

PRESS RELEASE

DEEPAK FERTILISERS announces its Q1 results

Mumbai/Pune, August 5, 2015: Deepak Fertilisers and Petrochemicals Corporation Ltd (DFPCL) today announced its financial results for the quarter ended June 30, 2015 (Q1 FY16).

The total income of the company grew by 13% to Rs. 1,072.18 crores for the quarter ended on 30th June, 2015 (Q1 FY 16) from Rs. 945.04 crores in the corresponding quarter of the previous financial year (Q1 FY15). Profit before tax also recorded a growth 16.65% to Rs. 65.34 crores in Q1 FY 16 from Rs. 56.01 crores in Q1 FY15 and Profit after tax stood at Rs. 45.33 crores in Q1 FY 16 as against Rs. 39.85 crores in Q1 FY 15. Profit for the quarter is inclusive of dividend income of Rs.27.50 crores, received from its subsidiary SCM Soilfert Limited.

Though performance for the quarter continued to be affected by stoppage of domestic gas supply leading to shut down of the fertilizer plant, the current quarter witnessed better performance in Chemicals especially in acids and trading of fertilizers.

The chemicals segment registered growth in revenue at Rs.696.30 crores in Q1 FY 16 from Rs. 678.04 crores in Q1 FY15, mainly due to strong demand for acids and TAN. On QoQ basis, comparatively demand for Technical Ammonium Nitrate (TAN) was subdued due to early onset of monsoon which led to slowdown in the mining sector. Profit for the chemicals segment stood at Rs. 75.94 crores in Q1 FY 16 as against Rs. 76.02 cores in Q1 FY 15.

Non-availability of gas continued to negatively impact the profitability of the agri-business. Earlier last month the Hon'ble High Court of Delhi directed the Department of Fertilizers to resume gas supply to the Company till the policy can be implemented non-discriminatorily to all the NPK fertilizer manufactures. The resumption of gas supply is awaited. Business saw a substantial increase in the trading volumes, with subdued margins. The quarter saw 134% growth in trading revenue of Rs. 354.05 cores in Q1 FY16 as against Rs. 151.23 cores in Q1 FY 15. The segment profit stood at Rs.14.10 crores during the current quarter as against Rs.26.79 crores achieved in Q1 FY 15.

Mr. Sailesh C. Mehta, Chairman & Managing Director – DFPCL, said: *“The previous year saw many unprecedented challenges which had significant impact on the overall business. But, due to our strong perseverance and our past experiences of learning from challenges, which has built our resilience and led us to challenge the past paradigms which are now reaping fruits. In the quarters to come, we expect to witness better performance in each segment of our business in the expectations of fair Government policies”.*

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