Earnings Presentation
Q1 FY2019

DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

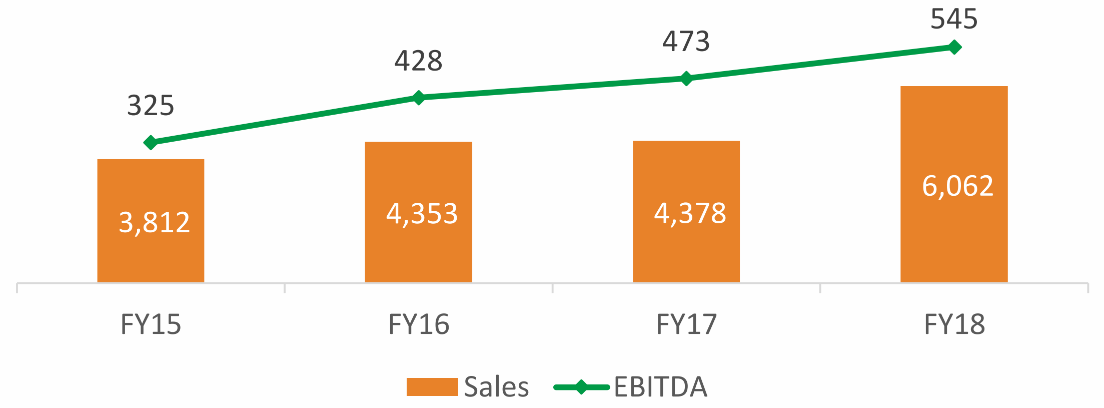
SMARTCHEM
TECHNOLOGIES
LIMITED

Deepak Fertilisers & Petrochemicals: Overview

Diversified Business	• Strong knowledge base and experience in crop nutrition business and industrial chemicals Diversified ammonia downstream player
Strategic plant locations	• Plants in Western (Maharashtra, Gujarat[1]), Northern (Haryana) and Eastern India (Andhra Pradesh), world class technology • Well-established sourcing channels; port and gas pipeline infrastructure for import of raw materials
Capacity Expansion	• In products of existing business with strong market
Value Added Real Estate	• “Creaticity“ Mall - India’s first true Lifestyle Centre • Located in Pune, Maharashtra • Land size is 2.06 lakh Sq ft
Exchange listing	• Listed on NSE and BSE • Market cap of $360 mn with 49% free float

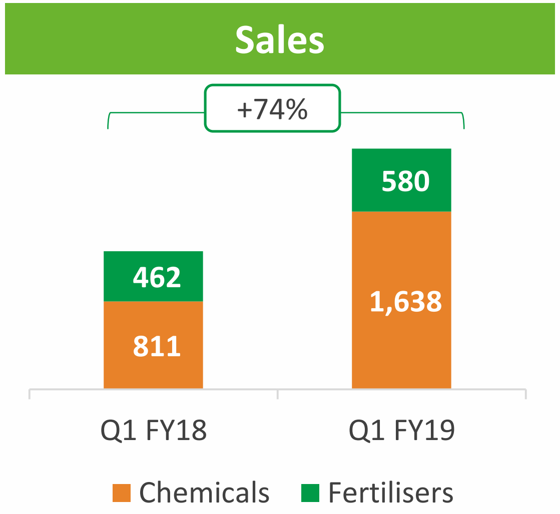
Note:
1. Dahej NA plant based out of Gujarat and will be operational by Q4 FY2019

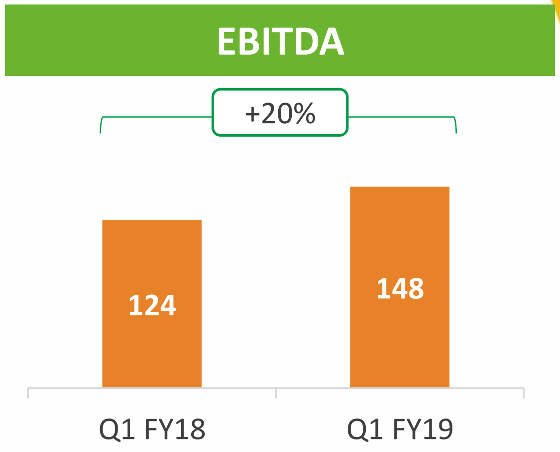
Consistent Revenue and EBITDA growth (Rs. Crore)

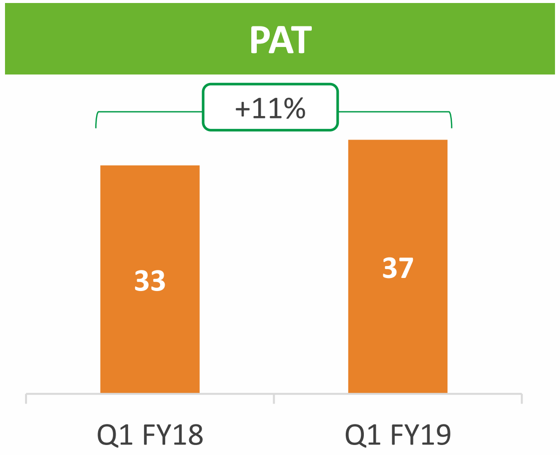


Q1 FY2019 Highlights

- Sales up 74% YoY due to higher manufactured and traded volumes, and higher prices of Fertilisers
- Better capacity utilisation of Fertilisers & TAN
- Lower IPA capacity utilization due to raw water availability
- In acids, DNA allocated to value added downstream products
- Fertilisers segment margins affected by high phos. acid prices. The increase is being passed on gradually
- EBITDA and PAT higher, driven by Chemicals segment; Fertilisers profitability lower impacted by higher raw material cost
- Higher interest cost due to increase in WC requirements, in line with higher revenues. Benchmark interest rates also higher YoY







Management Commentary

Commenting on the strategic expansion plan, Mr. Sailesh Mehta, CMD of DFPCL said:

"It gives me pleasure to share that, a journey to redefine our business strategy of shifting focus from customers to consumers with an objective of offering differentiated products and solutions and strengthening the core has begun in the right earnest. To help this endeavor, the Company is also investing in onboarding new talent to support the ramp-up. There has been a rise in manpower cost and other costs related to performance improvement initiatives, but this is an investment we are making in building a sustained high performing operation.

Based on its four decades of proven experience and the growing product demand, the Board has approved capacity expansions of IPA and TAN with a capex outlay of about Rs.2,350 crores. Additionally, to strategically support the total downstream sectors already in operations, the Board also approved a world scale ammonia facility capex as a backward integration at the cost of approximately Rs. 2,950 crores. All the projects on a standalone basis exceeded the company's investment viability parameters.

The company is at a high-level positive traction with banks and financial Institutions for tie-ups on the debt funding. In addition to the inflows from internal generation, the Board has also approved raising of Equity up to Rs. 800 crores in the Company through various options of securities towards part funding the capex plan, to ensure prudential leverage norms."

Capacity Expansion to maintain Market Position

DFPCL is an ammonia derivatives specialist

- Decades of experience in Industrial Chemicals and Fertilisers, and strong market position in India
- Strong track record of successfully executing expansions at low capex
- All three downstream businesses (Industrial Chemicals, Crop Nutrition Business and TAN) require ammonia, a common feedstock
- Witnessing strong growth in existing business segments; demand for our products is linked to India's GDP growth
- We are expanding capacities to serve the growing demand, and maintain our strong market position across products
- Low-risk growth in existing products

New projects approved by the Board

Particulars	Capex (Rs. Cr)
TAN and IPA	2,350
Ammonia	2,950

TAN: Robust growth in Mining & Infrastructure segment

Ammonia: Key raw material required for Chemicals and Fertilisers segments

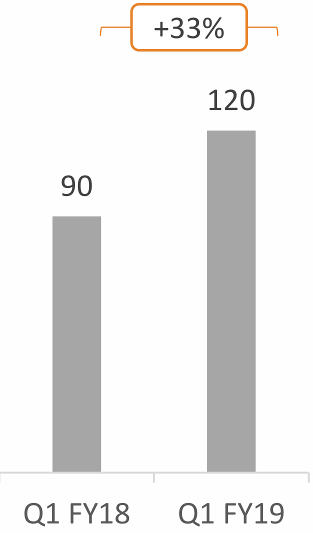
Funding Plan for Augmenting Company's Growth Objective

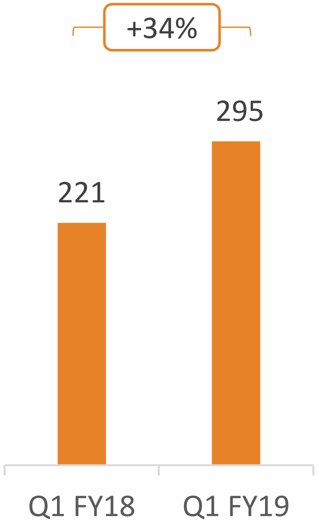
- The company is at a high-level positive traction with banks and financial Institutions for tie-ups on the debt funding
- In addition to the inflows from internal generation, the Board has also approved raising of Equity up to Rs. 800 crores in the Company through various options of securities towards part funding the capex plan, to ensure prudential leverage norms

Industrial Chemicals Manufactured

TAN

Volume (kMT)	Sales (Rs. Cr)

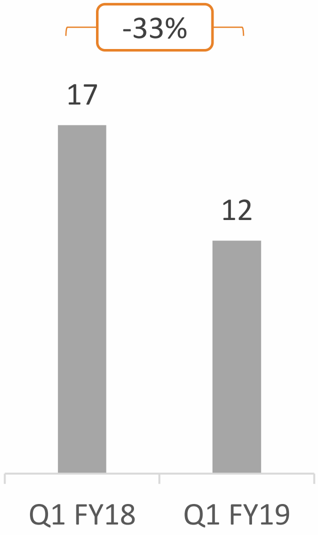


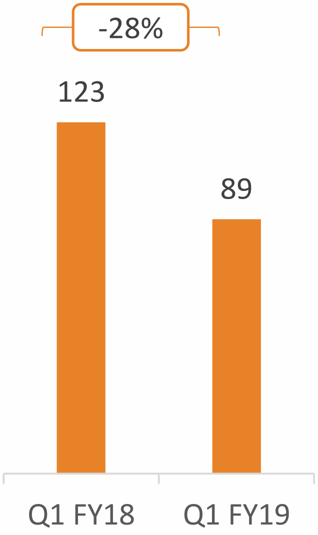


- Better capacity utilizations
- Strong market demand

IPA

Volume (kMT)	Sales (Rs. Cr)

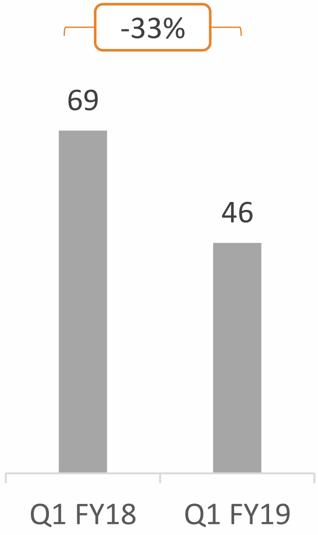




- Lower capacity utilization due to raw water availability issues
- However, contribution margins were higher

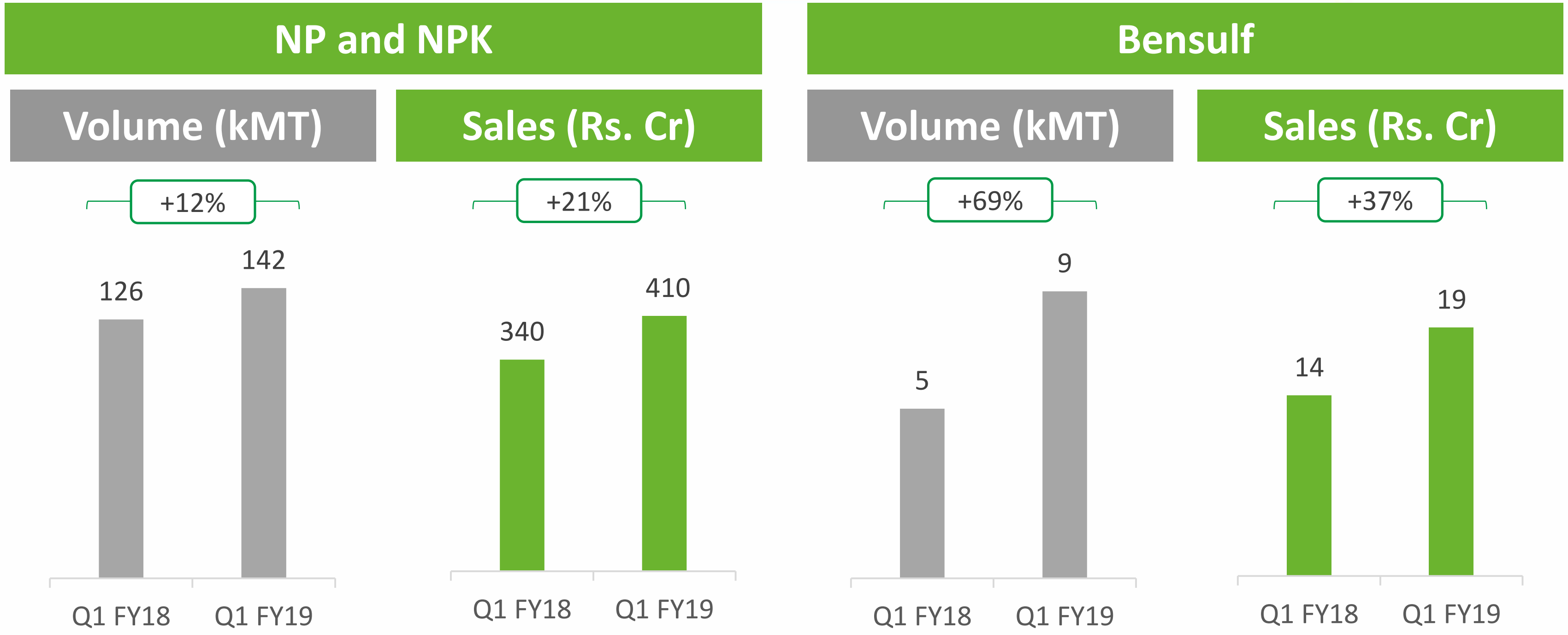
Acids

Volume (kMT)	Sales (Rs. Cr)



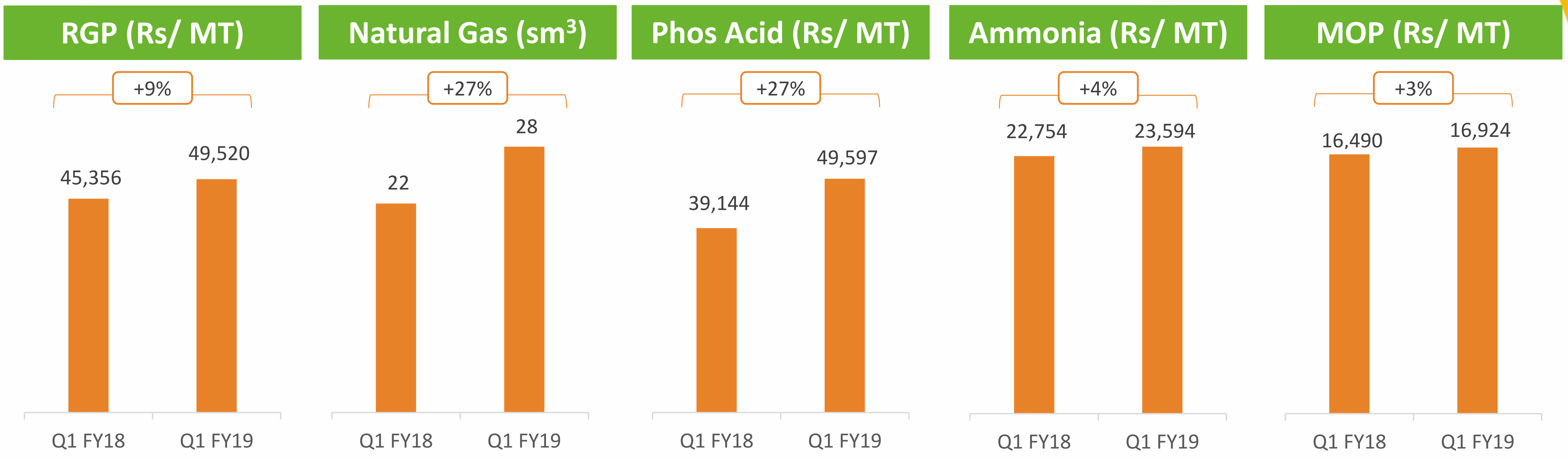
- Nitric acid volumes allocated to value added down stream products
- NSP's were higher

Fertilisers Manufactured



- Higher capacity utilizations
- NSP's were higher, raw material price increases have been passed on partially

Key Raw Material Movement



- Natural gas prices increased due to increase in Crude Prices
- Phos. Acid prices increased due to global supply constraints

Note: RGP: Refined grade propylene

Sales Volume

Volume MT	Q1 FY19	Q1 FY18	Y-o-Y growth	Q4 FY18	Q-o-Q growth
Methanol	19,236	3,114	*517.7%*	18,882	*1.9%*
Nitric Acid	46,232	68,750	*(32.8)%*	52,206	*(11.4)%*
IPA	11,682	17,469	*(33.1)%*	17,194	*(32.1)%*
TAN Solid	107,483	87,376	*23.0%*	117,077	*(8.2)%*
LDAN	34,767	25,806	*34.7%*	35,934	*(3.2)%*
HDAN	72,716	61,571	*18.1%*	81,142	*(10.4)%*
TAN Solutions	12,814	2,741	*367.5%*	12,006	*6.7%*
NP	52,454	39,567	*32.6%*	49,770	*5.4%*
NPK	89,135	86,705	*2.8%*	94,910	*(6.1)%*
WSF	65	117	*(44.4)%*	126	*(48.4)%*
Bensulf	8,748	5,172	*69.1%*	3,395	*157.7%*

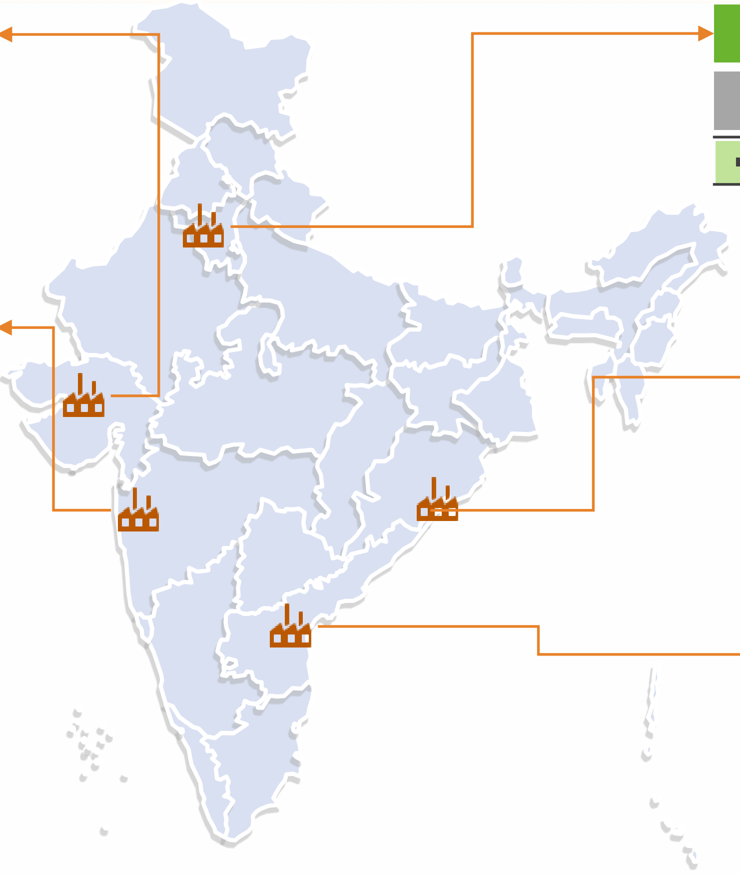
Geographic Footprint

Dahej, Gujrat[1]

Capacity (kMTPA)	Geographic advantage
▪ DNA :149 ▪ CNA: 92	▪ Major customers of nitroaromatics and nitrocellulose are located in Gujarat

Taloja, Maharashtra

Capacity (kMTPA)	Geographic advantage
▪ TAN: 444 ▪ DNA: 703 ▪ CNA: 139 ▪ IPA: 70 ▪ Liquid CO_2: 66 ▪ Methanol: 100 ▪ NP: 300 ▪ NPK: 600 ▪ Ammonia: 129 ▪ Bensulf: 25 **Projects** ▪ **IPA: 100** ▪ **Ammonia: 500**	▪ Located in Maharashtra, horticulture capital of India with highest consumption of NPKs and specialities ▪ Cater to IPA demand of North as well as South India ▪ Proximate to NA consuming belt of Gujarat-Maharashtra ▪ Strategically located near explosives manufacturers in Central India



Panipat, Haryana

Capacity (kMTPA)	Geographic advantage
▪ Bensulf: 35	▪ Oil-seed growing belts of North and Central India ▪ Significant geographic advantage over imported Bentonite Sulphur

East Coast

Project	Geographic advantage
▪ TAN	▪ Closer to customer base

Srikakulam, Andhra Pradesh

Capacity (kMTPA)	Geographic advantage
▪ TAN: 40 ▪ WNA: 56	▪ Satellite unit catering to regional explosives manufacturers

Industrial Chemicals Fertilisers Capacity Expansion

Note:
1. Gujarat plant will be operational by Q4 FY2019

Financial Results - Profit & Loss (Consolidated)

Sr. No.	Particulars	30 June 2018	31 March 2018 (Refer note 5)	30 June 2017 Restated (Refer note 6 & 7)	31 March 2018
	STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2018				
		Consolidated			
		Quarter Ended			Year Ended
	(Refer Notes Below)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	Income				
	(a) Revenue from operations	2,22,619	1,90,500	1,28,030	6,06,154
	(b) Other income	759	1,133	350	2,409
	Total income	2,23,378	1,91,633	1,28,380	6,08,563
2	Expenses				
	(a) Cost of materials consumed	72,319	63,820	45,716	2,37,317
	(b) Purchases of stock-in-trade	1,32,992	80,294	50,774	2,27,716
	(c) Changes in inventories of finished goods and stock-in-trade	(24,321)	9,932	(8,695)	(9,539)
	(d) Excise duty	-	-	6,668	6,668
	(e) Employee benefits expense	7,259	6,829	5,376	24,580
	(f) Finance costs	5,731	5,763	3,732	17,316
	(g) Depreciation and amortisation expense	4,190	4,008	4,077	16,323
	(h) Other expenses	19,561	16,649	15,828	64,894
	Total expenses	2,17,731	1,87,295	1,23,476	5,85,275
3	Profit before tax (1-2)	5,647	4,338	4,904	23,288
4	(a) Current tax	338	(291)	619	2,349
	(b) Deferred tax	1,584	731	907	4,290
	Total tax expense	1,922	440	1,526	6,639
5	Net Profit after tax (3-4)	3,725	3,898	3,378	16,649
6	Share of (loss) of associates	(2)	(44)	(30)	(239)
7	Net profit after tax, non controlling interest and share in (loss) of associates	3,723	3,854	3,348	16,410
8	Other comprehensive income (OCI)				
	Items that will not be reclassified to profit or loss				
	Remeasurement of defined employee benefit plans	-	(139)	-	(139)
	Income tax relating to this item	-	48	-	48
	Items that will be reclassified to profit or loss				
	Exchange difference on translation of financial statements of the foreign operations	35	103	-	(31)
	Changes in fair value of investments other than equity shares carried at fair value through OCI #	(89)	(57)	118	(63)
	Income tax relating to the above item #	31	(16)	(41)	33
	Total other comprehensive income, net of tax	(23)	(61)	77	(152)
9	Total comprehensive income (7+8)	3,700	3,793	3,425	16,258

Segment Results (Consolidated)

SEGMENT-WISE REVENUE, RESULTS, ASSETS AND LIABILITIES (Amounts in Rs Lakhs unless otherwise stated)

Sr. No.	Particulars	Consolidated: Quarter Ended 30 June 2018 (Unaudited)	31 March 2018 (Refer note 5) (Audited)	30 June 2017 Restated (Refer note 6 & 7) (Unaudited)	Year Ended 31 March 2018 (Audited)
1	Segment revenue				
	(a) Chemicals				
	Manufactured	60,954	63,642	51,961	2,20,638
	Traded	1,02,799	81,769	29,122	2,02,410
	Total	**1,63,753**	**1,45,411**	**81,083**	**4,23,048**
	(b) Fertilisers				
	Manufactured	42,949	39,458	36,166	1,48,664
	Traded	15,065	5,134	10,003	32,046
	Total	**58,014**	**44,592**	**46,169**	**1,80,710**
	(c) Realty	485	451	417	1,685
	(d) Others	367	46	361	711
	Total income from operations	**2,22,619**	**1,90,500**	**1,28,030**	**6,06,154**
2	Segment results [profit / (loss) before tax and finance costs from Each segment]				
	(a) Chemicals	15,129	14,026	8,622	51,335
	(b) Fertilisers	1,705	(1,826)	2,613	3,674
	(c) Realty	(383)	(396)	(445)	(1,596)
	(d) Others	264	(67)	268	323
	Total	**16,715**	**11,737**	**11,058**	**53,736**
	Less: i) Finance costs	5,731	5,763	3,732	17,316
	ii) Other unallocable expenditure net - unallocable income	5,337	1,636	2,422	13,132
	Total profit before tax	**5,647**	**4,338**	**4,904**	**23,288**
3	Segment assets				
	(a) Chemicals	3,94,347	3,17,714	2,77,823	3,17,714
	(b) Fertilisers	2,49,452	1,74,726	2,13,158	1,74,726
	(c) Realty	22,047	23,568	24,007	23,568
	(d) Others	3,036	2,726	2,684	2,726
	(e) Unallocated	1,11,060	1,80,412	81,721	1,80,412
	Total assets	**7,79,942**	**6,99,146**	**5,99,393**	**6,99,146**
4	Segment liabilities				
	(a) Chemicals	1,81,912	1,55,159	1,23,264	1,55,159
	(b) Fertilisers	1,68,626	1,36,459	1,37,733	1,36,459
	(c) Realty	1,033	993	1,020	993
	(d) Others	46	46	58	46
	(e) Unallocated	2,38,662	1,97,839	1,60,507	1,97,839
	Total liabilities	**5,90,279**	**4,90,496**	**4,22,582**	**4,90,496**

Disclaimer: This presentation 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 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.

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