

## Face to face with Mr. Ajay S Shriram,

Chairman & Sr. Managing Director, DCM Shriram Consolidated Ltd



DSCL has strong brand equity reflective of credibility, ethical values and consistent high quality product image. With over 30 years of experience in managing large scale process industries with sustained high level of performance, DSCL meets

the needs of a wide range of customers from farmers to industrial users, from house builders to business owners. DSCL offers a range of hybrid seeds in the country via its brand Shriram Bioseed. The Company also operates its seeds business in Vietnam, Philippines and Thailand and proposes to expand to other locations in Asia Pacific region. Here are the excerpts of an exclusive discussion with Mr. Ajay S Shriram, Chairman & Sr Managing Director, DCM Shriram Consolidated Ltd.

### 1. Kindly brief us about your company?

DSCL is a Rs 4152 crore (FY 2011) conglomerate; The company has marked its presence across the Agri-rural value chain and Chloro-vinyl business in the last few decades by providing value to the end customer through its product and services. The Agri-rural portfolio includes businesses like Urea, Sugar, Crop care solutions, Hybrid Seeds and Rural retail.

DSCL took control of 'Bioseed' which is the Hybrid Seeds business of the group in 2002 and it became a 100% subsidiary of DSCL in 2008. Bioseed is amongst the top research companies recognized by DSIR as a research driven company who spends around 10% of its turnover in research activities. Shriram Bioseed is also among the few, private companies which is receiving grants from the Department of Science and Technology for conducting research. It has a well established laboratory at ICRISAT for conducting research on

hybrids and GM crops.

In the past few years Shriram Bioseed had placed an extensive network of agricultural research centers, seed trial farms and demonstration fields spanning different agro-climatic zones in India and outside countries like Vietnam, Philippines, Thailand, Indonesia, Laos, Cambodia and southern China. This allows the company to do trial for its seeds in different geographical zones, diverse agro-climatic conditions before offering them to the farmers.

Besides the state-of-the-art laboratories, controlled-environment chambers and other research facilities at six locations in India and two abroad, it has built a large pool of germplasm of different crops as a captive source of genes that control various plant traits.

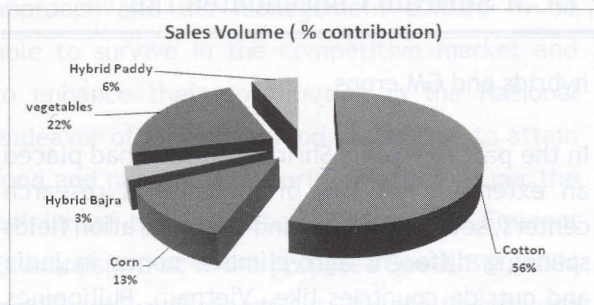
Thus the company integrates across R&D, production, processing & Marketing of hybrid seeds across India & Asia Pacific. Hybrid solutions for India, Vietnam, the Philippines, Thailand & Indonesia are as follows:

Country	Field Crop	Vegetable Crop
India	Corn, Rice, Millet, Cotton, Sorghum, Sunflower, Pigeon Pea	Tomato, Okra, Hot Pepper, Sweet Pepper, Eggplant, Gourd, Melon, Cabbage, Cauliflower, Coriander, Carrot, Cucumber
Vietnam	Corn, Rice	Watermelon, Tomato
The Philippines	Corn, Rice	
Thailand	Corn	
Indonesia	Corn	





**2. Which hybrid seeds accounts for the most of the company sales?**



**3. What inspired you to foray into hybrid seeds business in a major way while the company which was initially only in manufacturing and selling of urea?**

DSCL with a vision of social & economic development of Rural India had pioneered in businesses which impact the sector. Marking a presence amongst farmer community with fertilizer, sugar, rural retail, farm solution business etc the company had ventured into Hybrid Seed Business with a vision to increase the productivity levels of Indian Farmer.

Today the company resonates across the value chain which is helping the farmer community in improving their socio-economic status.

**4. What is the contribution of the hybrid seeds segment to the DSCL group?**

IN FY 2011 Bioseed contributed Rs. 291 crores in revenue terms and Rs. 38 crores to profits (PBIT). The contribution of this business to the group is growing.

**5. How has been the acceptance from the farmers in adopting the Bioseed which is costlier than the local available seeds?**

Indian Farmers are less price sensitive for a product which helps in increasing their profits,

Hybrid seed provided by Shriram Bioseed Genetics is a typical example of the situation. It helps farmers increasing their productivity levels with a total increase in cost of Agri-input by only 10% but results in higher productivity meaning higher income.

**6. What unique features of Bioseed make it superior over the local available seeds? Elucidate wrt Corn & Cotton.**

Hybrids helps in increasing the yield at the same time have an added advantage of increasing tolerance against major pest attack. The hybrids developed by Bioseed are a result of extensive research which is done across geographic locations internationally and the robust testing which is done up to local level catering to farmer need & local environmental conditions. Outcome of which is a robust product which delivers a yield advantage and also tolerant to local biotic & abiotic stress.

Taking example of Cotton seed, Bioseed products had generated a massive demand from North Indian farmers. The pull was created due to the benefits reaped by the farmer in terms of cotton yield as compared to other OP.

**7. What is the annual turnover from the Bioseed business?**

The turnover of Bioseed was Rs 291 crores in FY 2011

**8. Kindly enlighten us about the Non-GMO molecular breeding method used in developing resistance hybrids in Rice, Cotton & Okhra.**

With the use of Manual Marking Assisted Breeding method, untapped genetic value of vast available germ-plasm of various crops can be harnessed.



Bioseed with KeyGene have taken up commercial molecular breeding project to develop disease and insect resistance hybrids in Rice, Cotton & Okra.

**9. What has been the role of Bioseed Research India and Netherland based Keygene in providing research support to your hybrid seeds business? It has been almost a decade since the hybrid seeds technology has been introduced, what changes have you seen so far?**

Bioseed Research India (BRI), approved by the Government of India as a technology development company, is 100% owned by DCM Shriram Consolidated Ltd (DSCL) and is part of the seed businesses of DSCL under the brand name of 'Bioseed'. With a strong focus on R&D, Bioseed Research India has been able to generate new traits in the field crops corn, rice, cotton, millet and the vegetables tomato, okra, brinjal, chilli, gourds in India and South-East Asia. It has strong breeding programs in all major field crops in several countries in South and South-East Asia, including India, Philippines and Vietnam.

KeyGene is a research company based in the Netherlands and global leader in molecular breeding technology. KeyGene's up to date R&D facilities with next generation sequencing platforms, an extensive computational infrastructure and long experience in working with plant genomes form the firm basis of the Crop Genome Center, which focuses on the development of high quality genome assemblies of 6F (Food, Feed, Fuel, Fiber, Flower and Fun) crops. KeyGene exploits its proprietary technologies, databases and know-how through strategic alliances, contract research and products for applications in the plant breeding industry.

Bioseed & KeyGene had entered into a strategic alliance in 2009, to accelerate the development of new and innovative crop varieties for India and South-East Asia. This will help in increasing the speed, precision and cost effectiveness of product development processes. It will also help in increasing the productivity and income level of the farmers through faster introduction of high yielding hybrid seeds in the market.

**10. What is the current market share of Shriram Bioseed in Indian commercial seed market? What growth do you foresee in this Bioseed business in India?**

With the existing & pipeline Hybrids available Shriram Bioseed looks for an exponential growth in the coming five years. 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

Shriram Bioseed services are not limited to only the product but also extend to agri-extension or last mile delivery services which further help the farmers. Shriram Bioseed had initiated activities which had created awareness amongst farmers regarding crop & soil management practices resulting into an increased yield. Bioseed overseas companies have, in a short span of time, established themselves as large players in their markets, contributing to DSCL's top and bottom-line. DSCL is already serving the seed markets in Nepal, Bangladesh, Laos, Cambodia etc. through its existing seed companies. Going forward, earnings contribution from these operations can be expected to only improve further.

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