Press Release

DCM Shriram Consolidated Ltd (DSCL) announced its financial results for the third quarter and Nine Months ended 31st December, 2011

Provision of Rs 38.1 cr towards Cane Price Differential for 2007-08 pursuant to the Honorable Supreme Court's order dated 17th January 2012 led to Net loss of Rs 25.2 cr for the quarter ended December 2011

Q3 FY12 (Consolidated): **-Operations recorded satisfactory performance**

- Net Revenue is up by 43.9% at Rs. 1,405.8 Crores

- EBITDA is up by 77.8% at Rs. 78.82 Crores

- PBT before exceptional item at Rs. 2.9 Crores Vs. Rs. (10.0) Crores in the Previous period

- Net Loss at Rs 25.2 Crores (after accounting for the extra cost of Rs 38.1 cr towards price cane differential for 2007-08)

9MFY12 (Consolidated): **- Net Revenue is up by 21.6% at Rs. 3,702.2 Crores**

- EBITDA is up by 89.7% at Rs. 196.4 Crores

- PBT before exceptional item at Rs. (12.8) Crores Vs. Rs. (64.2) Crores in the Previous period

- Net Loss at Rs 37.6 Crores (after accounting for the extra cost of Rs 38.1 cr towards price cane differential for 2007-08)

Key Highlights of Q3FY12

a) **Exceptional item-** The Company has accounted Rs 38.1 crores in the current quarter, which represents the amount of differential cane price for the sugar season 2007-08 pursuant to the Honorable Supreme Court's order dated 17th January 2012. This led to a Net loss of Rs 25.2 cr for the quarter ended 31st December 2011.

b) **Net Revenues were higher by 43.9% at Rs 1,405.8 crore driven by growth in Farm solutions (up by 100.3% driven by SSP ,value added products along with higher DAP/ MOP sale during the quarter, however sale of DAP and MOP lower for the year), Sugar (up by 92.9%), and Cement (up by 38.4%).**

c) **Profit (loss) before interest, exceptional item and tax at Rs 29.3 crore as against Rs 4.0 crore in the previous year.**

   i. **Farm Solutions PBIT ↑ 226.4% to Rs 21.3 crore** - Contribution from Value added products and bulk fertilisers along with forex gain.

   ii. **Chloro Vinyl PBIT ↑ 121.5% to Rs 46.7 crore** – Improved realizations of Chloro-Vinyl products continue to drive earnings performance, however increase in input costs (coal & salt) partially moderated the benefits.

d) **Interest cost is up by 89.7% at Rs 26.5 crores due to higher borrowings and rates.**

e) **The results were adversely affected due to accounting of additional costs related to rationalization of Hariyali Outlets.** The Company is in the process of implementing plans to achieve better financial performance and overall growth in the Hariyali business. This would include achieving high growth in same store sales, rationalizing/ shutting down under-performing outlets, rationalising costs, piloting different models and faster growth of agri-businesses.*This plan will be implemented by March 2012 and result in improved performance in FY13.*

New Delhi, January 31, 2012

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 31st December 2011.

Q3 FY12 net revenues stood at Rs 1405.8 cr as against Rs 977.2 cr in Q3 FY11 a growth of 43.9% The PBT before exceptional item was Rs 2.9 cr against – ve Rs 10 cr last year. However due to the accounting of Rs 38.1 cr towards cane price differential for 2007-08, The PAT was at –ve Rs 25.2 cr as against -ve Rs 4.4 cr in the corresponding period last year.

The revenue for the Nine Months FY 12 stood at Rs 3702.2 Cr against Rs 3045 cr in Nine Months FY11 a growth of 21.6% and the Net loss for Nine Month ended FY12 was at –ve Rs 37.6 cr (after accounting for the exceptional item of Rs 38.1 cr) against –ve Rs 42.8 cr in Nine month ended FY11.

Highlights for Q3FY12 (Consolidated) **Figures in Rs/Cr**

Particulars (₹ Crore)	Q3 FY12	Q3 FY11	% Shift
Net Revenue	1,405.8	977.2	*43.9*
Profit (Loss) before interest, exceptional item and tax	29.3	4.0	--
Interest	26.5	13.9	*89.7*
Profit (Loss) before exceptional item and tax	2.9	(10.0)	--
Exceptional item	(38.1)	-	--
Profit (loss) before tax	(35.20)	(10.0)	--
Net Profit/(loss)	(25.20)	(4.4)	--

Segment Performance (Q3FY12) **Figures in Rs/Cr**

	Revenues			PBIT			PBIT Margins	
Segments	**Q3 FY12**	**Q3 FY11**	***%YOY***	**Q3 FY12**	**Q3 FY11**	***%YOY***	**Q3 FY12**	**Q3 FY11**
Chloro Vinyl incl. Power	**255.9**	**219.8**	***16.4***	**46.7**	**21.1**	***121.5***	***18.3***	***9.6***
Agri Input	**549.5**	**330.6**	***66.2***	**34.3**	**7.8**	***337.7***	***6.2***	***2.4***
- Fertilisers	143.7	116.3	*23.6*	11.8	7.9	*48.7*	*8.2*	*6.8*
- Farm solutions	360.5	180.0	*100.3*	21.2	6.5	*226.4*	*5.9*	*3.6*
- Bioseed	45.3	34.4	*31.5*	1.3	(6.6)	--	*2.8*	*(19.2)*
Sugar	**234.1**	**121.3**	***92.9***	**4.8**	**16.0**	***(70.1)***	***2.0***	***13.2***
Hariyali Kisaan Bazaar	**273.2**	**223.3**	***22.3***	**(39.4)**	**(17.5)**	--	***(14.4)***	***(7.8)***
Cement	**36.0**	**26.0**	***38.4***	**5.2**	**2.7**	***90.5***	***14.5***	***10.5***
Others	**83.4**	**76.3**	***9.4***	**(1.6)**	**(5.8)**	--	***(1.9)***	***(7.6)***

Performance Snapshot for the Q3 FY12 (Consolidated)

a) **Net Revenues** up 43.9% at Rs 1,405.8 crore compared to Rs 977.2 crore :

i. **Farm solutions revenues ↑ 100.3% to** Rs**360.5 crore** driven by growth in both Value added products and bulk fertilizers ; however Revenue from DAP/MOP lower for the year.

ii. **Bioseed revenues ↑ 31.5% to** Rs **45.3 crore** driven by growth in India and Philippines.

iii. **Sugar revenues ↑ 92.9% to** Rs **234.1 crore** - Increased sales volumes of free sugar drives growth.

iv. **Hariyali Kisaan Bazaar revenues ↑ 22.3% to** Rs **273.2 crore** - Growth in retail segment (up 16%) and fuel vertical (up 61%) drove revenue growth. However Commodity trading and Seeds vertical witnessed de-growth as a result of our decision of not carrying out trades in certain crops.

v. **Chloro Vinyl revenues ↑ 16.4% to** Rs **256.0 crore** due to improved realizations of Chloro-Vinyl products especially of Chlor-alkali.

vi. **Cement:** Higher Volumes (up by 9%) and better realizations (up by 30%) led to increase in revenues by 38.4% at Rs 36 crores.

vii. **Fenesta revenues ↑ 56% to** Rs **44.5 crore driven by the growth in both the project/institutional and retail segment.**

b) **Profit (Loss) before interest, exceptional item and tax** at Rs 29.3 crores as against Rs 4.0 crores in the previous year.

i. **Fertiliser (Urea) PBIT ↑ 48.7% to** Rs **11.8 cr**ore due to higher volumes which were up by 13%. The volume increase reflects the impact of maintenance shutdown of plant in Q2 FY12. However increase in uncompensated costs due to non finalization of the Urea policy by the government continues to put pressure on earnings.

ii. **Farm Solutions PBIT ↑ 226.4% to** Rs **21.2 crore** - Contribution from Value added products ,bulk fertilisers along with Forex gain.

iii. **Chloro Vinyl PBIT ↑ 121.5% to** Rs **46.7 crore** – Improved margins in Chlor-alkali business continue to drive earnings performance. Margins in PVC/Carbide were under pressure due to cost increases. The increase in coal prices w.e.f 1st Jan 2012 will put margin pressure on this division.

iv. **Cement**: **PBIT ↑ 90.5% to** Rs **5.2 crore** – Higher volumes (up by 9%) and improved realizations (up by 30%) augment earnings; though, rise in input costs especially of Coal moderated earnings.

v. **Hariyali Kisaan Bazaar**: The business witnessed higher losses primarily due to additional costs relating to network rationalization , reduced activities/mark to market losses in agri-business.

vi. **Bioseed:** The business witnessed improved performance due to increase in revenues by 32% and credit on account of lower increase in royalty rates of Bt Cotton. . This business is seasonal in nature and hence the results of a quarter are not representative of the annual performance

vii. **Sugar Business- Earnings were lower in this business due to higher cost of production due to higher cane cost.**

c) **Exceptional item- The Company has accounted** Rs **38.1 crores in the current quarter, which represents the amount of differential cane price for the sugar season 2007-08 pursuant to the Honorable Supreme court's order dated 17th January 2012**

d) **Interest cost is up by 89.7% at** Rs **26.5 crores due to higher borrowings and rates.**

e) **Net loss at** Rs **25.2 crores compared to net loss of** Rs **4.4 crores in the previous year.**

Highlights for 9MFY12 (Consolidated) **Figures in Rs/Cr**

Particulars (₹ Cr)	9M FY12	9M FY11	% Shift
Net Revenue	3,702.2	3,045.0	*21.6*
Profit(loss) before interest, exceptional item and tax	67.7	(16.9)	-
Interest	80.5	47.3	*70.1*
Profit (loss) before exceptional item and tax	(12.8)	(64.2)	-
Exceptional item	(38.1)		-
Profit (Loss) before tax	(50.8)	(64.2)	--
Net Profit/(Loss)	(37.6)	(42.8)	--

Segment Performance (9MFY12) **Figures in Rs/Cr**

	Revenues*			PBIT*			PBIT Margins	
Segments	**9M FY12**	**9M FY11**	***% Shift***	**9M FY12**	**9M FY11**	***% Shift***	**9M FY12**	**9M FY11**
Chloro Vinyl incl. Power	**748.3**	**578.1**	***29.4***	**121.6**	**68.1**	***78.5***	***16.2***	***11.8***
Agri Input	**1,406.0**	**1,292.3**	***8.8***	**106.6**	**79.2**	***34.6***	***7.6***	***6.1***
- Fertilisers	370.8	346.0	*7.1*	12.0	30.1	***(60.2)***	***3.2***	***8.7***
- Farm solutions	777.6	768.0	*1.2*	52.2	33.8	*54.7*	***6.7***	***4.4***
- Bioseed	257.6	*178.2*	44.5	42.4	15.3	*176.5*	***16.5***	***8.6***
Sugar	***629.0***	***375.0***	***67.7***	**(6.0)**	**(40.1)**	**--**	***(1.0)***	***(10.7)***
Hariyali Kisaan Bazaar	**670.3**	**562.7**	***19.1***	**(87.0)**	**(64.1)**	**--**	***(13.0)***	***(11.4)***
Cement	**100.0**	**83.7**	***19.5***	**11.2**	**8.9**	***26.0***	***11.2***	***10.6***
Others	**265.5**	**237.5**	***11.8***	**(8.5)**	**(6.9)**	**--**	***(3.2)***	***(2.9)***

Key Highlights for 9MFY12 (Consolidated)

a) **Net Revenues were higher by 21.6% at** Rs **3,702 crore driven by growth in Sugar(up by 67.7%), Bioseed(up by 44.5%) and Chloro-Vinyl (up by 29.4%)**

b) **Profit (loss) before interest, exceptional items and tax at** Rs **67.7crores as against** Rs **(16.9) crores in the previous year.**

   i. **Farm Solutions PBIT ↑ 54.7% to** Rs **52.2 crore** –Contribution from bulk fertilizer, Value added inputs along with forex gain.

ii. **Chloro-Vinyl PBIT ↑ 78.5% to** Rs **121.6 crore** - Better realizations of Chloro-Vinyl products combined with higher volumes improves earnings; however increase in input costs of Coal, Salt etc continue to put pressure on margins.

iii. **Hariyali Kisaan Bazaar**: The losses were higher due to outlet shutdown expenses and MTM losses in the commodity/Seed business

c) **The interest costs were higher by 70% at** Rs **80.5 crore due to higher borrowings and rates in the economy.**

d) **Exceptional item- The Company has accounted** Rs **38.1 crores which represents the amount of differential cane price for the sugar season 2007-08 pursuant to the Honorable Supreme court's order dated 17th January 2012**

Performance Snapshot for 9MFY12 (Consolidated)

a) **Net Revenues** higher by 21.6% at Rs 3,702.2 crore compared to Rs 3,045.0 crore:

i. **Bioseed revenues ↑ 44.5% to Rs 257.6 crore** due to growth being witnessed in India and Philippines. Indian growth driven by Cotton, Corn, Vegetables whereas growth in Philippines was primarily because of GM Corn.

ii. **Farm solutions revenues flat at** Rs **777.6 crore** – despite lower volumes of DAP/MOP during the year mitigated due to higher sale of value added inputs (up by 33%) and SSP (up by 26%)

iii. **Sugar revenues ↑ 67.7% to** Rs **629.0 crore** – essentially due to higher Sugar and Power volumes.

iv. **Hariyali Kisaan Bazaar revenues ↑ 19.1% to** Rs **670.3 crore** – Improved performance of retail segment (up 24%) and fuel vertical (up 49%) drives revenue growth. However our Commodity trading and Seeds vertical witnessed de-growth as a result of our decision of not carrying out trades in certain crops.

v. **Chloro Vinyl revenues ↑ 29.4% to** Rs **748.3 crore** – Higher off take of Chloro-Vinyl products at better realizations augmented revenue performance

vi. **Cement revenues ↑ 19.5% to** Rs **100.0 crore –** Increased sales volumes (up by 8%) at better realizations (up by 14%) improves topline.

vii. **Others revenues ↑ 11.8% to** Rs **265.5 crore** – Revenue growth in Fenesta business (up by 40%) drives growth.

b) **Profit(Loss) before interest, exceptional item and tax** at Rs 67.7 crores as against Rs (16.9) crores:

i. **Bioseed PBIT ↑ 176.5% to** Rs **42.4 crore** driven by 44.5% growth in revenues**.**

ii. **Farm Solutions PBIT ↑ 54.7% to** Rs **52.2 crore** –Contribution from bulk fertilizer, value added inputs along with Forex gain.

iii. **Chloro-Vinyl PBIT ↑ 78.5% to** Rs **121.6 crore** - Better realizations of Chloro-Vinyl products combined with higher volumes improved earnings; however increase in input costs of Coal, Salt etc continue to put pressure on margins.

iv. **Fertilisers PBIT ↓ 60.2% to** Rs **12.0 crore** - Increase in uncompensated costs, planned maintenance shutdown in Q2 FY12 and higher arrears received in the last year subdued earnings

v. **Cement**: Earnings were higher by 26% at Rs 11.2 crores driven by higher volumes (up by 8%) and realizations (up by 14%). However increase in input costs of Coal etc moderated earnings.

vi. **Hariyali Kisaan Bazaar**: The losses were higher due to outlet shutdown expenses and MTM losses in the commodity /seed business.

c) **Net loss for the period at** Rs **37.6 crores as against net loss of** Rs **42.8 crores in the previous period.**

Outlook

i. **Fertilisers (Urea)**: This business remains a stable cash generating operation. Production post planned shutdown in Q2 FY12 stabilized. We hope the government will finalize the Urea policy soon as it is leading to uncompensated cost increases and ensure timely subsidy payments.

ii. **Farm Solutions :** Growth trend to continue through focus on value added products and bulk fertilisers (subject to government policies) – focus on earnings performance remains strong

iii. **Bioseed**: Bioseed will continue to record growth supported by healthy pipeline of products. Any adverse change in the climatic condition may impact performance

iv. **Sugar**: Expect ~ 25% increase in our production through higher cane crush and higher recovery. This will partly mitigate the sharp increase in cane prices. We hope the Government takes adequate steps to allow increases in prices to commensurate with the cost increases through various policy tools such as permitting exports, removal of levy quota etc.

v. **Hariyali Kisaan Bazaar**: **.** The Company is in the process of implementing plans to achieve better financial performance and overall growth in the Hariyali business. This would include achieving high growth in same store sales, rationalizing/ shutting down under-performing outlets, rationalising costs, piloting different models and faster growth of agri-businesses.*This plan will be implemented by March 2012 and result in improved performance in FY13.*

vi. **Chloro-Vinyl Business**: The business is facing cost pressures through increase in prices of Coal and Carbon materials. We continue to make efforts towards reduction of costs to partly mitigate the impact of rising input costs. Profitability will depend on finished product prices.

vii. **Fenesta**: Rate of execution continues to witness traction –growth expected in the coming quarters

viii. **Finance:** Company continues to manage cash flows on a conservative basis.

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 performance for the quarter. The final results, however were adversely affected due to accounting of Rs 38.1 crores as the differential cane price for the sugar season 2007-08 consequent to the decision of Hon'ble Supreme Court order dated January 17,2012.

In Chloro-Vinyl business, while the realizations for Chlor- Alkali products remain buoyant, margins of PVC Resin/Calcium carbide were under pressures due to rising input costs. The sharp increase in coal prices by Coal India w.e.f 1st January 2012 will lead to significant cost push for this business.

The Agri businesses especially Farm Solutions and Bioseed continue to deliver good earnings which we expect to continue going forward. Introduction of new hybrid seeds across our portfolio is getting good consumer acceptance. Farm Solutions is also expanding its geographical presence as well as product portfolio to achieve high growth going forward.

Sugar and Urea business continue to do well operationally. We expect the Central Government will take appropriate policy action on an urgent basis so that both the industries record better financial performance.

In Hariyali business, we have almost completed our consolidation process involving amongst other steps, rationalization of underperforming outlets. On completion this will lead to better results from FY 13 onwards.

Fenesta business has witnessed good topline growth in the current quarter and is expected to deliver good performance going forward driven by growth from the retail segment and new products.
Overall, we expect better results 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.

For further information please contact: