



17<sup>th</sup> May, 2023

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. BSE Code: 500645	National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Sandra (East), Mumbai - 400 051. NSE Code: DEEPAKFERT
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Dear Sir/ Madam,

**Sub: Press Release on Audited Standalone and Consolidated Financial Results for the quarter and year ended 31<sup>st</sup> March, 2023**

Please find enclosed a Press Release on Audited Standalone and Consolidated Financial Results for the quarter and year ended 31<sup>st</sup> March, 2023.

We request you to take the same on your record.

Thanking you,  
Yours faithfully,

**For Deepak Fertilisers  
And Petrochemicals Corporation Limited**

**Gaurav Munoli  
Company Secretary**

Encl: as above.

## DFPCL closes FY23 with Highest Ever Profits and Revenue

FY23 PAT Surges to Rs. 1,221 Cr whilst Revenues from Operations Hit Rs. 11,301 Cr

Board Proposes Highest-Ever Dividends of 100%

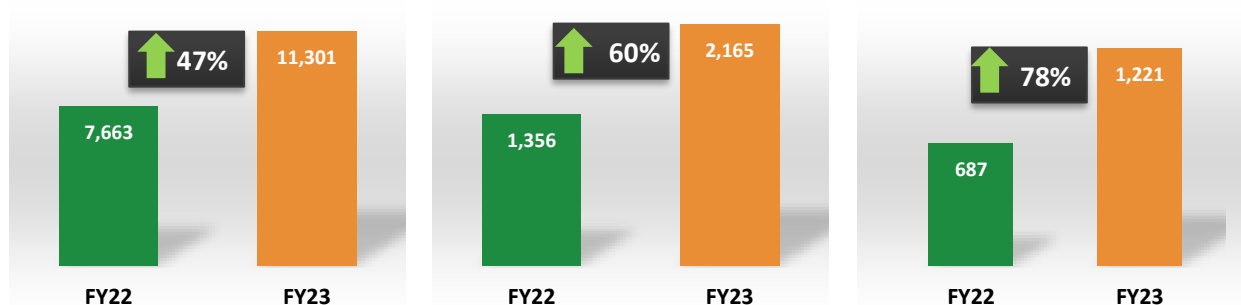
**Pune, India, May 17<sup>th</sup>, 2023:** Deepak Fertilisers And Petrochemicals Corporation Limited (BSE: 500645; NSE: DEEPAKFERT), one of India's leading producers of industrial chemicals and fertilisers ("DFPCL" or the "Company"), announces its results for the quarter ended March 31, 2023.

### Consolidated Financial Highlights

FY23 Operating Revenue (Rs. Cr)

FY23 Operating EBITDA (Rs. Cr)

FY23 Net Profit (Rs. Cr)



INR CR	Q4FY23	Q4FY22	Y-o-Y Growth	Q3FY22	Q-O-Q Growth	FY23	FY22	Y-o-Y Growth
Operating Revenue	2,796	2,012	38.9%	2,755	1.5%	11,301	7,663	47.5%
Operating EBITDA	469	502	(6.5)%	461	1.7%	2,165	1,356	59.7%
Margins (%)	16.8%	24.9%	(814) bps	16.7%	3.83 bps	19.2%	17.7%	147 bps
Net Profit	257	283	(9.0)%	252	2.0%	1,221	687	77.6%
Margin (%)	9.2%	14.0%	(483) bps	9.1%	10 bps	10.7%	8.9%	180 bps

- Segment Performance:**
  - FY23 Chemicals Segment** contributed ~85% of segment profits. Revenues grew by 40% y-o-y and margins increased from 25% (FY22) to 31% (FY23)
  - FY23 Fertilisers Segment** revenues grew by 59% y-o-y with segment margins of 7%
- Strong performance despite adverse movement of key RM Prices in FY23:** Ammonia ▲ ~61% YoY; Phos Acid ▲ ~63% YoY; RGP ▲ ~9% YoY; MOP ▲ 87%, Gas ▲ 87%
- Net Debt of Rs. 2,518 Cr with Net Debt / Equity of 0.48x (FY22: 0.35x)
- Demerger: Composite scheme of arrangement has been admitted with National Company Law Tribunal (NCLT) on January 25, 2023
- The name of Smartchem Technologies Limited, a material subsidiary of the Company, has been changed to Mahadhan AgriTech Limited ('MAL') w.e.f. 20th April, 2023
- The Board has recommended a dividend of Rs. 10/- per equity share of Rs. 10/- each (100%)



### Chairman's Message

Commenting on the performance, Mr. Sailesh C. Mehta, Chairman & Managing Director:

*“Despite the enormous finished product spikes that resulted from raw material spikes, we did not witness any demand destruction in all of our three business segments. This strongly validates the positive tailwinds for our Fertiliser, Mining and Pharma/Chemical segments, emerging out of their superb alignment with the India Growth story.*



*Although there would be some volatility in the upcoming quarters, in the medium and long term -*

- *Our continued drive from Commodity to Specialities in each of our segments shall help enhance margins and create brand values*
- *Our upstream investments in Ammonia as a key raw material for each of our segments will help risk mitigate against global vagaries*
- *Our on-going drive to create a natural hedge by way of pass-through pricing contracts for our finished products will help insulate margins*
- *Strong in-roads in Cost and Marketing efficiencies with Digital Drive will set a strong foundation for long term strengths”*

### Chemicals Review

#### • **Mining Chemicals (TAN):**

- In Q4 FY23, all the key market indicators of TAN Business showed positive trends. Coal Production at all India Level grew by 11% led by Coal India Ltd (CIL). Cement and Steel Production (indicators of Infrastructure demand) also registered a strong growth of more than 8% Y-o-Y.
- In Q4 FY23, TAN business achieved a capacity utilization of 93% with Revenues of Rs. 775 Cr. The addition of an AN Melt capacity in Phase-1 of the Taloja plant's de-bottlenecking project supported the business and domestic customers, with AN Melt growing at 21% Y-o-Y in Q4FY23.
- The pricing across all segments remained competitive despite the moderation of imported AN prices from Russia. This moderation in domestic AN prices is in line with the global trends. This is unfolding on the back of raw material price drops.
- TAN business continues to execute Total Cost of Ownership (TCO) projects in the mines and infrastructure projects to establish and deliver the superior value proposition of its customized solutions. This aligns with its transformation journey to shift from commodity-focused to specialty-focused offerings and from products to comprehensive solutions.
- **Business Outlook:** FY23 has recorded robust volume growth over FY22 and this trend is expected to continue in FY24. The demand for coal mining is likely to remain high due to the strong demand for power. The Government's spending on infrastructure projects should further support explosives demand in the Mining and Infrastructure segments.

#### • **Pharma / Speciality Chemicals (Nitric Acid and IPA):**

- In Q4FY23, Acid business achieved a capacity utilization of 89% while the IPA business reached 98%. Nitric Acid Q4 sales volumes increased by 18% Y-o-Y. Due to cheaper Chinese dumping, IPA Q4 sales volume decreased by 16% year over year. Safeguard Quantitative Restriction was imposed on IPA



dated 31<sup>st</sup> March 2023 by Directorate General of Foreign Trade, which is indeed favourable for domestic IPA manufacturers

- DFPC has developed the commercially viable technology to manufacture Pure DIPE from crude DIPE first time in India and has completed the commercial trial successfully. Solar grade Nitric acid has experienced strong customer response since its commercial launch.
- Business Outlook: DNA & CNA demand and pricing is expected to remain stable in coming months. With implementation of Quantative Restriction, IPA import from China should reduce and inturn improve CFR-India prices from Q1FY24 onwards. The steel grade Nitric acid, designed for steel pickling applications, has successfully completed its multi-stage commercial trials and will soon be launched commercially.

### Fertilisers Review

- Continued emphasis on innovating and developing crop nutrition products like Croptek, Solutek etc helped maintain leadership position in the industry and benefit approximately 7 million farmers through the farmer connect programs. These products enhance efficiency, promote balanced crop nutrition management, improve soil health, and increase crop productivity.
- In Q4FY23, CNB Bulk (NP + NPK) had a capacity utilization of 55% with total CNB revenues of Rs. 1,297 Cr. Major Phos Acid supplier has withdrawn from the market and the Company is in the process of tying up with alternate sources. Cumulative sales of ~ 1.01 KT of Croptek, with 26.6 KT sold in Q4 FY23.
- Successful social media campaign engaged 5.6 million farmers and generated nearly 129,000 leads. The team also conducted 21,000+ demos of their products in FY23 and connected with 6 lakh farmers through multiple market development activities.
- The Company is seeing an emerging drop in the raw material pricing which will help reduce subsidies for the GOI
- Business Outlook: The IMD has forecasted a normal monsoon with around 96% of the LPA, at lower end of normal band (96% - 104%), while Skymet has forecasted monsoon at around 94% of the LPA. The Company plans to focus more on crop specific nutrient solution to capitalize on various farmer reach initiative.

### Greenfield Ammonia Update

- The Company executed Gas Supply Agreements (GSA) for more than 2/3<sup>rd</sup> of its total gas requirement through bilateral negotiations with IGS and GSPC and is in advance stage of discussions for the balance requirement.
- Drive for fast-track project execution for the Ammonia greenfield projects continues on full swing; Commissioning expected in Q1 FY24.
  - [Click HERE](#) to watch Latest Ammonia Plant Video (April 2023)
- The project has been awarded the prestigious RoSPA Gold.



### Full Year 2023 Journey So Far: A Compendium

- **Corporate Restructuring:** Announced demerger plan of its Mining Chemicals in Dec 2022; Composite scheme of arrangement has been admitted with National Company Law Tribunal (NCLT) on January 25, 2023
- **Aarti Industries (AIL) and DFPCL** signs a binding term-sheet for 20 year Nitric Acid offtake and supply arrangement valued over Rs.8,000 Cr
- **Gas Tie-up for Ammonia Greenfield Plant:** Executed Gas Supply Agreements (GSA) for more than 2/3rd of total gas requirement through bilateral negotiations with IGS and GSPC
- **Crop Specific Nutrient (Croptek):** Launched Croptek Cotton and maize grade in the kharif season; Mahadhan Croptek received 'Golden Peacock Award' under 'Golden Peacock Innovative Product/Service Award 2022
- **Debottlenecking** of TAN capacity by approx. 33,000 MT and NPK capacity by about 2,00,000 MT through process improvement of the existing plants at Taloja, Maharashtra
- **Asian Development Bank (ADB)** funded DFPCL's farm efficiency initiative through STL, promoting sustainable agriculture and contributing to the company's growth
- **TAN Project Funding:** Tied up entire Debt of Rs. 1,541 Crores with door to door tenor of 14 years
- **Credit Rating** Upgraded to [ICRA] AA-(Stable) / [ICRA] A1+
- **Shareholders Engagement:** DFPCL continues to actively engage with institutional investors, research analysts and shareholders through domestic conferences, international roadshow, multiple plant visits, conference calls etc.
- **Key Institutional Investors** include Capital World, International Finance Corporation, Government Pension Fund Global, Axis Mutual Fund, Habrok Capital, Aequis Equity, BNP Paribas, Dolly Khanna, Vanguard, Abu Dhabi Investment Authority etc
- **DFPCL ESG Profile:** DFPCL promotes transparency and sustainability with online ESG profile. DFPCL ESG profile is one stop solution for all ESG queries with consolidated searchable data at one place; mapped to international ESG frameworks and guidelines. [Click Here](#) to Visit: Online ESG Profile
- **DFPCL Ranking in NSE Top 500 Companies:** DFPCL moved up from 674<sup>th</sup> rank in March 2019 to 401<sup>th</sup> rank in March 2023. **Institutional ownership** improved from 6.8% in March 2019 to 21.2% in March 2023. **Total No. of shareholders** improved from 100,392 to 193,628 shareholders
- **Promoter Pledge:** As on 31st March, 2023, Promoters' pledged shares are now restricted to ONLY 3.19% of paid-up share capital and NDU obligation (and not 'pledge') is of 3.66% of paid-up share capital



### Additional Notes

#### Company Overview:

**Deepak Fertilisers and Petrochemicals Corporation Ltd. (DFPCL)** is among the India's leading manufacturers of industrial chemicals and fertilisers. With a strong presence in Technical Ammonium Nitrate (mining chemicals), Industrial Chemicals and Crop Nutrition (fertilisers), the Company supports critical sectors of the economy such as infrastructure, mining, chemicals, pharmaceutical and agriculture. DFPCL is a publicly listed, multi-product Indian conglomerate and has plants located in four states, namely Maharashtra (Taloja), Gujarat (Dahej), Andhra Pradesh (Srikakulam) and Haryana (Panipat). ICRA has upgraded DFPCL 'Long Term' Credit Rating to AA- with Stable outlook. 'Short Term' Credit Rating is also affirmed to A1+ (Highest Rating).

DFPCL is Leading manufacturer and marketer of Iso Propyl Alcohol (IPA) in India and Largest Manufacturer of Nitric Acid in South East Asia. The Company is developing specialised grades of Nitric acid and IPA to meet specific requirements to cater needs of the industry/consumer.

DFPCL is one of the leading manufacturers of Technical Ammonium Nitrate in the world. It is the only producer of prilled TAN solids in India and also manufactures medical grade Ammonium Nitrate. The Company has commenced best in-class Technical Services to drive downstream productivity benefits for the mining end consumers.

CNB Segment (fertilisers) offers a basket of 48 products which include bulk fertilizers, Crop nutrient solutions, specialty fertilizers, water-soluble fertilizers, bio-stimulants, micro-nutrients, and secondary nutrients, catering to every crop's nutrient requirement. Enhanced-efficiency speciality fertilizers are developed basis rigorous R&D efforts and product trials at over 50,000 farmer demo plots. The R&D efforts have shown distinct yield and quality improvements for crops across segments such as cotton, sugarcane, onion, fruits & vegetables. Over last three years, value-added nutrition products have benefitted 6 million farmers.

#### Investor Relations / Media Contacts:

<p><b>CA. Deepak Balwani</b> AVP – Investor Relations &amp; Special Projects <a href="mailto:deepak.balwani@dfpcl.com">deepak.balwani@dfpcl.com</a> +91 (20) 6645 8733</p>	<p><b>Amitabh Bhargava</b> President and CFO <a href="mailto:amitabh.bhargava@dfpcl.com">amitabh.bhargava@dfpcl.com</a> +91 (20) 6645 8733</p>	<p><b>Girish Shah</b> EVP – Corporate Marketing &amp; Corporate Communications <a href="mailto:girish.shah@dfpcl.com">girish.shah@dfpcl.com</a> +91 98195 99888</p>
<p><b>Prajakta Kumbhar (Ketchum Sampark)</b> <a href="mailto:prajakta.kumbhar@ketchumsampark.com">prajakta.kumbhar@ketchumsampark.com</a> +91 7721083806</p>	<p><b>Anvita Raghuram / Kavin Sadvilkar</b> (Churchgate Partners) <a href="mailto:deepakfertilisers@churchgatepartners.com">deepakfertilisers@churchgatepartners.com</a> +91 22 6169 5988</p>	
<p><b>Deepak Fertilisers And Petrochemicals Corporation Ltd.</b> Reg. Off and Corp. Off: Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036 CIN: L24121MH1979PLC021360 <a href="http://www.dfpcl.com">www.dfpcl.com</a></p>		

#### Safe Harbour:

This document contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating Deepak Fertilisers and Petrochemicals Corporation limited's (DFPCL) future business developments and economic performance. While these forward looking statements are neither predictions nor guarantees of future events, circumstances or performance and are inherently subject to known and unknown risks and uncertainties, are based on management belief as well as assumptions made by and information currently available to management and only indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. DFPCL undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

