



**DEEPAK FERTILISERS
AND PETROCHEMICALS CORPORATION LIMITED**

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A TQM Driven Company

Press Release

**DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LTD.
REVENUES UP ACROSS BOTH AGRI AND CHEMICALS BUSINESSES**

- *Income from Operations for Q2 FY13 up by 20% on a Y-on-Y basis*
- *Revenues from Agri-business up 47% for Q2 FY13 on a Y-on-Y basis*
- *Income from operations up 26% for six months ended Sept. 30, 2012 on a Y-on-Y basis*
- *Strong demand drives topline growth*

Pune / Mumbai, October 31st 2012: Deepak Fertilisers And Petrochemicals Corporation Ltd. today announced financial results for the Second Quarter ended September 30th 2012.

For the quarter ended September 30, 2012 (Q2 FY13), the Company recorded total **Income from Operations** at **Rs. 693.35 crores** as against Rs. 577.19 crores in the corresponding quarter last year (Q2 FY12). The growth of 20% in the topline indicated that the demand fundamentals continued to remain strong, market shares across key businesses were growing and the Company's products enjoyed high acceptability across all customer segments.

Profit before tax stood at **Rs. 54.74 crores** as against Rs. 75.18 crores and **Profit after tax** was recorded at **Rs. 40.64 crores** vis-à-vis Rs. 53.90 crores in the corresponding period for Q2 FY12.

Segment revenues in Q2 FY13 for **Agri-business** grew by 47% to **Rs. 339.11 crores** as against Rs. 230.70 crores in corresponding period in Q2 FY12. **Segment profitability for Agri-business** grew 63% to **Rs. 44.71 crores** in Q2 FY13 as against Rs. 27.44 crores for the same quarter in the previous financial year.

The **Chemicals segment** registered growth to **Rs. 373.42 crores** vis-à-vis Rs. 358.67 crores reaffirming that the demand for the Company's products, especially for downstream segments like pharmaceuticals and aromatics, remained strong. Profits for the **Chemicals segment** were recorded at **Rs. 50.07 crores** against Rs. 84.86 crores in the previous year.

Profitability in the Agri business was higher on account of increased volumes of own manufactured fertilisers (ANP) and stronger volumes and realisations of outsourced fertilisers. Margins in the Chemicals business were impacted by an unforeseen Isopropyl Alcohol plant shut down for about 20 days. The Methanol plant also had to be virtually shut down during the quarter under review due to high spot gas prices which rendered the product unviable. The margins were also impacted by

higher ammonia costs. The Company expects to pass on the higher raw material prices in a gradual manner going forward.

For the six months ended September 30th, 2012 (H1 FY13), DFPCL recorded a growth of 26% on a Y-on-Y basis with income from operations rising to Rs. 1,327.48 crores from Rs. 1051.06 crores in H1 FY12. Profit before Tax stood at Rs. 117.90 in H1 FY13 against Rs. 163.08 crores in H1 FY12. Profit after Tax stood at Rs. 86.14 crores in H1 FY13 against Rs. 117.84 crores in H1 FY12.

Speaking about the Company's performance, **Mr. Sailesh C Mehta, Vice Chairman & Managing Director – DFPCL**, said: "There is a likelihood of ammonia prices easing in Q4 since some global plants, whose commissioning was either delayed or were down for technical reasons, should come on line in Q3 and Q4, FY13. But one may still expect some margin pressure for another quarter or so. In the longer term, with new ammonia capacities coming online in the USA with shale gas, the global ammonia prices should soften."

Mr. Sailesh Mehta added, "Given that our key products are aligned to fundamental sectors of the economy like agriculture, mining, infrastructure and chemicals we should be able to benefit both from India's GDP growth. We are confident that the high acceptability and quality of our products will enable us gradually improve margins as we pass on raw material price increases. We are steadily ramping up capacity utilisation at our new TAN plant and the product has very good acceptability both in India and globally. Global mining is also growing strongly and this growth should be good for our TAN business. TAN exports are being ramped up gradually. The Government's initiatives on coal and power also add to a good long term prognosis for TAN demand. Our focus remains to maximise our topline and grow margins concurrently. In pursuit of this objective we have significantly strengthened our leadership team with Mr. Partha Bhattacharya the ex-CMD of Coal India and Mr. Carl Anders Lindgren, a global expert on the TAN business and the former Managing Director of Yara AB, Sweden, joining us."

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