

DEEPAK FERTILISERS announces its Q3 results

- PBT increases 134% Y-o-Y
- PAT increases 105% Y-o-Y

Mumbai, February 10, 2017: Deepak Fertilisers And Petrochemicals Corporation Ltd (DFPCL) today announced its financial results for the quarter ended December 31, 2016 (Q3 FY17).

Total income of the Company marginally dropped to Rs. 1058.78 crores in Q3 FY17 as compared to Rs. 1108.04 crores in Q3 FY16, whereas Profit Before Tax increased substantially from Rs. 32.29 crores in Q3 FY16 to Rs. 75.68 crores in Q3 FY17, an increase of 134%. PAT also increased significantly from Rs. 22.74 crores in Q3 FY 16 to Rs. 46.62 crores in Q3 FY 17, an increase of 105%.

Conducive market conditions, competitive raw material prices and reasonably good market realization contributed towards a better performance by the Chemical segment. Trading business in this segment displayed a steep jump and registered revenue increase of 77% as compared to same quarter previous year.

Volumes of Technical Ammonium Nitrate (TAN) were impacted due to balance inventory of cheap imports, though overall the segment witnessed an improvement in the margins due to efficiency of operations and competitive raw material prices.

Chemical segment revenues stood at Rs. 883.18 crores in Q3 FY17 as against Rs. 778.10 crores in Q3 FY16, whereas profit for the chemicals segment stood at Rs. 161.20 crores in Q3 FY17 as against Rs. 93.56 crores in Q3 FY16. Acids, IPA and other traded products achieved better margins, while lower sales volume of TAN impacted the segment performance.

The overhang of discounts on the channel inventory, present prevailing uncertainty in the agri sector and low purchasing power of the farmers due to demonetization during the Rabi sowing period, impacted the performance of the segment during the quarter. Furthermore, considering the huge inventories available in the channel, the Company restricted volumes of the trading business. Thus, overall performance of the fertilizer segment was subdued during the quarter. Total income of the fertilizer segment dropped from Rs 409.65 crores in Q3 FY 16 to Rs 229.50 crores in Q3 FY 17, fertilizer segment reported a loss of Rs. 5.95 Crores in Q3 FY 17 as against Rs. 1.26 Crores in Q3 FY 16.

The new NPK plant is ready for commercial production after successful trials and is geared up to provide high quality fertilizers to the farmers during the upcoming kharif season.

Mr. Sailesh C. Mehta, Chairman & Managing Director – DFPCL, said: *“It is a great moment of pride for us as we celebrate the 25th year of our Mahadhan brand with the commissioning of our expanded NPK capacities. Trials have been successful and we are geared up to launch the commercial production of the new grades soon. Basket offering of products, penetration into newer geographies and enhanced availability of NPK will help generate higher sales and improve the performance of the segment. Industrial chemicals continue to perform well and we are hopeful of economic outlook supporting business plans of growth in all our business segments.”*

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