For Immediate Release

DSCL PERFORMANCE HIGHLIGHTS Q1 FY11 (Consolidated)

- Net Revenues at Rs. 1,020 Crore

- PAT at Rs. (9.4) Crores

New Delhi, July 26, 2010: DSCL, an integrated business group, with extensive and growing presence across the entire Agriculture, Infrastructure and Chemicals & Polymers business, today announced its financial results for the first quarter ended 30 June 2010. The Net revenue for Q1 FY 11 was Rs 1020 cr against Q1 FY 10 of Rs 935 cr a growth of 9.1%. The PAT for Q1 FY 11 was at Rs 9.42 cr against Rs 29.37 cr for Q1 FY10.

Key Highlights

- **Sugar earnings swings from Rs. 6.1 crores last year to a loss of Rs. 38.2 crores, causing a sharp drop in the overall earnings of the company.**
  - **Margin Drop on free sugar from Rs. 307 per quintal (Last Year) to Rs. (307) per quintal (Current Year)**
  - **Inventory write down by Rs. 21.9 Crores (at current NRV)**
- **Rise in earnings of Bioseed and Fertilizer business cushion earnings.**
  - **Bioseed earnings increase by 97.7% due to growth across all geographies.**
  - **Fertilizer earnings increase by ~Rs. 5 crores due to improved efficiencies and receipt of freight arrears for 2008.**
- **Lower Interest cost resultant of lower debt (Rs. 1432 Crores as against Rs.1770. Crores) and interest cost.**

Highlights for the Quarter (Consolidated) **Figures in Rs/Cr**

Particulars	Q1FY2011	Q1 FY 2010	Growth (%)
Net Revenue	1020.25	935.28	9.1
EBIDTA	47.29	113.44	(58.3)
EBIT	7.38	74.10	(90.0)
PBT	(10.32)	44.65	-
PAT	(9.42)	29.37	-
Cash Profit (Before exceptional items)	25.31	80.51	(68.6)

(The Consolidated performance primarily includes Company's Bioseed business)

Performance Snapshot for the Q1 FY 2011 (Consolidated)

- **Net Revenues higher by 9.1% at Rs. 1,020.3 Crore compared to Rs. 935.3 Crore**
  - **Farm solutions (Agri Input)**: Revenues higher by 28.2% at Rs. 197.4 Crore with higher sales of SSP & MOP.
  - **Bioseed**: Healthy performance across all geographies (India, Philippines & Vietnam) led to an increase of 40.9% in revenues at Rs. 115.8 Crore
  - **Hariyali Kisaan Bazaar**: Registered healthy growth in commodity trading, seeds and fuel led to an increase in revenues by 73.1% at Rs. 188.1 Crore
  - **Sugar**: Revenues lower primarily due to decline in the sales volume despite higher sugar realization as compared to previous year
  - **Chloro Vinyl**: Revenues declined by 11.4% at Rs. 185.8 Crore as a result of lower realizations in both, downstream products as well as power sales
  - **Fenesta**: Improved demand for the product has enabled a growth of 27% in revenues - strong traction is visible
- **EBIT for the quarter stood at Rs. 7.38 Crore(last year Rs. +74.10 crores):**
  - **Fertilizers**: Increase in earnings by ~ Rs. 5 crores as a result of improved efficiencies on account of energy savings due to gas conversion, receipt of freight arrears for 2007-08 and higher volumes.
  - **Bioseed**: Growth of 97.7% at Rs. 24.18 Crore driven essentially by volume growth across all geographies
  - **Sugar**: Sugar business witnessed decline in earnings due to:

- Reduction in free Sugar margins from Rs. 307 per qtl (Last Year) to Rs (307) per qtl (Current Year)
- By product prices have halved.
- Inventory write off of existing stock

- **Hariyali Kisaan Bazaar**: The business's operating losses have come down, however onetime costs being incurred for rationalizing operations has led to higher losses.
- **Chloro Vinyl**: Lower product prices and rise in coal costs have led to lower margins in this segment.
- **Cement**: Earnings were under pressure due to decline in realizations and marginally lower volumes

- **PAT stood at Rs. (9.4) Crore(last year Rs. +29.4 crores)**
  - **However, EBIT fall was moderated as the Company's financial charges were lower by 39.9% due to reduction in debt as well as lower interest 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:

"Our Performance during the quarter has been adversely affected due to sharp deterioration in the operating conditions in Sugar business. The industry needs strong pro-active government intervention to improve the operating conditions before the start of the next crushing season.

Our Agri-Input business, i.e. Fertilizer, Farm solutions and Bioseed business, are expected to record good earnings growth with strong demand for high quality Agri-inputs across all countries that we operate in.

Fenesta is also recording encouraging customer response and is gearing up for fast growth.

We are confident of recording improvements in financial performance of Hariyali business as a consequence of various plans under implementation.

With Multiple revenue streams we expect to deliver better performance in coming quarters"

Outlook

Visibility of satisfactory financial results for the next few quarters:

- **Fertilizers**: Earnings to witness positive growth helped by improved efficiencies
- **Farm Solutions (Agri Input)**: Higher sale of DAP & MOP along with value-added products to enable a healthy growth in the coming quarters
- **Bioseed**: Should maintain growth momentum under normal weather conditions in all countries we operate in.
- **Sugar**: Sugar write offs undertaken in Q1 FY2011. The key to earnings from this business going forward will be the operating conditions for the next sugar season including Cane price and Sugar price scenario.
- **Hariyali Kisaan Bazaar**: Implementing the plan involving a more focused price value proposition and product offering for rural population based on intensive customer feedback. Full benefits of these efforts expected to be visible by Q4 FY2011
- **Fenesta**: Order booking and rate of execution witnessing traction. Expected to accelerate the growth in the coming quarters.
- **Finance:** Company continues to conserve cash. However, the increase in interest rates will have some impact on financial charges.

Overall, the first quarter results have been hugely impacted with deterioration in Sugar situation. We can expect better results if the sugar situation improves to normal level.

Segment Performance

	Revenues			PBIT			PBIT Margin	
Segments	Q1FY11	Q1FY10	%	Q1FY11	Q1FY10	%	Q1FY11	Q1FY10
•Chloro Vinyl incl. Power	185.8	209.8	(11.4)	37.7	56.3	(32.9)	20.3	26.8
•Agri Input	430.6	362.5	18.8	43.9	26.9	62.8	10.2	7.4
- Fertilizers	117.5	126.4	(7.1)	11.8	6.9	70.2	10.0	5.5
- Farm solutions	197.4	153.9	28.2	7.9	7.8	1.7	4.02	5.1
- Bioseed	115.8	82.2	40.9	24.2	12.2	97.7	20.8	14.8
•Sugar	163.9	203.7	(19.5)	(38.2)	6.1	-	(23.3)	2.9
•Hariyali Kisaan Bazaar	188.1	108.7	73.1	(20.2)	(16.6)	-	(10.7)	(15.2)
•Cement	32.0	36.0	(11.1)	7.7	12.4	(38.2)	24.0	34.5
•Others	83.1	76.9	7.9	(0.7)	0.5	-	(0.8)	0.6

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About DCM Shriram Consolidated Limited (DSCL)

DSCL is an integrated business group, with extensive and growing presence across the entire Agriculture, Infrastructure and Chemicals & Polymers 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: