

For Immediate Release

DSCL (DCM SHRIRAM CONSOLIDATED LTD) performance highlights for the First Quarter ending 30th June 2009-10

- Net Revenues were higher by 12.5% at Rs. 897.6 Crore compared to Rs. 797.6 Crore:
- EBIDTA for the quarter was higher by 48.8% at Rs. 101.1 Crore compared to Rs. 67.9 Crore:
- PAT up by 332.2% at Rs. 21.2 Crore compared to Rs. 4.9 Crore

Highlights:

- Value optimization across Chloro-Vinyl chain using multiple revenue streams
- Sugar business posts profits against a loss in the corresponding quarter
- Agri-Input business continues growth in Revenues and Profits
- Hariyali Kisaan Bazaar continues to deliver growth - focus on sustainability
- Fenesta Building System registers growth in Revenues and Profits

New Delhi, July 23,2009 : DSCL, a Rs 3500 crore (2008-09) integrated business entity, with extensive and growing presence across the entire Agri-rural value chain /Energy led industry, today announced its unaudited financial results for the first quarter ended 30th June 2009.

The company has registered a growth in profits with net profit figures of Rs 21.2 crore as compared to Rs 4.9 crore for the same period last year a growth of 336%. The quarter saw the turnover go up from Rs 798 crore to Rs. 898 crore a growth of 12.5%.

Highlights for the Quarter (Standalone):

Figures in INR Crore

<u>Particulars</u>	<u>Q1 FY2010</u>	<u>Q1 FY2009</u>	<u>Growth (%)</u>
Net Operating Income	897.56	797.59	12.53
Operating Profit (EBIDTA)	101.10	67.92	48.85
PBT	33.84	8.58	294.41
PAT	21.24	4.87	336.14
Cash Profit	71.64	39.83	79.86

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 have established a strong operating base of Energy-led businesses and Agri-rural businesses. The performance for the quarter was achieved due to our ability to optimise value in Energy led businesses by suitable altering revenue mix which includes sale of Power.”

“Our newer businesses i.e Hariyali Kisaan Bazaar, Fenesta Building Systems, Agri Inputs and Bioseed are showing momentum and have contributed to the improved performance. Given the combination of solid operating businesses and high growth Leadership oriented newer businesses; we do believe that we are poised to deliver growth over the longer term.”

Performance snapshot:

- **Sugar Business** continued the turnaround, primarily due to improved realisations .
- **Agri-inputs business** continues to register growth.
- **Chloro-Vinyl** business – The volume expansion and cost savings through newly commissioned 55 MW Coal based Power plant at Bharuch facility and the swing capability whereby Company sold more Power at Kota facility, ensured optimization of earnings.
- **Cement Business** witnessed rise in profits backed by higher realizations and volumes.
- **Earnings** performance was also driven by lower charge relating to Foreign exchange fluctuations and Mark-to market of fertilizer bonds.

Q1 FY2010 performance review (all comparisons with Q1 FY2009)

1. Net Revenues were higher by 12.5% at Rs. 897.6 Crore compared to Rs. 797.6 Crore:

- a) Revenues from Agri businesses were higher by 17.0% at Rs. 484 Crore compared to Rs. 415 Crore:

- i. Higher sales realizations and volumes led to higher revenues from the Sugar division at Rs. 203.7 Crore up 91.9% as against Rs. 106.1 Crore.
 - ii. Agri Input revenues increased by 43.5% to Rs. 153.9 Crore as compared to Rs. 107.3 Crore. The increase was largely on account of higher volumes of SSP as well as other value added products.
- b) Revenues from Hariyali Kisaan Bazaar at Rs. 108.7 Crore; up 24.9% compared to Rs. 87 Crore.
- c) Revenues from Chloro-Vinyl Business stood at Rs. 210 Crore down by 8% primarily due to higher sale of power than the finished products, since their realizations were lower.

2. EBIDTA for the quarter was higher by 48.8% at Rs. 101.1 Crore compared to Rs. 67.9 Crore:

- a) Turnaround in Sugar operations. However the Company sold more of high cost inventory from Sugar season 08-09, which restricted the earnings.
- b) Higher profits in Agri Input led by substantial increase in volumes while improving margins
- c) Performance in Hariyali Kisaan Bazaar was in line with the Company's investment plan to grow the business.
- d) Power sales from Chloro-Vinyl businesses led to mitigation of lower realizations from Finished products
- e) Cement business registered good profits on higher realizations and volumes.

3. PAT up by 332.2% at Rs. 21.2 Crore compared to Rs. 4.9 Crore

- a) Improved Operating Margins.

b) Lower unallocable expenditure from Rs. 29.9 Crore in Q1 FY2009 to Rs. 11.6 Crore resultant to lower charge w.r.t Mark-to market impact on fertilizer bonds and lower foreign exchange hedging cost.

Outlook

- The Chloro Vinyl product prices are expected to remain stable and will follow the global trend.
- Company is now carrying Sugar inventory from production of Sugar season 08-09, which is at a higher cost. The profitability will be a function of selling price, to maintain margins. Availability of Sugarcane for ensuing Sugar Season and prices will be the key factors.
- Hariyali Kisaan Bazaar will focus to grow the revenues and margins.
- Delay in Monsoons may impact some of our Agri-related businesses.

About DCM Shriram Consolidated Limited (DSCL)

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.

For further information, please contact:

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