

**Press Release**

**Nine Months FY10: Net Revenues at Rs. 2,561.4 Crore; PAT up 239.4% at Rs. 71.4 Crore and**

**Q3 FY10: Net Revenues at Rs. 833.1 Crore; PAT up 300.4% at Rs. 36.2 Crore**

**Earnings & Operations:**

- Lower short term debt and softer interest rates reduces financial costs by ~62%
- Power revenue stream helped optimize earnings in the Chloro-Vinyl segment
- Firm sugar realizations led to stable earnings in the Sugar segment – despite lower volumes
- Earnings from Cement business increased on the back of higher realizations

**Highlights:**

- Bioseed Research India' ('Bioseed') signed a strategic partnership agreement to collaborate with KeyGene - accelerate the development of new and innovative crop varieties for India and South-East Asia
- Proposal of Merger of SBGI (Shriram Bioseed Genetics India) with DSCL. SBGI carries out the activity of Production, Processing and marketing of Hybrid Seeds.
- DESCO, a 100% subsidiary of DSCL sold to M/s Dalkia (India) Pvt. Ltd. at a valuation of Rs. 10.6 Crore in an all cash deal

**New Delhi, January 20, 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 third quarter and nine months ended 31 December 2009. Nine Months FY10 Net Revenues was at Rs. 2,561.4 Crore; PAT up by 239.4% at Rs. 71.4 Crore and Q3 FY10 Net Revenues were at Rs. 833.1 Crore while PAT was up by 300.4% at Rs. 36.2 Crore

**Highlights for the Quarter****Figures in INR Crore**

<u>Particulars</u>	<u>Q3 FY2010</u>	<u>Q3 FY2009</u>	<u>Growth (%)</u>
Net Operating Income	833.1	918.5	(9.3)
Operating Profit (EBIDTA)	108.0	99.5	8.6
PBT(before exceptional items)	49.7	15.0	231.3
PBT(after exceptional items)	56.6	15.0	277.7
PAT	36.2	9.1	300.4
Cash Profit(Before exceptional items)	91.2	51.8	76.1

**Highlights for 9 months ended December 2009****Figures in INR Crore**

<u>Particulars</u>	<u>9M FY2010</u>	<u>9M FY2009</u>	<u>Growth (%)</u>
Net Operating Income	2,561.4	2,681.8	(4.5)
Operating Profit (EBIDTA)	289.4	243.4	18.9
PBT(before exceptional items)	101.8	32.1	217.1
PBT( after exceptional items)	108.7	32.1	239.0
PAT	71.4	21.0	239.4
Cash Profit(before exceptional items)	220.7	132.9	66.1

**Performance Snapshot for Nine Months (9M FY2010)**

- **Net revenues** for the nine months ended December 2009 stood at Rs. 2,561.4 Crore.
  - **Fertilizer:** Revenues lower essentially due to change in feedstock to Gas. The impact of change in feedstock was ~Rs. 261 Crore for the period
  - **Sugar:** The revenues were marginally higher during the period despite lower sales volume; essentially driven by high realizations
  - **Agri- Inputs:** Revenues marginally higher at Rs.343 Crore
  - **HKB:** The revenues from HKB have improved by 42% to Rs. 471.5 Crore
  - **Cement:** Revenues were marginally higher at Rs. 99.8 Crore compared to Rs. 90.9 Crore due higher realizations in spite of shutdown during the year
  - **Chloro-Vinyl:** Revenues were marginally lower at Rs. 578.3 Crore on back of lower production of downstream products and lower prices of Chlor Alkali.

- **EBIDTA** for the period stood at Rs 289.4 Crore as against Rs 243.4 Crore in the corresponding period last year. This was due to:
  - Improved Realizations in Cement and Sugar business
  - Power sale from the Kota facility along with the enhanced capacity of the Bharuch facility (Chemicals) and lower power costs kept the earnings from Chloro-Vinyl stable
  - Improved earnings of Fertilizer business post maintenance turnaround in Q2 FY2010. The notification of revised NPS III has also lead to higher profits vis-à-vis corresponding period last year
  - Earnings were further boosted due to Cement business operations as a result of improved volumes and better realizations
  
- **PAT** for the period stood at Rs. 71.4 Crore against Rs. 21.0 Crore in the corresponding period last year
  - Earnings performance was further augmented by lower interest costs on account of soft interest rates, and reduced working capital as a resultant of lower sugar inventories and lower subsidy accrual from the government on the fertilizer business.

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 operating and financial performance across both, our Energy led Chloro-Vinyl business as well as Agri Rural chain of businesses, this quarter. The Chlor Alkali business was under pressure during the period due to lower realisations. However the company sold Power to mitigate the effect of this pressure, and this is in line with our strategy which is to have swing capabilities with multiple revenue streams in Chloro-Vinyl business which includes sale of Power.*

*On the Agri business side, Sugar has reported stable earnings consequent to high margins but lower volumes. Our Fenesta and Bioseed businesses continue to grow as per the business plan. Hariyali Kisaan Bazaar continues to focus on offering better products and services to the rural community apart from increasing its operational efficiencies.Strengthening of our balance sheet and stability across our operations combined with continuous growth*

*opportunities across our businesses, gives us the comfort and confidence that we will be able to deliver sustained performance on a long term basis.”*

### **Outlook**

Visibility of satisfactory financial results for the next few quarters:

- Firm Sugar prices should result in continuing good performance from this segment
- Continued optimization of power production and its utilization including merchant sales from Kota plant to benefit earnings
- Late recovery in monsoon and better rural segment spend should result in improved performance from the Agri-Inputs and Hybrid Seeds business
- Focus continues on Hariyali Kisaan Bazaar business to consolidate existing operations and enhance efficiencies and margins with a view to improve its earnings profile
- Fenesta continues to deliver growth oriented performance

### **Business Mix**

	Revenues%		PBIT %		PBIT Margin %	
	9M FY2010	9M FY2009	9M FY2010	9M FY2009	9M FY2010	9M FY2009
Chloro Vinyl incl. Power	22.3	22.9	67.6	69.3	24.8	21.5
Cement	3.9	3.3	13.4	8.7	28.4	18.7
Agri Businesses	46.9	54.7	47.0	42.4	8.2	5.5
Sugar (incl. Co-gen)	20.3	18.2	26.1	20.7	10.5	8.1
Fertiliser	13.4	24.2	13.7	12.0	8.4	3.5
Agri Inputs	13.3	12.3	7.2	9.7	4.4	5.6
Hariyali Kisaan Bazaar	18.2	12.1	(28.1)	(18.5)	(12.6)	(10.8)
Others	8.7	7.0	0.1	(2.0)	0.1	(2.0)

**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 further information please contact:**

**Vivek Sabharwal/Maria Mishra**  
**Linopinion PR**  
**9811546419/ 9873001136**

**Aman Pannu**  
**Head- Corporate Communications**  
**DSCl**  
**9899078610**