



DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

PRESS RELEASE

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LTD. REGISTERS STRONG PERFORMANCE IN Q2 FY 14.

- *Earnings before Interest and Depreciation (EBIDTA) grows by 23% on YoY basis.*
- *Technical Ammonium Nitrate volume records strong growth of 58% on YoY basis despite adverse user industry conditions.*
- *Fertiliser segment revenue up 33% on YoY basis.*

Mumbai/Pune, October 24, 2013: Deepak Fertilisers And Petrochemicals Corporation Ltd (DFPCL) today announced its financial results for the Quarter-ended September 30, 2013 (Q2 FY 14) posting all round growth in turnover and profits.

The Company recorded a 43% growth in total income to Rs. 990.10 crores for the quarter ended on 30th September, 2013 (Q2 FY 14) from Rs. 690.69 crores in the corresponding quarter of the previous financial year (Q2 FY13). Profit before tax rose to Rs. 63.59 crores in Q2 FY 14 as against Rs. 54.74 crores in Q2 FY 13 and Profit after tax stood at Rs. 45.44 crores in Q2 FY 14 as against Rs. 40.64 crores in Q2 FY 13.

Total Income, on a Q-on-Q basis, grew by 33% mainly driven by strong growth in Chemical and Fertiliser business segments. Profit before tax grew by 7% and profit after tax grew by 6%.

The profitability for the quarter is after accounting for forex loss of Rs.8.12 crores (included in borrowing costs). The borrowing costs were also higher on account of larger working capital related borrowings, in view of delayed subsidies.

The Chemicals segment registered a growth of 55% to Rs. 575.81 crores in Q2 FY 14 from Rs.370.75 crores in Q2 FY 13. Higher volumes in key products like Iso Propyl Alcohol and Technical Ammonium Nitrate, which grew by 25% and 40% respectively, contributed to the all round growth in segment revenue as well as profits. Profits for the Chemicals segment stood at Rs. 60.50 crores in Q2 FY 14 as against Rs. 46.42 crores in Q2 FY 13 registering a growth of 30%. Easing of raw materials prices like Ammonia also contributed towards profitability of the segment, even though rupee depreciation partially neutralized the drop in Ammonia prices.

Growth in the Agri-business was largely driven by a rise in manufacturing volumes, favourable monsoons and higher availability of phosphoric acid, and also due to a significant improvement in volumes in the specialty fertiliser business. Segment revenues for Q2 FY 14 for the Agri-business grew by 33% to Rs. 450.53 crores from Rs. 339.11 crores for the corresponding period in FY 13. Segment profitability for the Agri-business grew to Rs. 48.40 crores in Q2 FY 14 as



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against Rs. 39.97 crores in Q2 FY 13. On Q-on-Q basis the segment revenue grew by 99%. However, profitability continued to remain at 11% in line with the previous quarter.

For the six month period ended September 30th, 2013 (H1 FY14), DFPCL recorded a growth of 31% on a Y-on-Y basis with income from operations rising to Rs. 1,732.65 crores from Rs. 1323.85 crores in H1 FY13. Profit before Tax stood at Rs. 123.27 crores in H1 FY14 as against Rs. 117.90 crores in H1 FY13. Profit after Tax stood at Rs. 88.17 crores in H1 FY14 as against Rs. 86.14 crores in H1 FY13.

Speaking about the Company's performance, Mr. Sailesh C. Mehta, Chairman & Managing Director – DFPCL, said: "In spite of the continuing adverse economic conditions, the Company has achieved substantial capacity utilization for all its key products i.e. Iso Propyl Alcohol, Technical Grade Ammonium Nitrate and Ammonium Nitro Phosphate which is reflected in the 43% growth in the revenue on Y on Y basis. Though raw materials prices softened during the current period, rupee depreciation adversely impacted raw material costs and hence profitability of the Company to an extent. Going forward, the expected stability of Indian currency and improvement in the economic environment should help the Company in improving profitability in the coming quarters."

He further mentioned that "widening demand supply gap in the key products, leading to higher imports, also signaled the urgent need for the Company to enhance capacities as well as expand the product portfolio. While the Company has already embarked on expanding its fertiliser manufacturing capacity, it is also evaluating various options in the chemicals space."

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