



**DEEPAK FERTILISERS
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Press Release

Deepak Fertilisers And Petrochemicals Corporation Ltd. registers 34% growth in revenue for Q3 FY09

- *Revenues for nine months ended Dec. '08 up 49 % against previous comparable quarter, PAT up 58%*
- *Revenues at Rs. 371.39 crores for Q3 2008-09, up 34%*
- *TAN plant retrofitted for 33% higher capacity*
- *Fertilisers business improves substantially*
- *Realty segment revenues at 4.25 crores, Ishanya registers over 9 lakh footfalls, 50 stores open*

Mumbai, 21st January 2009: Deepak Fertilisers And Petrochemicals Corporation Ltd., (DFPCL) withstood the impact of an economic slowdown to announce a strong growth in revenues for the nine months ended December 2008.

Income from operations grew 50 % to 1079.15 crores for the nine months ended December 2008 against Rs. 722.78 crores for the previous corresponding period in FY08, while PBT grew to Rs. 160.68 crores for the same period ended December 2008 against Rs. 102.76 for the previous corresponding period in FY08. Net profit stood at Rs. 109.07 crores for the nine months ended December 2008 as against Rs. 68.93 crores for the previous corresponding period in FY08.

For the quarter ended December 2008, income from operations grew to Rs. 371.39 crores in Q3 FY09 from Rs. 276.35 crores in the corresponding quarter of FY08, up 34%.

Owing to a plant closure for a retrofit and the timing gap on the meltdown prices of raw material and finished products, Profit from operations for Q3 FY09 stood at Rs. 37.82 crores against Rs. 36.09 crores for Q3 FY08. Profit before tax (PBT) stood at Rs. 33.22 crores in Q3 FY09 as compared to Rs. 36.19 crores for the corresponding period in the previous year. Net Profits stood at Rs. 22.38 crores for Q3 2008-09 against Rs. 24.47 crores for the previous comparable quarter. Interest costs rose to Rs. 10.59 crores during the quarter under review against Rs. 3.76 crores in Q3 FY08 as projects came into operations.

The fertiliser segment registered a profitable performance, with revenues at Rs. 195.42 crores in Q3 FY09 against Rs. 68.27 crores for the corresponding period in FY08. This was primarily driven by strong sales in the specialized fertilizer segments.

The Chemicals segment registered revenues of Rs. 174.75 crores in Q3 FY09 against Rs. 211.56 crores in Q3 FY08. For this segment the impact was on three counts. First, there was a retrofit closure of the Technical Ammonium Nitrate (TAN) plant of 59 days to achieve a 33% capacity enhancement. The plant has since been performing above the new rated capacity and feeding the growing market. Second, there was a timing gap between the finished goods prices and the raw materials price corrections which impacted margins. Third there was a transitory slowdown in the pharma sector when customers dipped into their inventory levels, impacting the Acid and IPA sales this quarter.

The realty segment, which includes revenues from Ishanya, India's largest Design Centre and Specialty Mall, stood at Rs. 4.25 crores for Q3 FY09. Ishanya has registered over 9 lakh footfalls and now has 50 stores open, making it clearly the largest destination of its kind in India.

Mr. S. C. Mehta said, "This has been a challenging time primarily owing to global recessionary trends. However, the Company has well established networks and relationships in the market which have served it well. These marketing networks and customer relationships should hold the Company in good stead in the challenging economic environment that is emerging. Our wide-ranging portfolio of products also permitted a flexibility that helped us manage the environment quite well. Margins were under pressure owing primarily to the lag effect between the fall in output and input prices. We also expect the new supplies of natural gas to be available to the Company by the end of the financial year which will enhance capacity utilisation and revenues. With the revamped TAN plant we will now be able to push for higher marketshare in the coming months while the new TAN plant project is underway."

Mr. Mehta also pointed out that though the retail segment too faced pressure under the economic downturn, with discretionary spending among consumers for furniture and durables declining, the Ishanya brand was now firmly established in the market. "Our studies show a high recognition for the brand. Our strategy is to maximize market share across our catchment area for Ishanya's tenants and it is beginning to pay dividends. Conversions are among the best in the country and footfalls have been rising over the year-end festive season," Mr. Mehta said.

On the projects front the 15,000 MT Ammonia tank, the new 450 MTPD Nitric Acid facilities and the 300,000 MT new chemical complex to support the mining sector are well underway and will add to the Company's asset base over the next two years or so.

The Company's Mahadhan Saarrthie initiative has now served about 6,600 farmers across Maharashtra. The Company has also commenced direct exports of fruits like grapes and pomegranates to the Middle East. The linkages between the farmers and global exporters created by DFPC are working very well and are poised to be a new growth avenue for the Company that will be exploited to the fullest.

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