



**DCM Shriram Consolidated Ltd (DSCL) announced its financial results for the first quarter ended 30<sup>th</sup> June 2011, FY 2012 (Consolidated)**

**Q1FY12 (Consolidated):** - Net Revenues at Rs. 1,225.1 Crore Vs. Rs 1,020.3 Crore in Q1 '11

- PBIT at Rs 53.5 Crore Vs. Rs 7.4 Crore in Q1 '11.

- PAT at Rs 26.0 Crore Vs. Rs. -9.4 Cr in Q1'11

**New Delhi, 26th July 2011:** DCM Shriram Consolidated Ltd (DSCL) an integrated business group with extensive and growing presence across the Agriculture and Chloro-Vinyl Industry, today announced its financial results for the first quarter ended 30<sup>th</sup> June 2011, FY 2012 (Consolidated).

The Q1 FY12 revenue was up by 20.1% at Rs 1,225.1 cr vs Rs 1,020.3 cr in Q1FY11. The PBIT stood at Rs. 53.5 Cr Vs. Rs. 7.4 Cr in Q1'11. PAT of Rs. 26.0 Cr for Q1FY12 Vs. loss of Rs. 9.4 Cr in Q1FY11

**Highlights for the Quarter (Consolidated)**

<b>Particulars (Rs. Cr)</b>	<b>Q1 FY2012</b>	<b>Q1 FY2011</b>	<b>% YOY</b>
Net Revenue	1,225.1	1,020.3	20.1
EBIDTA	92.7	47.3	96.0
PBIT	53.5	7.4	624.4
Interest	24.8	17.7	39.8
PBT	28.7	(10.3)	--
PAT	26.0	(9.4)	--

### Key Highlights for the Quarter

- a) Revenue growth driven by Bioseed ( up by 50.2%), Chloro-Vinyl (up by 36.1%), Sugar ( up by 28.8%), and Fenesta businesses ( up by 36.4%)
- b) PBIT up at Rs. 53.5 crores:
- Bioseed up by 61.2% driven by growth across hybrids and growth in Indian and Philippines market. This business is seasonal in nature and hence the results of a quarter are not representative of annual performance
  - Farm solutions up by 43.1% due to growth in value added inputs.
  - Reduction in losses in sugar business from Rs. 38.2 crores to Rs. 8.1 crores; however business continues to be under pressure.
  - In the Chloro-Vinyl business; PBIT up by only 3.5% qoq; however sequentially the earnings grew by 78.2% due to better prices of Chloro-Vinyl products and higher volumes. However higher input prices continue to exert pressure on margins.

The interest costs were higher by 39.8% at Rs. 24.8 crores due to higher borrowings and higher interest rates.

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### Segment Performance (Q1FY12)

Figures in Rs./Cr

Segments	Revenues*			PBIT*			PBIT Margins (%)	
	Q1 FY12	Q1 FY11	%YOY	Q1 FY12	Q1 FY11	%YOY	Q1 FY12	Q1 FY11
<b>Agri Input</b>	<b>516.0</b>	<b>430.6</b>	<b>19.8</b>	<b>61.7</b>	<b>44.8</b>	<b>37.6</b>	<b>12.0</b>	<b>10.4</b>
- Fertilizers	129.4	117.5	10.2	10.0	11.8	(15.0)	7.7	10.0
- Farm Solutions	212.6	197.4	7.7	12.7	8.9	43.1	6.0	4.5
- Bioseed	173.9	115.8	50.2	39.0	24.2	61.2	22.4	20.9
<b>Sugar</b>	<b>211.1</b>	<b>163.9</b>	<b>28.8</b>	<b>(8.1)</b>	<b>(38.2)</b>	<b>--</b>	<b>(3.8)</b>	<b>(23.3)</b>
<b>Hariyali Kisaan Bazaar</b>	<b>202.4</b>	<b>188.1</b>	<b>7.6</b>	<b>(19.2)</b>	<b>(20.2)</b>	<b>--</b>	<b>(9.5)</b>	<b>(10.7)</b>
<b>Chloro-Vinyl incl. Power</b>	<b>252.8</b>	<b>185.8</b>	<b>36.1</b>	<b>39.1</b>	<b>37.7</b>	<b>3.5</b>	<b>15.5</b>	<b>20.3</b>
<b>Cement</b>	<b>35.2</b>	<b>32.0</b>	<b>10.1</b>	<b>6.2</b>	<b>7.7</b>	<b>(18.9)</b>	<b>17.7</b>	<b>24.0</b>
<b>Others</b>	<b>91.4</b>	<b>76.1</b>	<b>20.1</b>	<b>(4.2)</b>	<b>(1.7)</b>	<b>--</b>	<b>(4.6)</b>	<b>(2.2)</b>
<b>Total PBT</b>				<b>28.7</b>	<b>(10.3)</b>	<b>--</b>		

## **Performance Snapshot for the Q1 FY12 (Consolidated)**

### **Net Revenues higher by 20.1% at Rs. 1,225.1 Crore compared to Rs. 1,020.3 Crore :**

1. **Bioseed:** Revenues increased by 50.2% to Rs. 173.9 Crore due to improved demand across hybrids and growth in India and Philippines.
2. **Farm solutions:** Revenues grew by 7.7% to Rs. 212.6 Crore inspite of lower sale of bulk fertilizers; i.e. MOP and SSP ; however the value added inputs such as Seeds, Pesticides etc continue to witness growth. Value added products up by over 40%.
3. **Hariyali Kisaan Bazaar:** Growth in core retail segment (up 33%) and fuel (up 39%) led to an increase in revenues to Rs. 202.4 Crore (LY Rs. 188.1 Cr)
4. **Sugar:** Increased sales volumes of Sugar and Power resulted in 28.8% growth in revenues at Rs. 211.1 Crore
5. **Chloro Vinyl:** Higher sale of Chloro-Vinyl products at improved realizations compared to Power sales last year resulted in 36.1% growth in revenues at Rs. 252.8 Crore
6. **Fenesta:** Witnessed a growth of 36.4% at Rs. 40.3 crores.

### **PBIT for the quarter up at Rs. 53.5 Crore:**

1. **Fertilizer:** Marginally lower earnings due to increase in uncompensated costs and higher equated freight arrears received in Q1 FY11
2. **Farm Solutions:** PBIT was higher by 43.1% at Rs. 12.7 crores due to contribution from value added products and receipt of subsidy arrears.
3. **Bioseed:** PBIT was higher by 61.2% at Rs. 39.0 crores as a result of increased contribution from India and Philippines markets – This business is seasonal in nature and hence the results of a quarter are not representative of annual performance
4. **Sugar:** Losses in the Sugar business reduced from Rs. 38.2 crores to Rs. 8.1 crores as the free Sugar margins swung from Rs. (307) per quintal in the previous year to Rs. 18 per quintal; however the business continues to be under pressure.
5. **Hariyali Kisaan Bazaar:** Hariyali continues to witness growth in Core retail sales. In the current quarter the retail sales grew by 33% and helped in compensating cost increases. We

- expect that Robust sales growth especially in Core Retail in the next few quarters will help in reducing losses.
6. **Chloro Vinyl:** In the Chloro-Vinyl business; PBIT was up by only 3.5% qoq; however sequentially the earnings grew by 78.2% due to better prices of Chloro-Vinyl products and higher volumes. However higher input prices especially of Coal continue to exert pressure on margins.
  7. **Cement:** Rise in input costs subdued earnings performance

**Net Profit higher at Rs. 26.0 Crore compared to a loss of Rs. (9.4) Crore last year**

### **Outlook & Perspective**

- **Fertilizers (Urea):** Early finalization of the new Urea policy will help in negating the impact of uncompensated costs. This business continues to remain a stable cash generating operation.
- **Farm Solutions (Agri Input):** Sale of wide range of value added products and bulk fertilizers (subject to government policies) are expected to sustain growth .
- **Bioseed:** Continued focus on R&D to innovate and launch new products to meet the evolving needs of the farmers as well as normal weather conditions in key regions of operation are expected to facilitate robust growth.
- **Sugar:** The key to the performance of this business would be the government's response to expected second successive year of excess supply; in terms of its export policy and its continued policy on control of both raw material prices and finished good prices. The Company would continue to focus on increasing its capacity utilization.
- **Hariyali Kisaan Bazaar:** Implemented the plan involving a focused price value proposition and product offering for rural population based on intensive customer feedback. The initial response has been encouraging with the retail sales witnessing a growth of over 30% in the last two quarters; we expect this trend to continue.
- **Chloro-Vinyl Business:** Plants for Chloro-Vinyl products are operating at full capacities. Increase in input cost exerting pressure on margins. The performance of this business is expected to be driven by realizations of Chloro-Vinyl products.

- **Fenesta:** Healthy order booking in retail segment. Longer order book to execution cycle particularly in institutional segment due to slow down in the real estate sector may affect the performance in the short term – while the longer term outlook remains positive. The company continues to focus on the retail segment, increasing its product range and improving the delivery model.
- **Finance:** The Company continues to conserve cash. However, the increase in interest rates in the last few quarters along with higher borrowings has resulted in higher costs.

**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 an improved performance both operationally and financially.*

*In our Chloro- Vinyl business our plants are operating at full capacities and we expect that in light of unremunerative power prices, we would continue to focus on producing and selling Chloro-Vinyl products. We are pursuing several cost rationalization measures which will partly mitigate the impact of rising input prices.*

*The Agri Input businesses especially Bioseed and Farm solutions continue to record good growth. Bioseed continues to introduce new products which are getting good consumer acceptance. Farm solutions is also expanding its geographical presence as well as product portfolio to achieve high growth going forward.*

*We are continuously strengthening our business proposition in Hariyali and Fenesta and expect better performance from both the businesses.*

*Overall, we expect better performance going forward.”*

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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).

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