



Deepak Fertilisers And Petrochemicals Corp. Ltd.

Analysts Presentation
September 14, 2011



DEEPAK FERTILISERS
AND PETROCHEMICALS CORPORATION LIMITED

About Us



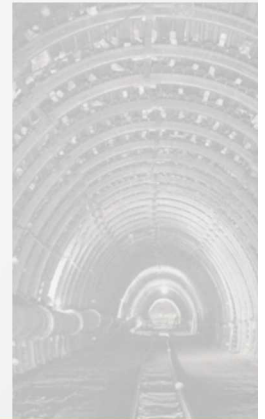
- Listing: The Stock Exchange, Mumbai (BSE), and the National Stock Exchange (NSE).
- Ticker: DEEPAKFERT
- Incorporated in 1979 as an ammonia manufacturer with a capacity of 90,000 tons.
- Now a multi product company with four broad based business segments: Agri-Business, Technical Ammonium Nitrate (TAN),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



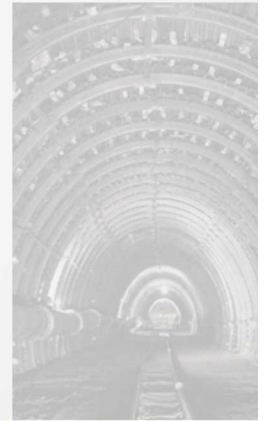
Product Portfolio



- 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)
- Agri-business (Fertilisers) product portfolio:
 - Nitro Phosphate (NP) 24:24:0, Bentonite Sulphur, bio-fertilisers, water soluble fertilisers, soil nutrients and select mixtures



Product Portfolio



- Agri-business:
 - DFPCL's Saarrthie initiative linking nutrient management to product output management
- Value-Added Real Estate (VARE):
 - Ishanya – India's first true Lifestyle Centre. Located in Pune, Western Maharashtra.



Capacities and Marketshares



- Technical Ammonium Nitrate (TAN) – 429,000 MTPA (300,000 MTPA complex added phase-wise between Q 2 FY11 and Q1 FY12)
 - Current Market share around 30%
- Iso Propyl Alcohol – 70,000 MTPA.
 - Market share around 75%
- Dilute Nitric Acid (DNA) – 445,000 MTPA (mainly captively consumed)
 - Market Share around 37%



Capacities and Marketshares



- Concentrated Nitric Acid (CNA) – 79,200 MTPA.
– Market Share around 46%
- Methanol – 100,000 MTPA
- Nitro Phosphate (NP) 24:24:0 – 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)



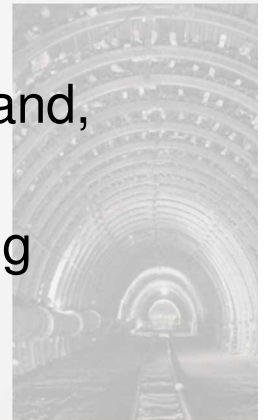
- Nitric Acids:
 - Used in the manufacture of nitro compounds, defence sector, explosives and a variety of applications in drugs and dye intermediates, and refining of precious metals.
- Methanol:
 - Used as raw material for manufacture of Formaldehyde, DMT, Methylamines, Pesticides, MTBE, Acetic Acid,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



Customer Marketing (Agri-business)



- Among the leaders for its products with some of the best recognised brands in its markets – Mahadhan, Bhoodhan and Bensulf
- 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.



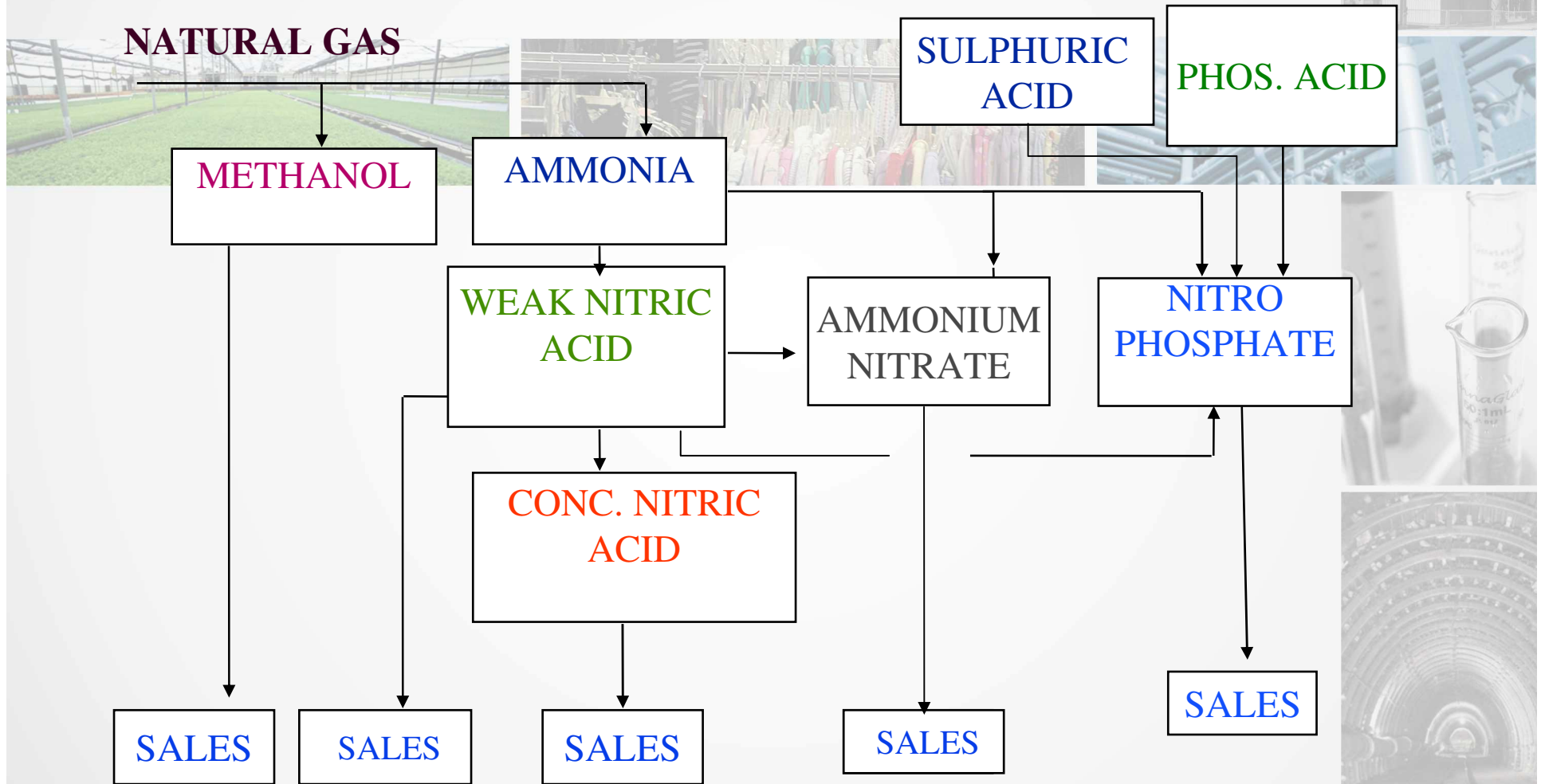
Primary Raw Materials



- Natural Gas
 - Sufficient Availability through multiple sources including, ONGC, Reliance, PMT, RLNG
- Ammonia
 - Availability through in-house manufacturing and outsourcing from both domestic as well as international sources
 - Signed quantity contracts for Ammonia with an overseas supplier—adequate availability for all plants
- Propylene
 - Available through firm contracts with BPCL and on spot basis



Flow Chart for products from Natural Gas



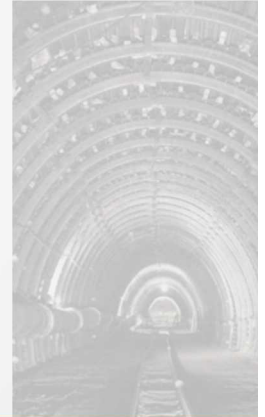
Highlights for Q 1 FY 12



- Company recorded an overall good quarter in comparison to the corresponding period from the previous year
 - Income from operations increased 35%
 - Profit before tax increased by 20%
 - Profit after tax improved by 22%
- Industrial chemicals division continued to be the highest contributor to the business



Highlights for Q 1 FY 12

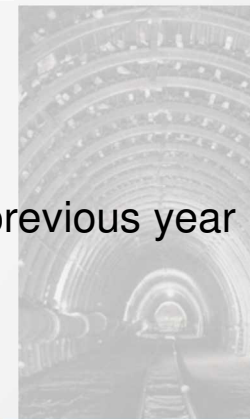


- Agri-business division recorded a growth of 14% in revenue at Rs. 147.44 crores, on the back of better realizations in Nitro Phosphates and higher sales of specialty fertilisers
- Profit from the segment increased by 15% and sales of specialty fertilisers improved by 23% during the quarter
- Company declared a 50% dividend for FY2010-11



Income From Operations

Q1 – FY12



In (Rs. Crore)

	Q1 – FY12	Q1 – FY11	FY11
Income From Operations	473.87	350.54	1564.81
Profit Before Tax	87.90	73.50	261.46
Profit After Tax	63.94	52.20	186.62

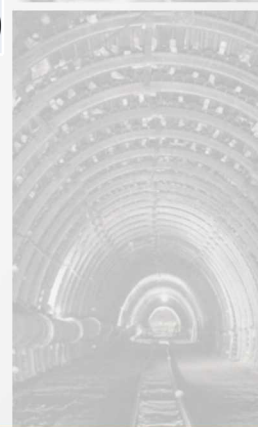
Highlights for Q1 FY 12:

- Income from operations increased by 35% over the corresponding quarter in the previous year
- PBT increased by about 20% and PAT by about 22%
- Higher profits on account of increase in sale of own manufactured products



Segment Revenue

Q1 – FY12



In (Rs. Crore)

Segment Revenue	Q1 – FY12	Q1 – FY11	FY11
Chemicals	332.71	231.17	1075.93
Fertilisers	147.44	128.80	531.18
<i>Fert-Manf.</i>	85.53	73.38	259.59
<i>Fert-Traded</i>	61.91	55.42	271.59

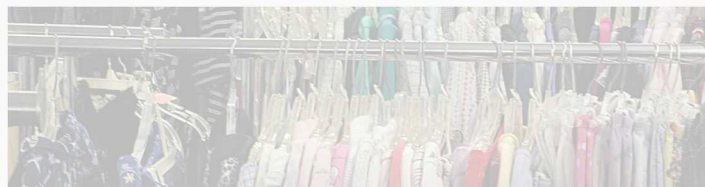
Highlights:

- Chemicals business in Q1 FY 12 grew 44%
- Sales for the Agri-business grew 14% in Q 1 FY 12



Segment profit/(loss) before tax and interest

Q1 – FY12



In (Rs. Crore)

	Q1 – FY12	Q1 – FY11	FY11
Chemicals	94.49	77.84	319.46
Fertilisers	22.63	14.77	31.64

Segment profitability for Chemicals grew 21% in Q1 FY 12
Segment Profitability for the Agri-business grew by 53% in Q1
FY 12



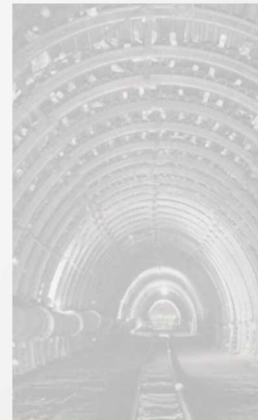
Capital Employed

Q1 – FY12

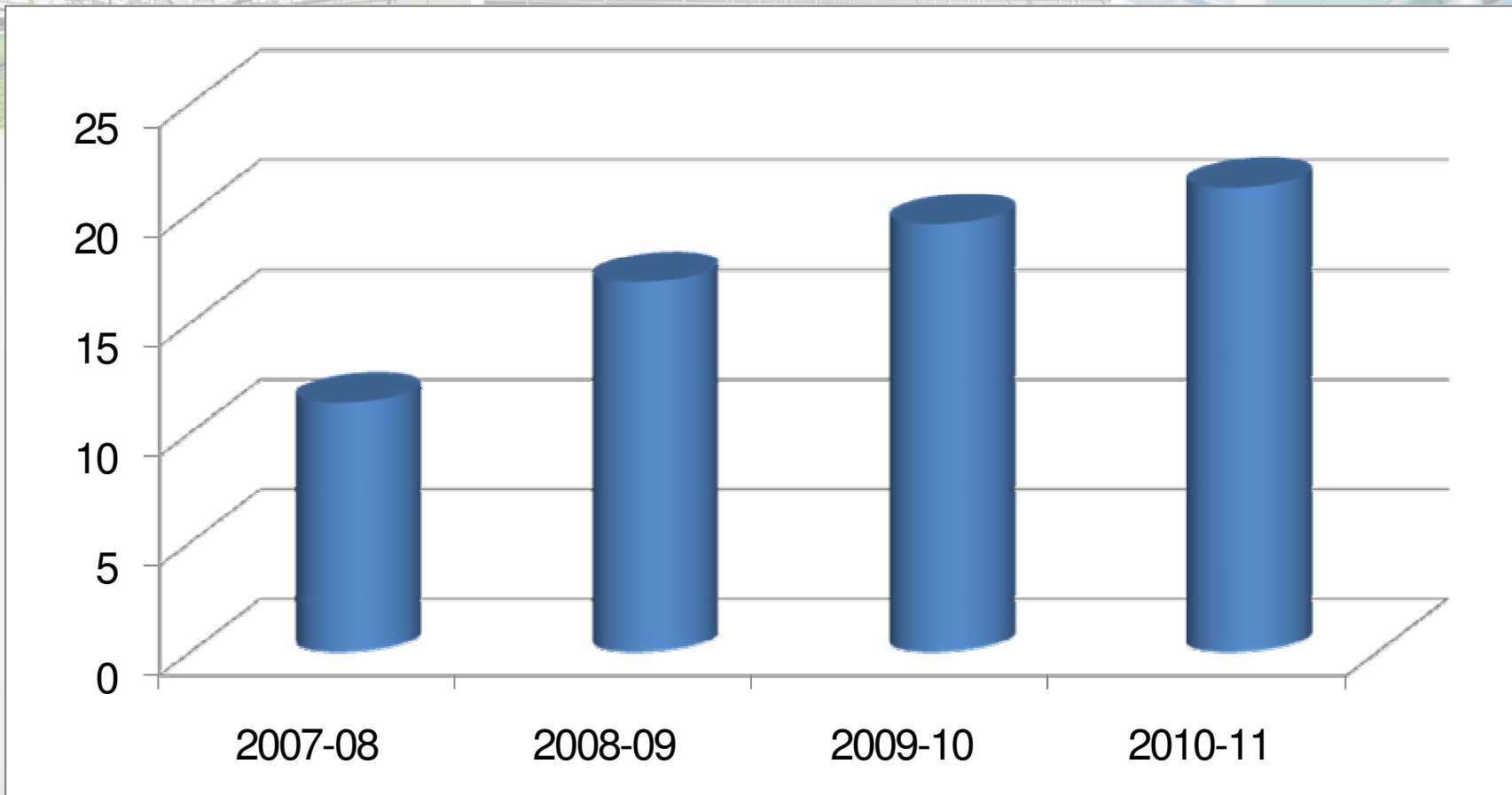


In (Rs. Crore)

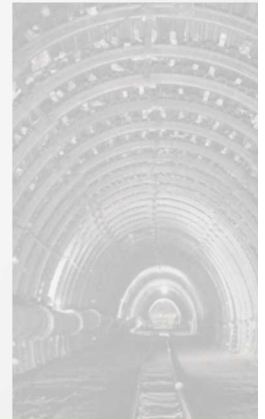
Capital	Q1 – FY12	Q1 – FY11	FY11
Chemicals	1098.48	1005.26	1127.50
Fertilisers	142.16	250.84	153.32
Realty	238.39	225.37	240.70
Others	41.61	43.88	39.72
Unallocated	370.10	246.40	361.16
Total	1890.74	1171.75	1922.40



Earnings Per Share



New Ventures



- The new 3,00,000 MTPA TAN plant was commissioned phase-wise between Q2 FY 11 and Q1 FY 12 - 33,224 MTPA of the product was produced in Q1 of FY12
- The plant will be scaled up gradually and is expected to support the increasing demand from the mining and infrastructure industry
- Company proposes to set up a new CNA plant to meet rising demand
- 46,200 MTPA plant will be located at Taloja and will be completed in a 12 months timeframe



Going Forward



- Company is focused on global growth drawing strengths from existing product line and aligning strategy to larger macro economic growth factors
 - Moving from bulk fertilisers to specialty and customised fertilisers
 - Shifting from inputs alone to providing total agri solutions and produce management
 - From being a domestic TAN producer to a global player
 - Moving from being a critical mining chemicals player to Contract mining
 - From being a bulk commodity chemicals company to a high value petrochemicals company





Thank You

