



Deepak Fertilisers And Petrochemicals Corporation Limited

Analysts Presentation June 28, 2010



About Us

- Listing: The Stock Exchange, Mumbai (BSE), and the National Stock Exchange (NSE).
- Ticker: DEEPAKFERT
- Incorporated in 1979 as an ammonia manufacturer with a capacity of 90,000 tons.
- Now a multi product company with four broad based business segments: Agri-Business, Technical Ammonium Nitrate (TAN), Industrial Chemicals and Value Added Real Estate.
- Plants located at Taloja, near Mumbai, Western Maharashtra



Product Portfolio

- Industrial Chemicals product portfolio –
 - Iso Propyl Alcohol, Methanol, Ammonium Nitrate (AN), Dilute Nitric Acid (DNA), Strong Nitric Acid (SNA), Concentrated Nitric Acid (CNA), Propane, Carbon-di-oxide (CO₂), Hydrogen (H₂), Acetone and Toulene
- Fertilisers product portfolio –
 - Nitro Phosphate (NP) 23:23:0, Bentonite Sulphur, customised fertilisers, bio-fertilisers, water soluble fertilisers, soil nutrients and select mixtures
- Agri-services --
 - DFPCL's Saarthie initiative linking nutrient management to product output management
- Value-Added Real Estate (VARE)
 - Ishanya – Western India's largest retail destination. Located in Pune, Western Maharashtra.



Capacities and Market shares

- Technical Ammonium Nitrate (TAN) – 132,000 MTPA currently at Taloja. Soon to increase to 432,000 MTPA with the new plant.
 - Market share around 30%
- Iso Propyl Alcohol – 70,000 MTPA.
 - Market share around 75%
- Dilute Nitric Acid (DNA) – 445,000 MTPA.
 - Market Share around 37%
- Concentrated Nitric Acid (CNA) – 79,200 MTPA.
 - Market Share around 46%
- Methanol – 100,000 MTPA
- Nitro Phosphate (NP) 23:23:0 – 229,000 MTPA
- Bentonite Sulphur (Bensulf) – 25,000 MTPA



End-users (Chemicals)

- Technical Ammonium Nitrate (TAN):
 - Used as raw material for making commercial blasting explosives with end application in mining (coal, iron ore, lime stone, etc) and in construction industry (stone quarrying, roads, railways, dams, etc)
- Iso Propyl Alcohol:
 - Product used by fast and high growing sectors Pharma, Agro-chem, Organic Chem., Imaging Chem. (Printing & Inks), Healthcare and Paint sector. DFPCL's IPA is one of the very few in the world that is US Pharmacopoeia certified



End-users (Chemicals)

- Nitric Acids:
 - Used in the manufacture of nitro compounds, defence sector, explosives and a variety of applications in drugs and dye intermediates, and refining of precious metals.
- Methanol:
 - Used as raw material for manufacture of Formaldehyde, DMT, Methylamines, Pesticides, MTBE, Acetic Acid, etc. Also used as solvent in multiple applications, and primarily in pharmaceutical industry.



Customer Marketing (Agri-services)

- Among the leaders for its products with some of the best recognised brands in its markets – Mahadhan and Bhoodhan
- Expanding geographical footprint successfully by moving into states like Punjab & Haryana.
- The traditional markets of Maharashtra, Gujarat, Karnataka further enhanced and strengthened.
- Saarrthie: Servicing 7189 farmers over nearly 4500 hectares of land, since inception
- Saarrthie: Focus on integrated nutrient management and providing crop specific, soil specific advisory services to enhance produce quality and farm productivity.
- Saarrthie: Now commencing servicing of leading retail chains across the world

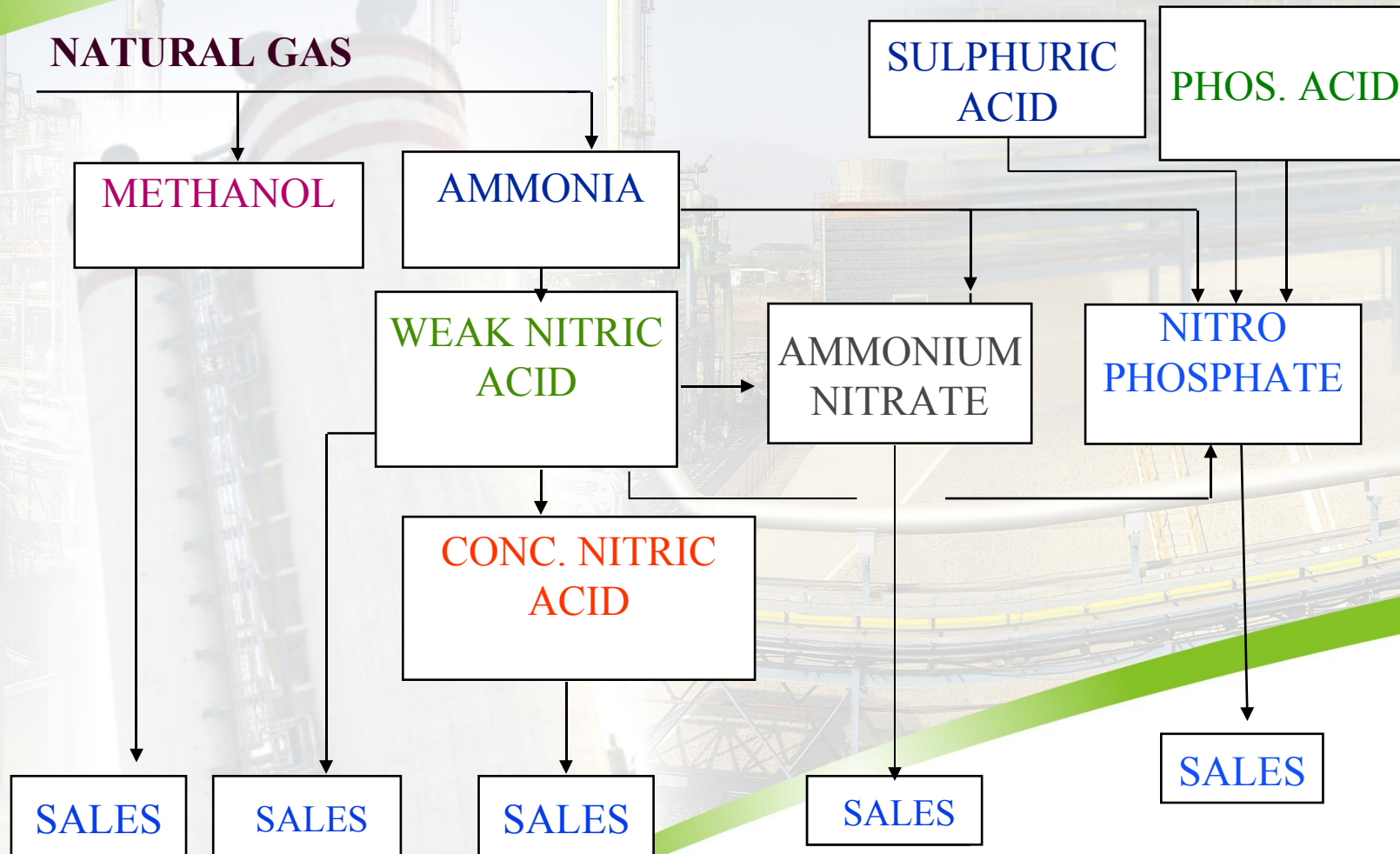


Primary Raw Materials

- Natural Gas
 - Requirement – Currently about 0.7 sm³ per day.
 - Plentiful Availability through multiple sources including, ONGC, Reliance, PMT, RLNG
 - Firm supply contracts in place where required
- Ammonia
 - Availability through in-house manufacturing and both domestic and international sources
 - Signed quantity contracts for Ammonia with an overseas supplier—adequate availability for new TAN plant
- Refinery Grade Propylene
 - Requirement –
 - Available through firm contracts with BPCL and on spot basis



Flow Chart for products from Natural Gas





Income From Operations

Q 1 FY 11

In (Rs. Crore)

	June 30, 2010 (Unaudited)	June 30, 2009 (Unaudited)	March 31, 2010 -- FY 10 (Audited)
Income from Operations	350.54	242.39	1287.98
Profit Before Tax	73.50	54.44	237.78
Profit After Tax	52.20	38.91	172.05



Segment Revenue

Q 1 FY 11

In (Rs. Crore)

Segment Revenue	June 30, 2010 (Unaudited)	June 30, 2009 (Unaudited)	March 31, 2010 – FY 10 (Audited)
Chemicals	231.17	175.08	852.46
Fertilisers	128.80	64.31	442.07
<i>Fert-Manf.</i>	<i>73.38</i>	<i>22.54</i>	<i>153.49</i>
<i>Fert-Traded</i>	<i>55.42</i>	<i>41.77</i>	<i>288.58</i>
Realty	3.08	3.56	13.99



Segment profit/(loss) before tax and interest Q 1 FY11

In (Rs. Crore)

From	June 30, 2010 (Unaudited)	June 30, 2009 (Unaudited)	March 31, 2009 – FY10 (Audited)
Chemicals	77.84	55.94	264.23
Fertilisers	14.77	5.15	16.21
Realty	(2.04)	(0.48)	(3.88)



Capital Employed Q1 FY11

In (Rs. Crore)

Capital Employed	June 30, 2010	June 30, 2009	March 31, 2009 – FY10
Chemicals	1005.26	751.19	967.81
Fertilisers	250.84	156.30	144.79
Realty	225.37	234.71	222.84
Others	43.88	46.07	42.16
Unallocated	246.40	291.14	346.10
Total	1771.75	1479.41	1723.70



Highlights of Q1 FY 11

- Income from operations up 45%, Profit Before Tax up 35%, Profit After Tax up 34%
- Chemicals business contributes to 61% of turnover, revenues up by 32%. Manf. volumes in the Chemicals business rose 16% over Q1 FY10
- Agri-business revenues more than double; Capacity utilisation increases to 64%
- EBIDTA margins overall rose to 26% in Q1 FY10 against 24% in Q1 FY10
- Earnings Per Share for the Quarter at 5.92
- New 300,000 MTPA Technical Ammonium Nitrate (TAN) project at Taloja to be commissioned on schedule.



Macro-Economic Trends

- Key sectors we operate in closely aligned with the key high-growth sectors of the Indian economy:
 - Fertilisers / Saarrthie
 - Agri & Food
 - ii. Technical Ammonium Nitrate
 - Mining and Infrastructure, Cement, Thermal Power
 - iii. Industrial Chemicals
 - Paints, Imaging Inks, Dyes, Pharmaceuticals, Specialty / Performance chemicals
 - iv. Value Added Real Estate (Ishanya)
 - i. Consumer durables and FMCG



Sources of Competitive Advantage

Built over 30 years

Manufacturing:

- Value addition from gas to building block chemicals and fertilisers
 - Technology skills
 - Have absorbed five of the world's best technologies in TAN
 - Ability to retrofit and build at relatively lower costs
 - World class operating efficiencies, Cost competitiveness
 - Economies of Scale (TAN, IPA, Acids)
 - Fifth largest producer of TAN in the world
 - Asia's largest single location manufacturer of Nitric Acid
 - India's largest manufacturer of IPA
 - Strong Entry Barriers



Sources of Competitive Advantage

Built over 30 years

Manufacturing:

- Synergies enabling process efficiencies
- Product Flexibility: building resilience
- World-class Quality
- Efficient Energy Management

- Now: Maximising inherent strengths with enhanced capacity utilisation
- Long-term contracts for raw material like Natural Gas, Ammonia and Refinery Grade Propylene



Sources of Competitive Advantage

Built over 30 years

Marketing:

- Deep customer insights and market knowledge
- The market advantages of scale– strong market shares / leadership /entry barriers
- Strong Brands, Robust and Loyal Customer Relationships
 - Strong technically-driven sales teams across businesses
 - Deep and Wide Dealer / Distributor Networks:
 - 3,000 dealers / distributors in chemicals and fertilisers
 - Every explosive player in the country
 - Builders, architects, consumers across Pune



In Summary

DFPCL:

- Chemicals segment to largely drive growth in the near to medium-term
- Fertilisers capacity utilisation to be maximised from FY 11 onwards with adequate NG availability
- Leveraging 30 years of experience, knowledge and skills to:
 4. Align with India's macro-economic drivers
 5. Exploit markets beyond Indian shores

We are **Geared For Growth.**



Thank You