

PRESS RELEASE

DEEPAK FERTILISERS announces its Q2 results, records substantial growth in volumes

Mumbai/Pune, November 5, 2015: Deepak Fertilisers And Petrochemicals Corporation Ltd (DFPCL) today announced its financial results for the quarter ended September 30, 2015 (Q2 FY16).

The total income of the Company, remained flat with a marginal growth of 3% to Rs. 1048.47 crores for the quarter ended on 30th September, 2015 (Q2 FY 16) from Rs. 1017.30 crores in the corresponding quarter of the previous financial year (Q2 FY15). Profit before tax recorded a growth of 174% to Rs. 34.86 crores in Q2 FY 16 from Rs. 12.70 crores in Q2 FY15 and Profit after tax stood at Rs. 26.41 crores in Q2 FY 16 as against Rs. 10.02 crores in Q2 FY 15. Growth in profit is mainly due to higher volumes and improved margins in the chemical business.

The chemicals segment registered revenues at Rs. 699.44 crores in Q2 FY 16 from Rs. 672.62 crores in Q2 FY15. Despite the fall in global prices of IPA and other traded products, with increased volumes, the Company was able to maintain its topline. Margins in manufactured products showed improvement during the quarter. The acids business and technical Ammonium Nitrate (TAN) recorded a substantial growth in volumes as compared to previous year same quarter. Profit for the chemicals segment stood at Rs. 96.74 crores in Q2 FY 16 as against Rs. 47.73 cores in Q2 FY 15.

The Company, based on various requests from farmer cooperatives and ministries, in Q1 FY16 restarted production of its flagship product Mahadhan Mahapower 24:24:00 by using RLNG. Thus, there is substantial growth in the manufactured products in the current quarter, whereas due to low rainfall, the volumes of traded fertilizers decreased. Revenues for the quarter stood at Rs. 395.67 cores in Q2 FY16 as against Rs. 349.14 cores in Q2 FY 15. While contributing to fixed cost, overall, the segment recorded a loss at Rs. 2.71 crores during the quarter under review as against Rs.6.65 crores achieved in Q2 FY 15 arising out of non-availability of domestic gas. As mentioned above, drought like situation in its core command areas also resulted in subdued volumes and overall margins of the segment.

The Government is yet to resume the supply of domestic gas to the Company, though both the single judge order dated 07.07.2015 and the divisional bench order dated 19.10.2015 of the Hon'ble High Court of Delhi, acknowledged the fact that the discontinuation of supply of domestic gas was discriminatory and arbitrary and have directed restoration of gas supplies.

Based on sustainability and optimizing usage of water resources, during October 2015, on the auspicious day of Dassera, Company launched a water soluble fertilizer under the brand Mahadhan Amruta Smart. Amongst the other water soluble fertilizers available in the market which are largely imported, blended and priced steeply, Mahadhan Smart is the first indigenously manufactured complex water soluble fertilizer and has been rightly priced to make it more affordable for the farmers. With sub-optimal monsoon predicted in Maharashtra for the next five years, this product is expected to become the next flagship product of the Company after Mahadhan Mahapower 24:24:00.

Mr. Sailesh C. Mehta, Chairman & Managing Director – DFPCL, said: *“The quarter witnessed sizeable increase in volumes, though poor monsoons, volatility in foreign exchange and fall in global commodity prices largely impacted the business operation. We are optimistic about our performance in the quarters to come and are hopeful that the resumption of domestic gas and the upcoming Rabi season will be the positive factors.”*

For further information, please contact:

Mr. D. Banerjee: +91 96577 27401 / +91-20 6645 8070 debasish.banerjee@dfpcl.com

Mr. Pranav Thakkar: +91 9823601205 / +91-20 66458270 pranav.thakkar@dfpcl.com