

PRESS RELEASE

**DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LTD. REGISTERS
MUTED PERFORMANCE IN Q1 FY 15**

- On Q-on Q basis revenue drops 12%, PBT drops 54% & PAT by 56%
- On YoY basis, due to significant growth in trading operations, company managed to grow its revenue by 27%, while PBT drops by 6% & PAT by 7%

Pune, July 31, 2014: Deepak Fertilisers And Petrochemicals Corporation Ltd (DFPCL) today announced its financial results for the Quarter-ended June 30, 2014 (Q1 FY 15).

The Company recorded a 12% decline in total income to Rs. 945.37 crores for the quarter ended on 30th June, 2014 (Q1 FY 15) from Rs. 1,069.59 crores in the preceding quarter of the previous financial year (FY14). Profit before tax decreased to Rs. 56.01 crores in Q1 FY 15 as against Rs.122.59 crores in Q4 FY 14 and Profit after tax stood at Rs. 39.85 crores in Q1 FY 15 as against Rs.91.44 crores in Q4 FY 14.

However on YoY basis, revenue increased by 27% on the back of significant growth in trading operations, while PBT decreased by 6% & PAT by 7%

The performance of the Company during the quarter was adversely affected on account of abrupt stoppage of gas supply to its plant at Taloja consequent to a decision by Ministry of Petroleum and Natural Gas. The Company was compelled to shut down some of its plants, like Ammonia, ANP & CO2 due to non-availability of natural gas. Being an integrated plant, the gas stoppage also affected the utilities plants, thereby increasing the operating costs.

The Company has challenged the decision of stoppage of gas supply before Delhi High Court and is hopeful of resolution of the issue to the satisfaction of all concerned.

The Chemicals segment registered a growth of 26% to Rs.677.03 crores in Q1 FY 15 from Rs.536.10 crores in Q1 FY 14, riding on the back of 124% growth in trading operations. During the quarter, Propylene plant of one of our key raw material supplier was under planned shut down for around 40 days affecting the IPA production. Further subdued demand for Technical Ammonium Nitrate impacted the segment results. Segment profit therefore dropped by 5% during the quarter to Rs.71.53 crores as against Rs.75.29 crores during the same period last year.

Growth in the Agri-business was also largely driven by a rise in trading activity which grew by 72%. Amongst the manufactured fertilisers, Bensulf recorded a growth of 49% whereas Ammonium Nitro Phosphate production was affected by stoppage of gas supply and recorded a drop in volume by 15% as compared to same period last year. With these, our segment revenue registered an overall growth of 27% to Rs.286.69 crores as against Rs.226.56 crores achieved during Q1 FY 14. The segment profit grew by 9% to Rs.28.13 crores from Rs.25.77 crores recorded during same period last year mainly due to improved margin on traded fertilisers.

Speaking about the Company's performance, **Mr. Sailesh C. Mehta, Chairman & Managing Director – DFPCL**, said: *"The first quarter was challenging for the company and the performance has been subdued due to various factors, which included, lower demand for TAN from mining and infrastructure sectors due to negative growth in the sectors, temporary constraint in propylene supply and abrupt stoppage of gas supply which we feel is arbitrary and discriminatory. Having said this, with improved outlook in the economic scenario, both domestic and global, the Company is expected to improve its performance in the forthcoming quarters."*

Commenting on the growth opportunities, he further mentioned that *"the Company is exploring its options regarding acquisition of MCFL where open offer is awaiting CCI approval. The ongoing projects relating to expansion of fertiliser capacity are on track and the Company is also pursuing various growth opportunities in the Chemicals segments."*

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