

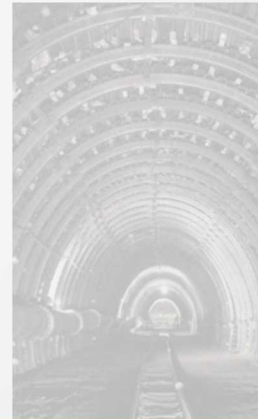
# Deepak Fertilisers And Petrochemicals Corp. Ltd.

**Proposed TAN Project in Australia**  
March 30, 2011



DEEPAK FERTILISERS  
AND PETROCHEMICALS CORPORATION LIMITED

# 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 tonnes per annum.
- Now a multi product company with four broad based business segments: Industrial Chemicals , Agri-Business, Technical Ammonium Nitrate (TAN), and Value Added Real Estate.
- Plants located at Taloja, near Mumbai, Western Maharashtra, India



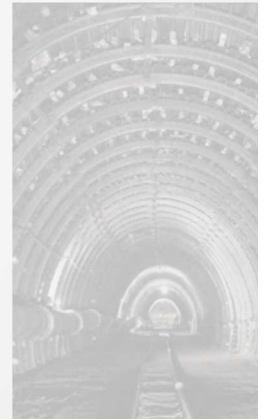
# Current product portfolio



- Industrial Chemicals:
  - Iso Propyl Alcohol, Methanol, Dilute Nitric Acid (DNA), Strong Nitric Acid (SNA), Concentrated Nitric Acid (CNA), Propane, Carbon-di-oxide (CO<sub>2</sub>), Hydrogen (H<sub>2</sub>)
- Agri-Business product portfolio:
  - Nitro Phosphate (NP) 24:24:0, Bentonite Sulphur, customised fertilisers, bio-fertilisers, water soluble fertilisers, soil nutrients and select mixtures



# About Technical Ammonium Nitrate



- Technical Ammonium Nitrate (TAN):
  - Ingredient to Blasting Agents primarily used by the global mining industry
  - About 80% of global mining uses TAN ( in the form of ANFO ) as the explosive of choice
  - End users are primarily mining (coal, iron ore, limestone, nickel, copper, uranium, etc) and the construction industry (stone quarrying, roads, railways, dams, etc)



# Vision for the TAN Business



To emerge among the world's top three TAN producers over the next five years



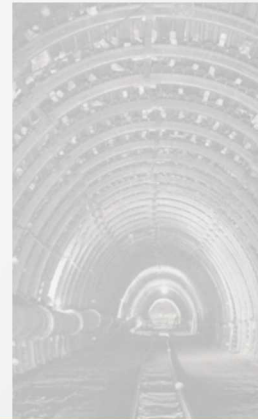
# Current TAN Status



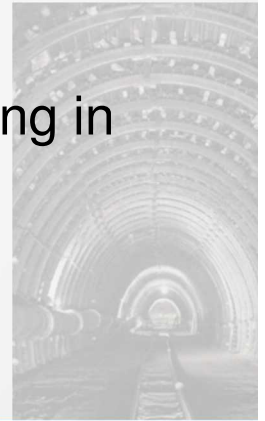
Currently India's largest manufacturer of Technical Ammonium Nitrate

Capacity: 472,000 MTPA comprising:

- 432,000 MTPA at Talaja near Mumbai in Maharashtra
- 40,000 MTPA at Smartchem Technologies Ltd, a 100% subsidiary at Srikakulam in Andhra Pradesh



# Customer Marketing- India



- India:

- Strong, direct relationships with Mining customers and Explosives Manufacturers
- Also markets through a combination of resellers and stock depots catering right across the breadth of India's Construction industry
- Sales teams comprising largely mining engineers
- Deep knowledge base of product (TAN) application engineering in mines



# Proposed Australia Project



- Positive step from the Government of South Australia: Land identified near deep sea port of Bonython
- Project's Estimated Capacity: 300,000 MTPA
- Project cost currently estimated at about USD 350 million
- Detailed Environmental Impact Assessment and Feasibility Studies to follow over a 12-15 months timeframe
- Technology partner identification and Basic Engineering can be carried out during this period
- If found feasible, project can be completed in a 24 months timeframe thereafter





# Proposed Australia Project



- Raw Material: Ammonia
- Easily available locally and plentiful across the globe
- Adequate ammonia sources very nearby in Western Australia and South East Asia
- Given the port proximity, ideal to source this through the sea based route

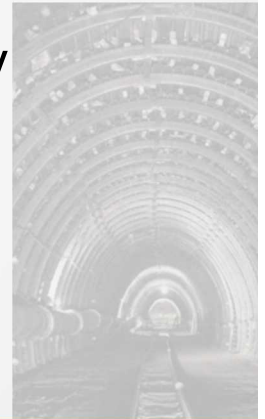


# Proposed Australia Project

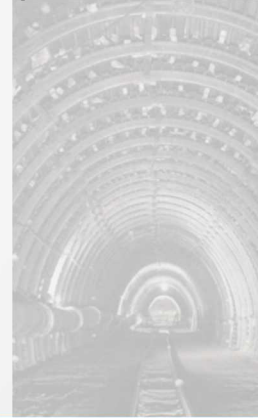
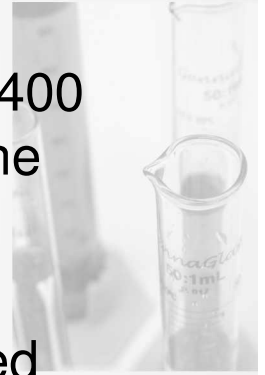


## Optimal Location:

1. Strategically located in South Australia, where TAN demand is estimated at 350-400 ktpa by 2016; no TAN plant in SA ; now being supplied from W Australia (Wesfarmer/CSBP plant ~2000 km away )
2. Site identified at Port Bonython, a deep sea port, in South Australia. Facilitates import of key raw material, viz., Ammonia
3. Very close to customers. Key customers likely to be the nearby uranium, copper, nickel and iron ore mining companies



# Proposed Australia Project



## Optimal Location:

1. The BHP Billiton Olympic Dam expansion project is just about 400 kms from the site of Port Bonython which when completed in the next 4-5 years will be the largest uranium mine in the world
2. The industrial town of Whyalla is just 40 kms away with a long established industrial history with complete infrastructure, skilled workforce, etc.



# Oceania– Demand Supply Scenario



## 2010

- 1) OCEANIA TAN DEMAND : 1.54 mil tpa (Australia, NZ, PNG)  
growth@ 8% pa will take demand to ~2.50 mil tpa by 2016
- 2) OCEANIA TAN CAPACITY : 1.60 mil tpa

Comprising the following suppliers:

ORICA , QLD/NSW	1.00 mil tpa
WESFARMERS/CSBP, WA	0.36 mil tpa
Q Nitrate, QLD	0.21 mil tpa

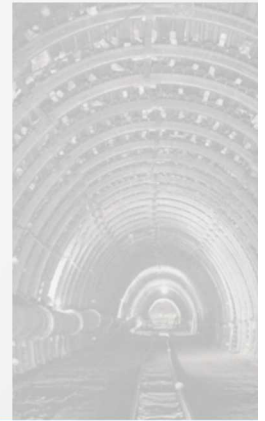
Additional capacities:

INCITEC, QLD	0.30 mil tpa (under erection)
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(\*Market Estimates)



# Proposed Australia Project



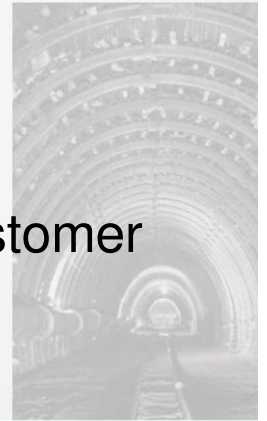
Project Financing subject to EIA and Detailed Feasibility Report

However:

- Should not be a problem to raise the equity portion required given our strong cash flows
- Project financing will be finalised in due course

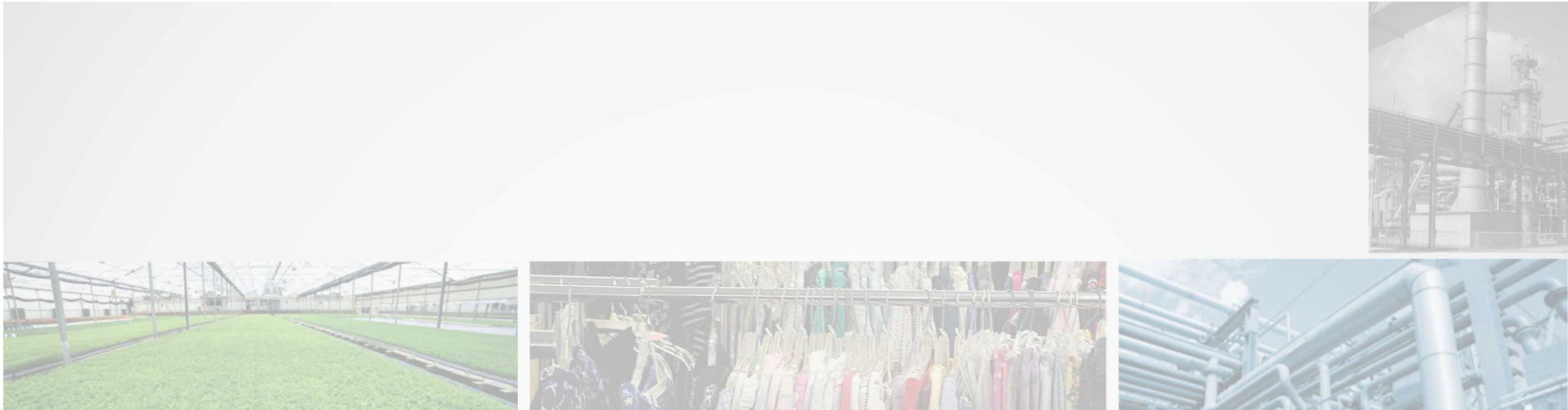


# DFPCL's Competitive Advantages



- Technology skills:
  - Have worked with and absorbed four of the world's best technologies in TAN
  - Ability to manage projects and build at relatively lower costs
  - World class operating efficiencies, Cost competitiveness
- In-depth knowledge of the needs and requirements of the mining and infrastructure industry
  - Strong technically-driven sales teams across the TAN business
- Ability to create strong Brands and build Robust and Loyal Customer Relationships





# DFPCL– Current Financials



# Income From Operations

In (Rs. Crore)



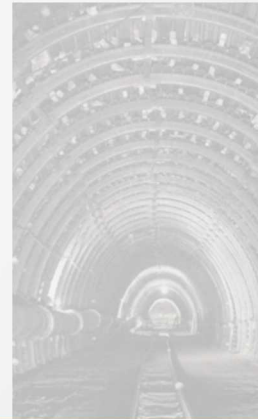
	Q3 FY 2010-11 (Unaudited)	Nine months ended Dec. 31, 2010 (Unaudited)	Mar 31, 2010 -- FY 10 (Audited)
Income from Operations	375.03	1136.34	1287.98
Profit Before Tax (before exceptional items)	60.35	191.29	212.74
Profit After Tax	40.26	133.90	172.05





# Capital Employed

Q3 FY2010-11



In (Rs. Crore)

Capital Employed	December 31, 2010	December 31, 2009	March 31, 2009 – FY10
Chemicals	1117.05	905.16	967.81
Fertilisers	191.72	215.09	144.79
Realty	238.34	238.23	222.84
Others	39.75	42.17	42.16
Unallocated	342.53	376.43	346.10
<b>Total</b>	<b>1929.39</b>	<b>1777.08</b>	<b>1723.70</b>





# Thank You



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