



10<sup>th</sup> November, 2022

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

**Sub: Press Release on Unaudited Standalone and Consolidated Financial Results for the quarter and six months ended 30<sup>th</sup> September, 2022**

Please find enclosed a Press Release on Unaudited Standalone and Consolidated Financial Results for the quarter and six months ended 30<sup>th</sup> September, 2022.

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.

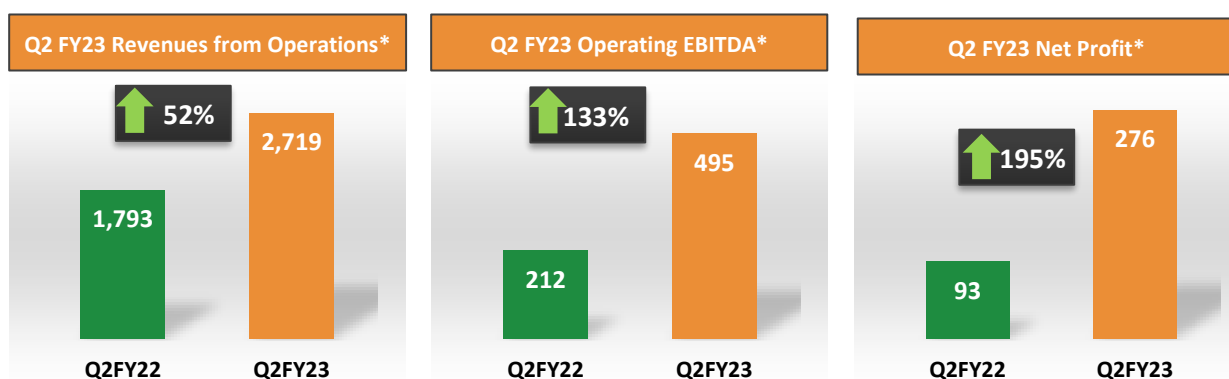
### Q2 PAT jumps to nearly 3 times Y-o-Y to Rs 276 Cr driven by Chemicals Segment

Half Yearly Bottom Line Crosses Full FY22 Profits

Asian Development Bank (ADB) Funds Farm Efficiency Initiative (First Blue Loan in India)

**Pune, India, Nov 10, 2022:** 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 September 30, 2022.

#### Consolidated Financial Highlights



\* Rs Crores

| INR CR            | Q2FY23 | Q2FY22 | Y-o-Y Growth | H1 FY23 | H1 FY22 | Y-o-Y Growth |
|-------------------|--------|--------|--------------|---------|---------|--------------|
| Operating Revenue | 2,719  | 1,793  | 51.7%        | 5,750   | 3,695   | 55.6%        |
| Operating EBITDA  | 495    | 212    | 133.3%       | 1,235   | 502     | 145.9%       |
| Margins (%)       | 18.2%  | 11.8%  | 640 bps      | 21.5%   | 13.6%   | 788 bps      |
| Net Profit        | 276    | 93     | 195.3%       | 711     | 224     | 217.6%       |
| Margin (%)        | 10.0%  | 5.2%   | 480 bps      | 12.3%   | 6.0%    | 625 bps      |

- **Best Q2 and H1 Financial Performance with high growth trajectory in place**
- H1 Chemicals Segment contributed ~86% of total segment profits. Chemicals Revenues grew by 74% y-o-y and margins expanded from 17% (H1 FY22) to 35% (H1 FY23)
- H1 Fertilisers Segment revenues grew by 36% y-o-y with segment margins of 8%. Cost of production inevitably grew due to the sharp rise in the price of raw materials
- Adverse movement of key RM Prices in H1 (Ammonia ▲ ~89% YoY; Phos Acid ▲ ~89% YoY; RGP ▲ ~30% YoY; Gas ▲ 107%)
- ADB grants US\$30 Mn debt assistance and US\$ 0.5 Mn Technical Grant for Farm Efficiency initiatives; 1<sup>st</sup> tranche of disbursement of US\$ 15 Mn completed



### Chairman's Message

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

*"We are happy to share that the Q2 and H1 results have validated:*

- a) Despite huge RM prices hikes, our pass through remains healthy*
- b) Our strong alignment with India growth story provides positive tailwinds to demand growth for our products*
- c) Our drive from Commodity to Speciality continues to support premium margins and brand consolidation in the mining chemicals, pharma chemicals and crop nutrition businesses.*



*The unique ADB association has been a very satisfying acknowledgement of the efforts and impact we have been making with providing speciality and crop-specific performance fertilisers and our intense work at the farmer level.*

*Our drive for fast-track project execution for the Ammonia and TAN projects continues full swing"*

### Chemicals Review

- Q2 FY23 Revenues increased y-o-y by 55% to Rs. 1,533 Cr in Chemical segment comprising Mining Chemicals and Pharma / Speciality Chemicals. Segment Profit increased 193% y-o-y from Rs. 148 Cr in Q2FY22 to Rs. 434 Cr in Q2 FY23
- **Mining Chemicals (TAN):**
  - In Q2 FY 23, TAN Business achieved a capacity utilization of 92%. sales volume grew by 14% y-o-y in-line with the market growth
  - Q2 is typically a seasonally low period for mining activity due to monsoon. CIL's Coal & OB Production in Q2 FY23 dropped by 13% & 24% respectively compared to Q1 FY23, similarly the Cement & Steel production dropped by 11% & 1% Q-o-Q
  - However, major key indicators, such as CIL's coal and OB production, cement and steel production, showed healthy increase on a year-over-year basis in Q2
  - Pricing of all products remained competitive. Margins in all product segments i e HDAN, AN Melt and LDAN) improved y-o-y despite adverse impact of increasing raw material prices
- **Pharma / Speciality Chemicals (Nitric Acid and IPA):**
  - In Q2, Acid Business achieved a capacity utilization of 81% and IPA business of 54%
  - Demand & pricing of Nitric Acid grades are relatively subdued as typically expected during monsoon
  - Acetone inventories in China were higher and sluggish demand in local market led to exporters focusing on Indian market. IPA sales volumes decreased by 38% y-o-y in Q2 mainly due to inability to pass through the rising cost of propylene raw material impacting production
  - Commercialized high purity Solar grade Nitric acid for texturizing of silicon wafers to support growth of the Solar industry in India
  - Hospital range Cororid disinfection products are approved by over 60 hospitals across Maharashtra, and Karnataka. Started supplying to more than 25 hospitals



### Fertilisers Review

- Q2 Fertilisers Segment revenues grew by 47% y-o-y with segment margins of 7%
  - Although the southwest monsoon started off abnormally, it made a full recovery after June. India received above normal rainfall during the monsoon season (June -Sept)
  - Cromptek Cotton and Maize was introduced in Kharif season. Cromptek sales volumes received encouraging response during the quarter which was majorly in Cotton, Maize and Sugarcane
  - Restricted availability of MOP, key source of Potassium i.e 'K', majorly impacted Smartek portfolio in Q2
  - Cost of production has inevitably grown due to the sharp rise in the price of raw materials
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### 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 & STL '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

#### Promoters Shares Pledge Position:

Promoters' pledged shares now restricted to 2.67% and NDU obligation (and not 'pledge') to 3.66% of paid up share capital after release of 50,00,000 Pledged Shares and 29,01,569 NDU Shares in Oct 2022. 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.

#### Investor Relations / Media Contacts:

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| <p align="center"><b>Deepak Fertilisers And Petrochemicals Corporation Ltd.</b><br/>Reg. Off and Corp. Off: Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036<br/>CIN: L24121MH1979PLC021360<br/><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.

