



**DEEPAK FERTILISERS
AND PETROCHEMICALS CORPORATION LIMITED**

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A TQM Driven Company

Press Release

Deepak Fertilisers And Petrochemicals Corporation Ltd. registers record growth in sales and profits

- ***Sales growth 48 %***
- ***Net Profits grow 16.50 %***
- ***Fertilisers growth at 60 %***
- ***Chemicals business grows 42 %***
- ***Dividend at 30 %***

Mumbai, 18th May 2007: Deepak Fertilisers And Petrochemicals Corporation Ltd., (DFPCL) announced a record-breaking year of sales growth and profits.

Total Revenues for the year 2006-07 (FY07) jumped to Rs 869.43 crores from Rs. 595.49 crores in the financial year 2005-06 (FY06). Profit Before Tax rose to Rs.128.39 crores in FY07 from Rs. 111.70 crores in FY06. Net Profit for the year FY07 stood at Rs. 92.93 crores against Rs. 79.77 crores in FY06. Earnings Per Share, as a consequence, has grown from Rs. 9.04 in FY06 to Rs. 10.54 in FY07. The Board of Directors' of the Company announced a 30 % dividend for FY07.

The sales of fertiliser stood at Rs. 299.73 crores FY 07 an increase of 60 % over FY06. Fertilisers contributed 36 % to the topline of the Company. The Chemicals business, including ammonium nitrate, methanol, iso-propyl alcohol, nitric acid, carbon dioxide, hydrogen and propane, grew 42 % in FY07 over FY06, with sales at Rs. 532.66 crores.

DFPCL's Vice-Chairman & Managing Director, Mr. S. C. Mehta said that the growth was a consequence of the deft capitalization on market opportunity through a combination of in-house manufacturing and strategic outsourcing. "With our brands, market relationships and management and technology strengths, we're now clearly focused on growth in the future. Going forward the Company is now well entrenched to exploit four growth areas, leveraging macro-economic trends, viz. the Agri-sector, mining, performance chemicals and value-added real-estate."

He said that in FY07 outsourcing strategically to drive the Mahadhan Saarthie initiative forward and provide the farmer with a complete basket of nutrients has paid off. The Saarthie advisory services, implemented strictly, have enabled the farmer grow global-class produce. Further linkages created by the Company with global exporters have created new markets for farmers, with production as per the customer's specifications driving better farm economics. This is creating a new business model that the Company intends exploiting to the fullest.

He added that the Company's moves to bundle products and value-added techno-commercial services and create brands in the Chemicals segment is now moving well and should enable considerable market advantages in the coming years. The Company's drumming initiative for select chemical products like methanol and IPA has been implemented and customized packaging is now available. This has been very well-received by the market. The Company has emerged as the producer and marketer of choice in the IPA market in India, since production commenced in end-August 2006.

Further, Mr. Mehta said that DFPCCL will consolidate and augment its strong presence across the East and the West coast of India and position itself firmly as the partner of choice for global majors in the Indian market.

Ishanya, the Design Centre and Speciality Mall, is turning out to be India's largest in terms of size and the depth of choices for interior/exterior products. While over 75 % spaces have already been leased out to segment leaders in retail and tenant fit-outs have commenced in full swing with a target of phased opening in QII FY08.

Besides the LNG supplies likely to be available once the Dahej-Uran pipeline is completed, DFPCCL is also setting up a 15,000 MT Ammonia storage capacity at the Nhava Sheva port near Mumbai on India's West Coast. Construction of this capacity is expected to commence soon and once available this will provide the Company with considerable raw material flexibility enabling it manage its costs structures more efficiently. The greenfield Ammonium Nitrate chemical complex planned at Paradip is targeted for completion in the financial year 2009-10.

Total Revenues for the QIV 2006-07 stood at Rs. 223.45 crores against Rs. 180.23 crores in QIV 2005-06. Profit Before Tax stood at Rs. 38.77 crores in QIV FY07 against Rs. 34.23 crores in FY06. Net Profit for QIV FY07 stood at Rs. 27.75 crores against Rs. 26.83 crores in FY06.

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