



12th August, 2021

The Secretary

Listing Department

BSE Limited

National Stock Exchange of India Ltd.

Phiroze Jeejeebhoy Towers,

Exchange Plaza,

Dalal Street, Fort,

Bandra - Kurla Complex, Bandra (E)

Mumbai – 400 001

Mumbai – 400 051

BSE Code: 500645

NSE Code: DEEPAKFERT

Dear Sir/ Madam,

Sub: Earnings presentation for the quarter ended 30th June, 2021

Please find enclosed an earnings presentation of the Company for the quarter ended 30th June, 2021.

We request you to take the same on your record.

Thanking you,

Yours faithfully,

**For Deepak Fertilisers
And Petrochemicals Corporation Limited**

**Ritesh Chaudhry
Company Secretary**

Encl: as above.



**DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED**

(BSE: 500645; NSE: DEEPAKFERT)

Earnings Presentation Q1 FY2022

12 August 2021



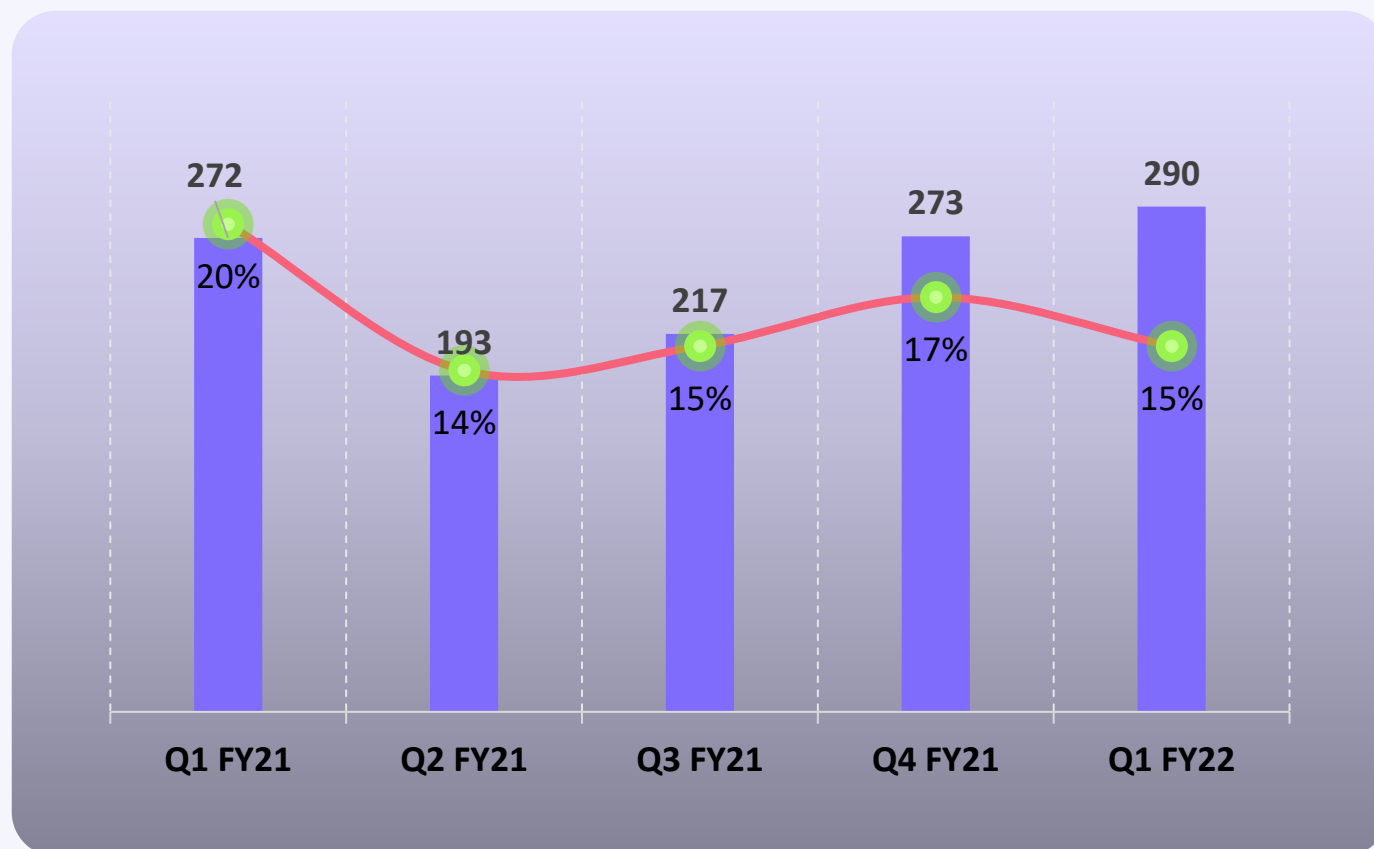
**FUTURE
READY**
Transforming from Commodity to Specialty

STRONG RESILIENT PRODUCT BASKET DESPITE HUGE RAW MATERIAL PRICE SURGE

HIGHEST EVER QUARTERLY OPERATING PROFITS

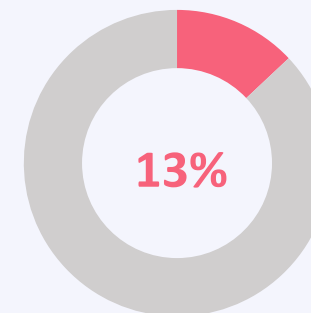
DIFFERENTIATED AND SPECIALITY FERTILISER VOLUMES GREW FURTHER

● OPERATING EBITDA (Rs. Crores) ● EBITDA Margins (%)



Segment Margins: Q1 FY2022

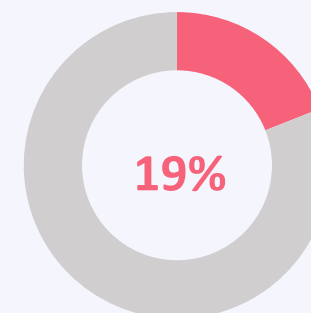
Fertilisers



Consistent improvement in operational and financial performance

Achieved highest ever quarterly ANP & NPK production; Speciality fertiliser also grew significantly

Chemicals



Acid and TAN sales volumes improved y-o-y

Overall Margins were impacted y-o-y due to high base last year which was an aberration for IPA

Q1 FY22 Consolidated Financial Highlights

Continued momentum in operational performance, despite disruption in demand caused by COVID-19 second wave

	Q1FY22	Q1FY21	Y-o-Y growth	Q4FY21	Q-o-Q growth	FY21	FY20	Y-o-Y growth
Operating Revenue	1,902	1,382	37.6%	1,575	20.8%	5,808	4,685	24.0%
Operating EBITDA	290	272	6.7%	273	6.3%	955	464	105.8%
<i>Margins (%)</i>	15.3%	19.7%	-	17.3%	-	16.4%	9.9%	-
Finance Cost	43	55	(22%)	48	(10%)	188	243	(23%)
Net Profit	131	121	7.8%	116	12.8%	406	89	356.6%
<i>Margin (%)</i>	6.8%	8.7%	-	7.3%	-	7.0%	1.9%	-
Interest Coverage Ratio	6.8x	5.0x	-	5.8x	-	5.3x	2.3x	-
Gross Debt to Equity	-	-	-	-	-	0.9x	1.3x	-

Finished goods prices are expected to reflect raw material price increase by second half of the year

Finance Cost reduced by 22% y-o-y driven by better working capital management and continuous reduction of short-term debt

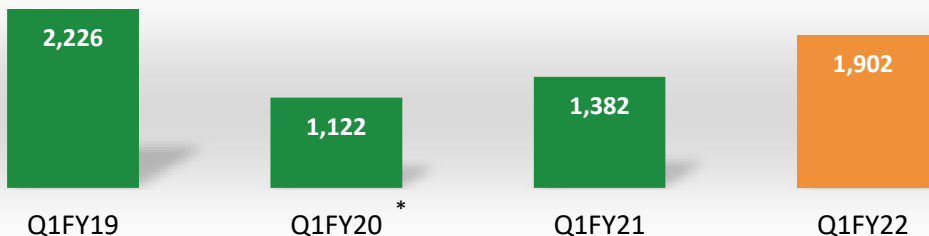
Further reduction in Net Debt by approximately Rs. 240 Cr

The robust quarterly results validate the resilience in basket of products

Synergistic Business Model

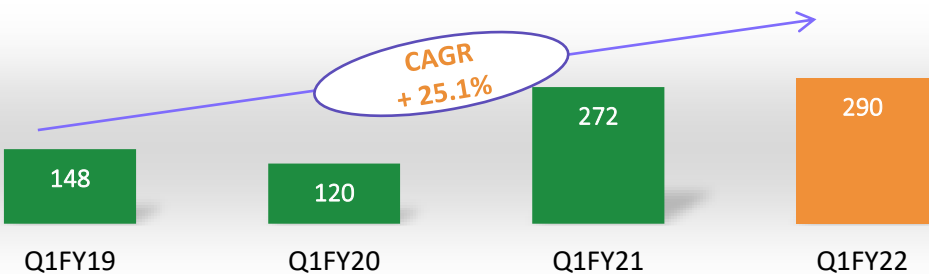
Synergistic Model and Diversified Portfolio enabling sustainable continuous growth

Operating Revenue (Rs. Cr)

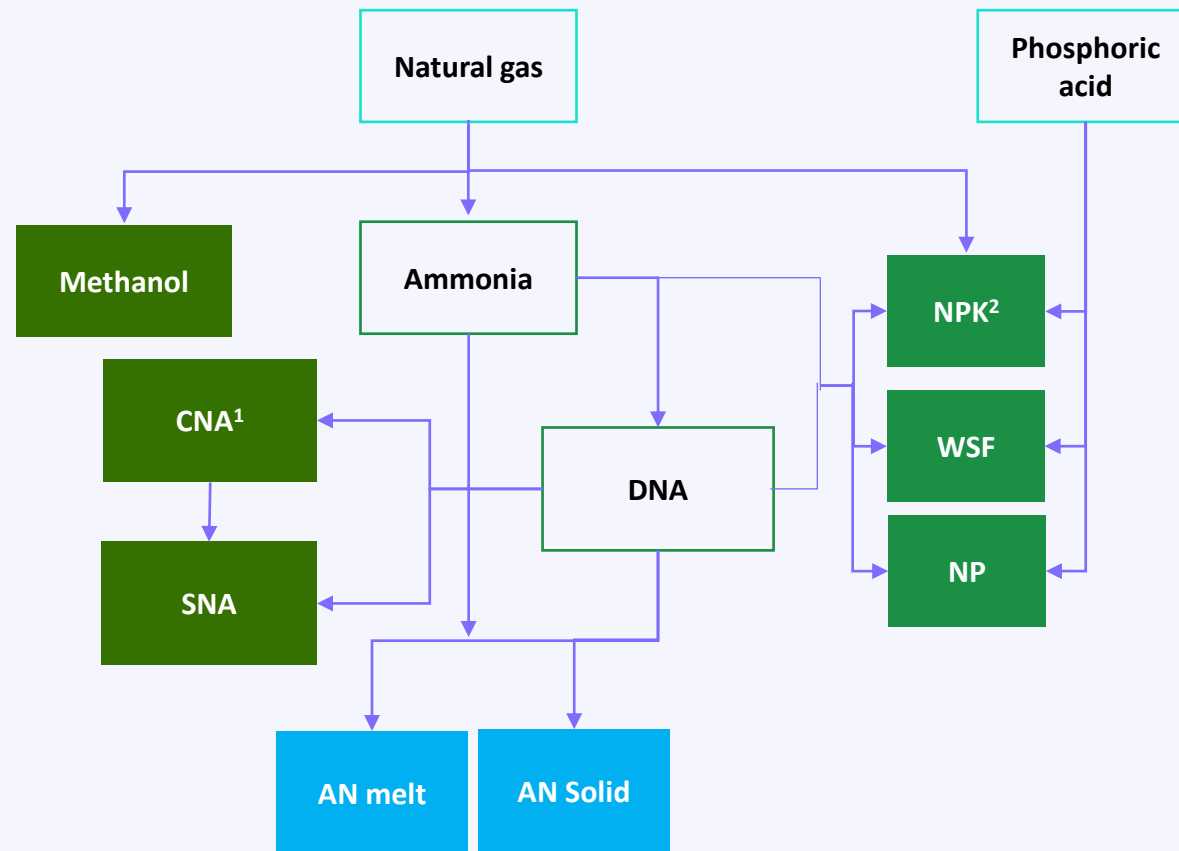
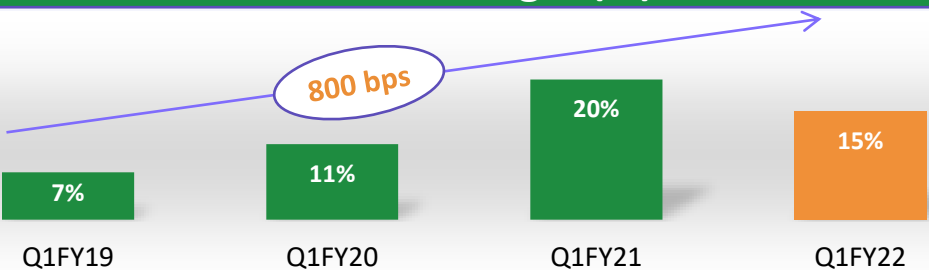


*Cautiously consolidated trading portfolio with focus on high-margin products

Operating EBITDA (Rs. Cr)



EBITDA Margin (%)



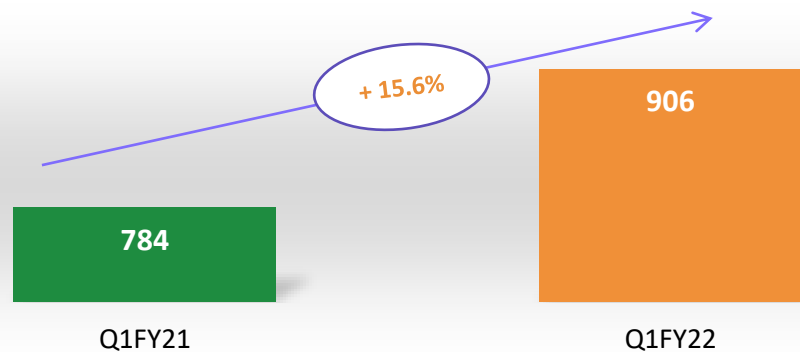
Sourcing raw materials
 Produced/sourced raw materials
 Fertilizers business
 TAN business
 IC business

Quarterly Performance Trend

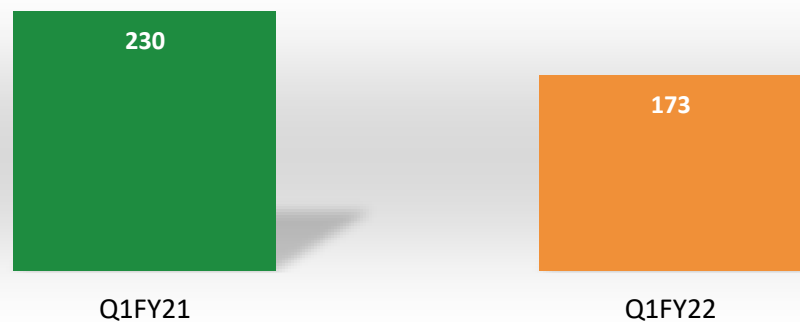
Sharp increase in key RM Prices y-o-y in Q1 affected margins, correction in finished goods prices expected over time

Chemicals Business

Revenues (Rs. Cr)

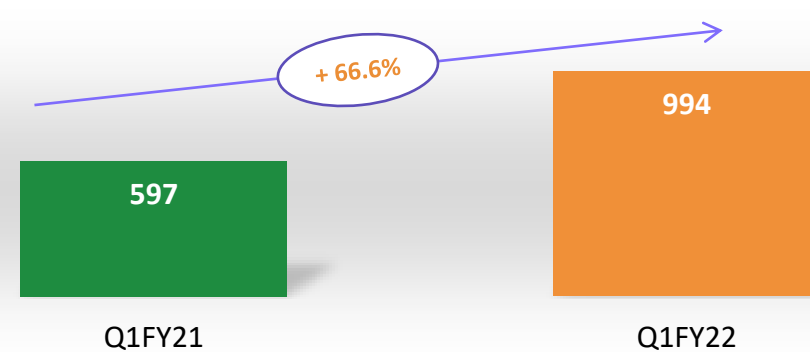


Segment Profit (Rs. Cr)



Fertilisers Business

Revenues (Rs. Cr)



Segment Profit (Rs. Cr)



Quarterly Performance Trend

Performance reflects our conviction of differentiated product strategy, meticulous planning and our unique **GO TO Market approach**

CNB Revenue (Manufactured Sales -Rs. Cr) (NP + NPK + Bensulf)



CNB Manufactured Sales Volumes (MT 00)

■ Bulk Fertilisers (NP+NPK) ■ Bensulf



Q1FY22 Capacity Utilization

NP/NPK 92%

Bensulf 76%

Operational Highlights

DIFFERENTIATED AND SPECIALITY FERTILISER VOLUMES GREW FURTHER

- Seventh consecutive quarter of profitability in Fertilisers; Achieved highest ever quarterly ANP & NPK production
- Sold 1.31 Lakh MT sales of differentiated NPK (SMARTEK) product (up +39% y-o-y); majorly focused on kharif crops like cotton, sugarcane, soyabean, maize and Paddy
- Sale of manufactured bulk fertilisers grew by 25% y-o-y backed by continued market development activities to create demand from the farmers and full manufacturing support with two trains
- Sales of Traded specialty fertiliser was 27 KT (up 8% y-o-y and 42% Q-o-Q)
- Focus on liquidation of product from retailer shelf supported working capital efficiencies
- Sharp increase in key RM Prices y-o-y in Q1 (Ammonia up ~102%; Phos Acid up 49%, MOP up 7%); NBS Subsidy on 'P' nutrient increased by GOI; correction in finished goods prices on account of other RM prices expected over time

Strategic Outlook

- Increase in NBS subsidy by Government of India to maintain consumption momentum; Value proposition campaign to help driving liquidation of fertilizer products
- Nutrient Based Subsidy approval received for crop specific grades by Government of India. The Company plans to introduce crop specific grades in upcoming rabi season
- Considering Company's focus crops are Cotton, Soybean, Paddy etc, with differentiated product strategy and its salience, DFPCCL expect good demand for Mahadhan brand in Kharif season

Quarterly Performance Trend

TAN volume grew by 11% Y-o-Y basis due to lower base in Q1FY21; Cement and Infra segment demand was slower QoQ due to second wave of Covid

Chemicals - TAN Revenue (Manufactured Sales Rs. Cr)



TAN Manufactured Sales Volumes (MT 00)



Q1FY22 Capacity Utilization

TAN 103%

Operational Highlights

- Demand for LDAN improved in Q1 FY22 compared with Q1 FY21 (primarily due to lower base in Q1 FY21)
- However, the demand continued to be subdued compared to pre-Covid levels as the Cement and Infrastructure sectors are yet to recover to pre-Covid levels of activity
- Sharp increase in key RM Prices y-o-y in Q1 (Ammonia up ~102%) affected margins; correction in finished goods prices expected over time
- Key Customers: Solar Industries, COAL India, ORICA, Reliance Power, ACC, Hindustan Zinc Limited, BALCO, Ambuja Cement, Ultratech cement and IDL explosives etc

Strategic Outlook

- Through on-going support with high quality and secured supply of locally manufactured Technical Ammonium Nitrate to the Mining and Infrastructure industry, DFPCL will continue to play a key role in Nation building
- With the positive outlook for the mining and infrastructure sector, the Company is expected to be benefiting from increased TAN demand, a trend that is likely to sustain

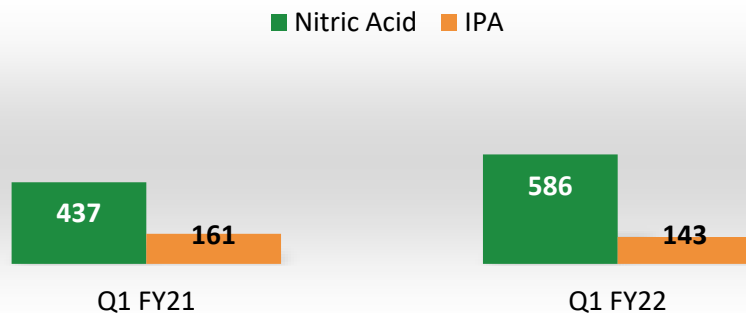
Quarterly Performance Trend

Finished goods prices are expected to reflect raw material price increase by second half of the year

Chemicals - IPA+NA (Manufactured Sales Rs. Cr)



Specialty Chemicals Manufactured Sales Volumes (MT 00)



Q1FY22 Capacity Utilization

IPA 93%

ACIDS 86%

Operational Highlights

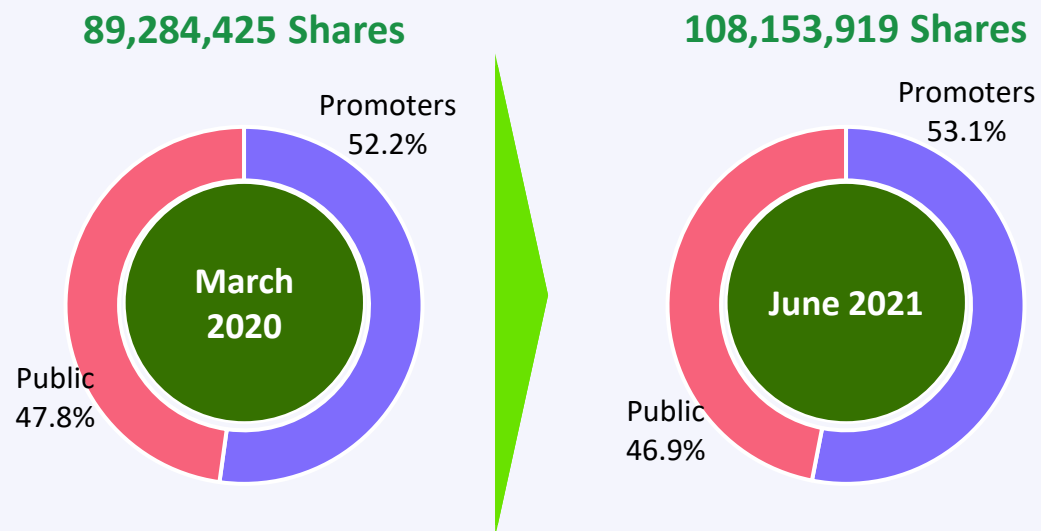
- IPA sales volumes declined by 11.2% Y-o-Y due to high base last year though volumes increased by 29.9% Q-o-Q.
- IPA prices during first half of CY 2020 had seen an unprecedented global IPA price surge of about 90% due to the first COVID hit. Current quarter has seen a general mellowing down in IPA prices
- The nationwide pandemic related restrictions affected the industry operations and thereby demand of Nitric Acid products particularly for the spot market customers
- Dahej facility advanced the scheduled maintenance shutdown for a period of 18 days resulted into lower volumes in Q1
- With the onset of COVID 2nd wave, the demand for Hand Sanitizers and Disinfectants had gone up significantly. Won first export order to supply Rubbing Alcohol to Central America
- Key Industrial Chemical Customers: AARTI Industries, Deepak Nitrite, Panoli Intermediates, Nitrex (Metco Resources) etc
- Key IPA Customers: DR. Reddy's Laboratories, Sun Pharmaceuticals, Aurobindo Pharma, Alkyl Amines Chemicals Limited etc

Strategic Outlook

- Many of the states in South and East India are still under lockdown thereby limiting demand for Nitric Acid.
- Industry is gradually opening with weakening of pandemic; demand scenario is likely to improve in second half of Q2
- Shift of Specialty Chemicals from China to India continues to provide boost to Acid business
- Double digit growth in pharma sector is expected to drive IPA demand in terms of volume as well as prices

Shareholding Disclosure – 8.1% of Total Shares Pledged

Only 8.7 million shares pledged out of total 57.4 million shares held by promoters – 15.3% of promoter holding



- Promoters increased their equity stake from 52.2% (46.6 mn shares) to 53.1% (57.3 mn shares)

Promoters	Type	Total No. of Shares	Shares Pledged	% Holding
Mr. C. K. Mehta	No Pledge	8,78,913	-	0.81%
Mr. S. C. Mehta	No Pledge	1,731	-	0.00%
Ms. P. S. Mehta	No Pledge	1,409	-	0.00%
Mr. Y. S. Mehta	No Pledge	115,000	-	0.11%
Nova Synthetic	Non-Disposal Undertaking	43,592,875 (NDU 9,536,000)	-	40.31%
Robust Marketing Services Private	Pledge	10,852,301	87,57,947	10.03%
Sofotel Infra Private Limited	No Pledge	1,941,546	-	1.80%
Total Promoter Holding		57,383,775	15.3%	53.06%
Total no of shares		108,153,919		

- Non-Disposal Undertaking (NDU) was provided by Promoter of DFPCL to IFC for CCDs issued by Smartchem Technologies Ltd (100% owned)
- As per the undertaking, the Promoters undertook not to dispose the shares (as distinct from a pledge). These shares are in fact prohibited from pledge, transfer or assignment
- On July 1st, 2021, the Company has allotted 54,76,831 equity shares upon conversion of part FCCBs issued to International Finance Corporation

Ammonia Project – Site Progress



Water Substation



Substation



Cooling Tower



Road Work



Equipment Foundation

CSR & Awards

COVID-19 Initiatives



Donated ambulance to Govt. hospital of Beed and Jalna District of Maharashtra.



3 Oxygen Generator Plant installed and 2 are under progress at various location in the Maharashtra State. (Ahmednagar, Nashik, Aurangabad, Virar, New Mumbai)



Donation of Oxygen Concentrator to State Govt. of Maharashtra



Distribution of 500 COVID Kit to 500 families. In one kit includes (200 ml Sanitizer, mask and Vaporizer machine.)



Awareness and Registration of 102 aspirants from slum area of Pune for Covid Vaccination at Jehangir, Sancheti and KEM Hospital in collaboration with VaxAll



DFPCL's Dahej unit has been declared winner of Rotary Environment Excellence Award 2020 - Gold Award - in Large scale chemical sector for outstanding achievement in **Environment Management**



DFPCL's Dahej unit has been declared winner of Rotary Environment Excellence Award 2020 - Gold Award - in Large scale chemical sector for outstanding achievement in **Safety & Health Management**



DFPCL received the Digital Technology Senate Awards 2021 under Internet of Things category organized by The Indian Express Group

Our Strengths

**ONLY
MANUFACTURER**

OF NP PRILL 24:24:0 FERTILISER AND TAN SOLIDS IN INDIA

**2ND LARGEST
MANUFACTURER**

OF NITRIC ACID IN
SOUTH EAST ASIA
AND THE LARGEST
IN INDIA

**LEADING
MANUFACTURER**

AND MARKETER
OF ISO PROPYL
ALCOHOL (IPA)

**LARGEST
MANUFACTURER**

OF BENTONITE
SULPHUR IN INDIA

**MARKET
LEADER**

IN SPECIALITY AND WATER SOLUBLE
FERTILISERS IN INDIA

Key Sectors



Industrial Chemicals

- Pharmaceuticals
- Nitro Aromatics
- Paints & Coatings
- Steel
- Inks
- Explosives
- Dyes
- Agrochemicals
- Cosmetics
- Adhesives
- Health & Hygiene

Crop Nutrition Business (CNB)

- Agriculture



Technical Ammonium Nitrate (TAN)

- Mining
- Infrastructure
- Explosives
- Pharmaceuticals

VARE

- Home Makers and Interior Solution Seekers
- Architects
- Interior Designers
- Food and Entertainment Patrons
- Art and Culture Enthusiasts



Key Messages

DFPCL caters to strategic sectors of the Indian economy, which enabled the Company to deliver during a difficult year ...

- Q1 FY22 Revenue growth +38%, EBITDA and Net Profit growth of 7% and 8%, respectively
- Efforts in each of the businesses to move from Commodity to Speciality continue with strong vigour and the next few years are expected to reap its positive impact
- Pricing of major products remained competitive and firm; margin realizations were maintained despite adverse impact of increasing Ammonia & Commodity costs
- NBS approval for crop specific grades by Government of India; Focus on Liquidation of product in fertiliser business from retailer shelf supported working capital efficiencies
- Strategic ammonia and TAN expansion projects plans; IRR in High Teens
- With all the three sectors: Industrial Chemicals, Mining Chemicals and Fertilisers, strongly aligned to India Growth story, positive tailwinds will continue

Safe Harbour: 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 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.



**DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED**



**DEEPAK FERTILISERS AND
PETROCHEMICALS CORPORATION LIMITED**

Reg. Off and Corp. Off: Sai Hira, Survey No.
93, Mundhwa, Pune - 411 036
CIN: L24121MH1979PLC021360
www.dfpcl.com



Deepak Balwani
Associate Vice President – Investor Relations

deepak.balwani@dfpcl.com
+91 20 6645 8733



Amitabh Bhargava
President and Chief Financial Officer

amitabh.bhargava@dfpcl.com
+91 20 6645 8292

Bijay Sharma/Ashok Negi
Churchgate Partners

deepakfertilisers@churchgatepartners.com
+91 22 6169 5988