

## Press Release

### **Deepak Fertilisers And Petrochemicals Corporation Net Sales up 12.25% in Q3 2007-08**

- ***DUPL pipeline commissioned***
- ***Chemical business sales up 28% in Q3 2007-08***
- ***Ammonium Nitrate and Nitric Acids business up 31% Q3 2007-08***
- ***IPA and propane sales up to Rs. 64.11 crore for Q3 2007-08***
- ***Ishanya opens over 200,000 square feet with over 1,000 brands. About 100 stores and 5,000 brands to be available in coming weeks***

**Pune, 31<sup>st</sup> January 2008:** Deepak Fertilisers And Petrochemicals Corporation Ltd., (DFPCL), announced strong growth in sales for the nine months ended December 2007, and for Q3 2007-08 over the corresponding quarter in the previous financial year riding on strong sales in its Chemicals business. The DUPL pipeline has now been commissioned and the first supplies of LNG to the Company have been received.

For the nine months ended December 2007, DFPCL has registered a growth in Net Sales to Rs. 721.18 crores from Rs. 632.30 crores for the corresponding period in 2006-07 while PBT stood at Rs. 103.25 crores (against Rs.91.14 crores for the previous comparable period). PAT improved to Rs. 69.26 crores in the first nine months of 2007-08 against Rs. 66.70 crores in the corresponding period for 2006-07.

Net Sales improved 12.25 % to Rs. 275.82 crores in Q3 2007-08, against Rs. 245.71 crores in Q3 2006-07 while Profit Before Tax (PBT) for Q3 of the current year stood at Rs.36.35 crores (against Rs. 34.42 crores in the previous corresponding Q3 for 2006-07). PAT also stood at Rs 24.58 crores in Q3 2007-08. The Company registered higher profits on account of better average realizations per tonne for its Chemicals business.

The Company's Chemicals business grew to Rs.211.56 crores in Q3 2007-08 against Rs. 165.78 in Q3 2006-07 a growth of 28%. The Agri-services business registered sales of Rs. 68.27 crores in Q3 2007-08 against Rs. 84.54 crores in Q3 2006-07. The lower sales in fertilisers was on account of lower availability of phos acid. The retail business, Ishanya, registered its first income from lease rentals and will show increasing profitability as lease rental revenues from its lessee outlets rise over the coming quarter in 2007-08 as tenant outlets open.

The Company's raw material costs increased during the period under review due to higher requirements of raw materials including outsourced ammonia due to an 11 % drop in APM gas supply during the 9 months under review. This lower gas availability also impacted production of methanol. Naptha costs have been rising over for the 9 months ended December 2007 compared to the previous comparable 9 months of 2007-08, riding on higher crude prices, especially during winters.

The sales of IPA and propane for the nine months under review stood at Rs. 199.86 crores. The IPA business is now on a firm growth path successfully driving the Company's Chemical business higher. Global methanol prices rose during the quarter

which enabled higher price realizations, however this price trend has peaked and prices have now stabilised at normal levels.

The Company also saw the first drawing of a small test quantity of LNG during this quarter through the DUPL pipeline which has now been completed and tested. The Company is now seeking to finalise agreements for the further supply of Natural gas and LNG.

Work on the new 15,000 MT ammonia storage tank is well underway and the tank is expected to be ready in 2008-09. The Company is also well positioned to take on further capacity enhancements in the Nitric Acid segment. DFPCL's leadership position in Ammonium Nitrate for the infrastructure and mining sector remained unchallenged. The Company's Chemical Complex project at Paradip in Orissa is progressing well.

Ishanya has now opened over 200,000 square feet of retail space with key anchors Home Town, @home and Croma, besides key stores like F&F, Ecoscapes and Bella Casa now open to customers. More openings are expected in the coming weeks with approximately another 50,000 sq.ft. opening up by the end of February 2008. Ishanya will house more than 100 outlets and 5,000 brands when fully open.

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