# DCM SHRIRAM CONSOLIDATED LIMITED

**Results Presentation**
**Q4 & FY2011**
**May 6, 2011**

# Safe Harbour

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. DCM Shriram Consolidated Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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# Q4 FY11 Consolidated Financials – Key Highlights

| Particulars (₹ Cr) | Q4 FY2011 | Q4 FY2010 | % YOY |
|---|---|---|---|
| Net Revenue | 1,106.9 | 898.6 | *23.2* |
| EBIDTA | 90.8 | 73.5 | *23.5* |
| PBIT | 51.3 | 31.8 | *61.3* |
| Interest | 19.0 | 17.6 | *7.7* |
| PBT | 32.3 | 14.1 | *128.2* |
| PAT | 28.6 | 15.3 | *87.1* |

**Key Highlights**

1. Revenue growth of 24% led by Farm solutions (up by 145.1%), Bioseed (43.8%) and Hariyali Kisaan Bazaar (up by 33.3%). Growth in Hariyali led by growth in Retail Sales.
2. PBIT up by 61.3% at ₹ 51.3 Crore. Key Drivers for growth were :
    a) Farm solutions up by 425.5% at ₹ 7.6 Crore driven by volume growth in SSP, Pesticides and Seeds.
    b) Sugar witnessed positive earnings of ₹ 32.9 Crore as compared to a loss of ₹ 12.9 Crore in the previous year.
        - Higher Inventory write off in the previous year on account of higher quantity of levy sugar (increased from 10% to 20%) with very low levy price. Since then levy price has been increased to ₹ 1,901 per quintal and quota reduced to 10%.
        - Higher profits from Power Sales mitigated the effect of lower sugar margins as compared to previous year.
    c) Bioseed up by 7.1% at ₹ 22.5 Crore due to better performance primarily in India.
    d) Chloro-Vinyl business witnessed drop in margins due to:
        - Increase in input costs of Coal and Carbon material.
        - In the previous year the Company sold merchant power which had higher net back per unit of power as compared to Chloro-Vinyl products which we sold this quarter.
    e) Fertilizer: The earnings in the fertilizer business dipped due to uncompensated cost increases and higher arrears received in the previous year.
3. The Board of Directors have recommended a dividend of ₹ 0.4 per share i.e. 20%

# Q4 FY11- Segment Performance

| | Revenues* | | | PBIT* | | | PBIT Margins (%) | |
|---|---|---|---|---|---|---|---|---|
| **Segments** | **Q4 FY11** | **Q4 FY10** | ***%YOY*** | **Q4 FY11** | **Q4 FY10** | ***%YOY*** | **Q4 FY11** | **Q4 FY10** |
| **Agri Input** | **394.3** | **274.9** | **43.4** | **29.2** | **38.0** | **(23.2)** | **7.4** | **13.8** |
| - Fertilizers | 125.2 | 132.5 | (5.6) | (0.9) | 15.6 | -- | (0.7) | 11.8 |
| - Farm solutions | 155.9 | 63.6 | 145.1 | 7.6 | 1.5 | 425.5 | 4.9 | 2.3 |
| - Bioseed | 113.2 | 78.7 | 43.8 | 22.5 | 21.0 | 7.1 | 19.9 | 26.7 |
| **Sugar** | **239.4** | **208.6** | **14.7** | **32.9** | **(12.9)** | **--** | **13.8** | **(6.2)** |
| **Hariyali Kisaan Bazaar** | **211.3** | **158.5** | **33.3** | **(19.0)** | **(21.7)** | **--** | **(9.0)** | **(13.7)** |
| **Chloro-Vinyl incl. Power** | **232.0** | **194.2** | **19.4** | **21.9** | **32.0** | **(31.6)** | **9.5** | **16.5** |
| **Cement** | **39.2** | **34.9** | **12.3** | **7.5** | **8.8** | **(15.2)** | **19.1** | **25.3** |
| **Others** | **83.1** | **77.0** | **7.9** | **(4.9)** | **1.6** | **--** | **(5.9)** | **2.1** |

* ₹ Crore

# Q4 FY11 – Performance Overview

1. **Net Revenues** higher by 23.2% at ₹ 1,106.9 Crore compared to ₹ 898.6 Crore :

   a) **Farm solutions :** Revenues up by 145.1% at ₹ 155.9 Crore led by increase in sale of SSP, pesticides, seeds and plant growth regulators.

   b) **Bioseed**: Revenues increased by 43.8% to ₹ 113.2 Crore due to improved sales in India, Philippines and Thailand.

   c) **Hariyali Kisaan Bazaar**: Growth in core retail segment (44%) along with fuel, seeds and milk verticals led to an increase in revenues to ₹ 211.3 Crore – same store sales growth encouraging.

   d) **Sugar**: Increased sales volumes resulted in 14.7% growth in revenues at ₹ 239.4 Crore.

   e) **Chloro Vinyl**: Revenues up by 19.4% to ₹ 232.0 Crore – due to higher sale of Chloro-Vinyl products at improved realizations compared to Power sales last year.

# Q4 FY11 – Performance Overview

2. **PBIT** for the quarter up 61.3% at ₹ 51.3 Crore:

   a) **Fertilizer:** The earnings in the fertilizer business dipped due to uncompensated cost increases and higher arrears received in the previous year.

   b) **Farm Solutions:** Registered higher PBIT due to volume growth in SSP & value added inputs.

   c) **Bioseed:** PBIT higher by 7.1% at ₹ 22.5 Crore – This business is seasonal in nature and hence the results of a quarter are not representative of annual performance.

   d) **Sugar**: Swing in Sugar PBIT from ₹ (12.9) Crore last year to ₹ 32.9 Crore due to:

      - Higher Inventory write off in the previous year on account of higher quantity of levy sugar (increased from 10% to 20%) with no change in the levy price. Since then levy price has been revised to ₹ 1,901 per quintal and the quantity has been reduced from 20% to 10%.
      - Higher profits from Power sales mitigated the effect of lower sugar margins as compared to previous year.

   e) **Hariyali Kisaan Bazaar**: Robust sales growth in the next few quarters will help in reducing losses.

   f) **Chloro Vinyl**: PBIT of the Chloro-Vinyl businesses were lower due to the following reasons:

      - In the previous year the Company sold merchant power which had higher net back per unit of power as compared to Chloro-Vinyl products which we have been selling starting from the end of Q2 FY11.
      - Higher input costs (Coal and Carbon material) exerting pressure on margins.

   g) **Cement**: PBIT declined on the back of lower realizations and higher input costs.

3. **Net Profit higher by 87.1% at ₹ 28.6 Crore.**

# FY11 Consolidated Financials – Key Highlights

| Particulars (₹ Cr) | FY2011 | FY2010 | % YOY |
|---|---|---|---|
| Net Revenue | 4,151.9 | 3,546.8 | *17.1* |
| EBIDTA | 194.3 | 367.6 | *(47.1)* |
| Depreciation | 160.0 | 163.0 | *(1.8)* |
| PBIT | 34.3 | 204.6 | *(83.2)* |
| Interest | 66.3 | 88.6 | (25.1) |
| PBT | (32.0) | 122.5 | -- |
| PAT | (14.3) | 84.3 | -- |

**Key Highlights**

a) Revenues higher by 17.1% at ₹ 4,151.9 Crore led by:

- Farm Solutions revenues up 127.1% with high volume growth in bulk fertilizers (i.e. DAP, MOP and SSP) and value added inputs.
- Healthy demand across hybrids in all geographies led to a 43.9% rise in Bioseed revenues.
- Hariyali Kisaan Bazaar revenues up by 22.9% primarily due to growth in Fuel, Core retail & Seeds vertical.

b) PBIT at ₹ 34.3 Crore compared to ₹ 204.6 Crore in FY10 essentially due to reduction in margins in Sugar, Chloro-Vinyl and Cement businesses. This was partially mitigated by the growth-led performance of the Bioseed and Farm solutions businesses.

# FY11 Segment Performance

| | Revenues* | | | PBIT* | | | PBIT Margins (%) | |
|---|---|---|---|---|---|---|---|---|
| **Segments** | **FY11** | **FY10** | ***%YOY*** | **FY11** | **FY10** | ***%YOY*** | **FY11** | **FY10** |
| **Agri Input** | **1,686.5** | **1,088.7** | **54.9** | **108.4** | **89.7** | **20.9** | **6.4** | **8.2** |
| - Fertilizers | 471.2 | 479.5 | (1.7) | 29.2 | 44.6 | (34.5) | 6.2 | 9.3 |
| - Farm solutions | 923.8 | 406.8 | 127.1 | 41.4 | 16.7 | 148.2 | 4.5 | 4.1 |
| - Bioseed | 291.5 | 202.5 | 43.9 | 37.8 | 28.4 | 33.1 | 13.0 | 14.0 |
| **Sugar** | **614.4** | **733.5** | **(16.2)** | **(7.1)** | **42.5** | **--** | **(1.2)** | **5.8** |
| **Hariyali Kisaan Bazaar** | **774.0** | **630.0** | **22.9** | **(83.1)** | **(81.2)** | **--** | **(10.7)** | **(12.9)** |
| **Chloro-Vinyl incl. Power** | **810.0** | **772.5** | **4.9** | **90.0** | **175.2** | **(48.6)** | **11.1** | **22.7** |
| **Cement** | **122.9** | **134.7** | **(8.7)** | **16.4** | **37.2** | **(55.9)** | **13.4** | **27.6** |
| **Others** | **320.6** | **305.7** | **4.9** | **(11.8)** | **(1.6)** | **--** | **(3.7)** | **(0.5)** |

* ₹ Crore

# FY11 - Performance Overview

1. **Net Revenues** higher by 17.1% at ₹ 4,151.9 Crore compared to ₹ 3546.78 Crore :

   a) **Farm solutions:** Revenues higher by 127.1% at ₹ 923.8 Crore on the back of DAP & MOP sales along with higher SSP and value added input sales.

   b) **Bioseed**: Healthy performance across geographies led to an increase of 43.9% in revenues at ₹ 291.5 Crore - registered growth across all hybrid seeds.

   c) **Hariyali Kisaan Bazaar**: Growth of 22.9% in revenues at ₹ 774.0 Crore led by improved performance across fuel, seeds, milk & retail.

   d) **Sugar**: Revenues lower primarily due to decline in sugar volumes by 20.4% as compared to the previous year – though partially mitigated by power.

   e) **Chloro Vinyl**: Revenue higher by 4.9% to ₹ 810.0 Crore due to higher sale of Chloro-Vinyl products at improved realizations compared to power sales last year.

# FY11 - Performance Overview

2. **PBIT** for the year stood at ₹ 34.3 Crore

   a) **Fertilizers:** Decline in earnings due to uncompensated cost increases and higher arrears received in the previous year.

   b) **Farm Solutions**: PBIT improved by 148.2% at ₹ 41.4 Crore due to higher contribution from both value added products and bulk fertilizers.

   c) **Bioseed**: Increase of 33.1% at ₹ 37.8 Crore driven essentially by better performance in India and Philippines and strong demand across hybrid seeds.

   d) **Sugar**: The business witnessed decline in PBIT due to:

      - Significant dip in free margins from ₹ 480 per quintal last year to ₹ (182) per quintal in the current year.
      - Decline in sales volume.
      - Profitability partially mitigated by lower inventory write off` and sale of co-gen power to the state grid.

   e) **Hariyali Kisaan Bazaar:** Losses higher on an annual level due to one time rationalization expenses incurred during the year.

   f) **Chloro Vinyl**: PBIT of this segment declined due to:

      - Previous year had higher net back per unit of Power on back of higher Power realizations.
      - Significant dip in merchant Power realizations since Q2 FY11; shift to Chloro-Vinyl products.
      - Net back higher from sale of Chloro-Vinyl products lower as compared to Power sale
      - The Increase in cost of Coal/Carbon materials putting pressure on margins.

   g) **Cement**: PBIT declined on the back of dip in realizations along with higher input costs.

3. **Net Loss** of ₹ (14.3) Crore as against Net Profit of ₹ 84.3 Crore last year.

# Outlook & Perspectives

- **Fertilizers (Urea)**: This business remains a stable cash generating operation. Early finalization of new Urea policy will be beneficial as it is leading to uncompensated cost increases.
- **Farm Solutions (Agri Input)**: Growth trend to continue with wide range of value added products and bulk fertilizers which are subject to government policies.
- **Bioseed**: Increasing focus on R&D to innovate and launch new products supported by normal weather conditions in key regions of operation expected to facilitate robust growth.
- **Sugar**: High sugar production leading to better utilizations and costs. Likely to remain margin positive in the coming year.
- **Hariyali Kisaan Bazaar**: Implemented the plan involving a focused price value proposition and product offering for rural population based on intensive customer feedback. Benefits of these efforts expected to be visible from H1 FY2012 onwards.
- **Chloro-Vinyl Business**: Plants for Chloro-Vinyl products are operating at full capacities. Increase in input cost i.e. coal/carbon material putting pressure on margins. The performance of this business is now being driven by realizations of Chloro-Vinyl products.
- **Fenesta**: Healthy order booking in both retail and institutional segment. Longer order book to execution cycle particularly in institutional segment may result in deferred performance in the short term – while the longer term outlook remains positive.
- **Finance:** Company continues to conserve cash. However, going forward the increase in interest rates in the last few months may result in higher finance costs.

# Management's Message

**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 operational performance across both our Chloro-Vinyl and Agri-Rural business.*

*In the Chloro-Vinyl businesses, post Q2FY11 we increased the manufacturing of Chloro-Vinyl products in light of unremunerative power realizations to maximize earnings per unit of power generated. Our plants for Chloro-Vinyl products are operating at full capacities. However the input costs such as Coal/Carbon Materials are putting pressure on the margins. In the coming quarters, expect product prices to go up to compensate the cost increases.*

*Farm Solutions and Bioseed businesses recorded robust growth supported by strong research base and market development efforts. Our diverse product offerings combined with a wide-spread distribution, reach and brand makes us well poised to benefit from opportunity arising in this segment.*

*Sugar business is showing signs of improvement. Volumes and stable sugar realizations will play a major role in earnings performance.*

*The early results of providing a focused price value proposition and product offering to rural population through Hariyali Kisaan Bazaar business are encouraging and we expect performance to improve going forward. Fenesta continues to progress satisfactorily.*

*Overall, we expect better performance with improving market conditions in our businesses."*

# Segmental Overview

**Chloro- Vinyl Businesses**

- Chlor – Alkali
- PVC Resin and Compounds
- Calcium carbide
- Power

**Agri Businesses**

- Agri- Inputs
  - Fertilizers
  - Farm Solutions
  - Bioseeds
- Sugar

**Hariyali Kisaan Bazaar**

**Fenesta Building Systems**

**Cement**

**Textile**

# CHLORO-VINYL BUSINESS

The Chloro-Vinyl business of the Company has a highly integrated operation with multiple revenue streams and economical captive power generation facilities. Chloro-Vinyl operations are at two locations (Kota – Rajasthan and Bharuch – Gujarat) with full captive coal based power capacity of ~145 MW. The multiple revenue streams enable the Company to optimize operations in a manner to maximize the contribution per unit of power that is produced.

| **Particulars** | **Revenues (₹ Cr.)** | **PBIT (₹ Cr.)** |
|---|---|---|
| Q4 FY2011 | 232.0 | 21.9 |
| Q4 FY2010 | 194.2 | 32.0 |
| *% Shift* | *19.4* | *(31.6)* |
| FY2011 | 810.0 | 90.0 |
| FY2010 | 772.5 | 175.2 |
| *% Shift* | *4.9* | *(48.6)* |

# Chlor-Alkali

| | Operational | | Financial | |
|---|---|---|---|---|
| **Particulars** | **Sales (MT)** | **Realizations (₹/MT)** | **Revenues (₹ Cr.)** | **PBIT (₹ Cr.)** |
| Q4 FY2011 | 55,498 | 18,666 | 117.4 | 15.0 |
| Q4 FY2010 | 47,128 | 14,014 | 72.7 | (0.3) |
| *% Shift* | *17.8* | *33.2* | *61.6* | - |
| FY2011 | 209,014 | 17,929 | 395.4 | 53.2 |
| FY2010 | 181,884 | 15,791 | 321.0 | 27.0 |
| *% Shift* | *14.9* | *13.5* | *23.2* | *97.0* |

a) In Q4 FY10, the Company at its Kota facility sold Power as the net back per unit of Power was higher than. Chlor-Alkali, PVC Resin and Calcium Carbide.

b) However, Post Q2 FY11 due to un remunerative Power prices, the Company used its swing capability at Kota to manufacture Chloro-Vinyl which have resulted in higher volumes of Chlor-Alkali.

c) Both, Bharuch and Kota facilities witnessed better realizations.

d) However, faced margin pressure on account of increase in Coal and other costs.

# Plastics

| | Operational | | | | Financials | |
|---|---|---|---|---|---|---|
| **Particulars** | **PVC Sales (MT)** | **PVC XWR Realizations (₹/MT)** | **Carbide Sales (MT)** | **Carbide XWR Realizations (₹/MT)** | **Revenues (₹ Cr)** | **PBIT (₹ Cr)** |
| Q4 FY2011 | 11,672 | 54,030 | 10,686 | 36,834 | 113.6 | 6.7 |
| Q4 FY2010 | 4,699 | 53,440 | 5,851 | 33,361 | 51.5 | (4.3) |
| *% Shift* | *148.4* | *1.1* | *82.6* | *10.4* | *120.8* | - |
| FY2011 | 34,207 | 52,597 | 33,920 | 35,711 | 331.2 | (5.6) |
| FY2010 | 15,235 | 50,294 | 22,505 | 34,162 | 168.2 | (5.8) |
| *% Shift* | *124.5* | *4.6* | *50.7* | *4.5* | *96.9* | -- |

a) Higher sales volumes consequent to increased production of i.e. PVC & Calcium Carbide with a view to maximize earnings per unit of power generated – merchant power realizations unattractive.

b) Improved realizations in PVC and Calcium Carbide resulted in healthy topline growth.

c) Significant increase in cost of coal and carbon materials subdued profitability.

# Power

| Particulars | Revenues (₹ Cr.) | PBIT (₹ Cr.) |
|---|---|---|
| Q4 FY2011 | 0.9 | 0.2 |
| Q4 FY2010 | 70.1 | 36.6 |
| *% Shift* | -- | -- |
| FY2011 | 83.5 | 42.5 |
| FY2010 | 283.4 | 154.0 |
| *% Shift* | *(70.5)* | *(72.4)* |

a) Lower power realizations made merchant power sales unremunerative.

b) As the net payback per unit of power from Chloro-Vinyl products was better than from sale of power, the Company increased production of Chloro-Vinyl, i.e. Chlor-Alkali, Plastics and Calcium Carbide. This resulted in significant dip in revenue and PBIT from power sales.

# AGRI- INPUT BUSINESS

The Agri input business, during the quarter, contributed to 32.9% to the total revenues of the Company. The Company continues to focus on these businesses given the huge opportunity in this area where the Company can capitalize on its long standing understanding of varied Agri businesses and the rural consumer; its established infrastructure; services & product portfolio; and a deep rural presence. The Agri Input Business includes:

1. **Fertilizer (Urea)**
2. **Farm Solutions**
3. **Bioseed**

# Fertilizers (Urea)

| | Operational | | Financial | |
|---|---|---|---|---|
| **Particulars** | **Sales (MT)** | **Realizations (₹/MT)** | **Revenues (₹ Cr.)** | **PBIT (₹ Cr.)** |
| Q4 FY2011 | 103,536 | 12,019 | 125.2 | (0.9) |
| Q4 FY2010 | 106,532 | 12,496 | 132.5 | 15.6 |
| *% Shift* | *(2.8)* | *(3.8)* | *(5.6)* | -- |
| FY2011 | 404,030 | 11,753 | 471.2 | 29.2 |
| FY2010 | 383,643 | 12,032 | 479.5 | 44.6 |
| *% Shift* | *5.3* | *(2.3)* | *(1.7)* | *(34.5)* |

a) The earnings in the fertilizer business dipped in the quarter due to:

- ➢ Uncompensated cost increases due to non-finalization of Urea Policy.
- ➢ Higher arrears received in the previous year.

b) This business remains a stable cash generating operation. Early finalization of new Urea policy will be beneficial as it is leading to uncompensated cost increases.

# Farm Solutions

| Particulars | Revenues (₹ Cr.) | PBIT (₹ Cr.) |
|---|---|---|
| Q4 FY2011 | 155.9 | 7.6 |
| Q4 FY2010 | 63.6 | 1.5 |
| *% Shift* | *145.1* | *425.5* |
| FY2011 | 923.8 | 41.4 |
| FY2010 | 406.8 | 16.7 |
| *% Shift* | *127.1* | *148.2* |

a) The portfolio comprises fertilizers (DAP, MOP, SSP) along with value-added products such as pesticides, soluble fertilizer, micro-nutrients etc.

b) Agri extension services combined with a strong marketing and distribution network enable transfer of latest technology, products and farming practices to the field to enhance farmers revenues.

c) Revenue up by 145.1% at ₹ 155.9 Crore driven by volume growth in SSP, Pesticides and Seeds.

d) Higher contribution from sale of value added products resulted in increased PBIT.

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# Bioseed

| Particulars | Revenues (₹ Cr.) | PBIT (₹ Cr.) |
|---|---|---|
| Q4 FY2011 | 113.2 | 22.5 |
| Q4 FY2010 | 78.7 | 21.0 |
| *% Shift* | *43.8* | *7.1* |
| FY2011 | 291.5 | 37.8 |
| FY2010 | 202.5 | 28.4 |
| *% Shift* | *43.9* | *33.1* |

a) Bioseed is DSCL's hybrid seed business with mandated crops - Cotton, Paddy, Corn, Vegetables and Bajra.

b) The business includes research, production, processing and marketing of hybrid seeds in India, Philippines and Vietnam.

c) Strong research, agri-extension activities with farmers and the Company's brand are the key strengths of this operation.

d) Revenues increased by 43.8% - growth witnessed in India, Philippines and Thailand - The Company is witnessing a strong demand across its hybrid seeds portfolio.

e) Earnings were higher by 7.1% at ₹ 22.5 Crore.

f) The results during the quarter is not representative of annual performance as this business is seasonal in nature.

# Sugar

| Particulars | Operational | | | | Financial | |
|---|---|---|---|---|---|---|
| | Sales (Lac Qtl) | | Realizations (₹/Qtl) | | Revenues (₹ Cr.) | PBIT (₹ Cr.) |
| | Free Sugar | Levy Sugar | Free Sugar | Levy Sugar | | |
| Q4 FY2011 | 5.38 | 1.04 | 2,793 | 1,810.0 | 239.4 | 32.9 |
| Q4 FY2010 | 4.55 | 0.83 | 3,486 | 1,332.0 | 208.6 | (12.9) |
| *% Shift* | *18.2* | *25.3* | *(19.9)* | *35.9* | *14.7* | -- |
| FY2011 | 16.55 | 2.43 | 2,745 | 1,808 | 614.4 | (7.1) |
| FY2010 | 21.87 | 1.95 | 2,773 | 1,332 | 733.5 | 42.5 |
| *% Shift* | *(24.3)* | *24.6* | *(1.0)* | *35.7* | *(16.2)* | -- |

a) Sugar revenues higher in Q4 FY11 primarily due to increased sales volumes.

b) Sugar witnessed positive earnings of ₹ 32.9 Crore as compared to a loss of ₹ 12.9 Crore in the previous year.

- ➢ Higher inventory write off in the previous year on account of higher quantity of levy sugar (increased from 10% to 20%) with very low levy price. Since then levy price has been increased to ₹ 1,901 per quintal and the quota has reduced to 10%.
- ➢ Higher profits from Power Sales mitigated (higher crush and longer season) the effect of lower sugar margins as compared to previous year.

# Hariyali Kisaan Bazaar

| Particulars | Revenues (₹ Cr.) | PBIT (₹ Cr.) |
|---|---|---|
| Q4 FY2011 | 211.3 | (19.0) |
| Q4 FY2010 | 158.5 | (21.7) |
| *% Shift* | *33.3* | -- |
| FY2011 | 774.0 | (83.1) |
| FY2010 | 630.0 | (81.2) |
| *% Shift* | *22.9* | -- |

a) This business continues to evolve as a 'Rural Business Centre', symbolizing trust, reliability and respect among the rural community.

b) The number of outlets stands at 275 across eight states as on March 31, 2011.

c) Registered higher revenues due to improved performance across the Core retail (up by 44%), fuel, seeds and milk verticals.

d) Robust Sales growth in the next few quarters will help in reducing losses.

e) Implemented the plan involving a focused price value proposition and product offering for rural population based on intensive customer feedback. Benefits of these efforts expected to be visible from H1 FY2012 onwards.

# Fenesta Building Systems

| | Operational | Financial |
|---|---|---|
| **Particulars** | **Order Book** | **Revenues (₹ Cr.)** |
| Q4 FY2011 | 58,191 | 32.0 |
| Q4 FY2010 | 48,963 | 28.8 |
| *% Shift* | *18.8* | *11.1* |
| FY2011 | 304,837 | 124.8 |
| FY2010 | 221,093 | 102.5 |
| *% Shift* | *37.9* | *21.7* |

a) Fenesta with its diverse product line is regarded as a brand and product leader on a pan India basis. The brand has become synonymous with the product.

b) The Company has established a distribution and an implementation infrastructure to enable it service the customer through 4 Fabshops and a 100 dealer network spread across 51 cities in India.

c) Order booking witnessed continued growth of about 18.8% Q-o-Q; delayed project implementation in the institutional segment is resulting in moderated revenue and earnings performance in the short term.

d) Extending reach to retail segment is proving to be encouraging.

e) Going forward, healthy order booking in both retail and institutional segment. Longer order book to execution cycle particularly in institutional segment may result in deferred performance in the short term – while the longer term outlook remains positive.

# Cement

| | Operational | | Financial | |
|---|---|---|---|---|
| **Particulars** | **Sales (MT)** | **Realizations (₹/MT)** | **Revenues (₹ Cr.)** | **PBIT (₹ Cr.)** |
| Q4 FY2011 | 113,790 | 2,748 | 39.2 | 7.5 |
| Q4 FY2010 | 96,644 | 2,837 | 34.9 | 8.8 |
| *% Shift* | *17.7* | *(3.1)* | *12.3* | *(15.2)* |
| FY2011 | 372,104 | 2,567 | 122.9 | 16.4 |
| FY2010 | 360,918 | 2,901 | 134.7 | 37.2 |
| *% Shift* | *3.1* | *(11.5)* | *(8.7)* | *(55.9)* |

a) The Cement business is limited in size since its capacity is driven by the waste generated from carbide plant.

b) The Company markets its cement under the ‘Shriram’ brand which commands a premium in the market place due to its superior quality.

c) Higher revenues due to increased sales volumes.

d) Lower realizations and higher input costs subdued profitability.

# OTHER BUSINESSES

DSCL's other operations, reported as 'others' in the financial results, include its value-added businesses of Polymer Compounding, Fenesta Building Systems along with Textiles.

Revenues under 'others' registered stood at ₹ 83.1 Crore in the quarter under review compared to ₹ 77.0 Crore in the corresponding period last year. PBIT for the quarter stood at ₹ (4.9) Crore.

# Balance Sheet Abstract

**AUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. in crores)

| PARTICULARS | AS AT 31.3.2011 Audited | AS AT 31.3.2010 Audited |
|---|---|---|
| **Shareholders' Funds:** | | |
| (a) Capital | 33.34 | 33.34 |
| (b) Reserves and Surplus | 1,273.03 | 1,296.27 |
| | **1,306.37** | **1,329.61** |
| **Loan Funds:** | | |
| (a) Secured | 1,112.84 | 1,141.37 |
| (b) Unsecured | 597.54 | 319.54 |
| | **1,710.38** | **1,460.91** |
| Deferred tax liabilities | **156.13** | **176.33** |
| **Total** | **3,172.88** | **2,966.85** |
| **Fixed Assets** | **2,083.52** | **2,183.37** |
| **Investments** | **12.58** | **12.76** |
| **Current assets, loans and advances:** | | |
| (a) Inventories | 1,016.70 | 854.87 |
| (b) Sundry Debtors | 433.70 | 257.81 |
| (c) Cash and bank balances | 74.38 | 56.88 |
| (d) Loans and advances | 264.79 | 288.55 |
| | 1,789.57 | 1,458.11 |
| **Less: Current liabilities and Provisions** | | |
| (a) Current liabilities | 586.04 | 574.47 |
| (b) Provisions | 126.75 | 112.92 |
| | 712.79 | 687.39 |
| **Net Current assets** | **1,076.78** | **770.72** |
| **Total** | **3,172.88** | **2,966.85** |

# About Us

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** or contact:


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