



**Q2 FY11 (Consolidated): - Net Revenues at Rs. 1,052.8 Crore**

**- Net Loss at Rs. 29.0 Crores**

**H1FY11 (Consolidated):- Net Revenues at Rs. 2,073.1 Crore**

**- Net Loss at Rs. 38.4 Crores**

**Key Highlights of Q2FY11**

- Farm solutions witnessed higher earnings on back of higher DAP,MOP and SSP sales.
  - Sugar PBIT swings from Rs. 12.5 Cr in the previous year to Rs. (17.90) Cr in the current year due to margin drop in free sugar from Rs. 584 per quintal (Last Year) to Rs. (464) per quintal (Current year).
  - PBIT of the Chloro-Vinyl business declined from Rs. 45.05 crores last year to Rs.9.26 crores current year due to the following reasons:
    - During the quarter the power rates dipped substantially which made Power sales unviable.
    - Due to the above, the Company preponed all the maintenance shutdowns to be taken during the year to the current quarter.
    - As the net payback per unit of power from down stream products was better than sale of power, the company has started to increase production and sale of downstream products, i.e. Plastics, Chlor-alkali and Calcium Carbide which will reach near full capacity over the next quarter.
  - Lower interest costs partly due to lower debt.
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**New Delhi, October 26, 2010**

DSCL, an integrated business group, with extensive and growing presence across the entire Agri-Rural value chain and Chloro-Vinyl industry, today announced its financial results for the first quarter ended 30 September 2010.

**Q2 FY 11 Consolidated results- The Net Revenues were higher by 22.6% at Rs. 1,052.8 Crore compared to Rs. 858.9 Crore. Net Loss stood at Rs. 29crores: Last Year Net Profit of Rs. 14.9 crores .**However, loss was moderated as the company's financial charges were lower by 32.8% partly due to reduction in debt.

The performance for **H1 FY11** the **Net Revenues** higher by 15.5% at Rs. 2,073.1 Crore compared to Rs. 1,794.2 Crore. **Net Loss** of Rs. 38.4 Crore - Partially mitigated by lower financial costs which were partly due to lower debt.

**Highlights for Q2FY11 (Consolidated)****Figures in  
Rs/Cr**

Particulars ( Rs. Cr)	Q2 FY2011	Q2 FY2010	% YOY
Net Revenue	1,052.8	858.9	22.6
EBIDTA	11.9	83.4	(85.7)
Interest	15.7	23.3	(32.8)
Depreciation	40.2	40.4	(0.6)
PBT	(43.9)	19.6	--
PAT	(29.0)	14.9	--
Cash Profits (Before Exceptional Items)	(1.6)	59.8	--

**Segment Performance (Q2FY11)****Figures in Rs/Cr**

Segments	Revenues			PBIT			PBIT Margins	
	Q2 FY11	Q2 FY10	%YOY	Q2 FY11	Q2 FY10	%YOY	Q2 FY11	Q2 FY10
Chloro Vinylincl. Power	172.4	187.3	(8.0)	9.3	45.1	(79.4)	5.4	24.0
<b>Agri Input</b>	<b>531.0</b>	<b>234.3</b>	<b>126.7</b>	<b>25.6</b>	<b>19.9</b>	<b>28.5</b>	<b>4.8</b>	<b>8.5</b>
- Fertilizers	112.3	108.4	3.6	10.4	12.3	(15.4)	9.3	11.4
- Farm solutions	390.7	104.8	272.9	17.5	3.8	361.9	4.5	3.6
- Bioseed	28.1	21.2	32.6	(2.2)	3.9	--	(8.0)	18.2
<b>Sugar</b>	<b>89.8</b>	<b>185.1</b>	<b>(51.5)</b>	<b>(17.9)</b>	<b>12.5</b>	<b>--</b>	<b>(19.9)</b>	<b>6.8</b>
<b>Hariyali Kisaan Bazaar</b>	<b>156.6</b>	<b>146.6</b>	<b>6.8</b>	<b>(26.5)</b>	<b>(20.9)</b>	<b>--</b>	<b>(16.9)</b>	<b>(14.3)</b>
<b>Cement</b>	<b>25.7</b>	<b>27.5</b>	<b>(6.5)</b>	<b>(1.5)</b>	<b>2.9</b>	<b>--</b>	<b>(5.8)</b>	<b>10.6</b>
<b>Others</b>	<b>96.0</b>	<b>82.9</b>	<b>15.8</b>	<b>1.4</b>	<b>(0.5)</b>	<b>--</b>	<b>1.5</b>	<b>(0.6)</b>

**Performance Snapshot for the Q2 FY11 ( Consolidated)**

1. **Net Revenues** higher by 22.6% at Rs. 1,052.8 Crore compared to Rs. 858.9 Crore :
  - a) **Farm solutions (Agri Input):** Revenues up by 272.9% at Rs. 390.7 Crore - DAP & MOP ( Rs. 242.5 Crores as against Nil last year) added back to portfolio augmented revenues apart from higher sales of SSP.

- b) **Bioseed:** Revenues increased by 32.6 % to Rs. 28.1crores due to higher sales in Philippines and Vietnam.
- c) **Fenesta:** Higher product demand and improved realizations enabled a growth of 33.5% in revenues - strong traction is visible
- d) **Hariyali Kisaan Bazaar:** Growth in Retail, Seeds, Milk and Fuel verticals led to an increase in revenues by 6.8% at Rs. 156.6 Crore
- e) **Sugar:** Lower revenues primarily due to decline in the sales volume by 45%.
- f) **Chloro Vinyl:** Revenues declined by 8.0% to Rs. 172.4 Crore which was a result shutdown of the Power and the Carbide plant at our Kota manufacturing facility.

2. **PBIT** for the quarter stood at Rs. (28.3) Crores

- a) **Fertiliser ( Urea):** The Fertiliser business witnessed a marginal drop in PBIT as the company had received higher arrears on account of NPS III in the previous period.
- b) **Farm Solutions :** Farm solutions witnessed higher PBIT on back of higher DAP,MOP and SSP sales.
- c) **Sugar:** Sugar PBIT swung from Rs. 12.5 crores in the previous year to Rs.( 17.90) crores in the current year due to margin drop in free sugar from Rs. 584 per quintal ( Last Year) to Rs. ( 464) per quintal ( Current year).
- d) **Hariyali Kisaan Bazaar:** Hariyali witnessed higher losses in the current quarter due to one time costs being incurred for rationalizing operations.
- e) **Chloro Vinyl:** PBIT of the Chloro- Vinyl business were lower due to the following reasons.
  1. During the quarter the power rates dipped substantially which made Power sales unviable.
  2. The Company Preponed all the maintenance shutdowns to be taken during the year to the current quarter. at Kota.
  3. As the net payback per unit of power from down stream products was better than sale of power, the company has started to increase production and sale of downstream products, i.e. Plastics, Chlor-alkali and Calcium Carbide.
- f) **Cement:** PBIT of this business declined on the back of lower realizations and shutdown of the cement plant for regular maintenance.

3. **Net Loss stood at Rs. 29crores: Last Year Net Profit of Rs. 14.9 crores**

- a) However, losses were moderated as the company's financial charges were lower by 32.8% partly due to reduction in debt.

**Highlights for H1FY11 (Consolidated)****Figures in****Rs/Cr**

Particulars (Rs Cr)	H1 FY2011	H1 FY2010	% YOY
Net Revenue	2,073.1	1,794.2	15.5
EBIDTA	59.2	196.8	(69.9)
Interest	33.4	52.8	(36.8)
Depreciation	80.1	79.8	0.4
PBT	(54.3)	64.3	--
PAT	(38.4)	44.3	--
Cash Profits (Before Exceptional Items)	23.7	140.3	(83.1)

**Segment Performance (H1FY11)****Figures in Rs/Cr**

Segments	Revenues			PBIT			PBIT Margins	
	H1 FY11	H1 FY10	%YOY	H1 FY11	H1 FY10	%YOY	H1 FY11	H1 FY10
<b>Chloro Vinylincl. Power</b>	<b>358.2</b>	<b>397.1</b>	<b>(9.8)</b>	<b>47.0</b>	<b>101.4</b>	<b>(53.6)</b>	<b>13.1</b>	<b>25.5</b>
<b>Agri Input</b>	<b>961.7</b>	<b>596.8</b>	<b>61.1</b>	<b>69.5</b>	<b>46.9</b>	<b>48.2</b>	<b>7.2</b>	<b>7.9</b>
- Fertilizers	229.8	234.8	(2.1)	22.2	19.2	15.4	9.6	8.2
- Farm solutions	588.0	258.7	127.3	25.4	11.6	119.2	4.3	4.5
- Bioseed	143.8	103.4	39.2	21.9	16.1	36.4	15.3	15.6
<b>Sugar</b>	<b>253.7</b>	<b>388.8</b>	<b>(34.7)</b>	<b>(56.1)</b>	<b>18.6</b>	<b>--</b>	<b>(22.1)</b>	<b>4.8</b>
<b>Hariyali Kisaan Bazaar</b>	<b>344.7</b>	<b>255.3</b>	<b>35.0</b>	<b>(46.7)</b>	<b>(37.5)</b>	<b>--</b>	<b>(13.5)</b>	<b>(14.7)</b>
<b>Cement</b>	<b>57.7</b>	<b>63.5</b>	<b>(9.1)</b>	<b>6.2</b>	<b>15.4</b>	<b>(59.8)</b>	<b>10.7</b>	<b>24.2</b>
<b>Others</b>	<b>179.0</b>	<b>159.8</b>	<b>12.0</b>	<b>0.7</b>	<b>0.0</b>	<b>--</b>	<b>0.4</b>	<b>--</b>

**Key Highlights for H1FY11 (Consolidated)**

- Rise in PBIT of Farm Solutions and Bioseed businesses partially mitigated losses
  - Farm Solutions PBIT improved by 119.2% on the back higher SSP, DAP and MOP sale
  - Bioseed PBIT increased by 36.4% due to growth across all geographies with a good demand across hybrids.

- Sugar PBIT swings from Rs. 18.6 Crore last year to a loss of Rs. (56.1 )Crore, primarily due to decline in margin of free sugar from Rs. 420 per quintal last year to Rs. ( 368) per quintal in the current year.
- The PBIT of the Chloro-Vinyl business declined due to :
  - Significant dip in Power realizations in Q2 FY 11 which made Power sales unviable and led to significant dip in Power sales.
  - Due to the above, the Company preponed all its shutdown for maintenance during the year to the current quarter
  - As the net payback per unit of power from down stream products was better than sale of power, the company has started to increase production and sale of downstream products, i.e. Plastics, Chlor-alkali and Calcium Carbide.

### **Performance Snapshot for H1FY11 ( Consolidated)**

1. **Net Revenues** higher by 15.5% at Rs. 2,073.1 Crore compared to Rs. 1,794.2 Crore :
  - a) **Farm solutions (Agri Input):** Revenues higher by 127.3% at Rs 588.0 Crore on the back of DAP, MOP( Rs. 250.4 Crores as against Nil in the last year) higher SSP and Pesticides Sales.
  - b) **Bioseed:** Healthy performance across all geographies led to an increase of 39.2% in revenues at Rs. 143.8 Crore.
  - c) **Hariyali Kisaan Bazaar:** Registered a growth of 35.0% in revenues at Rs. 344.7 Crore led by commodity trading, seeds, milk and fuel verticals.
  - d) **Sugar:** Revenues lower primarily due to decline in the sales volume by 41.1% as compared to the previous year.
  - e) **Chloro Vinyl:** Lower realizations in both, downstream products and power apart from lower power availability for Chloro-Vinyl operations due to shutdown undertaken of Power facility in Q2 led to a 9.8% decline in revenues to Rs. 358.2 Crore
  - f) **Others:** Revenues improved by 12.0% at Rs. 179.0 Crore primarily led by robust demand in Fenesta
2. **PBIT** for the half year stood at Rs ( 20.9) Crore
  - a) **Fertilizers:** Increase in PBIT by 15.4% to Rs. 22.2 Crore as a result of improved efficiencies on account of energy savings due to gas conversion and higher sales volume during the period ( as in the last year same period there was a maintenance shutdown undertaken)
  - b) **Bioseed:** Increase of 36.4% at Rs. 21.9 Crore driven essentially by growth across all geographies and strong demand across hybrids.

- c) **Farm Solutions:** PBIT has improved by 119.2% at Rs. 25.4 crores on back of sale of DAP, MOP, SSP and Pesticides.
  - d) **Sugar:** The business witnessed decline in PBIT due to margin swing in free sugar from Rs. 420 per quintal last year to Rs. ( 368) per quintal in the current year.
  - e) **Hariyali Kisaan Bazaar:** The operating losses have come down for the period, however one time costs which were incurred for rationalizing operations has led to higher losses.
  - f) **Chloro Vinyl:** PBIT of this segment declined due to
    - 1. Significant dip in Power realizations in Q2 FY 11 made Power sales unviable and led to significant dip in Power sales. Due to this, the Company preponed all its shutdown for maintenance during the year to the current quarter which led to lower Power availability for Chloro-Vinyl operations.
    - 2. As the net payback per unit of power from down stream products was better than sale of power, the company has started to increase production and sale of downstream products, i.e. Plastics, Chlor-alkali and Calcium Carbide.
  - g) **Cement:** PBIT declined due to decline in realizations by 10.4%.
3. **Net Loss** of Rs. 38.4 Crore - Partially mitigated by lower financial costs which was partly due to lower debt.

### **Outlook**

- Fertilizers( Urea): **This business remains a stable cash generating operation**
- Farm Solutions (Agri Input): **Growth trend to continue**
- Bioseed: **Growth trend to be maintained.**
- Chloro-Vinyl Business: **We expect normal operations starting Q3 FY 11. The performance of this business will be linked to the performance of product prices going forward.**
- Sugar: **Cane pricing and government permitting export for the upcoming next season will be the key to earnings from this business going forward.**
- Hariyali Kisaan Bazaar: **In Hariyali, we are working towards providing a more focused price value proposition and product offering, strong customer acquisition programme. The results of these efforts are expected to start reflecting in the business by the end of FY11.**
- Fenesta: **Order booking and rate of execution continues to witness traction. We expected to witness accelerated growth in the coming quarters**
- Finance: **Company continues to conserve cash. However, the increase in interest rates in the last few months will have some impact on financial charges**

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:

***“Our Performance during the quarter has been adversely affected due to sharp deterioration in the Power realizations which made Power sales unviable. Due to this, the Company preponed all its maintenance shutdown for the year at the Kota facility to the current quarter. As the net payback per unit of power from down stream products was better than sale of Power, the company has started to increase production and sale of down stream products, i.e. Plastics, Chlor-alkali and Calcium Carbide which will reach full capacity over the period. Going forward we expect to sell higher down stream products and have normal operations from Q3 FY 11 onwards.***

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***The Performance of the Sugar business continues to be adversely affected by negative margins and lower production. With the sale of almost all carry over stock over ,the financial performance of this business will depend on the Cane price for Sugar Season 10-11.***

***The Agri- Input businesses,(Urea, Farm Solutions and Bioseed ) and Fenesta recorded good growth and continue to hold strong promise to deliver good growth in earnings going forward.***

***In Hariyali, we are working towards providing a more focused price value proposition, product offering and strong customer acquisition programme. The results of these efforts are expected to start reflecting in the business by the end of FY11.***

***Overall, we expect better performance in the coming quarters.***

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### **About DCM Shriram Consolidated Limited (DSCL)**

DSCL is an integrated business group, with extensive and growing presence across the entire Agri-rural value chain and Energy led Chloro-Vinyl industry. The Company is adding 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](http://www.dscl.com).**

**For further information please contact:**