



**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

Press Release

Deepak Fertilisers And Petrochemicals Corporation Net Sales grow 70 % in Q3 2006-07, Net Profits grow 56 %

- ***Chemical business Net Sales up 63 % as compared to previous corresponding quarter***
- ***Agri-services business grows 68 %***

Mumbai, 29th January 2007: Deepak Fertilisers And Petrochemicals Corporation Ltd., (DFPCL) announced strong growth in both sales and net profits for Q3 2006-07 over the corresponding quarter in the previous financial year.

Net Sales improved 70 % to Rs. 243.29 crores in Q3 2006-07, against Rs. 143.40 crores in Q3 2005-06 while Profit After Tax (PAT) for the third quarter of the current year has gone up to Rs. 24.74 crores (against Rs. 15.82 crores in the previous corresponding quarter for 2005-06), a rise of 56 %.

The Company's Chemicals business grew to Rs. 165.78 crores in Q3 2006-07 against Rs. 101.49 crores in Q3 2005-06. Operating Profits for the Chemicals business as a whole grew 49 % for the period under review, compared to the previous comparable period in 2005-06. The Fertilisers business grew to Rs. 84.54 crores in Q3 2006-07 from Rs. 50.47 crores in Q3 2005-06.

DFPCL's newly commissioned Iso Propyl Alcohol business registered sales of Rs. 14.90 crores for the Quarter under review (Rs. 23.34 crores for the nine months ended December 31, 2006). Sales were largely constrained by the temporary stoppage of supply of refinery grade propylene (the raw material for this product) from the supplier during the month of October, owing to a fire at the supplier's plant. After normal commencement of supply, the plant has resumed production from November 25th, 2006.

The Company's operating costs were in line with expectations for this Quarter. Naphtha prices stood at an average of Rs. 27,500 per MTPA for the nine months ended Dec. 31, 2006. This cost represented an increase of 72 % over the previous comparable Quarter in 2005-06, and impacted the Company's margins. Naphtha is used to generate steam for use in the process of manufacturing the Company's chemical products. However, with crude prices now softening, the Company expects naphtha prices to soften as well over the coming months.

DFPCL's Fertiliser business is now being firmly and successfully re-positioned as a holistic agri-services business as shown by the growth in the customized and specialized fertilisers. The Company's has leveraged its brands, Mahadhan and Bhoodhan, to great effect driving value across its entire range of in-house manufactured and outsourced products. The Company's Mahadhan Saarthie initiative, which is in the pilot stage and maximizes the leverage available from the brands, is a key strategic pillar in this regard.

For the nine months ended December 2006, Net Sales stood at 622.52 crores (for 2006-07) against Rs. 392.70 crores (for 2005-06) while Profit After Tax (PAT) stood at Rs. 65.23 crores against Rs. 52.94 crores for the comparable period in the previous financial year. Operating Profits for the Chemicals business as a whole grew 27.18 % for the nine months period under review.

With the detailed engineering design and technology contracts signed, the Company's 300,000 MTPA Ammonium Nitrate project at Paradip in Orissa is targeted to be completed by June 2009.

Ishanya – India's first International Design Centre and Speciality Mall – is now firmly established as a brand in the interiors and exteriors community. The Company has leased about 76% of the leasable space to leading Indian and international brands. The handing over of premises to tenants for fit-outs at the Company's retailing project has begun. A phased opening for Ishanya from April 2007 is being planned.

For further information contact:

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

Sonia Kulkarni
Adfactors PR
Tel:91-9820184099/91-9820401304

-2/2