



**DEEPAK FERTILISERS
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A TQM Driven Company

Press Release

Deepak Fertilisers And Petrochemicals Corporation poised for growth with increased Gas availability

- ***Income from operations improves 46% over successive quarters***
- ***Chemicals business at Rs. 210.32 crore, Agri-business at 146.72 crore***
- ***Strong volume increases in Chemicals signifying good demand pickup***
- ***NSPs rebound to 80 % of pre-meltdown levels***
- ***Company's Fourth Dilute Nitric Acid plant commissioned raising capacity to 4,45000 MTPA***

Mumbai/Pune, October 27, 2009: Deepak Fertilisers And Petrochemicals Corporation Ltd., (DFPCL), today announced that with improving economic conditions the performance of the Company has improved substantially over successive quarters. Income from Operations has increased 46% over successive quarters to Rs. 354.92 crore for Q2 FY10 from Rs. 242.39 crores in Q1 FY10. Profits Before Tax in Q2FY10 stood at Rs. 51.97 crores, while Profit After Tax for Q2 FY10 stood at Rs. 36.12 crores.

Revenue from the Chemicals business stood at Rs. 210.32 crore for Q2 FY10 (from Rs. 175.08 crores for Q1 FY10) while revenue from the agri-business stood at Rs. 146.72 crores (from Rs. 64.31 crores in Q1 FY10).

For the six months ended September 30, 2009 Income from Operations stood at Rs. 597.31 crore while PBT stood at Rs. 106.41 crore and PAT stood at Rs. 75.03 crores.

DFPCL's Vice-Chairman and Managing Director Mr. S. C. Mehta said, "Prices have now rebounded to about 80% of the pre-meltdown levels. With improving prices across the board it is clear that the economic downturn is now very much behind us. We have seen good volume increases in the Chemicals business this quarter signifying a firming up of demand. The increased gas availability will now ensure the full capacity utilization of the Company's gas based plants driving growth in the coming years, with positive indications on the price trend. Our strategy of tying together with the country's growth drivers – agriculture, mining and chemicals – is now being vindicated and plans for growth are fast coming into place."

Rising prices in Methanol had enabled substantially increased capacity utilizations, while improving Isopropyl Alcohol prices had also contributed to both the topline and the bottomline. The Company's fourth Dilute Nitric Acid plant has been commissioned augmenting DFPCL's total DNA capacity to 4,45,000 MTPA. The Company's Technical Ammonium Nitrate (TAN) business continues to show growth with the revamped capacity

having come on stream in FY09. The Company's new Sulfur Bentonite product has found a growing market in the speciality agro-fertilisers space in the Indian market.

Gas availability has improved with the Company now in a position to source nearly 90% of its requirement from a variety of gas suppliers. Mr. Mehta also stated that the Company's new 300,000 MTPA project to support the mining sector is strongly underway and would be commissioned in the latter half of FY11. Once commissioned, DFPCL would be among the largest producers of the product in the world deriving considerable economies of scale that would further contribute to the Company's performance in future.

Ishanya, India's largest Specialty Mall for interiors and exteriors is also showing improving prospects with the downturn in consumer spending clearly a thing of the past. Mr. Mehta also stated that with revenue share models now worked out with key Ishanya tenants the income prospects for the future are likely to improve. Mr. Mehta pointed out that DFPCL was looking at further augmenting the Ishanya business by offering products and services in the balance spaces that would be synergistically aligned with the current Ishanya proposition making it a true family destination, at marginal additional costs. This new phase of Ishanya would be in place around mid-2010, he said. These plans have been evolved on the basis of customer feedback. The basic business model having been established, the Company is confident that Ishanya will emerge as one of the finest landmark destinations in shopping centres in India, Mr. Mehta stated.

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