



DCM Shriram Consolidated Ltd (DSCCL) announced its financial results For Q4 FY 12 and FY 12

- **Q4 FY 12 Net Revenue up by 21% at Rs 1,337 crore against Rs 1,106 cr in Q4FY11 and PAT up by 73% at Rs 49.5 cr in Q4FY12.**

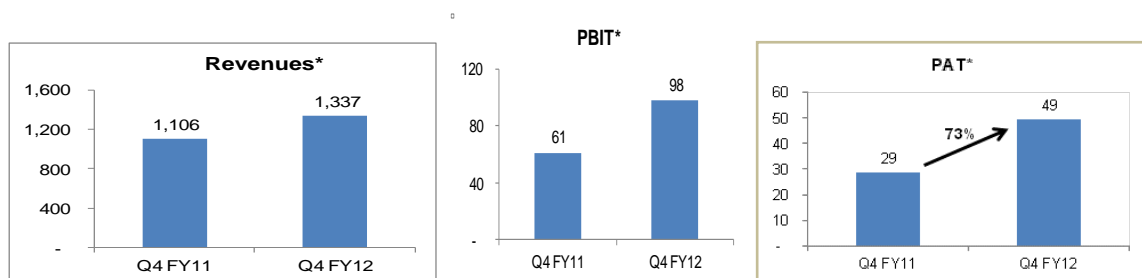
The board of directors has recommended a dividend of 20%

New Delhi, 11th May 2012: DCM Shriram Consolidated Ltd (DSCCL) an integrated business group with extensive and growing presence across the Agriculture and Chloro-Vinyl Industry, today announced its financial results for the fourth quarter FY 12 and FY12.

Q4FY12 Net Revenues up by 21% at Rs. 1,337 crore compared to Rs. 1,106 crore in Q4FY11 **driven by growth in Bioseed (19%), Sugar (16.5%) ,Chloro-Vinyl (13%) businesses and higher MOP sales.** The PBIT up by 60% at Rs 98 crore and PAT stood at Rs. 49.5 crore against Rs. 28.6 crore in Q4FY11 a growth of 73.2%.

The FY12 revenue was up by 21% at Rs. 5,039 crore compared to Rs. 4,151 crore in FY 11. PBIT up by 189% at Rs. 208 crores vs. Rs. 72 crores in the previous year. Net profit for the year stood at Rs. 11.9 crore compared to a Net loss of Rs. 14.3 crore in FY 11.

Q4FY12 Key Highlights:



*Rs in Crore

Key Highlights

- Net Revenues ↑ by 21% at Rs. 1337 crores driven by growth in Bioseed (19%), Sugar (16.5%) ,Chloro-Vinyl (13%) businesses and higher MOP sales.
- PBIT ↑ by 60% at Rs. 98 crores. Key drivers were :-

- Chloro-Vinyl Business : PBIT ↑ by 142% at Rs. 54.8 crores driven primarily by higher realizations of Chloro-Vinyl products.
- Fertilizer : PBIT ↑ at Rs. 8.1 crores as compared to Rs. (0.9) crores in the previous year due to higher volumes, better energy efficiencies and contribution from additional production.
- Sugar : PBIT ↑ by 11.3% at Rs. 36.7 crores essentially due to higher income from sale of export licenses and by products.
- Cement : PBIT dipped by ~50% at Rs. 3.8 crores despite higher volumes and realization due to increase in input costs of coal, power etc.
- Finance cost ↑ by 29% at Rs. 37.4 crores driven by higher rates and higher average borrowing

Q4FY12 Segment Performance:

Segments	Revenues*			PBIT*			PBIT Margins (%)	
	Q4 FY12	Q4 FY11	%	Q4 FY12	Q4 FY11	%	Q4 FY12	Q4 FY11
Agri Input	576.7	393.9	46.4	35.0	31.1	12.6	6.1	7.9
- Fertilisers	132.8	125.2	6.1	8.1	(0.9)	--	6.1	(0.7)
- Farm solutions	310.0	155.9	98.8	8.2	9.5	(13.3)	2.7	6.1
- Bioseed	133.8	112.8	18.7	18.7	22.5	(16.7)	14.0	19.9
Sugar	278.9	239.4	16.5	36.7	32.9	11.3	13.1	13.8
Hariyali Kisaan Bazaar	183.1	211.3	(13.3)	(18.8)	(19.0)	--	(10.3)	(9.0)
Chloro Vinyl	261.4	231.8	12.7	54.8	22.6	141.9	21.0	9.8
Cement	40.6	39.1	3.9	3.8	7.5	(49.3)	9.4	19.2
Others	85.7	83.1	3.2	(7.7)	(4.7)	--	(9.0)	(5.6)

*Rs in Crore

a) Net Revenues ↑ by 21% at Rs. 1,337 crore compared to Rs. 1,106 crore :

- Farm Solutions revenues ↑ by 99% at Rs. 310 crores driven by growth in MOP (Rs. 82.5 crores as compared to Nil in the previous period) and SSP ↑ by 137%.
- Bioseed Revenues ↑ by 18.7% at Rs. 133.8 crores driven by growth across all regions.
- Chloro-Vinyl Business revenues ↑ by 13% at Rs. 261.4 crores driven by improved realizations across Chloro-Vinyl products. Realizations of Chlor-Alkali up by 26%, PVC Resin up by 5% and Carbide up by 12.4%.
- Sugar revenues ↑ by 16.5% at Rs. 279 crores driven by higher sugar volumes and marginally better realizations.

- Fenesta revenues ↑ by 31% at Rs. 41.8 crores driven by growth in both project/ institutional and retail segments.
- Hariyali revenues lower by 13% at Rs. 183 crores due to reduced activities in Commodity trading and Seeds vertical, this was only partially mitigated by higher sales in the fuel segment ↑ by 40%.
- Cement revenues ↑ by 3.9% to Rs. 40.6 crore - Higher sales volumes (↑ 0.6%) at improved realizations (↑ 4.4%)

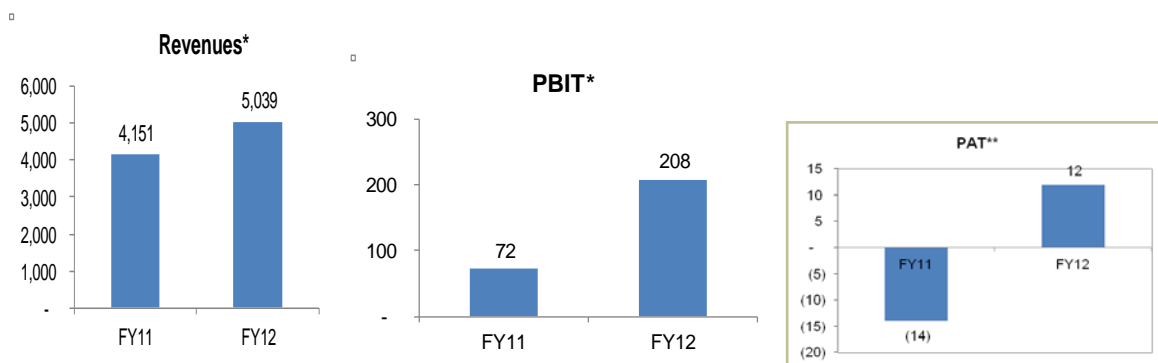
b) PBIT up by \approx 60% at Rs. 98 crores. Segment wise highlights are as follows:

- Fertilizer : PBIT ↑ at Rs. 8.1 crores as compared to Rs. (0.9) crores in the previous year due to higher volumes, better energy efficiencies and contribution from additional production.
- Chloro Vinyl PBIT ↑ by 141.9% to Rs. 54.8 crores driven primarily by higher realizations of Chloro-Vinyl products.
- Sugar PBIT ↑ by 11.3% to Rs. 36.7 crore essentially due to higher income from sale of byproducts and export license.
- Cement PBIT dipped \sim 50% at Rs. 3.8 crores despite higher volumes and realization due to ↑ in input costs of coal, power etc.
- Hariyali Kisaan Bazaar PBIT at Rs. (18.8) crore - Reduced activities in commodity trading & seed vertical (conscious decision not to carry trade in certain crops) along with de-growth especially in the Retail vertical led to losses at the same level.
- Farm Solutions PBIT ↓ by 13.3% to Rs. 8.2 crore – due to higher costs in strengthening network and product promotion for higher growth planned.
- Bioseed PBIT ↓ 16.8% to Rs. 18.7 crore – due to expenses being incurred for business development in new locations such as Indonesia and Thailand. Margin pressure especially in Bt cotton seeds.

c) Net Profit at Rs. 49.5 crore vis-à-vis Rs. 28.6 crore

- Covers higher financial cost up by 29% at Rs. 37.4 crores driven by increase in average borrowings and rise in interest rate

FY 12 Key Highlights:



*Rs in Crore

Key Highlights

- Net Revenues up by 21% at Rs 5039 cr growth driven by Sugar (up 48%), Bioseed (up 34%), Chloro-Vinyl (up 25%) and Farm Solutions (up 18%)
- Profit/ (loss) before interest, exceptional item and tax (PBIT) at Rs. 208 crores up by 189%.
 - i. Bioseed: PBIT up by 63.5% at Rs. 62 crores driven by growth in revenues of 34%. India, Philippines and Vietnam. Growth in BT Cotton, Corn, Vegetables and Rice.
 - ii. Chloro-Vinyl: PBIT up by 91% at Rs. 178.2 crores – Higher realizations of Chloro-Vinyl Products especially Caustic soda combined with higher volumes.
 - iii. Hariyali Kisaan Bazaar : Losses higher due to outlets shutdown expenses, MTM losses in the Commodity/Seed business along with slower sales growth than desired especially of Core retail.
 - iv. Finance costs up by 54% at Rs. 160.3 crores driven by higher interest costs and higher average borrowings.
- Exceptional Item- The company has accounted Rs. 38.1 crores in the year which represents the amount of differential cane price for Sugar season 2007-08 pursuant to Honorable Supreme courts order dated 17th January 2012.
- Net Profit at Rs.11.9 crores as compared to Net loss of Rs. 14.3 crores

FY 12 Segment Performance:

Segments	Revenues*			PBIT*			PBIT Margins (%)	
	FY12	FY11	%	FY12	FY11	%	FY12	FY11
Agri Input	1982.6	1,686.1	17.6	142.3	112.6	26.4	7.2	6.7
- Fertilisers	503.6	471.2	6.9	20.0	29.3	(31.6)	4.0	6.2
- Farm solutions	1,087.6	923.8	17.7	60.5	45.5	32.8	5.6	4.9
- Bioseed	391.4	291.1	34.5	61.8	37.8	63.5	15.8	13.0
Sugar	907.9	614.4	47.8	30.6	(7.1)	--	3.4	(1.2)
Hariyali Kisaan Bazaar	853.4	774.0	10.3	(105.2)	(83.1)	--	(12.3)	(10.7)
Chloro Vinyl	1,009.7	809.8	24.7	178.2	93.35	90.9	17.6	11.5
Cement	140.7	122.8	14.5	15.1	16.4	(8.2)	10.7	13.4
Others	351.3	320.6	9.6	(15.7)	(11.2)	--	(4.5)	(3.5)

*Rs in Crore

FY 12 Performance overview:

a) Net Revenues higher by 21% at Rs. 5,039 crore compared to Rs. 4,151 crore:

- Bioseed: Revenues ↑ by 34% at Rs. 391.4 crores driven by growth in India and Philippines. The growth was driven by Bt cotton, Corn, Vegetables and Rice.
- Sugar : Revenues ↑ by 48% at Rs. 908 crores driven by increased free sugar volumes (↑ 50%) at marginally better realizations along with higher power sales.
- Chloro-Vinyl Business : Revenues up by 25% at Rs. 1010 crores driven by higher volumes of Chloro-Vinyl products at improved realizations. Realizations of Chlor-Alkali up by 31%, PVC Resin up by 7% and Carbide up by 10%.
- Farm Solutions : Revenues ↑ by 18% at Rs. 1088 crores driven by value added inputs (↑ by 23%) and SSP ↑ by 46%.
- Fenesta: Revenues ↑ by 38% driven by growth in both retail and projects.
- Hariyali Kisaan Bazaar revenues ↑ 10.3% to Rs. 853.4 crore – Revenue growth slow in Core Retail. Growth further moderated as we decided to limit business in Commodity trading and Seeds vertical.

- Cement revenues ↑ 14.5% to Rs. 140.7 crore – Increased sales volumes (↑ 6%) at better realizations (↑10.5%) improved revenues.
- PBIT up by 189% at Rs. 208 crores vs. Rs. 72 crores in the previous year. Segment wise highlights are as follows:
 - Bioseed PBIT ↑ by 63.5% at Rs. 62 crores driven by growth in revenues by 34% and better margins in Cotton.
 - Chloro-Vinyl PBIT ↑ by 91% to Rs. 178.2 crore – Higher production of Chloro-Vinyl products at better realizations improved earnings. However the increase in input costs such as Coal, Salt etc continue to moderate the upside in earnings.
 - Farm Solutions PBIT ↑ by 32.8% to Rs. 60.5 crore –Primarily due to volume growth in Value added inputs and SSP.
 - Fertilizer: PBIT lower by almost 32% at Rs. 20 crores essentially due to bi-annual planned maintenance shutdown in Q2 FY 12 and non-revision in Urea retention prices consequent to expiry of the earlier pricing period on March 31, 2010.
 - Sugar PBIT at Rs.30.6 crore compared to a loss of Rs. (7.1) crore – swing in gross sugar margins from Rs. (182) per quintal to Rs. 42 per quintal in the current quarter , higher income from By-products and sale of export license. Higher loss on Levy sugar and sharp increase in Cane costs in SY 2012 have had significant adverse affects.
 - Hariyali Kisaan Bazaar : Losses higher due to outlet shutdown expenses, MTM losses in the Commodity/Seed business along with slower sales growth than desired especially of core retail.
 - Cement PBIT ↓ by 8.2% to Rs. 15.1 crore despite higher volumes and realizations primarily due to increase in input costs such as Coal, Power etc.
- b) Net profit for the year stood at Rs. 11.9 crore compared to a Net loss of Rs. 14.3 crore

Outlook & Perspectives:

- i. Fertilisers (Urea): This business remains a stable cash generating operation.. However, the business continues to be impacted by uncompensated costs due to non- finalization of the Urea Pricing Policy since April 2010 and delays in dues from Government.

Early finalization of the new Urea policy will help in mitigating the impact of uncompensated costs which is putting margins/profitability of this business under pressure.

- i. Farm Solutions: We expect the Growth in this business to continue in the coming year, driven by growth mainly in Value added inputs.

- ii. Bioseed: We expect the growth in this business to continue in the coming year driven by high growth in India and Philippines. Cotton, Rice, Corn and Vegetables will be the major growth crops. Though we have witnessed margin pressures during the current period in a few crops, we will mitigate the same through Volume growth.
- iii. Sugar: The Industry continues to face severe margin pressures due to multiple Government controls. We hope that the Government will move towards de-regulation of the sector.
- iv. Hariyali Kisaan Bazaar: We are consolidating and restructuring the operations to substantially reduce the financial losses from this business.
- v. Chloro-Vinyl Business: We expect earnings to remain stable as the company continues to make efforts to reduce costs.
- vi. Fenesta: The Company continues to witness healthy growth particularly in the retail segment, and we expect this to accelerate in the coming year. The Company continues to invest in capacity building to achieve this growth.
- vii. Finance: The 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 Chloro-Vinyl segment improved performance with several initiatives to contain the impact of sharp increases in raw material and coal prices. Firm Caustic soda and Carbide prices led to better margins in the business. Continuously rising coal costs is a major challenge for this business which will require improvement in product prices to sustain margins.

Our Agri businesses including Bioseeds and Farm Solutions continue to hold strong promise and deliver stable earnings growth which we expect should continue in the coming year.

In our Hariyali business, we continue to consolidate and restructure the operations to substantially reduce the losses from this business.

The Sugar business has achieved ~ 30% increase in Sugar production with higher Cane crush and higher recoveries. This has also enabled higher Power Co-generation. Going forward, we will focus on further enhancing our capacity utilizations and sugar recovery to achieve competitive cost structure. We hope that the Government will move towards de-regulation of this sector.

Fenesta continues to witness healthy growth and is expected to continue on the growth track with the introduction of new products along with the increased reach in the retail segment.

Overall we expect to witness healthy results going forward.

About 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.

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