



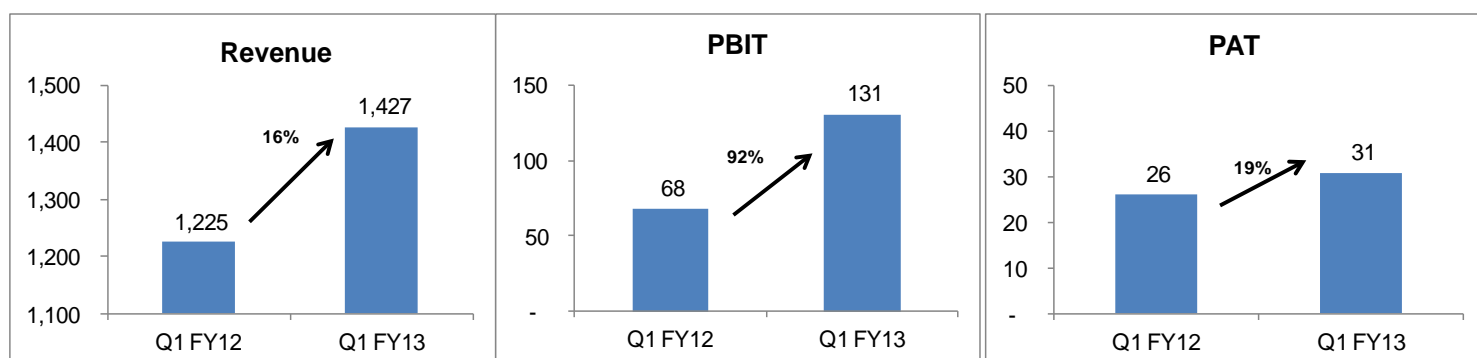
## DCM Shriram Consolidated Ltd (DSCL) announced its financial results for the period Q1 FY13

- **Net Revenues up by 16.5% at Rs. 1427 Crores.**
  - Bioseed, Sugar and Chloro-Vinyl key drivers.
- **PBIT up by 92% at Rs. 131 Crores.**
  - Higher Volumes in Bioseed.
  - Better Margins for Chloro-Vinyl.
- **Finance Cost up by 10.5% at Rs. 43.3 Crores.**
- **PAT up by 19% at Rs. 31 Crores.**

( All Numbers are Consolidated)

**New Delhi, 26<sup>th</sup> July, 2012:** 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 FY13.

The Net Revenue is up by 16.5% from Rs 1,225 cr in Q1 FY 12 to Rs 1,427cr in Q1 FY13. Also PBIT stood at Rs 131 cr in Q1FY13 up by 92% from Rs 68 cr in the corresponding period last year. PAT stood at Rs 31 cr in Q1FY13 up by 19%.



### Key Highlights:

- a) Net Revenues up by 16.5% driven by Bioseed (up 45%), Sugar (up 32.5%) and Chloro-Vinyl (up 10.1%)

b) **PBIT up by 92.3% at Rs. 130.6 Crores Vs Rs. 67.90 Crores.**

a) **Bioseed:** PBIT up by 69.7% at Rs. 66.1 crores driven by growth in Revenues by 45%. The revenue growth driven by growth in Bt Cotton, Corn and Paddy in India.

b) **Chloro-Vinyl:** PBIT up by 84.4% at Rs. 73 crores driven by better margins at 26.2% as compared to 15.7%.

This was driven by improvements on cost sides and higher realizations of Chloro-Vinyl products especially Chlor-Alkali which was up by 19 %.

c) The Finance costs were up by 10.5% at Rs. 43.3 crores driven by higher interest costs and higher working capital borrowings.

d) Net Profit at Rs. 30.9 Crores as compared to Rs. 26.0 crores

**Segment Details:**

Segments	Revenues*			PBIT*			PBIT Margins %	
	Q1 FY13	Q1 FY12	%	Q1 FY13	Q1 FY12	%	Q1 FY13	Q1 FY12
<b>Agri Input</b>	<b>687.0</b>	<b>516.0</b>	<b>33.1</b>	<b>88.9</b>	<b>61.9</b>	<b>43.7</b>	<b>12.9</b>	<b>12.0</b>
- Fertilisers	136.7	129.4	5.6	7.8	10.0	(22.3)	5.7	7.7
- Farm solutions	297.9	212.6	40.1	15.0	12.9	16.3	5.0	6.0
- Bioseed	252.4	173.9	45.1	66.1	39.0	69.7	26.2	22.4
<b>Sugar</b>	<b>279.7</b>	<b>211.1</b>	<b>32.5</b>	<b>(3.9)</b>	<b>(8.1)</b>	<b>--</b>	<b>(1.4)</b>	<b>(3.8)</b>
<b>Hariyali Kisaan Bazaar</b>	<b>213.4</b>	<b>202.4</b>	<b>5.4</b>	<b>(20.1)</b>	<b>(19.2)</b>	<b>--</b>	<b>(9.4)</b>	<b>(9.5)</b>
<b>Chloro Vinyl incl. Power</b>	<b>278.3</b>	<b>252.8</b>	<b>10.1</b>	<b>73.0</b>	<b>39.6</b>	<b>84.4</b>	<b>26.2</b>	<b>15.7</b>
<b>Cement</b>	<b>37.6</b>	<b>35.2</b>	<b>6.7</b>	<b>6.4</b>	<b>6.2</b>	<b>3.4</b>	<b>17.1</b>	<b>17.7</b>
<b>Others</b>	<b>76.4</b>	<b>91.4</b>	<b>(16.4)</b>	<b>(5.9)</b>	<b>(4.0)</b>	<b>--</b>	<b>(7.7)</b>	<b>(4.4)</b>

\*Rs in Crore

- **Fertilizers:**

- Revenues higher by 5.6% driven by higher volumes and Realizations.
- PBIT lower by 22.3% at Rs. 7.8 crores as the company continues to incur uncompensated cost increases due to non-announcement of the new Urea Policy.

- **Bioseed:**

- Revenues and PBIT up by 45.1% and 69.7% at Rs. 252.4 crore and Rs. 66.1 crores respectively driven mainly by Indian operations.
- The growth was driven by Bt Cotton, Corn and Paddy.
- **Farm solutions:**
  - Revenues and PBIT up by 40.1% and 16.3% respectively at Rs. 297.9 crore and Rs. 15 crores respectively driven by growth in Value added Inputs (up by 60%) including hybrid seeds from Bioseed Segment.
- **Sugar:**
  - Revenues up by 32.5% at Rs. 279.7 crore driven by increased free sugar sales volume (up by 12.6%) at marginally better realizations (up by 5.7%) along with higher Power Sales.
  - **Sugar PBIT at Rs. (3.9) crores vis-à-vis Rs. (8.1) crore-**
    - **Lower losses** primarily driven by higher volumes of Power.
    - Margins continue to sub-optimal.
    - Free Sugar margins at Rs. (4) per quintal as compared to Rs. 17 per quintal in the previous year.
- **Chloro Vinyl:**
  - Revenues up by 10.1% at Rs. 278.3 crores driven by improved realizations of Chloro-Vinyl products. Chlor Alkali was up by 19%, PVC Resin up by 4.6% and Calcium Carbide up by 9%.
  - PBIT up by 84.4% at Rs. 73 crores driven by better margins at 26.2% as compared to 15.7%.  
  
This was driven by improvements on cost sides and higher realizations of Chloro-Vinyl products
- **Cement:**
  - Revenues up by 6.7% at Rs. 37.6 crore driven by increased sales volumes (up by 4%) at marginally better realizations.
  - PBIT flat as the increase in realizations was compensated by increase in costs.
- **Fenesta:**

- Revenues lower by 2% at Rs. 39.3 crores due to significant slowdown in the institutional segment-however partly mitigated by the increase in retail segment.
- **Hariyali Kisaan Bazaar:**
  - Revenues up by 5.4% to Rs. 213.4 crore-Revenue growth driven by growth in the Fuel segment. The Growth rates have moderated as the company is implementing a Restructuring and Rationalization plan involving restricting activities to profitable product lines only.
- **Net profit for the year higher by 18.8% at Rs. 30.9 crore compared to Rs. 26.0 crore**
  - Net Profit is after charge of Rs. 56.3 crore on account of provisions for impairment losses on assets and expenses consequent to Company's decision to restructure and rationalize Hariyali's operations to restrict its activities to profitable product lines only.

#### **Outlook & Perspectives:**

##### **I. Fertilizers (Urea):**

- Operational performance is stable.
- Business witnessing margin pressures due to uncompensated cost increases.

##### **II. Farm Solutions :**

- In the medium term, we expect this business to be on the growth path as the company continues to further expand its portfolio, geographical reach etc.
- However, in the near term performance will be driven by the weather conditions.
- The performance has been affected due to delayed Monsoons and Uncertain market conditions for DAP/MOP.

##### **III. Bioseed:**

- This business will continue to witness healthy growth rates in the medium term driven by products launched in the last 1- 2 years, healthy product pipeline, our continued focus on R&D and strengthening of market development activities.
- In the near term, the performance of our operations especially in Vietnam and Philippines will driven by weather conditions in Q4 FY 13 which is their main season, whereas Q1 is the main season for India.

##### **IV. Sugar:**

- Sugar Prices have seen moderate increase in July, 12. However, it still continues to be below the level required for profitable operations.

- The performance of this business will be determined by the steps the Government will take to move towards de- regulation of the sector including policy responses on Levy Sugar, Cane pricing etc.
- V. **Hariyali Kisaan Bazaar:** On completion of restructuring and rationalization plan, expect substantial reduction in financial losses by Q4 FY13.
- VI. **Chloro-Vinyl Business:** The performance is expected to be driven by developments relating to realizations of Chloro-Vinyl products and Coal Costs.
- VII. **Fenesta:** We continue to focus on strengthening our retail business through expansion of our distribution network and promotion efforts. We believe these steps will help Fenesta in achieving healthy growth rates going forward.
- 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 this quarter, led by healthy growth rates in Chloro-Vinyl and Bioseed businesses. The Performance of Chloro-Vinyl business was driven by healthy realizations of all Chloro-Vinyl products especially Chlor- Alkali products and initiatives taken by the company to mitigate the impact of rising costs.*

*Bioseed and Farm Solutions businesses had high profit growth led by high turnover growth. The growth has been impacted by adverse weather conditions prevalent in the major part of the country. However, we do believe that these businesses in the medium term will continue to deliver healthy growth rates given strong research program, healthy pipeline of products and increasing Geographical presence.*

*We are pursuing several initiatives to improve the performance of Sugar and Fenesta businesses and expect better results from these businesses in the medium term.*

*We expect sharp reduction in losses in Hariyali business through the restructuring and rationalization plan which is under implementation. This would help in improving overall group financials.*

*Overall, we do expect healthy performance going forward”*

**About DSCL:**

DSCL is an integrated business entity, with extensive and growing presence across the entire Agrirural 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](http://www.dscl.com).

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