

DFPCL posts highest-ever PBT of Rs. 112.46 crore. Declares best ever dividend of 30 percent in its Silver Jubilee Year

- ***PBT crosses the Rs. 100 crore mark for the first time***
- ***Total Revenues Rs. 500.95 crores***
- ***Chemicals segment remains the primary driver of growth***

Deepak Fertilisers and Petrochemicals Corporation Ltd. (DFPCL) registered its highest ever Profit Before Tax (PBT) of Rs. 112.46 crore, on Total Revenues of Rs. 500.95 crore for FY 2004-05 (FY05). The Board of Directors of the Company declared a Dividend of 25 percent plus a 5 percent special Dividend (totalling 30 percent) in its Silver Jubilee Year.

Net Profit for the year FY 05 rose by 14 percent to Rs. 79.75 crore against Rs. 69.72 crore in the previous financial year. Debt cost reduced to an average of 7.4 percent, from 10.99 percent, owing to the repayment of high cost debts.

For Q4 FY05, Sales were 8 percent higher, at Rs. 144.74 crore, against Rs. 134.44 crore for the corresponding quarter of FY04.

The Chemicals segment of the Company's business, which includes Methanol, Nitric Acid, Ammonium Nitrate, and Liquid CO₂, remained the primary growth driver for the financial year under review. This was achieved through skillful product mix management. Ammonium Nitrate (17 percent over FY04) and Methanol (20 percent over FY 04) registered strong growth in sales value. Ammonium Nitrate sales crossed the one lakh tonne milestone and effectively serviced the needs of the core sector in mining. The Company continued to optimally service the needs of the fertiliser end-user -- the farmer -- through a mix of in-house production and outsourcing.

DFPCL's Managing Director, Mr. Sailesh Mehta, said the Company has now put together a business model that is based on a strong techno-commercial customer focus in Chemicals, and a recasting of the Fertiliser business into a larger agri-services / solutions framework. The Company's portfolio will soon emerge with a synergistic balance between industrial chemicals, agri-services / solutions, mining solutions and the services sectors.

"We have re-looked at our operational and manpower efficiencies and introduced ERP systems to ensure integrated and efficient enterprise-wide information and decision making. Business process tools including the Balanced Scorecard are also in place. The company is now poised to achieve global standards of productivity and efficiency. A manpower rationalisation exercise has reduced the total headcount by 26 percent. During FY05, the 9 MW Co-Gen and the Automatic Bagging plants were commissioned. This will help gain further cost-efficiencies," Mr. Mehta said.

However, Natural Gas availability continues to be a constraint. The Dahej-Uran pipeline project, which is under implementation by GAIL, and the KG Basin gas when available on the West Coast of India should improve the situation substantially

The Company's IPA project is expected to go onstream in the fourth quarter of FY 06 as scheduled, while construction work on Ishanya, the Speciality Design Centre and Mall has commenced.

Mumbai,
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