



**DEEPAK FERTILISERS  
AND PETROCHEMICALS CORPORATION LIMITED**

REGISTERED OFFICE :  
Opp. Golf Course, Shastri Nagar, Yerawada, Pune - 411 006, India.  
Tel. : +91-20-668 4155 Fax : 668 3859  
Internet : www.deepakfertilisers.com

**A TQM Driven Company**

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## Press Release

### **Deepak Fertilisers And Petrochemicals Corporation Net Sales grow 32% in Q1 2007-08**

- ***Shareholders approve 30% dividend at Company AGM***
- ***Agri-services business grows 12.25%, Chemicals business grows 38.3% growth on Q-on-Q basis***
- ***Ammonia manufacturing capacity enhanced 43%***
- ***IPA and Propane contribute Rs. 63.78 crores in the quarter; emerge as a strong growth driver for the Company***

**Pune, 16<sup>th</sup> July 2007:** Deepak Fertilisers And Petrochemicals Corporation Ltd., (DFPCL) shareholders today approved a 30% dividend at the 27<sup>th</sup> Annual General Meeting of the Company held in Pune. DFPCL announced strong growth in sales for Q1 2007-08 over the corresponding quarter in the previous financial year.

Net Sales improved 32% to Rs. 219.79 crores in Q1 2007-08, against Rs. 166.67 crores in Q1 2006-07 while Profit Before Tax (PBT) for the first quarter of the current year stood at Rs. 34.51 crores (against Rs. 33.38 crores in the previous corresponding quarter for 2006-07).

The Company's Chemicals business grew to Rs 152.02 crores in Q1 2007-08 against Rs. 109.91 crores in Q1 2006-07. The Fertilisers business grew to Rs. 68.62 crores in Q1 2007-08 from Rs. 61.13 crores in Q1 2006-07. The ammonia plant was shut down for revamping and retrofitting for a period of 41 days which will augment this plant's capacity to 390 MT per day from 272 MT per day and will be advantageous as gas availability increases in the coming months.

However, as a consequence of this planned shutdown, ammonia was outsourced leading to higher input costs. Production of downstream ammonia products for the period were affected as a consequence but the Company's strong market relationships and brands permitted it to gain higher net sales prices. Global methanol prices have also seen a sharp fall during the quarter under review but the Company believes that prices are now bottoming out. The sales of IPA and propane for the quarter under review stood at Rs. 63.78 crores providing a strong boost to the Company's Chemical business, while the Nitric Acid business grew 22.4% during the quarter under review (as compared to Q1 2006-07). The cost of naphtha rose 7% for the quarter under review.



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Net Sales of DFPCL's 100% subsidiary, Smartchem Technologies Ltd., grew 44% on a Q-on-Q basis to Rs. 13.17 crores (with a PBT of Rs. 2.15 crore) further consolidating the overall leadership position for DFPCL in the Ammonium Nitrate market.

The Company's Chairman Mr. C. K. Mehta, while speaking at the 27<sup>th</sup> Annual General Meeting, emphasised that the Company's Mahadhan Saarrthie model was showing very encouraging signs of emerging as a new business and that linkages created by the Company with global importers and exporters have opened up new markets for farmers and a new business avenue. The Company had also achieved EurepGAP certification for grapes export in order to capitalize on these business avenues. The Chemicals business was being augmented and the thrust towards growth continued, he said. He added that the augmentation of capacity through retrofitting at the ammonia manufacturing plant at Taloja and the 15,000 MT ammonia storage tank for which construction was underway meant that the Company could advantageously position itself for further capacity enhancements in the Nitric Acid segment and in particular the much in demand Concentrated Nitric Acid (CNA). He further emphasized that the Company's leadership position in Ammonium Nitrate for the infrastructure and mining sector remained unchallenged.

DFPCL's Vice-Chairman & Managing Director, Mr. S. C. Mehta, added that with the Dahej-Uran Pipeline (DUPL) pipeline now completed, and with the last mile connectivity to DFPCL under progress, a new Gas source would soon be available to the Company. Other tie-ups for Natural Gas are also in the process of being worked out, he said. "This should see our capacity utilization improve strongly in the coming months as gas availability increases, with a considerable addition to both the topline and the bottomline. The IPA business has also stabilized and is going to be a strong growth driver for the future," he said. Ishanya has already leased out over 75 percent of its 550,000 sq. feet leasable area and a phased opening plan is being implemented with targeted culmination in the festival season of 2007. Land acquisition process for the Company's 300,000 MT Ammonium Nitrate project at Paradip in Orissa is in progress and, in the meanwhile, the Company has completed the process of acquiring key equipment and placed orders for long lead items in addition to commencing the detail engineering process for the new plant.



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The 15,000 MT shore Ammonia Storage Tank Project will be commissioned by mid-2008 and will offer a make or buy alternative for this key raw material. Besides improving capacity utilization for down stream products made from Ammonia, it will advantageously create opportunity for further product enhancement in the Nitric Acid market.

All these plans will provide considerable impetus to DFPCL's overall growth plans in terms of both topline and bottomline over the coming years.

For the financial year 2006-07, DFPCL has registered Revenues of Rs 869.43 crores from Rs. 595.49 crores in the financial year 2005-06 (FY06). Profit Before Tax rose to Rs.128.39 crores in FY07 from Rs. 111.70 crores in FY06. Earnings Per Share had grown from Rs. 9.04 in FY06 to Rs. 10.54 in FY07.

*For further information contact:*

*Vivek Y. Kelkar  
Vice-President – Communication  
Tel: 91-9820210514*

*Sonia Kulkarni / Suhani Gandhi  
Adfactors PR  
Tel: 91-9820184099/9821097668*