DCM SHRIRAM CONSOLIDATED LIMITED

Results Presentation
Q3 & 9M FY2011
1 February 2011

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.

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Q3 FY11 Consolidated Financials – Key Highlights

Particulars (₹ Cr)	Q3 FY2011	Q3 FY2010	% YOY
Net Revenue	977.2	854.0	*14.4*
EBIDTA	44.3	97.3	*(54.4)*
Depreciation	40.4	41.5	*(2.7)*
PBIT	4.0	55.8	*(92.9)*
Interest	13.9	18.1	*(23.2)*
PBT	(10.0)	44.1	--
PAT	(4.4)	24.7	--

Key Highlights

a) Revenue growth led by Farm Solutions (up by 37.6%), DAP trading and Bioseed (up by ~ 68%)

b) PBIT at ₹ 4.0 Crore up vs. ₹ (28.3) Crore in Q2 FY11. Reduction vs. Q3 FY10 due to continued lower margins in Sugar, Chloro-Vinyl and Cement businesses

c) Input costs such as cost of Coal / Carbon material putting pressure on margins in the Chloro-Vinyl business

d) All high cost Sugar of 2009-10 sold. Sugar margins have also moved up

e) Reduction in interest cost is a reflection of Substitution of Rupee borrowings by forex borrowings

Q3 FY11- Segment Performance

	Revenues*			PBIT*			PBIT Margins (%)	
Segments	**Q3 FY11**	**Q3 FY10**	***%YOY***	**Q3 FY11**	**Q3 FY10**	***%YOY***	**Q3 FY11**	**Q3 FY10**
Agri Input	**330.6**	**217.0**	***52.3***	**7.7**	***4.8***	*61.7*	**2.3**	*2.2*
- Fertilizers	116.3	112.2	*3.7*	7.9	*9.8*	*(19.2)*	6.8	*8.8*
- Farm solutions	179.9	84.5	*113.0*	6.4	*3.6*	*75.5*	3.5	*4.3*
- Bioseed	34.4	20.4	*68.6*	(6.6)	*(8.7)*	--	(19.2)	*(42.6)*
Sugar	**121.3**	**136.2**	***(10.9)***	**16.0**	***36.9***	**(56.6)**	**13.2**	***27.1***
Hariyali Kisaan Bazaar	**223.3**	**216.3**	***3.3***	**(17.5)**	***(21.9)***	**--**	**(7.8)**	***(10.1)***
Chloro-Vinyl incl. Power	**219.8**	**181.3**	**21.3**	**21.1**	**41.8**	**(49.6)**	**9.6**	**23.1**
Cement	**26.0**	**36.3**	***(28.2)***	**2.7**	***13.0***	***(79.0)***	**10.5**	***36.0***
Others	**81.0**	**78.7**	***2.9***	**(5.6)**	***(3.2)***	**--**	**(7.0)**	***(4.1)***

* ₹ Crore

Q3 FY11 – Performance Overview

1. **Net Revenues** higher by 14.4% at ₹ 977.2 Crore compared to ₹ 854.0 Crore :

   a) **Farm solutions:** Revenues up by ₹ 95.5 Crore led by:

   - DAP sales of ₹ 63.7 Crore (Last year: Nil)
   - 37.6% growth in sales of Farm Inputs

   b) **Bioseed**: Revenues increased by 68.6 % to ₹ 34.4 Crore due to improved sales of Vegetable seeds in India and Paddy in Vietnam

   c) **Chloro Vinyl**: Revenues up by 21.3% to ₹ 219.8 Crore – due to higher sale of downstream products as against Power sales in the previous year – manufacturing of downstream products post the shutdown in Q2 FY11 are operating at full capacities

   d) Hariyali started decent Core Retail revenue growth from December 2010 onwards

Q3 FY11 – Performance Overview

2. **PBIT** for the quarter stood at ₹ 4.0 Crore:

   a) **Farm Solutions:** Farm solutions registered higher PBIT due to high volume growth in Value added inputs

   b) **Bioseed:** It is a seasonal business. Therefore, the results of a quarter do not represent yearly results**.** However, we continue to believe that this business will register significant growth on a yearly basis

   c) **Sugar**: Sugar business witnessed a decline in PBIT as compared to previous year; however, witnessed improvement as compared to trailing quarter

   - Free Sugar Margins declined in Q3 FY11 at ₹ (283) per quintal vs. ₹ 731 per quintal in Q3 FY10
   - Prices moved up after Q2 FY11 yielding positive margins in Q3 FY11 over the inventory valuation rate adopted in Q2 FY11

   d) **Hariyali Kisaan Bazaar**: Robust sales growth in the next few quarters will help in reducing losses

   e) **Chloro Vinyl**: PBIT of the Chloro-Vinyl business were lower due to the following reasons:

   - Sharp drop in merchant power rates made merchant power sales unattractive, starting from Q2 FY11 (Power rates dropped from over ₹ 6 per unit in Q3 FY10 to ~ ₹ 2.5 per unit in Q3 FY11)
   - The Company shifted to downstream products which are less remunerative as compared to margins on Power sales achieved last year
   - Input costs such as Cost of Coal/ Carbon material putting pressure on margins

   f) **Cement**: PBIT declined on the back of lower realizations (decline of 20.2%)

3. **Net Loss stood at ₹ 4.4 Crore vis-à-vis Net Profit of ₹ 24.7 Crore last year**

9M FY11 Consolidated Financials – Key Highlights

Particulars (₹ Cr)	9M FY2011	9M FY2010	% YOY
Net Revenue	3,045.0	2,648.2	*15.0*
EBIDTA	103.5	294.1	*(64.8)*
Depreciation	120.4	121.2	*(0.7)*
PBIT	(16.9)	172.8	-
Interest	47.3	70.9	(33.3)
PBT	(64.2)	108.4	--
PAT	(42.8)	69.0	--

Key Highlights

a) Revenues growth led by:

- Farm Solutions revenue up by 123.8% with high volume growth in bulk fertilizers and value added inputs
- Bioseed up by 44.0% driven by higher growth across all geographies. Good demand across all hybrids
- Hariyali revenues up by 19.3% due to growth in Retail, Fuel, Milk and Seeds

b) PBIT at ₹ (16.9 Crore) in 9M FY11 as against ₹ 172.8 Crore in 9M FY10. This is essentially due to reduction in margins in Sugar, Chloro-Vinyl and Cement businesses. This was only partially mitigated by the performance of the Bioseed and Farm solutions business

9M FY11 Segment Performance

	Revenues*			PBIT*			PBIT Margins (%)	
Segments	**9M FY11**	**9M FY10**	*%YOY*	**9M FY11**	**9M FY10**	*%YOY*	**9M FY11**	**9M FY10**
Agri Input	**1,292.3**	**813.8**	***58.8***	**77.2**	***51.7***	*49.5*	**6.0**	*6.3*
- Fertilizers	346.0	346.9	*(0.3)*	30.1	*29.0*	*3.7*	8.7	*8.4*
- Farm solutions	768.0	343.1	*123.8*	31.7	*15.2*	*108.7*	4.1	*4.4*
- Bioseed	178.2	123.8	*44.0*	15.3	*7.4*	*107.2*	8.6	*6.0*
Sugar	**375.0**	**524.9**	***(28.6)***	**(40.1)**	***55.4***	--	**(10.7)**	***10.6***
Hariyali Kisaan Bazaar	**562.7**	**471.5**	***19.3***	**(64.1)**	***(59.4)***	--	**(11.4)**	***(12.6)***
Chloro-Vinyl incl. Power	***578.1***	***578.3***	--	***68.1***	***143.2***	***(52.4)***	***11.8***	***24.8***
Cement	**83.7**	**99.8**	***(16.1)***	**8.9**	***28.4***	***(68.6)***	**10.6**	***28.4***
Others	**260.0**	**238.6**	***9.0***	**(4.9)**	***(3.2)***	--	**(1.9)**	***(1.3)***

* ₹ Crore

9M FY11 - Performance Overview

1. **Net Revenues** higher by 15.0% at ₹ 3,045.0 Crore compared to ₹ 2,648.2 Crore :

   a) **Farm solutions:** Revenues higher by 123.8% at ₹ 768.0 Crore on the back of DAP, MOP sales (₹ 314.3 Crore as against Nil last year) along with higher SSP and Pesticides revenues

   b) **Bioseed**: Healthy performance across geographies led to an increase of 44.0% in revenues at ₹ 178.2 Crore. Growth across all Hybrids

   c) **Hariyali Kisaan Bazaar**: Registered a growth of 19.3% in revenues at ₹ 562.7 Crore led by better performance across core Retail, Fuel, Seeds and Milk

   d) **Sugar**: Revenues lower primarily due to decline in the sale of free sugar volumes by 35.5% as compared to the previous year

9M FY11 - Performance Overview

2. **PBIT** for the nine month period stood at ₹ (16.9) Crore

   a) **Farm Solutions**: PBIT improved by 108.7% at ₹ 31.8 Crore on back of high volume growth of value added inputs

   b) **Bioseed**: Increase of 107.3% at ₹ 15.3 Crore driven essentially by growth across geographies and strong demand across hybrids

   c) **Sugar**: The business witnessed decline in PBIT due to reduced margins and lower volumes

   d) **Hariyali Kisaan Bazaar:** Robust sales growth in the next few quarters will help in reducing losses

   e) **Chloro Vinyl**: PBIT of this segment declined due to:

      - In the previous year the net back per unit of power was significantly higher on back of higher power realizations
      - Significant dip in merchant power realizations since Q2 FY11 made the Company to prepone its maintenance shutdown and swing back to downstream products
      - During the current quarter, the Company swung back to manufacturing of downstream products, which however has lower margins than the last year's margins from Power Sales

   f) PBIT in the Cement business declined on the back of dip in realizations by about 14%

3. **Net Loss** of ₹ 42.8 Crore as against Net Profit of ₹ 69.0 Crore last year

Outlook & Perspectives

- **Fertilizers (Urea)**:– This business remains a stable cash generating operation. Early finalization of new Urea policy will help the business
- **Farm Solutions**: Growth trend expected to continue
- **Bioseed**: Expect high growth trend to continue subject to normal weather conditions
- **Sugar**: Expect high growth in production leading to lower costs. Likely to remain margin positive in the coming year
- **Hariyali Kisaan Bazaar**: Implemented the plan involving a more focused price value proposition and product offering for rural population based on intensive customer feedback. Benefits of these efforts expected to be visible from Q1 FY2012
- **Chloro-Vinyl Business**: We have swung back to down stream products which should give better margins in the coming quarters. Upward movement of Cost of Coal/carbon material putting margin pressure
- **Fenesta**: Order booking in both retail and in builder’s segment along with demand outlook is robust. Longer order book to execution cycle particularly in builders segment may result in deferred performance in the short term – while the longer term outlook remains highly positive
- **Finance:** Company continues to conserve cash. However, the increase in interest rates in the last few months may have some impact on financial charges

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:

"Operationally, all our businesses delivered better performance in Q3 FY11. In Chloro-Vinyl business, we have swung back to down stream products which should give better margins in the coming quarters. Sugar crushing season has started satisfactorily and prices have also seen improvements leading to positive margins.

In the Hariyali business, we continue to focus on providing a more focused price value proposition, product offering and strong customer acquisition programme. The early results are encouraging and we expect better performance going forward.

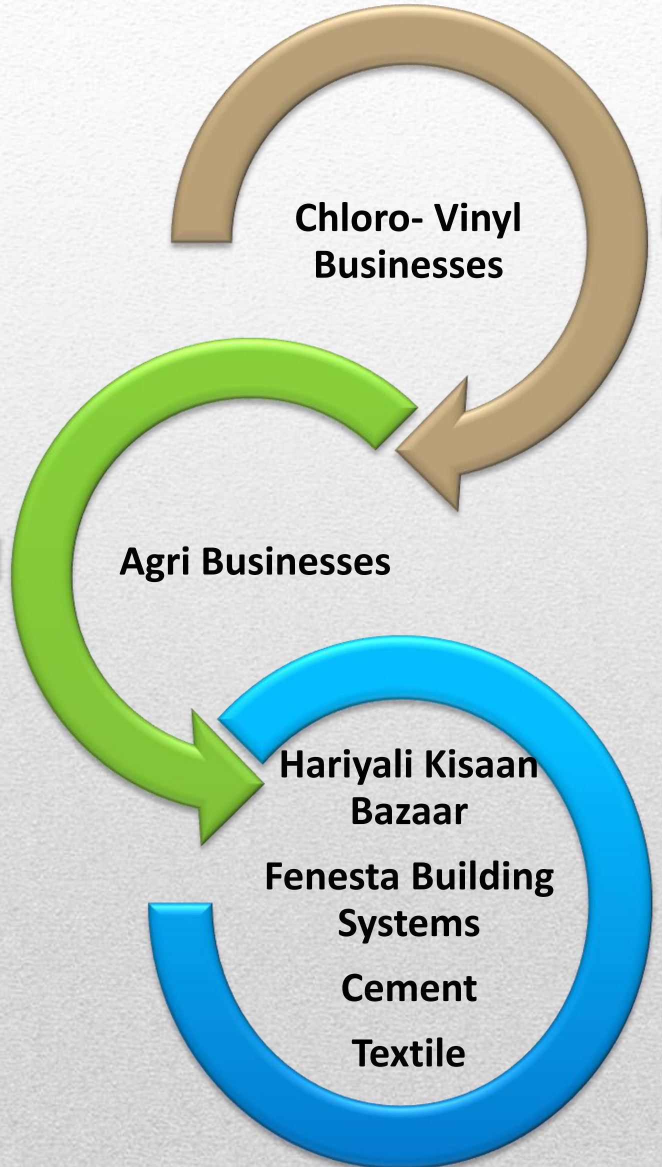
Farm solutions and Bioseed are expected to continue to record high revenue growth and emerge significant drivers for the Company.

Fenesta is also progressing satisfactorily.

Overall, we expect better results going forward with improving market conditions in most of our businesses."

Segmental Overview

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



- Agri- Inputs
  - Fertilizers
  - Farm Solutions
  - Bioseeds
- Sugar

CHLORO-VINYL BUSINESS

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 (₹ Cr.)**	**PBIT (₹ Cr.)**
Q3 FY2011	219.8	21.1
Q3 FY2010	181.3	41.8
% Shift	*21.3*	*(49.6)*
9M FY2011	578.1	68.1
9M FY2010	578.3	143.2
% Shift	--	*(52.4)*

Chlor-Alkali

	Operational		Financial	
Particulars	**Sales (MT)**	**Realizations (₹/MT)**	**Revenues (₹ Cr.)**	**PBIT (₹ Cr.)**
Q3 FY2011	59,712	18,224	116.0	21.1
Q3 FY2010	40,486	13,883	64.8	(0.2)
% Shift	*47.5*	*31.3*	*79.2*	--
9M FY2011	143,970	17,651	277.9	38.2
9M FY2010	128,475	16,320	248.3	27.4
% Shift	12.1	8.2	11.9	39.5

a) Registered higher sales and PBIT as compared to corresponding quarter last year due to :

- During the quarter, the merchant power sales realizations were unattractive
- Net payback per unit of power generated from down stream products was better than sale of power on a merchant basis. Hence, the Company optimized operations at its Kota facility by increasing manufacturing and sale of Chlor-Vinyl products, i.e. Chlor-Alkali

b) Bharuch operations witnessed better realizations and also benefited from cost efficiencies post commissioning of coal based captive power plant

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Plastics

	Operational				Financials	
Particulars	**PVC Sales (MT)**	**PVC XWR Realizations (₹/MT)**	**Carbide Sales (MT)**	**Carbide XWR Realizations (₹/MT)**	**Revenues (₹ Cr)**	**PBIT (₹ Cr)**
Q3 FY2011	12,845	51,353	9,664	35,766	103.8	0.1
Q3 FY2010	3,084	50,710	4,910	33,909	38.3	0.4
% Shift	*316.5*	*1.3*	*96.8*	*5.5*	*170.7*	*-89.2*
9M FY2011	*22,535*	*51,854*	*23,234*	*35,195*	*217.6*	*(12.4)*
9M FY2010	*10,536*	*48,891*	*16,653*	*34,444*	*116.7*	*(1.5)*
% Shift	*113.9*	*6.1*	*39.5*	*2.2*	*86.4*	--

a) The current quarter witnessed higher volumes of Plastics and Calcium Carbide as compared to the corresponding quarter last year due to the following reason:

- ➢ As the net payback per unit of power from down stream products was better than sale of power, the Company increased production and sale of downstream products i.e. Plastics and Calcium Carbide as against Power sales which were made by the Company in the previous year

Power

Particulars	Revenues (₹ Cr.)	PBIT (₹ Cr.)
Q3 FY2011	0.1	(0.0)
Q3 FY2010	78.2	41.6
% Shift	--	--
9M FY2011	*82.6*	*42.3*
9M FY2010	*213.3*	*117.4*
% Shift	*-61.3*	*-64.0*

a) This quarter witnessed a significant dip in Power realizations making Power sales unviable

b) As the net payback per unit of power from down stream products was better than sale of power, the Company increased production and sale of downstream products, i.e. Plastics, Chlor-Alkali and Calcium Carbide .This resulted in significant dip in revenue and PBIT in this segment

AGRI- INPUT BUSINESS

The Agri input business contributed to 33% of the total 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. **Fertilizer (Urea)**
2. **Farm Solutions**
3. **Bioseed**

Fertilizers (Urea)

	Operational		Financial	
Particulars	**Sales (MT)**	**Realizations (₹/MT)**	**Revenues (₹ Cr.)**	**PBIT (₹ Cr.)**
Q3 FY2011	97,252	11,901	116.3	7.9
Q3 FY2010	96,441	11,649	112.2	9.8
% Shift	*0.8*	*2.2*	*3.7*	*(19.2)*
9M FY2011	300,495	11,661	346.0	30.1
9M FY2010	277,520	12,165	346.9	29.0
% Shift	*8.3*	*(4.1)*	*(0.3)*	*3.7*

a) Volumes were higher for the 9 Month period on account of a scheduled maintenance shutdown undertaken by the Company in Q2 FY2010

b) The new Urea policy not yet announced- has led to uncompensated cost increases

c) The change in feedstock has resulted in lower subsidy outstanding from FICC and hence decline in working capital borrowings

Farm Solutions

Particulars	Revenues (₹ Cr.)	PBIT (₹ Cr.)
Q3 FY2011	179.9	6.4
Q3 FY2010	84.5	3.6
% Shift	*113.0*	*75.5*
9M FY2011	*768.0*	*31.8*
9M FY2010	*343.1*	*15.2*
% Shift	*123.8*	*108.7*

a) The portfolio comprise of fertilizers (DAP, MOP, SSP) along with value-added products such as pesticides, soluble fertilizer, micro-nutrients etc.

b) Extensive Agri extension, marketing and distribution network back these products to enable transfer of latest technology, products and farming practices to the field to enhance farmers revenues

c) Revenues up by ₹ 95.5 Crore during the quarter led by: DAP Sales of ₹ 63.7 Crore (Last year: Nil) and 37.6% growth in Sales of Farm Inputs

d) PBIT was higher during the quarter due to high volume growth in value added inputs

Bioseed

Particulars	Revenues (₹ Cr.)	PBIT (₹ Cr.)
Q3 FY2011	34.4	(6.6)
Q3 FY2010	20.4	(8.7)
% Shift	*68.6*	--
9M FY2011	*178.2*	*15.3*
9M FY2010	*123.8*	*7.4*
% Shift	*44.0*	*107.3*

a) Bioseed is DSCL's hybrid seed business with mandated crops- Cotton, Paddy, Corn, Vegetables and Bajra

b) The business includes research, production, processing and marketing of hybrid seeds in India, Philippines and Vietnam

c) Strong research, Agri-extension work with farmers and brand are the key strengths of this operation

d) Increasing geographical presence in Indonesia & Thailand to augment volumes while provide a hedge to the swings in the climatic conditions in various countries of operations

e) Revenues increased during the quarter by 68.6 % to ₹ 34.4 Crore due to improved sales of Vegetable seeds in India and Paddy in Vietnam

f) The results during the quarter is not representative of yearly performance as this business is seasonal in nature

g) The Company is witnessing a strong demand across its hybrid seeds portfolio

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Sugar

Particulars	Operational				Financial	
	Sales (Lac Qtl)		Realizations (₹/Qtl)		Revenues (₹ Cr.)	PBIT (₹ Cr.)
	Free Sugar	Levy Sugar	Free Sugar	Levy Sugar		
Q3 FY2011	3.28	0.59	2,793	1,809	121.3	16.0
Q3 FY2010	3.57	0.09	3,079	1,332	136.2	36.9
% Shift	*(7.9)*	*520.6*	*(9.3)*	*35.8*	*(10.9)*	*(56.6)*
9M FY2011	11.18	1.39	2,722	1,809	375.0	*(40.1)*
9M FY2010	17.32	1.12	2,586	1,332	524.9	*55.4*
% Shift	*(35.5)*	*24.1*	*5.3*	*35.8*	*(28.6)*	--

a) Sugar revenues were lower in Q3 FY11 primarily due to subdued realizations and volumes compared to last year

- Sugar business witnessed decline in PBIT during the quarter as compared to previous year; however witnessed improvement as compared to trailing quarter.
    - Free Sugar Margins declined in Q3 FY11 at ₹ (283) per quintal Vs ₹ 731 per quintal in Q3 FY10
    - Prices moved up after Q2 FY11 yielding positive margins in Q3 FY11 over the inventory valuation rate adopted in Q2 FY11

Hariyali Kisaan Bazaar

Particulars	Revenues (₹ Cr.)	PBIT (₹ Cr.)
Q3 FY2011	223.3	(17.5)
Q3 FY2010	216.3	(21.9)
% Shift	*3.3*	--
9M FY2011	562.7	*(64.1)*
9M FY2010	471.5	*(59.4)*
% Shift	*19.3*	--

a) This business continues to evolve as a 'Rural Business Centre', symbolizing trust, reliability and respect among the rural community

b) The number of outlets stands at 275 across eight states as on December 31, 2010

c) Hariyali witnessed decent Core Retail revenue growth from December 2010 onwards

d) Robust sales growth in the next few quarters will help in reducing losses

e) The Company is implementing a plan involving a more focused price value proposition and product offering for rural population based on intensive customer feedback. Benefits of these efforts expected to be visible from Q1 FY2012

Fenesta Building Systems

	Operational	Financial
Particulars	**Order Book**	**Revenues (₹ Cr.)**
Q3 FY2011	62,644	28.6
Q3 FY2010	28,437	24.5
% Shift	*120.3*	*16.9*
9M FY2011	*246,646*	*92.9*
9M FY2010	*172,130*	*73.7*
% Shift	*43.3*	*25.9*

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 the product

b) The Company has established a distribution and an implementation infrastructure to enable it service the customer through 4 Fabshops and a 100 dealer network spread across 51 cities in India

c) Order booking witnessing robust growth of about 120.3% Q-o-Q. Though delayed execution by builders is resulting in longer execution cycles

d) Going forward, the Company believes that its first mover advantage, technology edge, superior designs suitable for Indian conditions and greater acceptability will enable this business to register accelerated growth

Cement

	Operational		Financial	
Particulars	**Sales (MT)**	**Realizations (₹/MT)**	**Revenues (₹ Cr.)**	**PBIT (₹ Cr.)**
Q3 FY2011	88,922	2,289	26.0	*2.7*
Q3 FY2010	98,115	2,867	36.3	*13.0*
% Shift	*(9.4)*	*(20.2)*	*(28.2)*	*(79.0)*
9M FY2011	*258,314*	*2,525*	*83.7*	*8.9*
9M FY2010	*264,274*	*2,924*	*99.8*	*28.4*
% Shift	*(2.3)*	*(13.7)*	*(16.1)*	*(68.6)*

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) Cement registered better results as compared to trailing quarter Q2 FY11, however PBIT during the quarter declined as compared to previous year largely due to decline in realizations by 20.2%

OTHER BUSINESSES

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

Revenues under 'others' registered stood at ₹ 81.0 Crore in the quarter under review compared to ₹ 78.7 Crore in the corresponding period last year. PBIT for the quarter stood at ₹ (5.6) Crore.

About Us

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 Bazaar, 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:

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