DCM Shriram Consolidated Limited

Q1 FY2013
Results Presentation
July 26, 2012

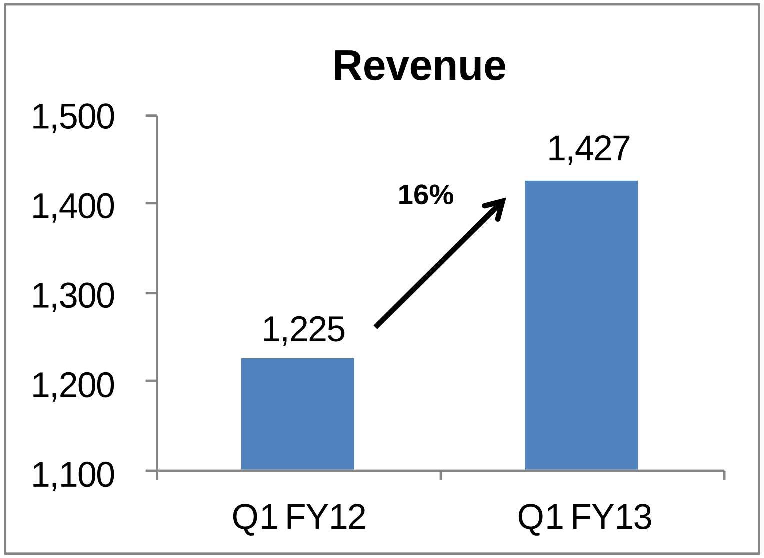
Safe Harbour

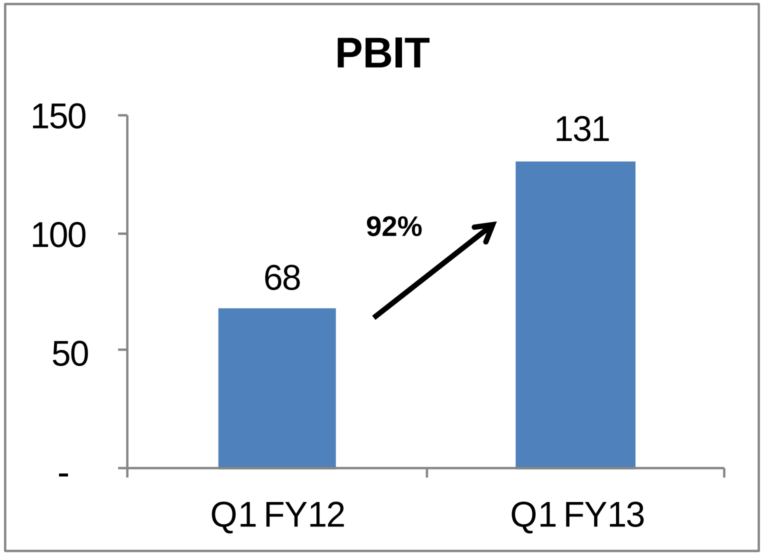
Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. DCM Shriram Consolidated Limited 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.

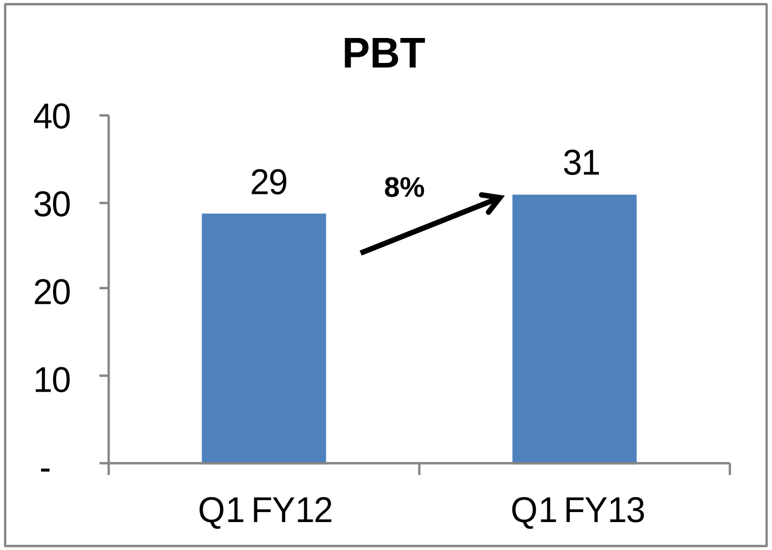
All figures are consolidated unless otherwise mentioned

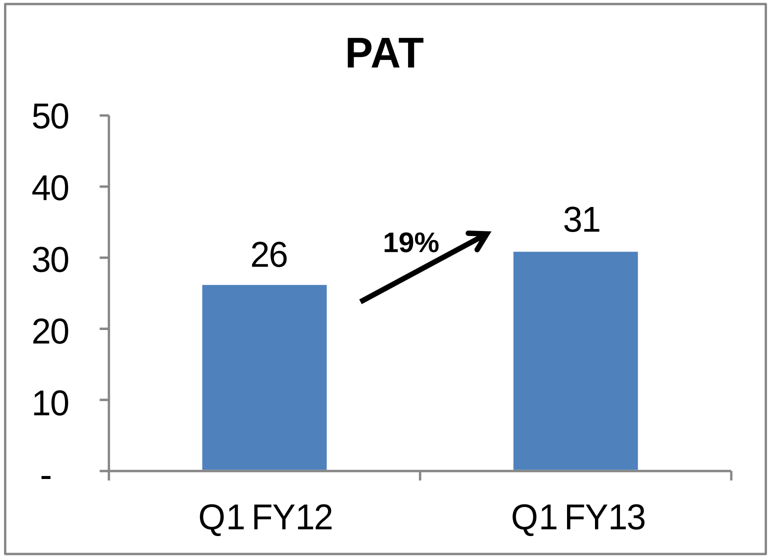
Table of Content

Q1 FY13 - Key Highlights









All figures in Rs/Crores

Q1 FY13 Key Highlights

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a) **Net Revenues up by 16.5% driven by Bioseed (up 45%), Sugar (up 32.5%) and Chloro-Vinyl (up 10.1%)**

b) **PBIT up by 92.3% at Rs. 130.6 Crores Vs Rs. 67.90 Crores.**

   a) **Bioseed:** PBIT up by 69.7% at Rs. 66.1 crores driven by growth in Revenues by 45%. The revenue growth driven by growth in Bt Cotton, Corn and Paddy in India.

   b) **Chloro-Vinyl**: PBIT up by 84.4% at Rs. 73 crores driven by better margins with improvements on cost sides and higher realizations of Chloro-Vinyl products especially Chlor-Alkali which was up by 19 %.

c) The Finance costs were up by 10.5% at Rs. 43.3 crores driven by higher interest costs and higher working capital borrowings.

d) PBT at Rs. 30.9 crores up 7.7%.

e) **Net Profit at Rs. 30.9 Crores as compared to Rs. 26.0 crores.**

Q1 FY13 - Segment Performance

	Revenues*			PBIT*			PBIT Margins %	
Segments	**Q1 FY13**	**Q1 FY12**	***%***	**Q1 FY13**	**Q1 FY12**	***%***	**Q1 FY13**	**Q1 FY12**
Agri Input	**687.0**	**516.0**	***33.1***	**88.9**	**61.9**	***43.7***	***12.9***	***12.0***
- Fertilisers	136.7	129.4	*5.6*	7.8	10.0	*(22.3)*	*5.7*	*7.7*
- Farm solutions	297.9	212.6	*40.1*	15.0	12.9	*16.3*	*5.0*	*6.0*
- Bioseed	252.4	*173.9*	45.1	66.1	39.0	*69.7*	*26.2*	*22.4*
Sugar	***279.7***	***211.1***	***32.5***	**(3.9)**	**(8.1)**	**--**	***(1.4)***	***(3.8)***
Hariyali Kisaan Bazaar	**213.4**	**202.4**	***5.4***	**(20.1)**	**(19.2)**	**--**	***(9.4)***	***(9.5)***
Chloro Vinyl incl. Power	**278.3**	**252.8**	***10.1***	**73.0**	**39.6**	***84.4***	***26.2***	***15.7***
Cement	**37.6**	**35.2**	***6.7***	**6.4**	**6.2**	***3.4***	***17.1***	***17.7***
Others	**76.4**	**91.4**	***(16.4)***	**(5.9)**	**(4.0)**	**--**	***(7.7)***	***(4.4)***

* Rs. crore

Q1 FY13 – Performance Overview

a) **Net Revenues** higher by 16.5% at Rs. 1,427.1 crore compared to Rs. 1,225.1 crore:

i. **Bioseed:** Revenues up by 45.1% at Rs. 252.4 crore mainly in Indian operations. The growth was driven by Bt Cotton, Corn and Paddy.

ii. **Farm solutions:** Revenues up by 40.1% at Rs. 297.9 crore driven by growth in Value added Inputs (up by 60%) including hybrid seeds from Bioseed Segment .

iii. **Sugar :** Revenues up by 32.5% at Rs. 279.7 crore driven by increased free sugar sales volume (up by 12.6%) at marginally better realizations (up by 5.7%) along with higher Power Sales.

iv. **Chloro Vinyl :** Revenues up by 10.1% at Rs. 278.3 crores driven by improved realizations of Chloro-Vinyl products. Chlor Alkali was up by 19% , PVC Resin up by 4.6% and Calcium Carbide up by 9%.

v. **Cement:** Revenues up by 6.7% at Rs. 37.6 crore driven by increased sales volumes (up by 4%) at marginally better realizations.

vi. **Fenesta:** Revenues lower by 2% at Rs. 39.3 crores due to significant slowdown in the institutional segment-however partly mitigated by the increase in retail segment.

vii. **Hariyali Kisaan Bazaar:** Revenues up by 5.4% at Rs. 213.4 crore-Revenue growth driven by growth in the Fuel segment. The Growth rates have moderated as the company is implementing a Restructuring and Rationalization plan involving restricting activities to profitable product lines only.

Q1 FY13 – Performance Overview

b) **PBIT** up by 92.3% at Rs. 130.6 crores Vs Rs. 67.9 crores.

i. **Bioseed:** PBIT up by 69.7% at Rs. 66.1 crores driven by growth in Revenues by 45%. The revenue growth driven by growth in Bt Cotton, Corn and Paddy in India.

ii. **Farm Solutions**: PBIT up by 16.3% driven primarily by Volume growth in Value added inputs. Monsoon has adversely affected this business and hence the growth is lower than planned.

iii. **Fertilizers:** PBIT lower by 22.3% at Rs. 7.8 crores as the company continues to incur uncompensated cost increases due to non-announcement of the new Urea Policy**.**

iv. **Sugar**: PBIT at Rs. (3.9) crores vis-à-vis Rs. (8.1) crore- Lower losses, primarily driven by higher volumes of Power. Margins continue to sub-optimal. Free Sugar margins at Rs. (4) per quintal as compared to Rs. 17 per quintal in the previous year.

v. **Chloro-Vinyl**: PBIT up by 84.4% at Rs. 73 crores driven by better margins with several cost initiatives which helped in moderating the impact of cost increases and higher realizations of Chloro-Vinyl products especially Chlor-Alkali which was up by 19%.

c) **Net profit for the year higher by 18.8% at Rs. 30.9 crore compared to Rs. 26.0 crore.**

i. **Net Profit is after** charge of Rs. 56.3 crore on account of provisions for impairment losses on assets and expenses consequent to Company's decision to restructure and rationalize Hariyali's operations to restrict its activities to profitable product lines only.

Outlook & Perspectives

I. Fertilisers (Urea):
- Operational performance is stable.
- Business witnessing margin pressures due to uncompensated cost increases.

II. Farm Solutions :
- In the medium term, we expect this business to be on the growth path as the company continues to further expand its portfolio, geographical reach etc.
- However, in the near term performance will be driven by the weather conditions.
- The performance has been affected due to delayed Monsoons and Uncertain market conditions for DAP/MOP.

III. Bioseed:
- This business will continue to witness healthy growth rates in the medium term driven by products launched in the last 1- 2 years, healthy product pipeline, our continued focus on R&D and strengthening of market development activities .
- In the near term, the performance of our operations especially in Vietnam and Philippines will driven by weather conditions in Q4 FY 13 which is their main season, whereas Q1 is the main season for India.

IV. Sugar:
- Sugar Prices have seen moderate increase in July, 12. However, it still continues to be below the level required for profitable operations.
- The performance of this business will be determined by the steps the Government will take to move towards de-regulation of the sector including policy responses on Levy Sugar, Cane pricing etc.

V. Hariyali Kisaan Bazaar: On completion of restructuring and rationalization plan, we expect substantial reduction in financial losses by Q4 FY13.

VI. Chloro-Vinyl Business: The performance is expected to be driven by developments relating to realizations of Chloro-Vinyl products and Coal Costs.

VII. Fenesta: We continue to focus on strengthening our retail business through expansion of our distribution network and promotion efforts. We believe these steps will help Fenesta in achieving healthy growth rates going forward.

VIII. Finance: Company continues to manage cash flows on a conservative basis

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:

"We are glad to report a satisfactory performance for this quarter, led by healthy growth rates in Chloro-Vinyl and Bioseed businesses. The Performance of Chloro-Vinyl business was driven by healthy realizations of all Chloro-Vinyl products especially Chlor- Alkali products and initiatives taken by the company to mitigate the impact of rising costs.

Bioseed and Farm Solutions businesses had high profit growth led by high turnover growth. The growth has been impacted by adverse weather conditions prevalent in the major part of the country. However, we do believe that these businesses in the medium term will continue to deliver healthy growth rates given strong research program, healthy pipeline of products and increasing Geographical presence.

We are pursuing several initiatives to improve the performance of Sugar and Fenesta businesses and expect better results from these businesses in the medium term.

We expect sharp reduction in losses in Hariyali business through the restructuring and rationalization plan which is under implementation. This would help in improving overall group financials.

Overall, we do expect healthy performance going forward".

Segmental Overview

DSCL
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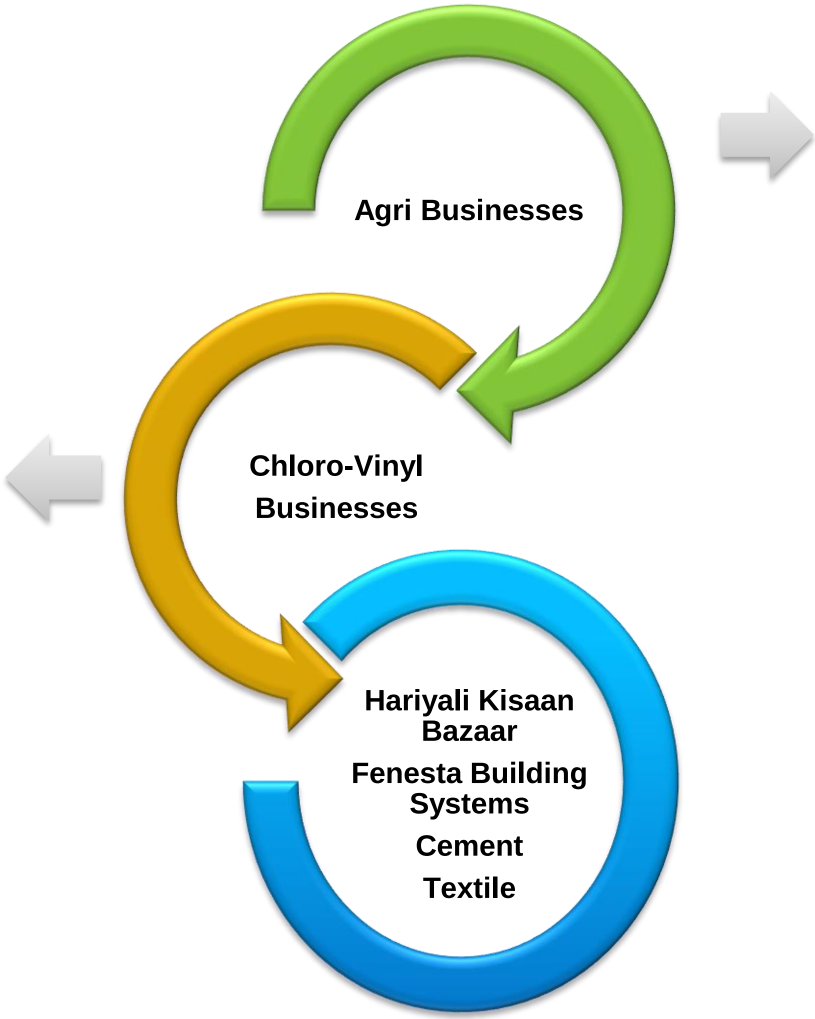
- Agri- Inputs
  - Fertilisers
  - Farm Solutions
  - Bioseeds
- Sugar



- Chlor – Alkali
- PVC Resin and Compounds
- Calcium carbide
- Power

AGRI- INPUT BUSINESSES

The Agri input business contributed to 48.1% 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:

1. **Fertiliser (Urea)**
2. **Farm Solutions**
3. **Bioseed**

Fertilisers (Urea)

	Operational		Financial	
Particulars	**Sales (MT)**	**Realizations (Rs./MT)**	**Revenues (Rs. cr.)**	**PBIT (Rs. cr.)**
Q1 FY13	**101,587**	**13,349**	**136.7**	**7.8**
Q1 FY12	96,813	12,894	129.4	10.0
% Shift	*4.9*	*3.5*	*5.6*	*(22.3)*

a) Revenues higher by 5.6% driven by higher volumes and Realizations.

b) PBIT lower by 22.3% at Rs. 7.8 crores as the company continues to incur uncompensated cost increases due to non-announcement of the new Urea Policy.

c) Operational performance -stable.

d) Business witnessing margin pressures due to uncompensated cost increases.

Farm Solutions

Particulars	Revenues (Rs. cr.)	PBIT (Rs. cr.)
Q1 FY13	**297.9**	**15.0**
Q1 FY12	212.6	12.9
% Shift	*40.1*	*16.3*

a) The portfolio comprises Value-added products such as Seeds, Pesticides, Soluble fertiliser, Micro-nutrients etc. along with bulk fertilisers (DAP, MOP, SSP)

b) Revenues up by 40.1% at Rs. 297.9 crore driven by growth in Value added Inputs (up by 60%) including hybrid seeds from Bioseed Segment.

c) PBIT up by 16.3% driven primarily by Volume growth in Value added inputs. Monsoon has adversely affected this business and hence the growth is lower than planned.

d) In the medium term, we expect this business to be on the growth path as the company continues to further expand its portfolio, geographical reach etc.

e) However, in the near term performance will be driven by the weather conditions.

f) The performance has been affected due to delayed Monsoons and Uncertain market conditions for DAP/MOP.

Bioseed

Particulars	Revenues (Rs. cr.)	PBIT (Rs. cr.)
Q1 FY13	**252.4**	**66.1**
Q1 FY12	173.9	39.0
% Shift	*45.1*	*69.7*

a) DSCL's Bioseed business is uniquely diversified across key crops (Cotton, Corn,Paddy, Bajra and Vegetables) and Asian geographies including India, Vietnam, Philippines, Thailand & Indonesia.

b) The business includes Research, Production, Processing and Marketing of hybrid seeds.

c) Revenues up by 45.1% at Rs. 252.4 crore mainly in Indian operations. The growth was driven by Bt Cotton, Corn and Paddy.

d) PBIT up by 69.7% at Rs. 66.1 crores driven by growth in Revenues by 45%. The revenue growth driven by growth in Bt Cotton, Corn and Paddy in India.

e) This business will continue to witness healthy growth rates in the medium term driven by products launched in the last 1- 2 years, healthy product pipeline, our continued focus on R&D and strengthening of market development activities .

f) In the near term, the performance of our operations especially in Vietnam and Philippines will driven by weather conditions in Q4 FY 13 which is their main season, whereas Q1 is the main season for India.

g) The Results during the quarter is not representative of annual performance as this business is seasonal in nature.

Sugar

Particulars	Operational: Sales (Lac Qtl) – Free Sugar	Operational: Sales (Lac Qtl) – Levy Sugar	Realizations *(Rs./Qtl)	Financial: Revenues (Rs. cr.)	Financial: PBIT (Rs. cr.)
Q1 FY13	**7.41**	**0.61**	**2879**	**279.7**	**(3.9)**
Q1 FY12	6.58	0.73	2725	211.1	(8.1)
% Shift	*12.6*	*(16.4)*	*5.7*	*32.5*	--

* Free Sugar

a) Revenues up by 32.5% at Rs. 279.7 crore driven by increased free sugar sales volume **(up by 12.6%)** at marginally better realizations **(up by by 5.7%)** along with higher Power Sales.

b) PBIT at Rs. (3.9) crores vis-à-vis Rs. (8.1) crore- Lower losses, primarily driven by higher volumes of Power. Margins continue to sub-optimal. Free Sugar margins at Rs. (4) per quintal as compared to Rs.17 per quintal in the previous year.

c) Sugar Prices have seen moderate increase in July, 12. However, it still continues to be below the level required for profitable operations.

d) The performance of this business will be determined by the steps the Government will take to move towards de-regulation of the sector including policy responses on Levy Sugar, Cane pricing etc

Hariyali Kisaan Bazaar

Particulars	Revenues (Rs. cr.)	PBIT (Rs. cr.)
Q1 FY13	**213.4**	**(20.1)**
Q1 FY12	202.4	(19.2)
% Shift	*5.4*	--

a) Revenues up by 5.4% at Rs. 213.4 crore-Revenue growth driven by growth in the Fuel segment. The Growth rates have moderated as the company is implementing a Restructuring and Rationalization plan involving restricting activities to profitable product lines only.

b) On completion of restructuring and rationalization plan, we expect substantial reduction in financial losses by Q4 FY13

CHLORO-VINYL BUSINESSES

The Chloro-Vinyl business of the Company has a highly integrated operation with multiple revenue streams and economical captive power generation facilities. Chloro-Vinyl operations are at two locations (Kota – Rajasthan and Bharuch – Gujarat) with full captive coal based power capacity of ~145 MW. The multiple revenue streams enable the Company to optimize operations in a manner to maximize the contribution per unit of power that is produced.

Particulars	Revenues (Rs. cr.)	PBIT (Rs. cr.)
Q1 FY13	**278.3**	**73.0**
Q1 FY12	252.8	39.6
% Shift	*10.1*	*84.4*

Chlor-Alkali

	Operational		Financial	
Particulars	**Sales (MT)**	**Realizations (Rs./MT)**	**Revenues (Rs. cr.)**	**PBIT (Rs. cr.)**
Q1 FY13	**53,748**	**27,529**	**159.7**	**51.4**
Q1 FY12	57,633	23,161	137.9	28.3
% Shift	*(6.7)*	*18.9*	*15.8*	*81*

a) The company focused on manufacturing of Chlor-Alkali in light of remunerative product prices with a view to maximize net pay back per unit of power generated.

b) Significant Increase in Realizations at both locations.

c) The volumes at Bharuch facility was lower as the company undertook planned maintenance shutdown during the quarter. The Plant has stabilized post shutdown.

d) While earnings remain strong, the business continues to face input cost pressure due to increase in prices of key input costs (coal & salt)

   i. The Company is working on several initiatives to partially mitigate the impact of cost increases.

Plastics

	Operational				Financials	
Particulars	**PVC Sales (MT)**	**PVC XWR Realizations (Rs./MT)**	**Carbide Sales (MT)**	**Carbide XWR Realizations (Rs./MT)**	**Revenues (Rs. cr.)**	**PBIT (Rs. cr.)**
Q1 FY13	**12,354**	**61,636**	**9,460**	**40,989**	**116.7**	**21.6**
Q1 FY12	12,565	58,919	9,949	37,627	114.9	11.3
% Shift	*(1.7)*	*4.6*	*(4.9)*	*8.9*	*1.5*	*91.1*

a) The Company continued to produce and sell PVC Resin and Calcium Carbide to maximize earnings per unit of Power.

b) Improved realizations in PVC & Calcium Carbide resulted in improved earnings.

Power

Particulars	Revenues (Rs. cr.)	PBIT (Rs. cr.)
Q1 FY13	**1.9**	
Q1 FY12	-	

a) Robust power production during the quarter.

b) The Company laid emphasis on manufacturing Chloro-Vinyl products i.e. Chlor-Alkali, PVC and Carbide that offered better returns per unit of Power compared to selling power on a merchant basis given higher net back on the sale of Chloro-Vinyl products.

Cement

	Operational		Financial	
Particulars	**Sales (MT)**	**Realizations (Rs./MT)**	**Revenues (Rs. cr.)**	**PBIT (Rs. cr.)**
Q1 FY13	**100,145**	**3,025**	**37.6**	**6.4**
Q1 FY12	96,527	2,958	35.2	6.2
% Shift	*3.7*	*2.3*	*6.7*	*3.4*

a) The Cement business is limited in size since its capacity is driven by the waste generated from carbide plant.

b) The Company markets its cement under the 'Shriram' brand which commands a premium in the market place due to its superior quality

c) Revenues up by 6.7% at Rs. 37.6 crore driven by increased sales volumes (up by 4%) at marginally better realizations

d) PBIT at the same level as last year as the increase in realizations was compensated by cost increases.

OTHER BUSINESSES

DSCL's other operations, reported as 'others' in the financial results, include its businesses of Polymer Compounding, Fenesta Building Systems along with Textiles.

Revenues under 'others' stood at Rs. 76.4 crore in the quarter under review compared to Rs. 91.4 crore in the corresponding period last year. PBIT for the quarter stood at Rs. (5.9) crore.

Fenesta Building Systems

	Operational	Financial
Particulars	**Order Book**	**Revenues (Rs. cr.)**
Q1 FY13	77,880	***39.3***
Q1 FY12	62,517	*40.3*
% Shift	*24.6*	*(2)*

a) Fenesta with its diverse product line is regarded as a brand and product leader on a pan India basis. The brand has become synonymous with UPVC windows

b) Extending reach to retail segment is proving to be encouraging

   i. The Company, in the retail segment, has extended its distribution and dealer network across 72 cities in India and 172 dealers.

c) Revenues lower by 2% at Rs. 39.3 crores due to significant slowdown in the institutional segment-however partly mitigated by the increase in retail segment.

d) We continue to focus on strengthening our retail business through expansion of our distribution network and promotion efforts. We believe these steps will help Fenesta in achieving healthy growth rates going forward.

About Us & Investor Contacts

DSCL 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. The high-value and knowledge based business being incubated by DSCL include Hariyali Kisaan Bazar, Fenesta Building Systems and Hybrid Seeds.

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

Pulkit Kakar
DCM Shriram Consolidated Limited
Tel: +91 11 4210 0200
Fax: +91 11 2372 0325
Email: pulkitkakar@dscl.com

Ishan Selarka
Citigate Dewe Rogerson
Tel: +91 22 6645 1232
Fax: 91 22 6645 1213
Email: ishan@cdr-india.com