



**DEEPAK FERTILISERS
AND PETROCHEMICALS CORPORATION LIMITED**

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A TQM Driven Company

Press Release

Deepak Fertilisers And Petrochemicals Corporation announce strong 91 % growth in Net Sales for Q2 2006-07

- ***Topline grows 91 % for Q2 and 52 % for H1 2006-07***
- ***Customised and Specialized Fertilisers business grows 67% in Q2 2006-07***
- ***Revenues from Chemicals segment grow 47 % for Q2 2006-07***
- ***IPA plant commissioned and production has commenced***

Mumbai, 18th October 2006

Deepak Fertilisers And Petrochemicals Corporation Ltd., (DFPCL) declared strong 91% growth in Net Sales to Rs. 212.56 crores in Q2 2006-07, against Rs. 111.03 crores in Q2 2005-06.

Net Sales for the six months ended September 2006 (H1 2006-07), grew 52 % to Rs. 379.23 crores from Rs. 249.30 crores for the six months ended September 2005, the previous comparable financial period.

The Company's Chemicals business grew 47% to Rs. 120.48 crores in Q2 2006-07 against Rs. 82.19 crores in Q2 2005-06. The Fertilisers business grew 240% to Rs. 104.42 crores in Q2 2006-07 from Rs. 30.71 crores in Q2 2005-06, of which the customized and specialized fertiliser business grew 67%.

For the six months ended September 2006, (H1) the Company's Chemicals business grew 24% to Rs. 230.39 crores from Rs. 186.45 crores for the comparable period in the previous financial year. The Fertilisers business grew 144% to Rs. 165.55 crores in H1, 2006-07 from Rs. 67.94 crores for the comparable period in the previous financial year, of which the customized and specialized fertiliser business grew 49%.

The Company's 70,000 MTPA Iso Propyl Alcohol plant of the Company had been commissioned on August 26, 2006 and production and sales have commenced. The Company saw a sharp rise in operating costs during the quarter under review. This was essentially due to the rise in the costs of naphtha, phos acid and ammonia over the previous comparable period in the last financial year. Naphtha prices have gone up by 21.7% in the first six months of the financial year 2006-07 as compared to the first six months of the previous financial year.

Profit Before Tax (PBT) for the second quarter of the current year stood at Rs. 21.98 crores (against Rs. 20.80 crores in the previous corresponding quarter for 2005-06). The chemicals segment continued to be a strong driver of the profitability.

For the six months ended September 2006, PBT stood at Rs. 55.36 crores against Rs. 53.95 crores for the comparable period in the previous financial year.

DFPCL's Vice-Chairman & Managing Director, Mr. S. C. Mehta, said he was pleased that the Company's Mahadhaan Saarrthie initiative in agri-services is showing positive results, as demonstrated by the growth in the customized and specialized Fertiliser segment, and is now being expanded across Maharashtra. He emphasized that the Company was clearly driving sales through a sharp focus on the customer with the necessary framework to achieve greater levels of competitive advantage.

Ishanya, the Design Centre and Speciality Mall, the Company's new retail venture, is scheduled for a phased opening in QIV 2006-07, about 3-4 months later than the earlier schedule. Several new features have been incorporated in order to add to customer value, including escalators, shop layout changes and walkways, aero bridges connecting buildings, etc., which contributed to the time factor. Handover of premises to tenants has already commenced.

GAIL's Uran-Dahej LNG pipeline implementation appears to be on schedule with gas linkages likely to be in place from mid-2007.

For the year gone by, Deepak Fertilisers And Petrochemicals Corporation Ltd. (DFPCL) registered strong 18 % growth in its Net Sales to Rs. 562.86 crores for the year ended 2005-06 (FY06) from Rs. 478.15 crores in 2004-05 (FY05). Profit Before Tax stood at Rs. 111.70 crores in FY06 against Rs. 112.46 crores in FY05. Net Profit for the year FY06 stood at Rs. 79.77 crores against Rs. 79.75 crores in FY05. Earnings Per Share remained at Rs. 9.04 in FY06.

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