



25<sup>th</sup> May, 2022

The Secretary  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001  
**BSE Code: 500645**

Listing Department  
National Stock Exchange of India Ltd.  
“Exchange Plaza”,  
Bandra-Kurla Complex, Bandra (E)  
Mumbai – 400 051  
**NSE Code: DEEPAKFERT**

**Subject: Earnings Presentation for the quarter and year ended 31<sup>st</sup> March, 2022**


Dear Sir / Madam,

Please find enclosed an earnings presentation of the Company for the quarter and year ended 31st March, 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



**DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED**

(BSE: 500645; NSE: DEEPAKFERT)

# Earnings Presentation

## Q4 FY2022

25<sup>th</sup> May 2022

**FUTURE  
READY**  
*Transforming from Commodity to Specialty*



**MINING CHEMICALS**



**INDUSTRIAL CHEMICALS**

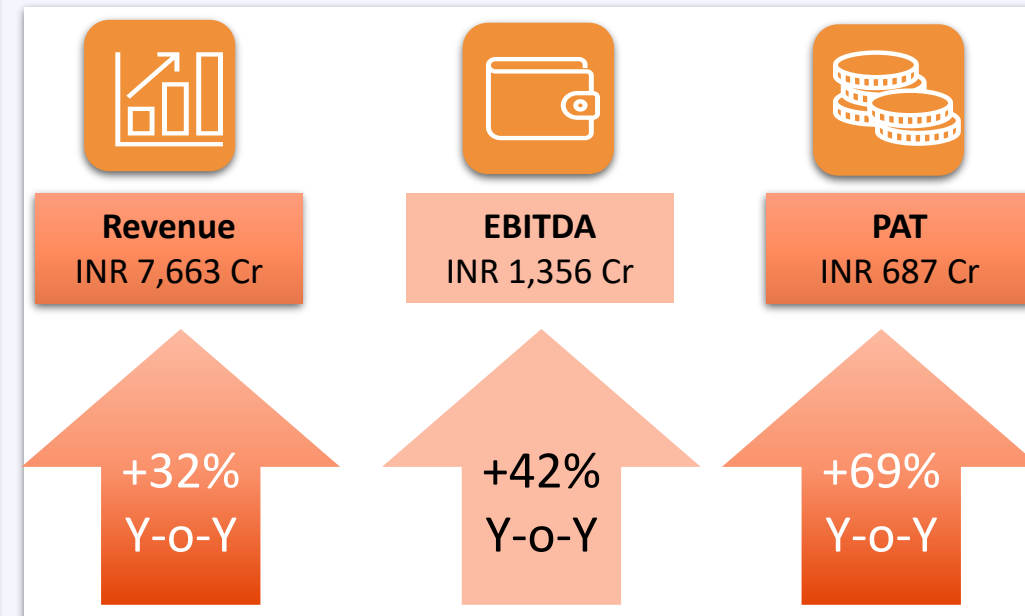


**CROP NUTRITION**

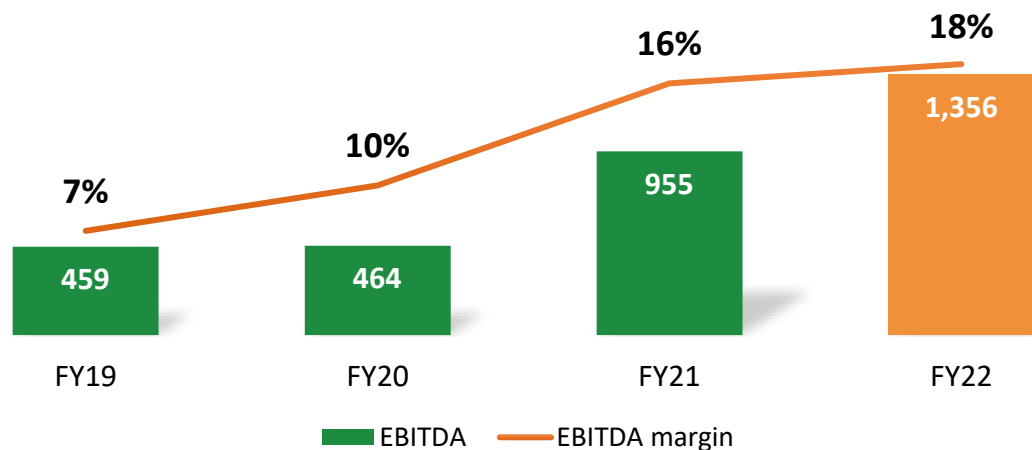
**DFPCL - GROW FOR INDIA, GROW WITH INDIA**

# Consolidated FY22 Financial Performance

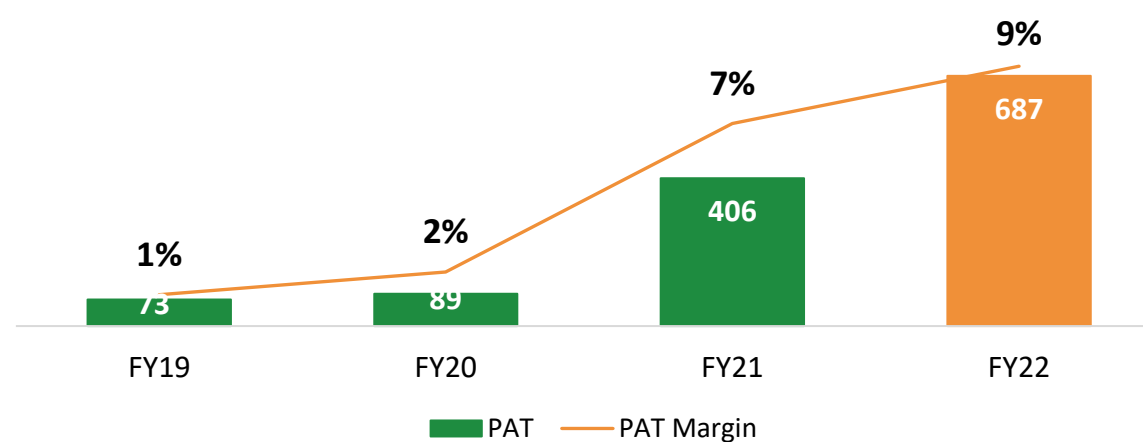
- Deepak Fertilisers Revenues Crosses Rs. 7,500 Cr and PBT crosses Rs. 1,000 Cr
- Net Debt reduction of Rs. 400 Cr; Net Debt/ Equity improved to 0.35x (FY21: 0.65x)
- Strong Cash Flow Generation from Operation of Rs. 1,211 Cr in FY22
- Finance cost reduced by 17.5%
- Adverse movement of key RM Prices
- Promoters' pledged shares now restricted to 6.94% of paid-up share capital
- The Board has recommended a dividend of Rs. 9/- per equity share of Rs. 10/- each (90%)



## Operating EBITDA (Rs. Cr)



## Profit After Tax (Rs. Cr)





# Consolidated Financial Highlights

**Strong top line growth and margin enhancement primarily supported by robust demand, improved realization and strategic initiatives being undertaken at the marketplace**

	Q4FY22	Q4FY21	Y-o-Y growth	Q3FY22	Q-o-Q growth	FY22	FY21	Y-o-Y growth
Operating Revenue	2,012	1,575	27.8%	1,956	2.9%	7,663	5,808	31.9%
<b>Operating EBITDA</b>	<b>502</b>	<b>273</b>	<b>83.7%</b>	<b>352</b>	<b>42.5%</b>	<b>1,356</b>	<b>955</b>	<b>41.9%</b>
<i>Margins (%)</i>	24.9%	17.3%	758 bps	18%	692 bps	17.7%	16.4%	124 bps
Finance Cost	39	48	(18.7%)	36	8.3%	155	188	(17.5%)
D&A	53	52	2.3%	66	(19.7)%	233	212	9.9%
<b>Net Profit</b>	<b>283</b>	<b>116</b>	<b>143.9%</b>	<b>181</b>	<b>56.3%</b>	<b>687</b>	<b>406</b>	<b>69.2%</b>
<i>Margin (%)</i>	14.1%	7.4%	666 bps	9.3%	483 bps	9.0%	7.0%	196 bps

Finance Cost in Q4 reduced by approx. 20% Y-o-Y driven by amortization of operating term loans and continued reduction of short term debts

Depreciation increased marginally in Q4 Y-o-Y. Depreciation has been increased by 10% Y-o-Y for FY 21-22 primarily due to reduced useful life of bagging assets and some spares

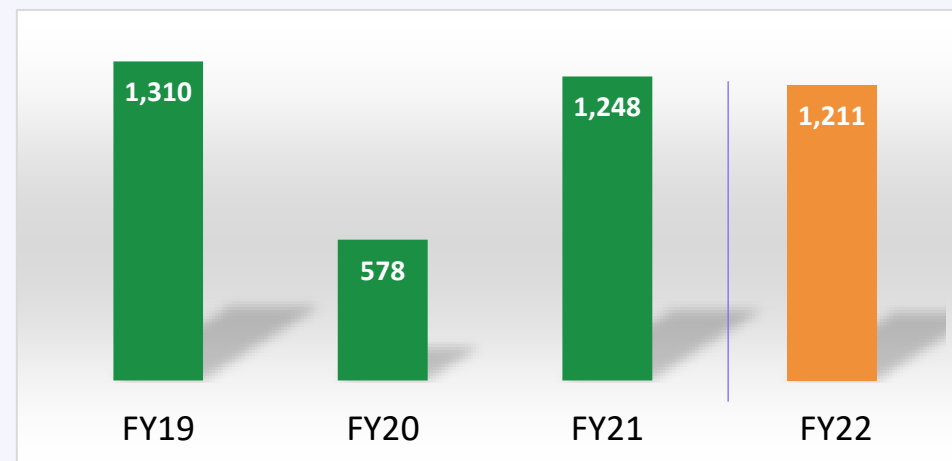
Adverse movement of key RM Prices in Q4 (Ammonia ▲ ~192% YoY; Phos Acid ▲ ~90% YoY; RGP ▲ ~39% YoY; Gas ▲ 58%)

# Cash Flow Generation

**Continued strong Cash Flow Generation & robust Working Capital Management helped meeting capex requirement**

Rs. Cr	FY22
Cash Flow from Operations	1,211
Capex	(990)
Change in Borrowings	157
Liquid Investment	(410)
Others	35
<b>Net Change in Cash</b>	<b>3</b>
Opening Cash	158
Change in Cash	3
<b>Closing Cash</b>	<b>161</b>

## Cash Flow from Operations



**Continued momentum on cash flow generation is helping:**

- to keep the leverage under control and strengthen the Balance Sheet
- to reduce dependency on external funding
- to support growth project implementation

# Consolidated Capital Structure

**Significant Improvement in Leverage Ratio; Net Debt/ Equity improved to 0.35x**

(Rs. CR)	Mar-22	Sept -21	Mar-21
ST Debt	-	78	110
Current Maturities	263	224	217
LT Debt	2,321	1984	2,187
<b>Total Debt</b>	<b>2,584</b>	<b>2,286</b>	<b>2,514</b>
Cash & Cash Equivalent	161	234	160
Other Bank Balances	128	10	87
Investment in MFs	876	421	449
<b>Net Debt</b>	<b>1,419</b>	<b>1,621</b>	<b>1,818</b>

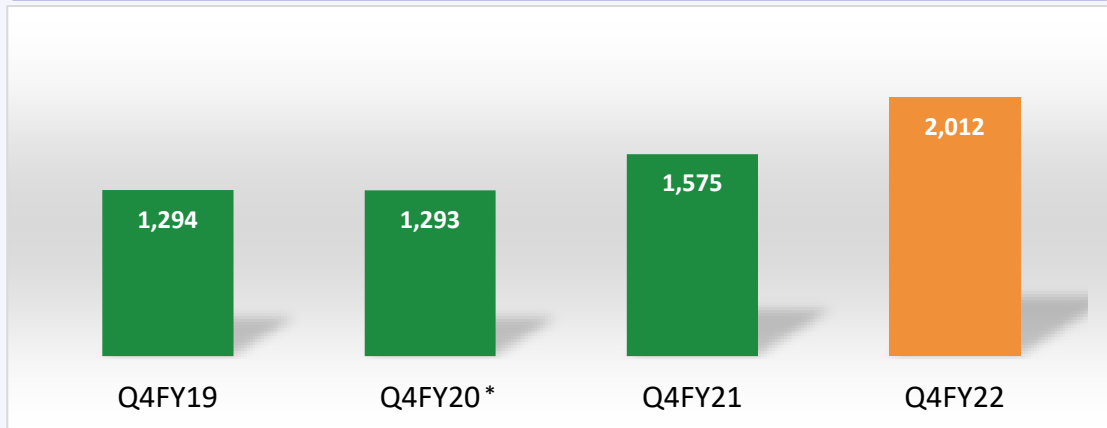
Leverage Ratios	Mar-22	Mar-21	Change
<b>Net Debt/Equity (x)</b>	<b>0.35</b>	<b>0.65</b>	<b>(0.30)</b>
<b>Net Debt/EBIDTA (x)</b>	<b>1.05</b>	<b>1.90</b>	<b>(0.85)</b>

- Short Term Loan reduced to NIL
- No large Loan Repayments due in next 3 years when Ammonia and TAN project will be under implementation
- ICRA Credit Rating - Long Term: A+ (stable); Short Term A1+
- **12,05,92,948 shares** currently outstanding

# Synergistic Business Model

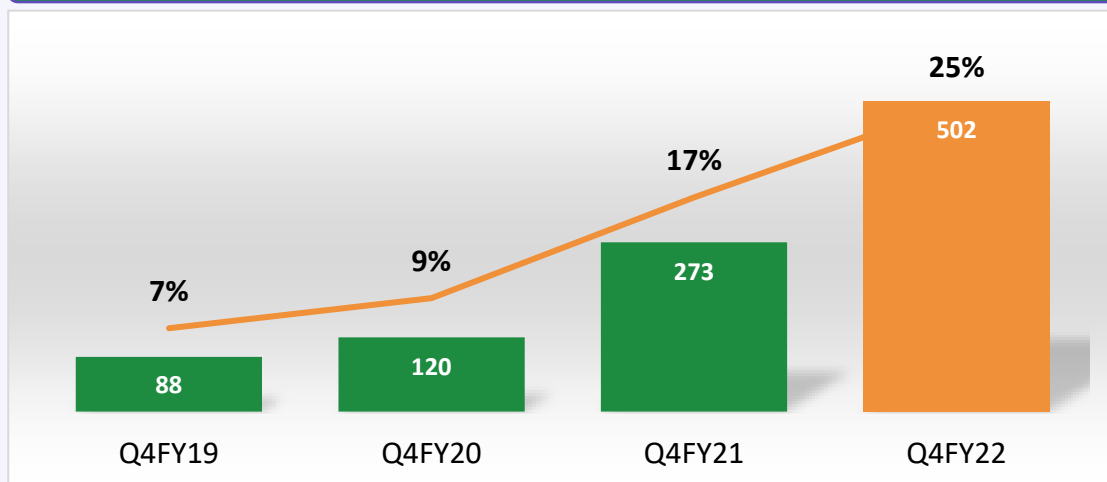
Quarterly Operating EBITDA Margins improved from 7% to 25% between 2019 - 2022

## Operating Revenue (Rs. Cr)

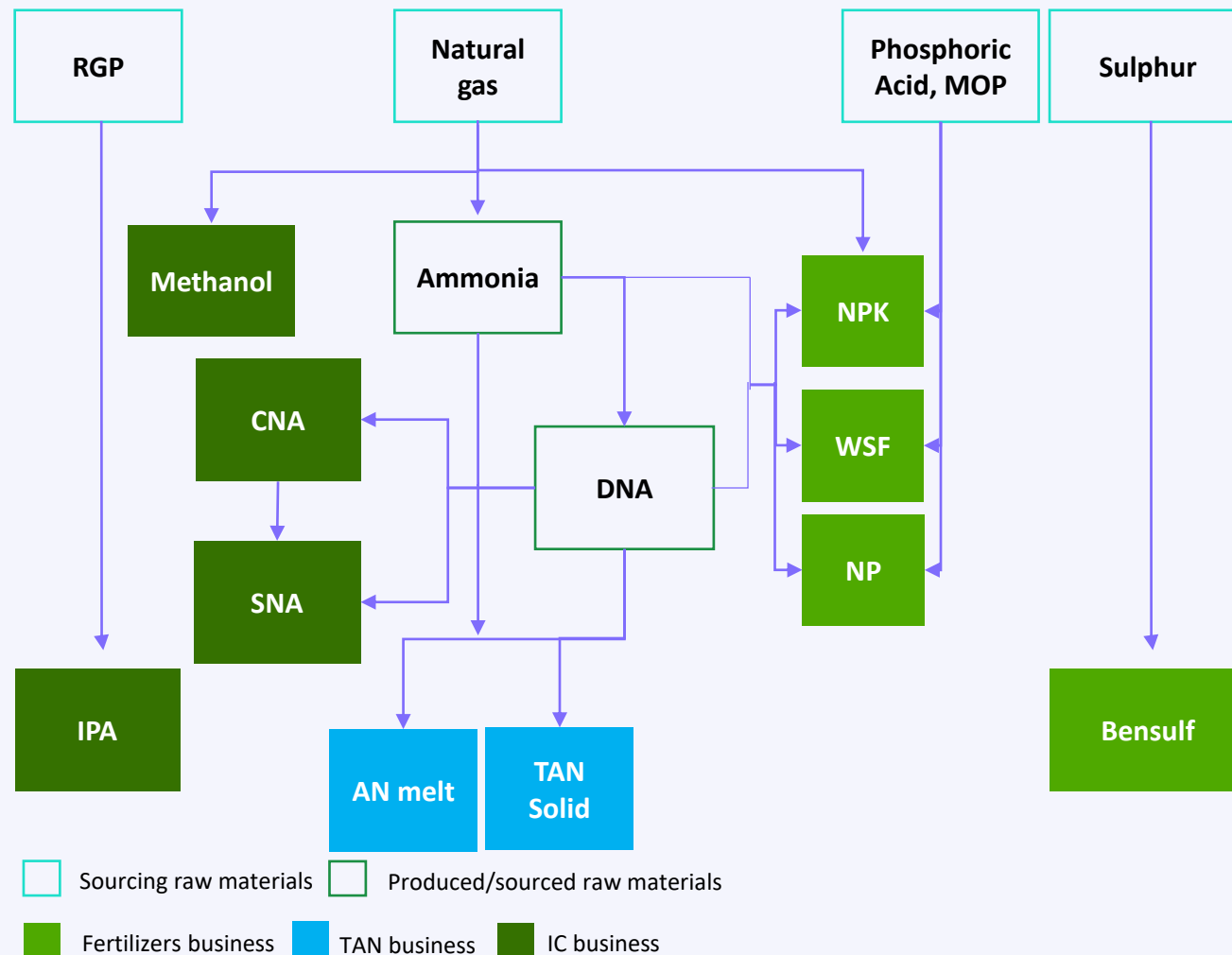


\*Cautiously consolidated trading portfolio with focus on high-margin products

## Operating EBITDA (Rs. Cr) and Margins (%)



## Production Flow Chart

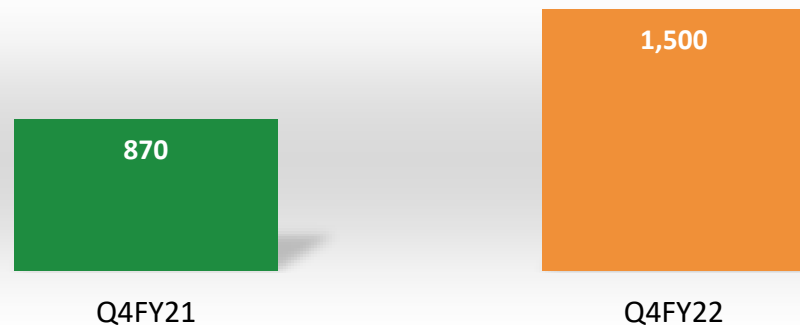


# Quarterly Performance Trend

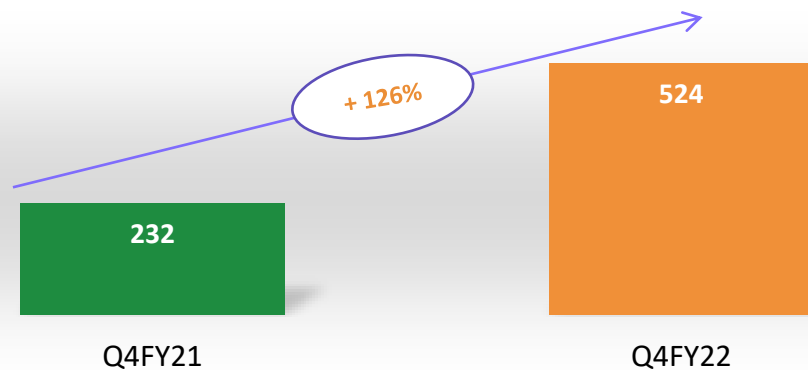
91% of Segment Profit contributed from Chemical segment (88% in Q4 FY21)

## Chemicals Business

### Revenues (Rs. Cr)



### Segment Profit (Rs. Cr)

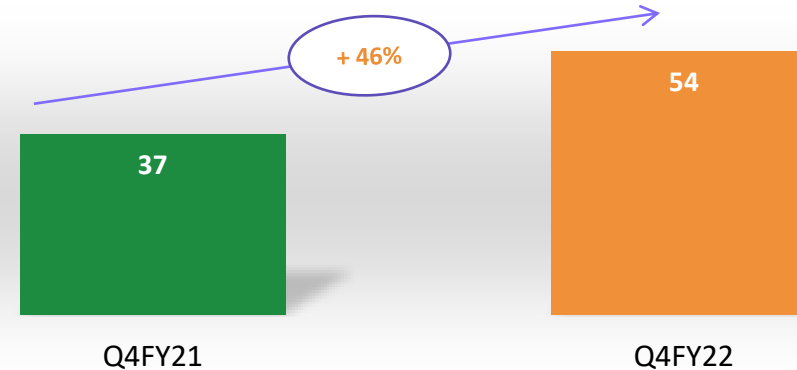


## Fertilisers Business

### Revenues (Rs. Cr)



### Segment Profit (Rs. Cr)





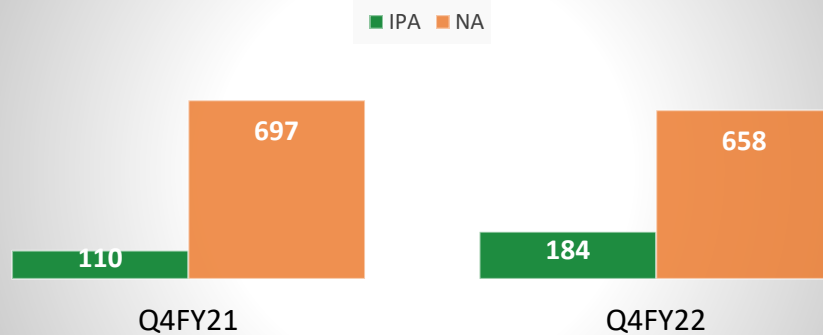
# Quarterly Performance Trend

Shift of global supply chain trend towards India to continue to drive strong demand of Nitric Acid from downstream customers

## Pharma / Speciality Chemicals (IPA+NA) (Manufactured Sales Rs. Cr)



## Pharma / Speciality Chemicals (Manufactured Sales Volumes MT 00)



## Q4FY22 Capacity Utilization

**IPA 88%**

**ACIDS 77%**

## Operational Highlights

- The robust demand for Nitric Acids due to improved consumption and enhanced prices of downstream products helped in realizing better prices and margins.
- Increased demand from India due to the China + 1 factor is supporting in generating demand and healthy margins
- CNA and DNA NSPs in Q4 increased year on year although DNA production volumes were impacted due to ammonia unavailability and temporary mechanical limitations.
- IPA sales volumes increased by 66% Y-o-Y in Q4 despite some production loss on account of mechanical issue. RGP Prices continued to rise (39% Y-o-Y) which impacted the IPA margins

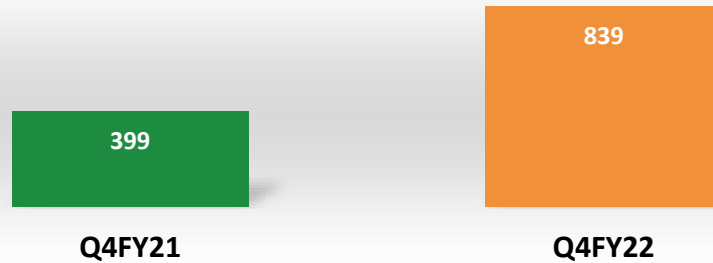
## Outlook

- Nitric Acid demand and prices are expected to remain strong owing to the diminishing availability of many down streams of Nitric acid from China and resultant higher pricing
- DFPC is planning to add more Cororid products in the Hospital segment in Q1 FY'23. Long term strategy is to provide complete range of broad-spectrum disinfection solutions, microbiologically tested and certified under one roof for keeping pathogens at bay
- IPA small packs demand both from Pharma and LR grade are expected to remain strong
- Quantitative restrictions (QR) notification is awaited during this quarter, which should support the Indian IPA producers.
- The Government of India's PLI schemes in solar and electronic industry is likely to improve demand for niche and specialty premium graded Nitric Acid

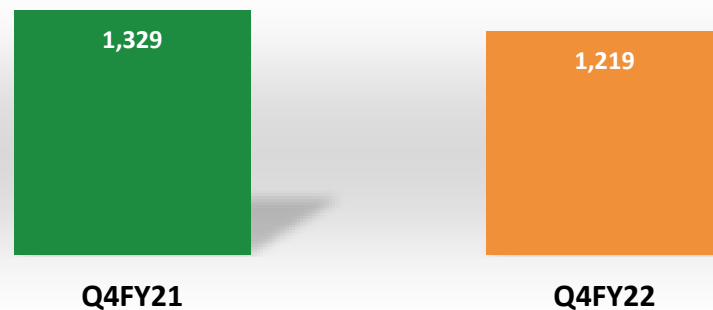
# Quarterly Performance Trend

Demand for explosives are expected to improve with the positive outlook for infrastructure, power and mining sectors

## Mining Chemicals (TAN) Revenue (Manufactured Sales Rs. Cr)



## Mining Chemicals (Manufactured Sales Volumes MT 00)



## Q4FY22 Capacity Utilization

**TAN 100%**

## Operational Highlights

- In Q4 FY22, Coal India's Overburden (OB) Production recorded a growth of 5% YoY and Singareni Collieries Company's (SCCL) OB Production recorded a growth of 12%. In the same period, Cement & Steel Production also recorded a growth of 9% & 4% respectively on YoY basis
- Delivered a strong quarter; pricing of all products remained competitive on the back of strong demand. Margins in all segments (i.e. HDAN, AN Melt and LDAN) improved despite adverse impact of increasing Ammonia and Commodity costs.
- TAN production volume in Q4 was impacted mainly due to ammonia shortage
- The Company has executed its first Total Cost of Ownership (TCO) project at a prestigious Infrastructure project of India. The Company partnered with a leading Mining Educational Institution as a 'Scientific Partner' for execution of this project.
- The Company has also forward integrated into production and marketing of high energy cartridge explosives which provide superior value as compared to the conventional explosives to the end-consumers, along with best-in-class technical services to drive downstream productivity benefits for the end-consumers

## Outlook

- Coal India has set a target of 700 Million MT of Coal Production & 1634 Million Cu. Mt of OB Production in FY23 - which represents a growth of 12% & 19% respectively. Similarly, Cement & Steel Production is expected to grow at 7% YoY in FY23
- These indicate a growing demand for explosives in the Mining & Infrastructure segments of the Indian economy, which is expected to benefit demand for TAN Products
- The Company's focus in FY23 remains on the domestic market - tracking the market & customer demand in order to maximize volumes through competitive offerings. Focus is also to demonstrate and deliver value propositions of ANFO based explosives through our Technical Services

# Quarterly Performance Trend

Strategically directed efforts right from Crop Specific product to farmer-focused marketing drive are expected to benefit DFPCL's market share and margins

## Fertilisers Revenue (Manufactured Sales Rs. Cr) (NP + NPK + Bensulf)



## Fertilisers (Manufactured Sales Volumes MT 00)

■ Bulk Fertilisers (NP+NPK) ■ Bensulf



## Q4 FY22 Capacity Utilization

**NP/NPK 34%**

**Bensulf 60%**

## Operational Highlights

- With steep increase in Raw material prices such as ammonia, Phosphoric acid and MoP, the production cost of fertilizers have increased further in Q4. War situation in Russia and Ukraine led to further shortage of RM like MoP.
- Rising prices and shortage of availability of RMs impacted the ANP & NPK volumes in Q4. Appropriate subsidy enhancement for balanced NPK fertilisers from GOI awaited. Speciality Fertilisers segment continues to grow.
- The Company launched Croptek Onion in November 2021, Croptek Sugarcane in February 2022 and Croptek Cotton in Q1 FY23.
- Crop specific fertigation solutions launched under the brand 'Solutek', for grapes and tomato crops were highly accepted by farmers for improving their yield, produce quality and helping them get higher price in market

## Outlook

- Weather forecasting agencies like IMD and Skymet are predicting normal for this year. With good commodity pricing for farmer produce, the company is expecting very good Kharif season this year
- Key Raw material such as Ammonia, Phosphoric acid and Muriate of Potash prices are expected to be on higher side
- The Company is focusing on Enhance Efficiency Fertiliser i.e. Crop specific portfolio to Optimized available resources.
- Market Inventory is expected to further decline due to lower manufacturing and Import of NP/NPK fertiliser

## Moving towards Crop Nutrient Solution



खताच्या प्रत्येक दाण्यात  
कांदा पिकाचे संपूर्ण समाधान!

**Croptek**

- खताचा 20% खर्च कमी
- 10 ते 12% अतिरिक्त उत्पादन

NUTRIENT UNLOCK TECHNOLOGY

Croptek Onion



खताच्या प्रत्येक दाण्यात  
ऊस पिकाचे संपूर्ण समाधान!

**Croptek**

- 10 % ते 12% अतिरिक्त ऊस उत्पादन
- खतावरील 10% खर्च कमी

NUTRIENT UNLOCK TECHNOLOGY

Croptek Sugarcane



खताच्या प्रत्येक दाण्यात  
कापूस पिकाचे संपूर्ण समाधान!

**Croptek**

- प्रतिझाड २-३ वाढीव फळफांदा
- प्रतिझाड १०-१५ जास्त बॉट
- उत्पादनात १५% वाढ

NUTRIENT UNLOCK TECHNOLOGY

Croptek Cotton

Successfully launched three Crop Nutrient Solution



## Farmer Offline Engagement Activities

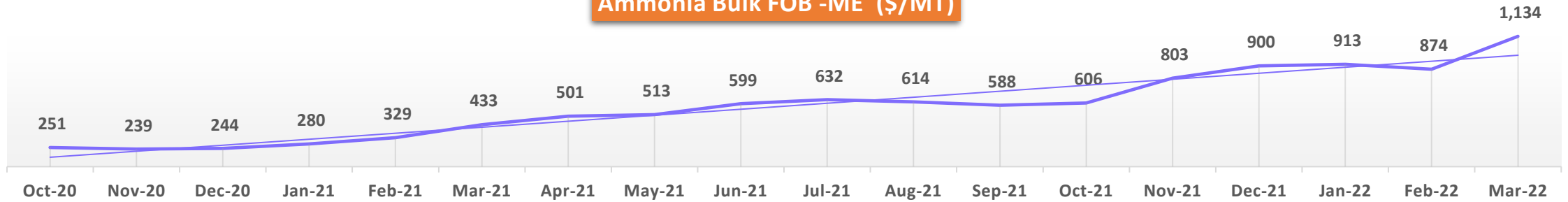




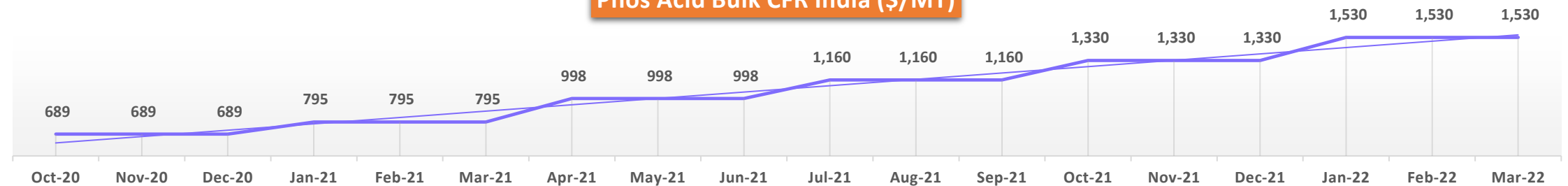
# Raw Material Price Movement Trend

Movement in last 1<sup>1</sup>/<sub>2</sub> Year

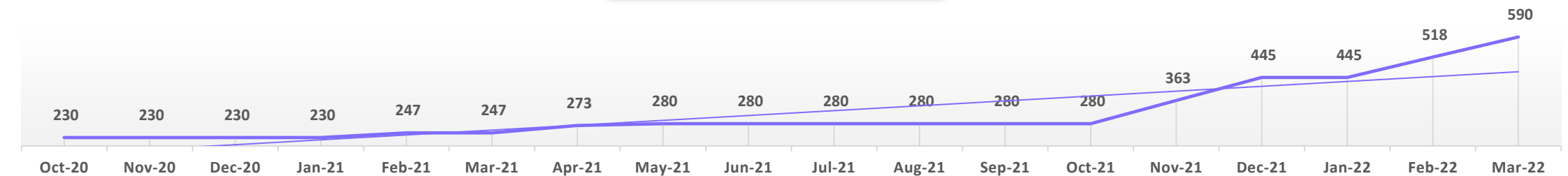
### Ammonia Bulk FOB -ME (\$/MT)



### Phos Acid Bulk CFR India (\$/MT)



### Potash Bulk CFR India (\$/MT)



# Update on Upcoming Projects

**Clearly defined investment program; strong track record of peak utilization demonstrated at Dahej plant**

**Ammonia**

- Total planned Investment: **Rs 4,350 cr**
- Cost incurred to date: **Rs. 2,483 cr**
- Debt incurred to date: **Rs. 1,130 cr**

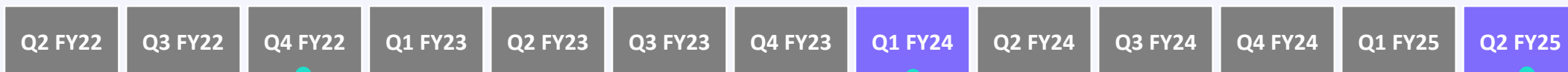
- Balance investment: **Rs. 1,867 cr**
- Expected commissioning: **Q1 FY24**

**TAN**

- Total planned Investment: **Rs. 2,201 cr**
- Cost incurred to date: **Rs. 366 cr**
- Debt incurred to date: **Rs. 0**

- Period investment: **Rs. 700 - 900 cr**

- Balance investment for TAN planned capex
- Expected commissioning: **Q2 FY25**



Capacity (MTPA)	Q4 FY22	Ammonia Expansion	Q1 FY24	TAN Expansion	Q2 FY25
Ammonia	128,700	+510,000	<b>638,700</b>		638,700
Technical Ammonium Nitrate	486,900		486,900	+376,000	<b>862,900</b>
Industrial Chemicals	1,362,160		1,362,160		1,362,160
Crop Nutrition Business	11,25,000		11,25,000		11,25,000

# PCL- Ammonia Project – Status Of Jun 2021 Vs May 2022

## June 2021

Construction commenced in 5 areas

- ❖ Substation
- ❖ Reformer structure
- ❖ Peripheral Roads
- ❖ Monsoon Preparation
- ❖ Boundary Wall

## May 2022

Construction Going on in 18 areas in

- ❖ Civil & Structural Work
- ❖ Equipment erection
- ❖ Piping Work
- ❖ Electrical
- ❖ Instrument
- ❖ Packages area

## Main Sub-Station





June 2021

May 2022

## Aerial View Of Plot





June 2021

May 2022

## Water Sub-Station



## ISBL Plant Area





June 2021

May 2022

OSBL Tank Area



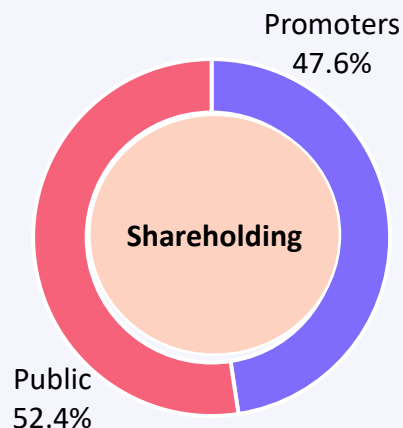
ISBL Area



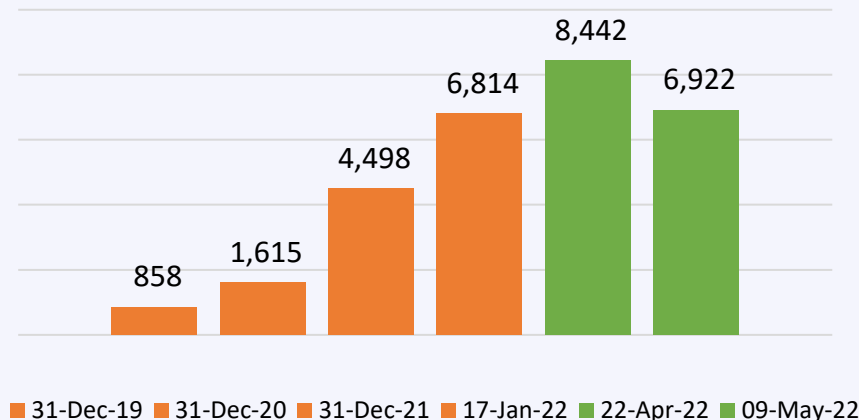
# Capital Market Scorecard

Promoters' pledged shares now restricted to 6.94% of paid-up share capital. NDU obligation (and not 'pledge') of 6.24% of paid-up share capital after release of 20,14,431 (NDU) and 3,40,56,875 (Negative Lien) in April 2022

**Total Shares Outstanding**  
120,592,948



**Market Cap (Rs. Crores)**



**Key Institutional Investors**

Smallcap World Fund

BNP Paribas

Axis Mutual Fund

Habrok Capital

Government Pension Fund Global

DFA Investment Dimensions

Aequitas

Dolly Khanna

Manulife Global Fund

NORDEA - Indian Equity Fund

Mahindra Manulife Multi Cap

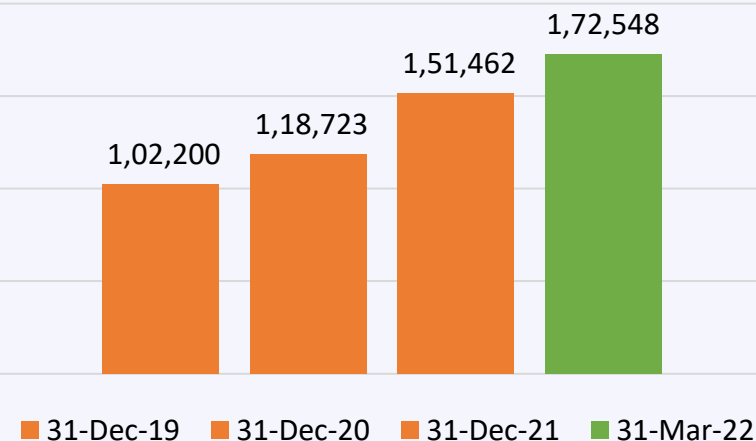
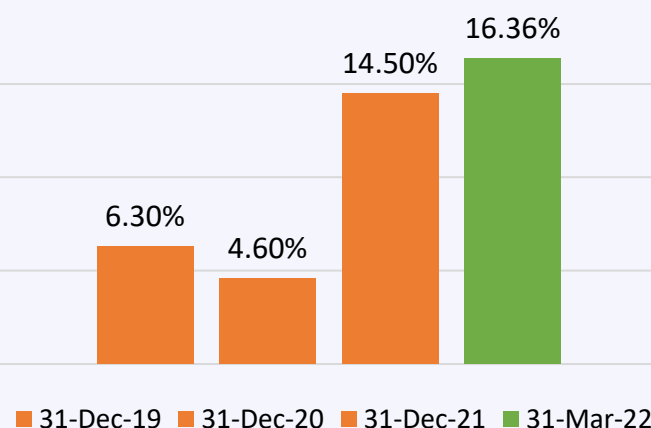
Robeco Capital Growth Funds

Goldman Sachs

New India Assurance

**Institutional Ownership (%)**

**Total No. of Shareholders**





# Capital Market Interactions

Encouraging feedback received from investors and analysts on plant visit

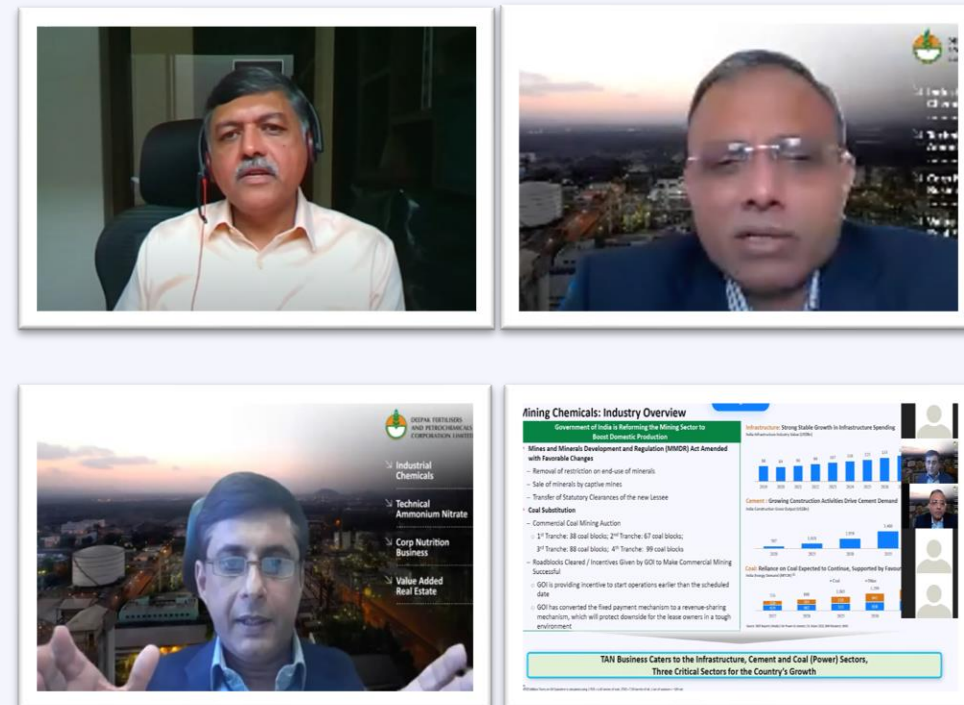
April 2022



14 reputable institutional investors and Analysts visited DFPCL Taloja and Ammonia Greenfield plant

'FIRST EVER' VIRTUAL INVESTOR MEET

Jan 2022



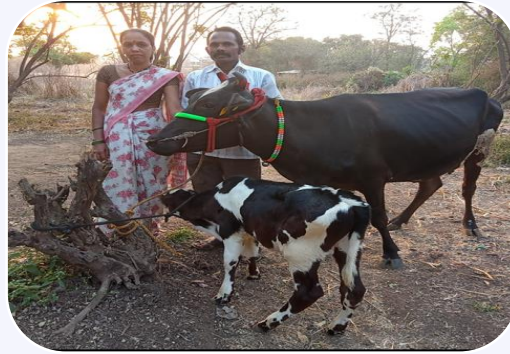
Virtual meet with Investors and Analysts held in Jan 2022; 3.5 Hours long session; 367 record participants, 1,100+ Youtube Views



## Corporate Social Responsibility



Vegetable Cultivation and Support for Water Resource development and convenience under Wadi Initiative



Support Given to aspirants for purchase of cow along with medicine kit under Dairy Development Program



Digital Classrooms inaugurated under Gyanam Initiative



Tailoring course for women conducted under LEED Initiative

## Recent Awards



Received Certificate of Appreciation from National Safety Council for plot K-7 in March 22 under the NSCI Safety Awards-2021 (Manufacturing Sector)



Received Certificate of Appreciation from National Safety Council for JNPT plot in March 22 under the NSCI Safety Awards-2021 (Manufacturing Sector)



Mrs. Parul Mehta, Managing Trustee Ishanya Foundation, received the 'Empowerment Ambassador Award' for exceptional efforts made by her in the field of Social Development sector



Mrs. Parul Mehta, Managing Trustee Ishanya Foundation, received the 'Women of Substance Award' for exemplary services rendered towards Women Empowerment from Inner Wheel Club of Poona Downtown

# Key Messages

**DFPCL caters to strategic sectors of the Indian economy, with diversified product portfolio catering towards them.....**

- Q4 FY22 Revenue growth +28%, Operating EBITDA and Net Profit growth of 84% and 144%, respectively
- Market leadership in all key product segments and strong demand outlook to further support business growth and profitability
- Transformation from Commodity to Specialty and Product to Solutions continues
- Growth in sales volumes supported by improving utilization levels, capacity expansion and backward integration to drive long-term growth
- **Pharma / Speciality Chemicals:**
  - Nitric Acid demand and prices are expected to remain strong owing to the diminishing availability of many down streams of Nitric acid from China and resultant higher pricing
  - IPA small packs demand both from Pharma and LR grade are expected to remain strong
- **Mining Chemicals:**
  - With increase in coal, steel and cement production, demand for explosives in the Mining & Infrastructure segments of the Indian economy is expected to grow, which will have a positive effect on the demand for all TAN Products
  - Focus is also to demonstrate and deliver value propositions of ANFO based explosives through our Technical Services
- **Fertilisers:**
  - Our strategically directed efforts right from Crop Specific product to farmer-focused marketing drive to benefit in expanding our market share and margins
- Greenfield Ammonia making speedy development on the ground and is progressing as per planned schedule
- **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**

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