DCM SHRIRAM
Growing with trust

DCM Shriram Ltd.

Q2 & H1 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

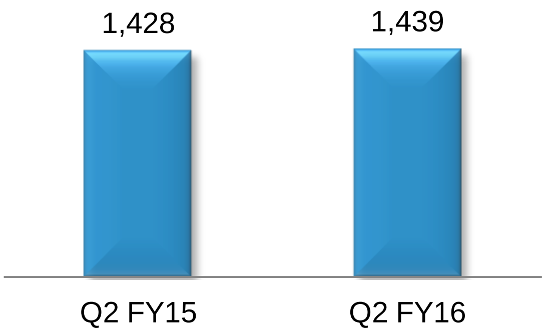
Table of Content

Q2 FY16 – Key Highlights

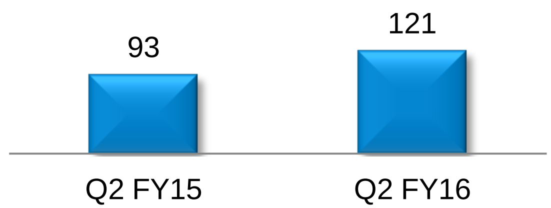
1. **Net Revenues** stood marginally higher at Rs 1,439 crores vs. Rs. 1,428 crores in Q2 FY 15
2. **PBDIT** increased by 30% YoY to Rs 121 crore:
    a. During the quarter, Sugar business received a cash subsidy of ~ Rs. 60 crore for the season 14-15. Despite the subsidies received, margins in sugar were negative Rs. 520 per quintal during the quarter.
    b. Urea business' earnings improved vis-à-vis last year on the back of higher volumes and energy savings
    c. Fenesta Windows business maintained its strong performance, with an increase in earnings on the back of higher volumes during the quarter
    d. Earnings of Agri-input businesses' were adversely impacted by poor farm-economics , a result of erratic and deficient rains for the second successive year. Strong El-Nino phenomenon is being witnessed in Philippines and Vietnam as well.
3. **PAT** stood at Rs 63 crores, up by 36% from Rs 46 crores in Q2 FY 15
4. **Net Debt** as on Sep 30, 2015 stood at Rs. 432 crores vis-à-vis Rs. 688 crore on March 31, 2015
5. **Capital expenditure** - Board has approved a Capital Expenditure program of Rs. 73 crores in Chlor-Alkali Business towards Cost optimisation measures, to be completed over next one year. This is in addition to ongoing projects amounting to ~ Rs. 650 crores in Chlor-Alkali capacity expansion (Rs. 534 cr.) and Sugar Co-gen (Rs. 118 cr.).
6. **Dividend** - Board has declared an interim dividend of 60 % at Rs. 1.2 Per share

Q2 FY16 – Financial Snapshot

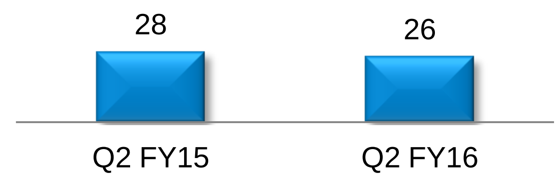
Revenues



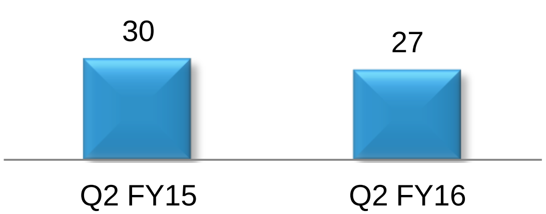
EBITDA



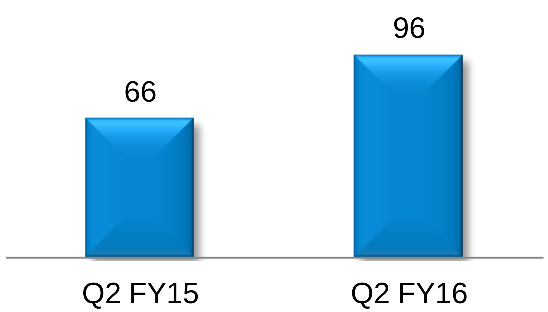
Depreciation



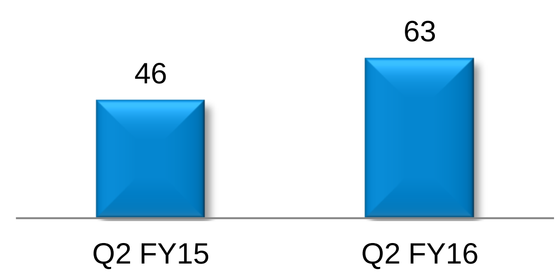
Finance Costs



PBIT



PAT



1. All figures in Rs. Crore
2. PBIT is before exceptional items; PAT is after exceptional items

Q2 FY16 - Segment Performance

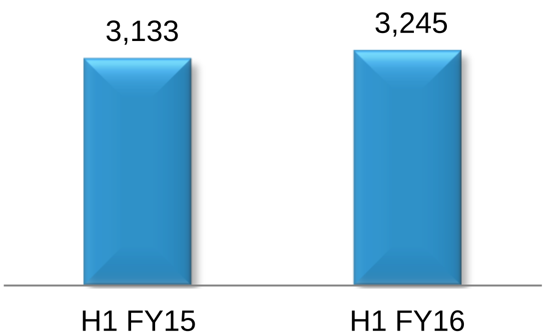
Rs. crore

	Revenues			PBIT			PBIT Margins %	
Segments	**Q2 FY15**	**Q2 FY16**	**%**	**Q2 FY15**	**Q2 FY16**	**%**	**Q2 FY15**	**Q2 FY16**
Chloro Vinyl	**281.7**	**315.7**	***12.1***	**71.9**	**75.8**	***5.4***	***25.5***	***24.0***
Sugar	**260.0**	**178.2**	***(31.4)***	**0.5**	**49.1**	**-**	***0.2***	***27.6***
Agri Inputs	**682.1**	**755.7**	***10.8***	**14.9**	**(8.8)**	**-**	***2.2***	***(1.2)***
- Shriram Farm Solutions	438.9	486.7	*10.9*	27.3	16.4	***(40.0)***	*6.2*	*3.4*
- Bioseed	**68.2**	31.6	***(53.8)***	**(17.8)**	(38.1)	**-**	***(26.1)***	***(120.6)***
- Fertiliser	**174.9**	237.4	***35.7***	**5.5**	12.9	***135.2***	***3.1***	***5.4***
Cement	**35.0**	**36.4**	***4.1***	**(2.0)**	**1.1**	**-**	***(5.6)***	***2.9***
Hariyali Kisaan Bazaar	**111.1**	**83.3**	***(25.0)***	**(0.4)**	**(1.1)**	**-**	***(0.4)***	***(1.3)***
Others	**66.0**	**73.7**	***11.7***	**(2.8)**	**1.6**	**-**	***(4.2)***	***2.2***
Total	**1,435.8**	**1,443.0**	***0.5***	**82.2**	**117.7**	***43.2***	***5.7***	***8.2***
Less: Intersegment Revenue	**7.3**	**3.7**	***(50.1)***					
Less: Unallocable expenditure				**16.7**	**21.9**	***31.5***		
Total	**1,428.5**	**1,439.4**	***0.8***	**65.5**	**95.8**	***46.2***	***4.6***	***6.7***

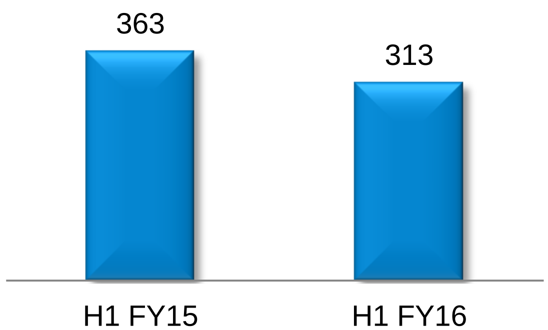
1. PBIT is before exceptional items

H1 FY16 – Financial Snapshot

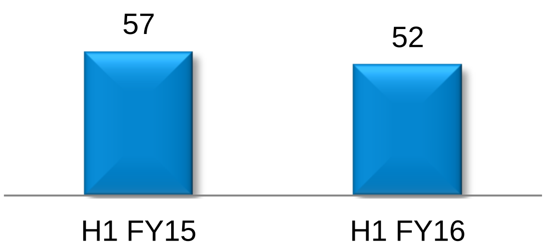
Revenues



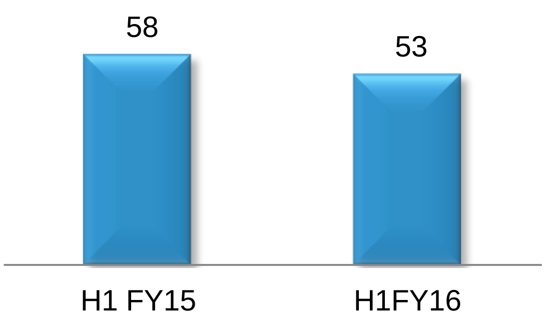
EBITDA



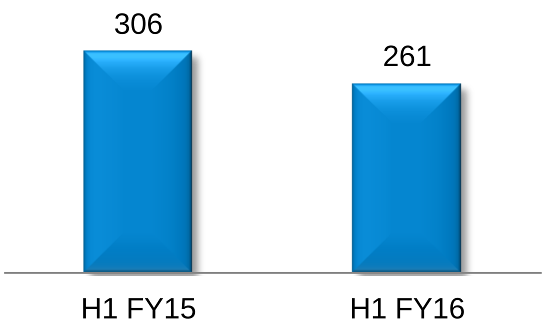
Depreciation



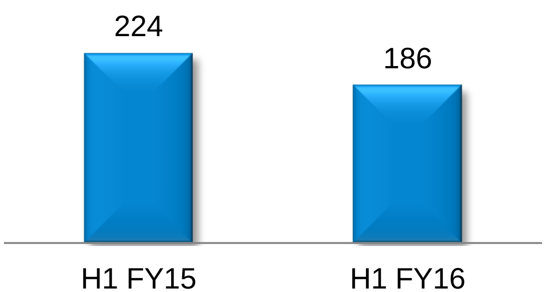
Finance Costs



PBIT



PAT



1. All figures in Rs. Crore
2. PBIT is before exceptional items; PAT is after exceptional items

H1 FY16 - Segment Performance

Rs. crore

	Revenues			PBIT			PBIT Margins %	
Segments	**H1 FY15**	**H1 FY16**	**%**	**H1 FY15**	**H1 FY16**	**%**	**H1 FY15**	**H1 FY16**
Chloro Vinyl	**640.3**	**631.6**	***(1.4)***	**184.9**	**169.6**	***(8.3)***	***28.9***	***26.9***
Sugar	**540.8**	**483.4**	***(10.6)***	**8.5**	**32.7**	***283.9***	***1.6***	***6.8***
Agri Inputs	**1,695.1**	**1,886.9**	***11.3***	**142.7**	**92.4**	***(35.2)***	***8.4***	***4.9***
- Shriram Farm Solutions	887.5	1,097.0	*23.6*	48.1	38.2	*(20.6)*	*5.4*	*3.5*
- Bioseed	463.0	396.8	***(14.3)***	77.6	46.2	*(40.5)*	*16.8*	*11.6*
- Fertiliser	344.6	393.0	***14.1***	17.0	8.0	*(52.9)*	*4.9*	*2.0*
Cement	**71.7**	**69.6**	***(3.0)***	2.9	0.2	***(92.7)***	***4.0***	***0.3***
Hariyali Kisaan Bazaar	**248.4**	**196.9**	***(20.7)***	0.7	(0.6)	**-**	***0.3***	***(0.3)***
Others	**130.8**	**143.8**	***10.0***	(4.6)	4.1	**-**	***(3.5)***	***2.8***
Total	**3,327.0**	**3,412.1**	***2.6***	**335.1**	**298.4**	***(10.9)***	***10.1***	***8.7***
Less: Intersegment Revenue	**194.1**	**166.9**	***(14.1)***					
Less: Unallocable expenditure				**29.1**	**37.0**	***27.3***		
Total	**3132.9**	**3245.3**	***3.6***	**306.0**	**261.4**	***(14.6)***	***9.8***	***8.1***

1. PBIT is before exceptional items

Q2 FY16 - Performance Overview & Outlook

Chloro-Vinyl

- Volumes are higher in Chlor-alkali as well as Vinyl Business driven primarily by higher production YoY and QoQ. Last year there were maintenance shutdowns during the quarter
- Realisations have been soft QoQ as well as YoY in Chlor- alkali as well as Vinyl business. QoQ the prices have declined ~ 4%.
- Input costs of key raw materials such as those of Imported coal, Salt and Carbon material declined YoY and QoQ. However cost of power increased at the Kota complex post budgetary changes by Central and State Govt.
- Earnings YoY improved in Chlor-alkali business led by higher volumes but declined in Vinyl business led by lower realisations.

Outlook

- Prices expected to follow global commodity price trends
- Chlor-alkali expansion project progressing as per plan. Expect completion by Sep 2016

Sugar

- Q2 FY 16 revenue fell by 31.4% YoY due to lower volumes and a ~25% YoY decline in realizations
- Earnings are a reflection of cash Subsidy received during the quarter, amounting to Rs. 60 crore, w.r.t Sugarcane crushed during the Sugar season 14-15. Total cash subsidy received during the year is Rs. 85 crore.
- The margins were negative Rs. 520 per quintal, after taking into account the subsidies received.
- Molasses prices have declined significantly leading to a inventory write-off. Total write off in H1 FY16 is Rs. 13.7 cr.

Outlook

- Prices have firmed up in the month of Oct'15
- The firmness in prices can be sustained only if the government takes timely policy measures to reduce the glut in the domestic market.
- Linking of cane costs with sugar prices is imperative for viability of the industry on sustained basis
- Sugar co-gen expansion project is on track for commissioning during Sugar Season 2016-17

Q2 FY16 - Performance Overview & Outlook

Shriram Farm Solutions

- Q2 FY 16 revenue increased by 10.9% YoY to Rs 487 crores led by bulk fertilizers
- ‘Value Added’ inputs vertical impacted by lower demand and change in sowing patterns towards lower value inputs. This was a result of two consecutive year of poor monsoons leading to weak farmer economics
- Earnings adversely impacted primarily due to lower margins in the bulk as well as Value added business
- Higher Capital employed , a result of high subsidy outstanding in bulk fertilisers due to higher volumes, as well as higher inventory of Bulk.

Outlook

- Farm Solutions business is dependent upon monsoons and weather patterns, which significantly affects business performance
- Focus on growing the ‘Value Added’ business vertical over the medium term through aggressive marketing initiatives and by growing the distribution network and product portfolio

Bioseed

- Q2 is an off season for this business.
- Revenue stood at Rs 32 crores down from Rs 68 crores last year; decline was in domestic as well as international businesses. This was a result of continued impact by weak monsoons from Q1 in key regions in India as well as overseas
- For the Khariff season, despite of deficient monsoons, the company maintained its volumes of BT Cotton in the Southern region which is the growth driver, however there was a decline in the Northern region.

Outlook

- Company is intensifying marketing efforts to drive growth in international operations along with new product launches – expected to take couple of years
- Medium to long term outlook buoyant given continuing focus on research and pipeline of products. However monsoons will play a key role.

Q2 FY16 - Performance Overview & Outlook

Fertilisers	▪ Improved operating performance during the quarter led to higher production and sales ▪ Higher Sales led to higher earnings vis-à-vis Q2 FY 15 ▪ Earnings were limited under new Urea policy on account of reduced energy norms ▪ Subsidy outstandings are higher vis-à-vis last year , led by higher prices of pooled gas **Outlook** ▪ Company is focused on improving energy efficiencies to enhance and sustain earnings ▪ Pooling of gas prices is leading to higher subsidy bills and hence higher working capital
Cement	▪ In Q2 FY 16, Cement business' revenue increased by 4% YoY due primarily to higher volumes as compared to last year ▪ Lower cost of raw materials such as Limestone and Coal along with improvement in power efficiency led to improvement in earnings vs. last year
Hariyali Kisaan Bazaar	▪ Revenues from fuel sales only ▪ Sale of properties proceeding slowly; expected to take about 2-3 years
Others	▪ Fenesta business' Q2 FY 16 revenue up 19% y-o-y to Rs 52.3 crore on account of strong rise in volumes during the quarter ○ Volumes in the 'Retail' segment went up by 28.3% YoY ○ Order booking went up substantially for both the 'Retail' and 'Project' sectors ○ In Q2 FY 16, operations continue to be positive at the PBT level, reflected in better nos. in 'Others' segment. ▪ PVC Compounding business, in a JV with Axiall Corporation, is progressing satisfactorily

Balance Sheet Abstract

(Rs. in Crores)

	PARTICULARS	As at 30.09.2015 Unaudited	As at 31.03.2015 Audited
A.	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share Capital	32.6	32.6
	(b) Reserves and Surplus	2,014.8	1,825.9
		2,047.5	**1,858.5**
2	**Minority interest**	**1.0**	**1.0**
3	**Non-current liabilities**		
	(a) Long-term borrowings	292.3	301.2
	(b) Deferred tax liabilities (net)	121.4	122.0
	(c) Other long-term liabilities	38.9	36.5
	(d) Long-term provisions	157.0	148.3
		609.6	**608.0**
4	**Current liabilities**		
	(a) Short-term borrowings	376.3	338.9
	(b) Trade payables	1,001.3	1,120.0
	(c) Other current liabilities	325.5	453.5
	(d) Short-term provisions	29.0	36.7
		1,732.1	**1,949.1**
	Total	**4,390.2**	**4,416.7**
B.	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed assets (net)	1,430.4	1,436.9
	(b) Goodwill on consolidation	71.3	68.2
	(c) Non-current investments	5.8	5.8
	(d) Long-term loans and advances	224.7	188.6
	(e) Other non-current assets	10.3	10.7
		1,742.4	**1,710.3**
2	**Current assets**		
	(a) Current investments	288.0	-
	(b) Inventories	819.2	1,132.1
	(c) Trade receivables	1,104.1	1,070.9
	(d) Cash and bank balances	53.6	95.4
	(e) Short-term loans and advances	211.5	213.8
	(f) Other current assets	171.4	194.1
		2,647.8	**2,706.4**
	Total	**4,390.2**	**4,416.7**

Net Worth increased to Rs. 2,047 crores as on Sep 30, 2015 up from Rs. 1,859 crore as on March 31, 2015

Net debt at Rs. 432 crores down from Rs. 688 crores as on March 31, 2015. Gross Debt at Rs. 732 crore vs. Rs 760 crores as on Mar 31, 2015

Gross Debt to Equity at 0.36x as on Sep 30, 2015 vs. 0.41x as on March 31, 2015

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 performance of the Company is satisfactory given the challenges in Sugar business, weak agriculture dynamics impacting the Agri-input businesses and lower product prices in Chloro-Vinyl businesses. Additional levies by Central & State Govt. on coal based power have worsened the situation further.

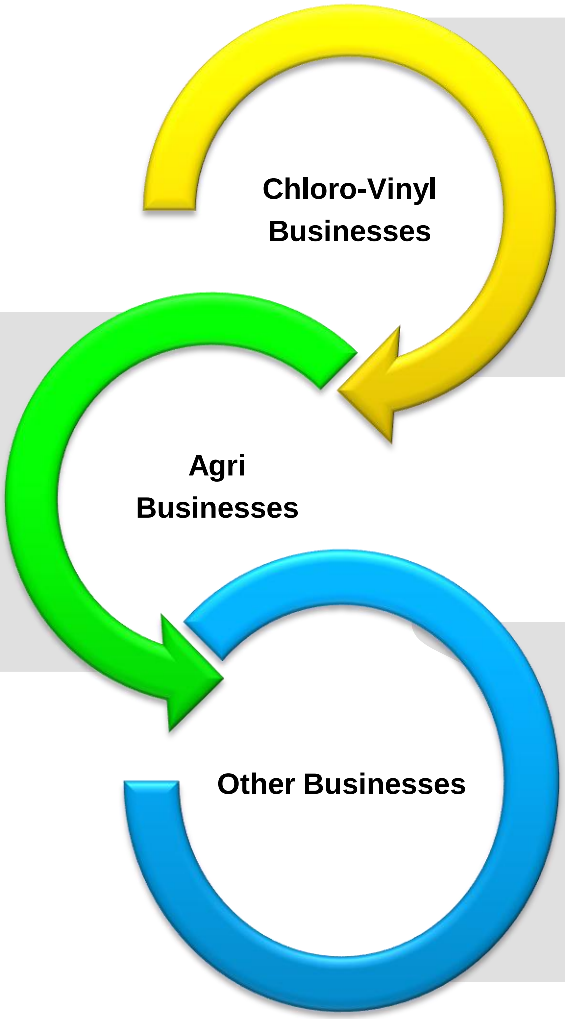
Sugar Industry requires comprehensive policy reform urgently to restore its viability. Some recent measures have helped partially, but prices continue to be significantly below costs.

We continue to focus on strengthening our cost competitiveness in all businesses and expanding scale wherever viable. Our Chlor-Alkali Capacity Expansion Project at an investment of Rs. 534 crs. and Sugar Co-Generation expansion at an investment of Rs.118 crs. are progressing as per plan. We have further taken up a plan to optimize the cost structures in Chlor-Alkali businesses at an investment of Rs. 73 crs. All these projects will add to our earnings from FY 17 onwards.

We continue to strengthen the Bioseed and Fenesta businesses and expect healthy growth in both these businesses over medium term.

With our strong Balance Sheet, we are confident of maintaining healthy growth in overall business performance."

Segmental Overview



- Chlor – Alkali
- PVC Resins
- Calcium carbide
- Power

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

- Fenesta Building Systems
- Cement
- Polymer Compounds
- Hariyali Kisaan Bazaar

Chloro Vinyl Business

Particulars	**Revenues (Rs. cr.)**	**PBIT (Rs. cr.)**	**Cap. Employed (Rs. cr.)**
Q2 FY16	**315.7**	**75.8**	**536.6**
Q2 FY15	281.7	71.9	512.7
% Shift	*12.1*	*5.4*	*4.7*
H1 FY16	***631.6***	***169.6***	**536.6**
H1 FY15	*640.3*	*184.9*	512.7
% Shift	*(1.4)*	*(8.3)*	*4.7*

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

	Operational		Financial	
Particulars	**Sales (MT)**	**Realisations (Rs./MT)**	**Revenues (Rs. cr.)**	**PBIT (Rs. cr.)**
Q2 FY16	**68,230**	**23,894**	**180.7**	**53.8**
Q2 FY15	60,086	24,748	163.0	38.6
% Shift	*13.6*	*(3.5)*	*10.9*	*39.4*
H1 FY16	***136,563***	***24,348***	***368.4***	***120.0***
H1 FY15	*126,176*	*25,368*	*349.9*	*98.5*
% Shift	*8.2*	*(4.0)*	*5.3*	*21.9*

Performance Overview

- Higher sales volumes in Q2 FY 16 was due to higher volumes YoY as well as QoQ. Last year there was maintenance shutdown at the Bharuch as well as Kota plant
- Earnings benefitted from higher volumes and softness in key input costs such as imported coal and salt, although the realisations have softned
  - Power costs at the Kota facility however stood substantially higher due to budgetary increases in coal freight, electricity duty and Green cess imposed by the Central and State Govts.

Outlook

- Continuing focus on improving cost structures to sustain margins. In line with this the Board has approved a Capital expenditure plan to upgarde the electrolysers to the latest and highly power efficient technology
- Capital expansion project announced last year at Bharuch is progressing as per plans

Plastics

	Operational				Financial	
Particulars	**PVC Sales (MT)**	**PVC XWR Realisations (Rs./MT)**	**Carbide Sales (MT)**	**Carbide XWR Realisations (Rs./MT)**	**Revenues (Rs. cr.)**	**PBIT (Rs. cr.)**
Q2 FY16	**16,618**	**64,868**	**5,417**	**44,032**	**135.0**	**22.0**
Q2 FY15	12,484	76,331	5,123	43,961	118.7	33.3
% Shift	*33.1*	*(15.0)*	*5.7*	*0.2*	*13.7*	*(34.0)*
H1 FY16	***31,786***	***66,288***	***10,219***	***43,423***	***263.2***	***49.6***
H1 FY15	*30,787*	*76,514*	*10,814*	*43,414*	*290.4*	*86.4*
% Shift	*3.2*	*(13.4)*	*(5.5)*	*0.0*	*(9.4)*	*(42.6)*

Performance Overview

- Higher revenue in Q2 FY 16 vis-a-vis last year was primarily on account of rise in sales volumes of PVC resins which was a result of higher production as well as higher inventory at the beginning of the quarter
- PVC realizations are down 15% YoY and 4% sequentially
- Lower input costs of Carbon material and limestone were offset by high cost of Power at Kota due to increases in coal freight, electricity duty and Green cess imposed by the Central and State Govts. during budgetary announcements

Outlook

- Realizations will follow the global price trends, especially that of crude
- Focus on improving cost structures especially through dynamic sourcing of Power.

Sugar

	Operational		Financial		
Particulars	**Sales (Lac Qtls)**	**Realisations (Rs./Qtl)**	**Revenues (Rs. cr.)**	**PBIT (Rs. cr.)**	**Cap. Employed (Rs. cr.)**
Q2 FY16	**7.2**	**2,352**	**178.2**	**49.1**	**493.1**
Q2 FY15	7.8	3,133	260.0	0.5	569.6
% Shift	*(8.3)*	*(24.9)*	*(31.4)*	-	*(13.4)*
H1 FY16	***17.8***	***2,470***	***483.4***	***32.7***	**493.1**
H1 FY15	*15.5*	*3,165*	*540.8*	*8.5*	569.6
% Shift	*14.8*	*(22.0)*	*(10.6)*	*283.9*	*(13.4)*

Performance Overview

- Q2 FY 16 revenue declined YoY due to significant drop in realizations and lower volumes
- Earnings are a reflection of cash Subsidy received during the quarter, amounting to Rs. 60 crore, w.r.t Sugarcane crushed during the Sugar season 14-15. Total cash subsidy received during the year is Rs. 85 crore.
- The margins were negative Rs. 520 per quintal, after taking into account the subsidies received.
- Molasses prices have declined significantly leading to a inventory write-off. Total write off in H1 FY16 is Rs. 13.7 cr.

Outlook

- Prices have firmed up in the month of Oct'15, however there is negligible inventory.
- The firmness in prices can be sustained only if the government takes timely policy measures to reduce the glut in the domestic market.
- Linking of cane costs with sugar prices is imperative for viability of the industry on sustained basis
- Sugar co-gen expansion project is on track

Agri- Input Businesses

The Agri input business contributed to 53% 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:

- Fertiliser (Urea)
- Shriram Farm Solutions
- Bioseed

Shriram Farm Solutions

Particulars	Revenues (Rs. cr.)	PBIT (Rs. cr.)	Cap. Employed (Rs. cr.)
Q2 FY16	**486.7**	**16.4**	**557.3**
Q2 FY15	438.9	27.3	391.2
% Shift	*10.9*	*(40.0)*	*42.5*
H1 FY16	***1,097.0***	***38.2***	**557.3**
H1 FY15	*887.5*	*48.1*	391.2
% Shift	*23.6*	*(20.6)*	*42.5*

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

- Q2 FY 16 revenue increase led by bulk fertilizers
- 'Value Added' inputs vertical impacted by lower demand and change in sowing patterns towards lower value inputs. This was a result of two consecutive year of poor monsoons leading to weak farmer economics
  - Performance of hybrid seed segment stood lower while vegetable seeds and other seeds witnessed growth during the quarter
  - New product launched during the year for yield enhancement, has done well
  - Other product categories witnessed lower revenues
- Earnings adversely impacted primarily due to lower margins in the bulk as well as Value added business
- Higher Capital employed , a result of high subsidy outstanding in bulk fertilisers due to higher volumes, as well as higher inventory of Bulk.

Outlook

- Weather will play a crucial role in business' performance going forward
- Company has intensified marketing initiatives and efforts towards growing distribution network and product portfolio to drive growth over medium term for 'Value Added' business vertical

Bioseed

Particulars	Revenues (Rs. cr.)	PBIT (Rs. cr.)	Cap. Employed (Rs. cr.)
Q2 FY16	**31.6**	**(38.1)**	**351.0**
Q2 FY15	68.2	(17.8)	420.0
% Shift	*(53.8)*	-	*(16.4)*
H1 FY16	***396.8***	***46.2***	**351.0**
H1 FY15	*463.0*	*77.6*	420.0
% Shift	*(14.3)*	*(40.5)*	*(16.4)*

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

- Q2 is an off season for this business.
- Q2 FY 16 revenues declined in the domestic and international businesses.
  - Domestic business was impacted by continued weak monsoons across the key regions and shift sowing patterns and reduction in acreage of our key products
  - International business' revenue and earnings impacted by lower demand resulting from the strong El-Nino phenomenon being witnessed in Philippines and Vietnam
- For the Khariff season, despite of deficient monsoons, the company maintained its volumes of BT Cotton in the Southern region which is the growth driver, however there was a decline in the Northern region.

Outlook

- Augmenting product portfolio and marketing efforts to drive growth in international operations – expected to take couple of years
- Medium to long term outlook buoyant given continuing focus on research and pipeline of products

Fertilisers (Urea)

	Operational		Financial		
Particulars	**Sales (MT)**	**Realisations (Rs./MT)**	**Revenues (Rs. cr.)**	**PBIT (Rs. cr.)**	**Cap. Employed (Rs. cr.)**
Q2 FY16	**108,194**	**21,607**	**237.4**	**12.9**	**247.6**
Q2 FY15	100,433	17,382	174.9	5.5	182.0
% Shift	*7.7*	*24.3*	*35.7*	*135.2*	*36.1*
H1 FY16	**188,325**	**20,604**	**393.0**	**8.0**	**247.6**
H1 FY15	201,443	17,079	344.6	17.0	182.0
% Shift	*(6.5)*	*20.6*	*14.1*	*(52.9)*	*36.1*

Performance Overview

- Q2 FY 16 production stood higher by 8% YoY, due to improved operating performance
- Q2 FY 16, revenue increased by 35.7% YoY due to higher volumes and rise in realizations vis-à-vis last year driven by the Gas Pooling mechanism under the New Urea policy effective from 1st June 15
- Higher earnings in Q2 FY 16 vs. last year was led by higher volumes
- Tightening in energy efficiency norms under the new Urea policy (effective 1st June 2015) limited earnings increase during the quarter
- Subsidy outstandings substantially higher vs. last year led by higher gas pooled prices

Outlook

- Company focused towards improving energy efficiencies
- Pooling of gas prices leading to higher subsidy bills and consequently higher working capital
- Business would continue to face cost pressures until the Govt. adequately increases the retention prices to compensate for cost increases

Cement

	Operational		Financial		
Particulars	**Sales (MT)**	**Realisations (Rs./MT)**	**Revenues (Rs. cr.)**	**PBIT (Rs. cr.)**	**Cap. Employed (Rs. cr.)**
Q2 FY16	**109,338**	***2,782***	**36.4**	**1.1**	**9.9**
Q2 FY15	100,492	*2,854*	35.0	(2.0)	13.1
% Shift	*8.8*	*(2.5)*	*4.1*	-	*(24.4)*
H1 FY16	***215,508***	**2,685**	***69.6***	***0.2***	**9.9**
H1 FY15	*194,561*	*3,046*	*71.7*	*2.9*	13.1
% Shift	*10.8*	*(11.8)*	*(3.0)*	*(92.7)*	*(24.4)*

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

- Revenue in Q2 FY 16 increased by 4.1% YoY to Rs 36.4 crores due to a 8.8% increase in volumes
- Cement realizations that stood 2.5% down in Q2 FY 16 vis-à-vis last year , stood 7.6% up sequentially
- Improvement in earnings during the quarter was on account of higher revenue and lower cost of key input materials as compared with last year

Outlook

- Improvement in economic scenario would result in higher demand and increase in realisations in the medium term

Hariyali Kisaan Bazaar

Particulars	Revenues (Rs. cr.)	PBIT (Rs. cr.)	Cap. Employed (Rs. cr.)
Q2 FY16	**83.3**	**(1.1)**	**148.7**
Q2 FY15	111.1	(0.4)	187.9
% Shift	*(25.0)*	-	*(20.9)*
H1 FY16	***196.9***	***(0.6)***	**148.7**
H1 FY15	*248.4*	*0.7*	187.9
% Shift	*(20.7)*	-	*(20.9)*

Performance Overview

- Revenues from fuel sales only
- Focus on sale of 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. 73.7 crore in the quarter under review compared to Rs. 66.0 crore last year. PBIT for the quarter stood at Rs. 1.6 crore vis-à-vis PBIT of Rs. (2.8) crore in Q2 FY 15.

Fenesta Building Systems

	Operational	Financial
Particulars	**Order Book (Rs cr.)**	**Revenues (Rs. cr.)**
Q2 FY16	**74.7**	**52.3**
Q2 FY15	52.3	43.9
% Shift	*43.0*	*19.1*
H1 FY 16	***145.9***	***101.3***
H1 FY 15	*96.8*	*85.1*
% Shift	*50.7*	*19.0*

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

Performance Overview

- Fenesta business' revenue increased by 19.1% YoY in Q2 FY 16 to Rs 52.3 crores primarily due to higher volumes during the quarter
  - Volumes in the 'Retail' segment witnessed robust increase of 28.3% vis-à-vis last year
- In Q2 FY 16 as well as in H1 FY 16, Order Booking for both 'Retail' and 'Project' segments stood substantially higher vis-à-vis last year
- In Q2 FY 16, operations continue to be positive at PBT level

Outlook

- Focus is on growing the 'Retail' segment along with revival of 'Project' sales to provide profitable volume growth
- Improving economic scenario and accompanying growth in the real estate sector will accelerate growth.

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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