PVC prices are trending lower
- Business focused on improving cost structures to support margins in the business
- Maintenance shutdown in the business planned in Q4 FY 16

Sugar

Particulars	Operational		Financial		
	Sales (Lac Qtls)	Realisations (Rs./Qtl)	Revenues (Rs. cr.)	PBIT (Rs. cr.)	Cap. Employed (Rs. cr.)
Q3 FY16	3.0	2,675	126.2	(1.9)	557.7
Q3 FY15	4.8	2,887	169.6	(21.0)	607.5
% Shift	(36.5)	(7.3)	(25.6)	-	(8.2)
9M FY16	20.9	2,497	609.6	30.8	557.7
9M FY15	20.3	3,100	710.3	(12.5)	607.5
% Shift	2.8	(19.5)	(14.2)	-	(8.2)

Performance Overview

- Lower revenue in Q3 FY 16 was primarily due to lower volumes, which was due to lower opening inventory at the beginning of this quarter as compared with last year
- Operating losses stood lower during the quarter vis-à-vis last year on account of lower inventory write-down, a result of higher sugar recovery in the current season and improved current realizations
 - Sugar recovery improved to 10.7% vs. 9.9% in Q3 FY 15
 - Current prices are around Rs 3,000/Qtl only marginally less than the cost of production

Outlook

- Recently announced UP Cane policy is in line with last year's scheme; SAP unchanged but State Govt's subsidy reduced by Rs 5/Qtl of cane consumed
- Establishing cane and sugar price linkage will provide long term direction to the industry
- Sugar production in India is expected to be less than last year. Govt. / Industry pursuing for exports also
- Sugar co-gen expansion project is on schedule, to be commissioned before the next sugar season

Agri- Input Businesses

The Agri input business contributed to 52% of the total quarterly revenues of the Company. The Company continues to focus on these businesses given the huge opportunity in this area where the Company can capitalize on its long standing understanding of varied Agri businesses and the rural consumer; its established infrastructure; services & product portfolio; and a deep rural presence. The Agri Input Business includes:

Shriram Farm Solutions

Bioseed

Fertiliser (Urea)

Shriram Farm Solutions

Particulars	Revenues (Rs. cr.)	PBIT (Rs. cr.)	Cap. Employed (Rs. cr.)
Q3 FY16	378.9	17.9	322.4
Q3 FY15	281.5	22.7	184.9
% Shift	34.6	(21.4)	74.3
9M FY16	1,475.9	56.1	322.4
9M FY15	1,169.1	70.8	184.9
% Shift	26.2	(20.8)	74.3

The portfolio comprises Value-added products such as Seeds, Pesticides, Soluble Fertiliser, Micro-nutrients etc. along with Bulk Fertilisers (DAP, MOP, SSP). This business is seasonal in nature and the results in the quarter are not representative of annual performance

Performance Overview

- YoY Revenue increase during Q3 FY 16 was on account of higher sales volumes of bulk fertilisers
- 'Value Added' inputs vertical's revenue stood lower by 5% YoY on account of
 - Delayed sowing in the Rabi season amid distressed farm economics that adversely impacted off take of crop care chemicals and micronutrients during the quarter
- Lower business earnings during the quarter was primarily on account of weaker margins in bulk fertilizers and lower sales of Value added inputs
- Business' capital employed increased substantially due to rise in subsidy outstanding and higher inventory of bulk fertilisers
- Overall performance will depend on weather pattern in Kharif season
- Central Govt. has recently issued Cotton Seed Price Control order. Govt's decision in the matter will affect the performance
- High subsidy outstanding in bulk fertilizers is resulting in higher working capital requirements
- Company continues to focus on marketing initiatives and efforts towards growing distribution network, demand creation and product portfolio to drive growth over medium term for 'Value Added' business vertical

Outlook

Bioseed

Particulars	Revenues (Rs. cr.)	PBIT (Rs. cr.)	Cap. Employed (Rs. cr.)
Q3 FY16	46.4	(20.4)	413.5
Q3 FY15	29.5	(34.7)	452.5
% Shift	57.2	-	(8.6)
9M FY16	443.2	25.8	413.5
9M FY15	492.5	42.9	452.5
% Shift	(10.0)	(39.8)	(8.6)

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 FY 16 revenues increase was primarily due to higher sales in the international business.
- Domestic business' revenue also stood higher led by higher sales of vegetable seeds during the quarter vis-à-vis last year
- Earnings improvement was primarily in international operations, as corresponding quarter last year there were sales returns leading to inventory writeoff
- YTD performance decline is on account of lower offtake of Cotton and Corn seeds due to adverse weather conditions during Kharif 2015

Outlook

- Central Govt's decision under the newly promulgated Cotton Seed Price Control order will affect the performance
- Business expected to witness growth in the medium term on account of higher sales in the Southern and Central markets driven by high focus on R&D and a strong product pipeline
- Augmenting product portfolio and marketing efforts to drive growth in operations

Fertilisers (Urea)

Particulars	Operational		Financial		
	Sales (MT)	Realisations (Rs./MT)	Revenues (Rs. cr.)	PBIT (Rs. cr.)	Cap. Employed (Rs. cr.)
Q3 FY16	108,960	20,529	229.2	16.9	346.8
Q3 FY15	104,110	20,087	211.5	18.1	327.8
% Shift	4.7	2.2	8.4	(6.5)	5.8
9M FY16	297,285	20,577	622.3	24.9	346.8
9M FY15	305,553	18,104	556.1	35.0	327.8
% Shift	(2.7)	13.7	11.9	(28.9)	5.8

Performance Overview

- Q3 FY 16 revenue stood higher by 8.4% YoY due to higher volumes and realizations vis-à-vis last year
- Business' energy efficiency improved both sequentially and vis-à-vis last year
- Earnings benefited from allowance by Govt. of Rs 200/Thscm of gas consumed as marketing margin
- Tightening in energy efficiency norms under the new Urea policy (effective 1st June 2015) continued to weigh down on earnings
- Subsidy outstanding up 19% to Rs 324 crores from Dec 31, 2014

Outlook

- Energy efficiency continues to improve.
- Higher subsidy outstanding leading to downward pressure on earnings due to higher finance costs
- Suboptimal increase in the retention prices by the Govt. impacting earnings of this business

Cement

Particulars	Operational		Financial		
	Sales (MT)	Realisations (Rs./MT)	Revenues (Rs. cr.)	PBIT (Rs. cr.)	Cap. Employed (Rs. cr.)
Q3 FY16	100,305	2,740	33.0	(3.7)	9.0
Q3 FY15	90,658	2,708	31.2	(6.8)	9.3
% Shift	10.6	1.2	5.6	-	(3.5)
9M FY16	315,812	2,703	102.5	(3.5)	9.0
9M FY15	285,218	2,939	102.9	(4.0)	9.3
% Shift	10.7	(8.0)	(0.4)	-	(3.5)

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

- Higher revenue was primarily due to higher sales volumes during the quarter
- Cement realizations continue to remain soft and stood 2% down sequentially amid muted demand scenario
- Improvement in earnings during the quarter vs. last year was on account of higher revenue and lower cost of key input materials such as limestone and coal

Outlook

- Pick up in the domestic real estate sector will lead to higher industry utilizations and increase in realisations in the medium term

Hariyali Kisaan Bazaar

Particulars	Revenues (Rs. cr.)	PBIT (Rs. cr.)	Cap. Employed (Rs. cr.)
Q3 FY16	96.6	0.5	141.2
Q3 FY15	119.9	3.2	175.2
% Shift	(19.4)	(83.6)	(19.4)
9M FY16	293.5	(0.1)	141.2
9M FY15	368.2	3.9	175.2
% Shift	(20.3)	-	(19.4)

Performance Overview

- Revenues from fuel sales only
- Lower earnings is on account of lower sale of properties vis-à-vis corresponding quarter last year
- Business focused on sale of existing properties. Progressing slowly, expected to take about 2-3 years

Other Businesses

DCM Shriram's other operations, reported as 'Others' in the financial results, include its businesses of Polymer Compounding (now under 50:50 JV) and Fenesta Building Systems.

Revenues under 'Others' stood at Rs. 71.2 crore in the quarter under review compared to Rs. 67.1 crore last year. PBIT for the quarter stood at Rs. 1.3 crore vis-à-vis PBIT of Rs. 0.1 crore in Q3 FY 15.

Fenesta Building Systems

Particulars	Operational Order Book (Rs cr.)	Financial Revenues (Rs. cr.)
Q3 FY16	66.6	52.4
Q3 FY15	60.5	48.2
% Shift	10.2	8.7
9M FY16	212.6	153.7
9M FY15	157.3	133.3
% Shift	35.1	15.3

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

Performance Overview

- Fenesta business' revenue increased by 8.7% YoY to Rs 52.4 crores primarily due to higher sales volumes from the 'Projects' segment
- Volumes in the 'Retail' segment stood higher by 6% YoY
- Order Booking witnessed strong growth for both 'Retail' and 'Project' segments in 9M FY 16 vs. last year
- Business operations continue to be positive at PBT level

Outlook

- Company focused on expanding the 'Retail' segment along with the revival of 'Project' sales to provide profitable volume growth
- Improvement in the overall economic scenario and uptick in the real estate sector will enable higher penetration of our UPVC window offerings

About Us & Investor Contacts

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 or contact:

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For Immediate Release

DCM Shriram Ltd. announces its Q3 FY16 financial results

Revenue at Rs. 1,263 cr (LY: Rs.1,197 cr)

Net Profit at Rs. 60 cr (LY: Rs. 27 cr)

- Sugar business recorded lower losses; primarily due to lower inventory write-off, a result of higher current prices and lower cost of production led by better sugar recovery
- Chloro-vinyl business witnessing declining trend in selling prices in the current year, driven by weakness in global commodity prices, impacting margins
- Capacity expansion plans progressing well

New Delhi, 2nd Feb 2016: DCM Shriram Ltd. announced its Q3 FY16 financial results today.

Q3 and 9M FY'16 Highlights

[Rs.cr]

	Q3		9M	
	FY16	FY15	FY16	FY15
Net revenue	1,263	1,197	4,508	4,330
PBDIT	101	55	414	417
Finance Cost	14	26	67	84
PAT	60	27	246	251

Key Developments and Outlook:

a. Chloro-Vinyl

- PVC prices in the current year have declined by about ~ 14% from the peak witnessed in April 15. Chemical Prices are also lower by ~5% compared to beginning of the year. Input costs are also declining though at a slower pace. Further, new taxes and levies on Coal based Power are imposing additional burden. This is putting pressure on margins. The business is vulnerable to cheaper imports with very low customs duties.
- The improvement in earnings vs. same period last year is because in Q3 FY15 there was unprecedented drop in prices
- Chemicals business is expected to commission expansion of Caustic Soda Capacity by Q1 FY-17 and Coal based power plant by Sept' 16.

b. Sugar

- Sugar recovery till December 15 stood around 10.7% vs. 9.9% last year
- At current prices of ~Rs. 3000/Qtl, the margin for the current Sugar season would be marginally negative (including subsidies in the recently announced UP cane policy). For the last season the margin was negative Rs. 585 per quintal
- Sugar co-gen expansion plan is as per schedule, to be commissioned by Q3 FY17

c. Bioseed and Shriram Farm Solution

- Weather plays a vital role in performance of these Agri-input businesses, which has been adverse for last two years, impacting performance of this business.
- Added to this, Central Government's decisions under newly promulgated 'Cotton seed price control order' will affect the performance

d. Fertilizer subsidy outstanding are rising, impacting the earnings

e. Net Debt of the Company stands at Rs. 435 Cr. as on 31st Dec 15 vs. Rs. 491 crs. as on 31st Dec 14

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

"The company reported a satisfactory performance with stable operations and positive improvements in sugar margin structure and outlook.

The policy framework for Sugar business is moving in the right direction with the Govt. and industry pursuing export of surplus sugar, developing a rational cane pricing policy linking sugarcane and encouraging the production and use of ethanol. Weather pattern has also helped in improving the situation. The Govt. and industry has to carry forward the steps being undertaken. Establishing cane and sugar price linkage will provide long term direction to the industry.

Chloro Vinyl business is directly impacted by the Global conditions and faces threat from low priced imports. We continue to focus on improving our cost structure and scale to strengthen our competitiveness.

Growth of our Agri-input businesses is affected by adverse weather conditions. We are further strengthening our product portfolio and intensifying our marketing efforts.

Our capex programs in the Chemicals and Sugar businesses are progressing well and will add to company's performance from FY 17 onwards. Our healthy balance sheet and reasonable cash flows enable us to comfortably fund our ongoing capex programs and give us flexibility to take up future growth projects"

Q3 & 9M FY '16 Performance Overview & Outlook

CHLORO VINYL:

- Current PVC prices have seen a significant drop compared to prices in April 15. Chemical prices also have declined in the same period.
- Input costs are declining at a slower pace
- New taxes and levies on coal based power are imposing additional burden
- Overall margins declining in the current year, though better than Q3 FY 15 wherein the decline was very sharp led by unprecedented low prices
- Increase in Capital Employed of the segment is due to the undergoing capacity expansion at Bharuch

Outlook

- The Business is vulnerable to cheaper imports, with limited custom duty protection. The domestic prices will follow global price trends
- Expect higher Chlor Alkali volumes in Q1 FY 17 as the company commissions its expanded capacity at Bharuch
- New captive power plant at Bharuch to start by Sep 2016
- Maintenance shutdown in Chemicals and PVC businesses planned in Q4 FY 16 at both the Kota and Bharuch plants

SUGAR:

- Lower revenue in Q3 FY 16 vis-à-vis last year was primarily due to lower volumes and realisations, a result of lower opening inventory this quarter
- Operating losses stood lower during the quarter vis-à-vis last year on account of lower inventory write-down, a result of higher sugar recovery in the current season and improved current realizations
 - Sugar recovery in the current season till Dec stood higher at 10.7% vs. 9.9% last season
 - Current prices are around Rs 3,000/Qtl only marginally less than the cost of production

Outlook

- Recently announced UP Cane policy is in line with last year's scheme; SAP unchanged but State Govt's subsidy reduced by Rs 5/Qtl of cane consumed
- Establishing cane and sugar price linkage will provide long term direction to the industry
- Sugar production in India is expected to be less than last year. Govt. / Industry pursuing for exports also
- Sugar co-gen expansion project is on schedule, to be commissioned before the next sugar season

SHRIRAM FARM SOLUTIONS:

- Revenue increase during Q3 FY 16 vs. last year was due to higher sales volumes of bulk fertilisers
- 'Value Added' inputs vertical's revenue stood lower by 5% YoY on account of
 - Delayed sowing in the Rabi season amid distressed farm economics that adversely impacted off-take of crop care chemicals and micronutrients during the quarter

- Lower business earnings during the quarter was primarily on account of weaker margins in bulk fertilizers and lower sales of Value added inputs
- Business' capital employed increased substantially due to rise in subsidy outstandings and higher inventory of bulk fertilisers

Outlook

- Overall performance will depend on weather pattern in Kharif season
- Central Govt. has recently issued Cotton Seed Price Control order. Govt's decision in the matter will affect the performance
- High subsidy outstanding in bulk fertilizers is resulting in higher working capital requirements
- Company continues to focus on marketing initiatives and efforts towards growing distribution network, demand creation and product portfolio to drive growth over medium term for 'Value Added' business vertical

BIOSEED:

- Q3 FY 16 revenues increase was primarily due to higher sales (Corn) in the international business
- Domestic business' revenue also stood higher due to higher sales of vegetable seeds during the quarter vis-à-vis last year
- Earnings improvement was primarily in international operations, as corresponding quarter last year there was one time inventory writeoff
- Weather plays a vital role in performance of this business, which has been adverse in our areas of operations, impacting growth

Outlook

- Central Govt's decision under the newly promulgated Cotton Seed Price Control order will affect the performance
- Business expected to witness growth in the medium term driven by high focus on R&D and a strong product pipeline
- New product offerings and increasing marketing efforts to drive growth in operations

FERTILIZER:

- Increase in Q3 FY 16 revenue was due to higher volumes vs. last year
- In Q3 FY 16, energy efficiency stood better both sequentially and vis-à-vis last year
- Earnings benefited from allowance by Govt. of Rs 200/Thscm of gas as marketing margin
- Tightening in energy efficiency norms under the new Urea policy (effective 1st June 2015) weighed on earnings
- Subsidy outstanding substantially higher vis-à-vis last year, a result of high pooled gas prices

Outlook

- Continuous focus on improvement in energy efficiencies
- Higher subsidy outstanding leading to downward pressure on earnings due to higher finance costs
- Retention prices are not in line with cost increases impacting earnings of this business

CEMENT:

- Higher revenue during the quarter was due to higher sales volumes
- Cement realizations continue to remain soft and stood 2% down sequentially
- Improvement in earnings during the quarter vs. last year was on account of higher revenue and lower cost of key input materials

HARIYALI KISAAN BAZAR:

- Revenues from fuel sales only
- Lower earnings is on account of lower sale of properties

OTHERS

- Fenesta business' revenue stood higher during the quarter primarily due to higher sales volumes from the 'Projects' segment
- Order Booking witnessed strong growth for both 'Retail' and 'Project' segments in 9M FY 16
- Business operations continue to be positive at PBT level

Q3 FY '16 – Segment Performance

Segments	Revenues			PBIT			PBIT Margins %	
	Q3 FY15	Q3 FY16	%	Q3 FY15	Q3 FY16	%	Q3 FY15	Q3 FY16
Chloro Vinyl	293.7	296.5	0.9	60.0	83.6	39.3	20.4	28.2
Sugar	169.6	126.2	(25.6)	(21.0)	(1.9)	-	(12.4)	(1.5)
Agri Inputs	522.6	554.6	25.3	6.1	14.4	137.2	1.2	2.2
- Shriram Farm Solutions	281.5	378.9	34.6	22.7	17.9	(21.4)	8.1	4.7
- Bioseed	29.5	46.4	57.2	(34.7)	(20.4)	-	(117.6)	(43.9)
- Fertiliser	211.5	229.2	8.4	18.1	16.9	(6.5)	8.5	7.4
Cement	31.2	33.0	5.6	(6.8)	(3.7)	-	(21.8)	(11.2)
Hariyali Kisaan Bazaar	119.9	98.6	(19.4)	3.2	0.5	(83.6)	2.6	0.5
Others	67.1	71.2	6.0	0.1	1.3	807.1	0.2	1.8
Total	1,204.0	1,277.9	6.1	41.6	94.2	126.6	3.5	7.4
Less: Intersegment Revenue	7.0	15.0	114.9					
Less: Unallocable expenditure				14.0	17.4	24.0		
Total	1,197.1	1,262.9	5.5	27.6	76.8	178.6	2.3	6.1

9M FY '16 – Segment Performance

Segments	Revenues			PBIT			PBIT Margins %	
	9M FY 15	9M FY 16	%	9M FY 15	9M FY 16	%	9M FY 15	9M FY 16
Chloro Vinyl	934.0	928.0	(0.6)	244.9	253.2	3.4	26.2	27.3
Sugar	710.3	609.6	(14.2)	(12.5)	30.8	-	(1.8)	5.1
Agri Inputs	2,217.7	2,541.4	14.6	148.7	106.8	(28.2)	6.7	4.2
- Shriram Farm Solutions	1,169.1	1,475.9	26.2	70.8	56.1	(20.8)	6.1	3.8
- Bioseed	492.5	443.2	(10.0)	42.9	25.8	(39.8)	8.7	5.8
- Fertiliser	556.1	622.3	11.9	35.0	24.9	(28.9)	6.3	4.0
Cement	102.9	102.5	(0.4)	(4.0)	(3.5)	-	(3.8)	(3.4)
Hariyali Kisaan Bazaar	368.2	293.5	(20.3)	3.9	(0.1)	-	1.0	(0.0)
Others	197.9	215.0	8.7	(4.5)	5.3	-	(2.3)	2.5
Total	4,531.0	4,690.0	3.5	376.6	392.6	4.2	8.3	8.4
Less: Intersegment Revenue	201.1	181.8	(9.6)					
Less: Unallocable expenditure				43.1	54.4	26.2		
Total	4329.9	4508.2	4.1	333.6	338.2	1.4	7.7	7.5

*Rs in Cr

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DCM SHRIRAM

Growing with trust

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**DCM Shriram Ltd.'s
Q3 & 9M FY16 Earnings Conference Call on
Monday, February 08, 2016 at 12:00 noon IST**

New Delhi, February 02, 2016

DCM Shriram Ltd., an integrated business entity, with extensive and growing presence across the entire Agri-Rural value chain and Chloro-Vinyl industry, will host a conference call for analysts & investors on **Monday, February 08, 2016 at 12:00 noon IST**

Mr. Ajay S. Shriram, Chairman and Senior Managing Director, Mr. Vikram S. Shriram, Vice-Chairman and Managing Director, along with the members of the Senior Management team will represent the Company on the call. The conference call follows the announcement of the Company's financial results for the third quarter and nine month ended December 31, 2015 declared on February 02, 2016.

Details of the conference call are as under:

Timing	• 12:00 noon IST on Monday, February 08, 2016
Conference dial-in	• Primary access number: +91 22 3938 1071 • Secondary access number: +91 22 6746 8354
Local Access Number	• 6000 1221 (<i>Available in - Chennai, Hyderabad, Bangalore, Delhi, Kolkata</i>) Accessible from all major carriers except BSNL/MTNL.)
International Toll –free Access	• USA: 1 866 746 2133 • UK: 0 808 101 1573 • Singapore: 800 101 2045 • Hong Kong: 800 964 448

-Ends-

About DCM Shriram Ltd.

DCM Shriram Ltd. is an integrated business entity, with extensive and growing presence across the entire Agri-rural value chain and Chloro-Vinyl industry. The Company has added innovative value-added businesses in these domains. With a large base of captive power produced at a competitive cost, the Company aims at maximizing value creation in its Chloro-Vinyl businesses.

For more information on the Company, its products and services please log on to www.dcmshriram.com or contact:

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Note: Certain statements that may be made or discussed at the conference call may be forward-looking statements. 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 discussions and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.