



28th July, 2023

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 ended 30th June, 2023

Dear Sir / Madam,

Please find enclosed an earnings presentation of the Company for the quarter ended 30th June, 2023.

We request you to kindly disseminate the same.

Thanking you,
Yours faithfully,

**For Deepak Fertilisers
And Petrochemicals Corporation Limited**

**Gaurav Munoli
Company Secretary**

Encl: as above

REDEFINING VALUE REINVENTING BUSINESS



DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

(BSE: 500645; NSE: DEEPAKFERT)

Earnings Presentation Q1 FY2024

28 July 2023

MINING CHEMICALS



INDUSTRIAL CHEMICALS



CROP NUTRITION



Successful commencement of trial production of Greenfield Ammonia facility at Taloja

- **Subsidy Impact of Rs. 161 Cr** - Reduced NBS subsidy of Rs.161 Cr on channel inventory significantly impacted consolidated profitability in Q1 FY24
- **Encountered adverse price fluctuations** in TAN due to dumping of cheap Russian FGAN into India, as Russian products found resistance in countries sympathetic to the Ukraine cause
- **Greenfield Ammonia** facility began trial production on July 10, 2023, with all pre-commissioning activities completed. Stabilisation of operations and monitoring of performance parameters underway
- Better volumes of IPA in Q1 FY24 were supported by **Implementation of Safeguard Quantitative Restriction (SGQR)**.
- **Key RM prices movement** YoY in Q1 FY24: Ammonia ▼ ~39%; Phos Acid ▼ ~38%; RGP ▼ ~23%; MOP ▲ ~5 %, Gas ▼ ~7.1%
- Raised Rs. 900 Crores through its **Maiden Listed NCDs**; primarily used for replacement of ICDs to parent MAL (through Performance Chemiserve Limited, a step-down subsidiary)
- **Unveiling new corporate logo** for Mahadhan AgriTech Limited ('MAL')



Embarking on FY24: Q1 FY24 commenced with a Net Profit of Rs. 114 Cr

INR CR	Q1FY24	Q1FY23	Y-o-Y growth	Q4FY23	Q-o-Q growth
Operating Revenue	2,313	3,031	(23.7)%	2,796	(17.3)%
Operating EBITDA	281	740	(62.1)%	469	(40.2)%
<i>Margins (%)</i>	12.1%	24.4%		16.8%	
Net Profit	114	436	(73.9)%	257	(55.9)%
<i>Margin (%)</i>	4.9%	14.3%	(945) bps	9.2%	(429) bps



Q1 FY24 Chemical Segment contributed 53% of Operating Revenue

Chemicals Business

Revenues (Rs. Cr)



Segment Profit (Rs. Cr)



Fertilisers Business

Revenues (Rs. Cr)

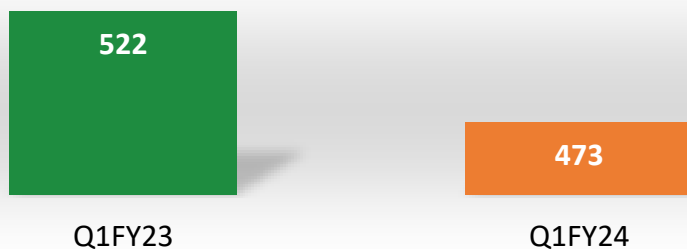


Segment Profit (Rs. Cr)

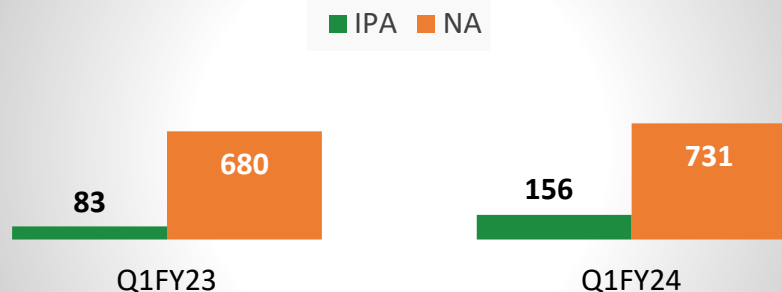


Better market conditions and Implementation of SGQR supported IPA Volumes

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



Pharma / Speciality Chemicals (Manufactured Sales Volumes MT 00)



Q1 FY24 Capacity Utilization

IPA: 111%

ACIDS: 83%

Operational Highlights

- Q1 FY24 Nitric Acid volumes increased by 7% y-o-y. NA production was impacted due to extended shutdown in WNA plant. The decrease in NSPs resulting on account of lower raw material prices
- Q1 FY24 IPA volumes increased by 87% y-o-y. Implementation of Safeguard Quantitative Restriction (SGQR) and good demand scenario lead to better volumes of IPA in Q1 FY24. SGQR was imposed on IPA dated 31st March 2023 by Directorate General of Foreign Trade, which is indeed favourable for domestic IPA manufacturers
- In the Hospital and Disinfectant range, DFPCIL introduced two new world-class products, expanding the portfolio to a total of 10 specialty products. Steel grade Nitric acid for steel pickling application has completed its multi-stage commercial trials successfully and 1st commercial order received

Outlook

- Pure DIPE produced by from its own byproduct supplied to well-known companies in Pharma Industry. Market development activities and manufacturing capability buildup activities are going on.
- Proposed Capex investment for 20TPD SGNA plant is in line with proposed project timeline and aiming at completing the same by Q3 FY24
- The newly developed Electronic Grade IPA is gaining approvals from various institutions, including Government and Private entities.



Adverse price fluctuations in TAN on account of import surges and drop in Russian FGAN prices

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



Mining Chemicals (Manufactured Sales Volumes MT 00)



Q1 FY24 Capacity Utilization

TAN: 87%

Operational Highlights

- Despite the high-base of Q1 FY23, all key market indicators are showing positive trends. Coal production at an all India level had a remarkable growth of ~10%, while Cement and Steel production, crucial indicators of infrastructure demand, recorded significant expansions at ~11% and ~14%, respectively
- Amidst market challenges, the TAN Business demonstrated its capability to meet domestic demand. Although the overall sales volumes had a marginal decline with a y-o-y de-growth of 15%, the business remained resolute in its customer-centric approach.
- Encountered adverse price fluctuations in TAN due to dumping of cheap Russian FGAN into India, as Russian products found resistance in countries sympathetic to the Ukraine cause
- Leveraging advanced technologies such as drones and AI-based blast modelling, the business significantly enhanced productivity across the entire mineral extraction process

Outlook

- Anticipating a seasonal dip in mining and infrastructure activity during the monsoon, the TAN Business is preparing for a subsequent demand pickup post Q2 across all segments.
- Focus will remain on maintaining competitive pricing while delivering key value propositions

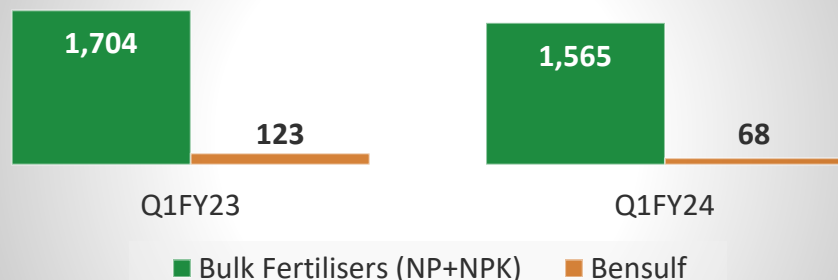


Consumption in Q2 is expected to increase on account of good advancing monsoon and increasing sowing

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



Fertilisers (Manufactured Sales Volumes MT 00)



Q1 FY24 Capacity Utilization

NP/NPK: 76%

Bensulf: 51%

Operational Highlights

- Govt. notification on subsidy was announced in May'23, which reduced the NBS from Jan-March, 2023 and further reduced the NBS w.e.f. April 1, 2023 until Sept. 30, 2023. Reduced NBS subsidy of Rs.161 Cr on channel inventory significantly impacted consolidated profitability in Q1 FY24
- Notwithstanding this impact, the continued margin improvements at the product levels strongly indicate the preference and value of the Crop-specific innovative nutrient strategy. The delayed monsoon has also shifted the typical Q1 Kharif fertilizer movements into Q2
- Despite delayed monsoon in core markets, leading to 40-50% below-normal rainfall in key districts and lower sowing for cash crops.
- 'Croptek' fertiliser has gained significant popularity, successfully reaching 1 million farmers. Croptek achieved sales of 23,390 MT in Q1, primarily focused on Cotton, Maize, Groundnut, and Sugarcane crops
- Farmer connect programs have been instrumental in engaging 6 lakh growers, effectively enhancing crop productivity through the application of Enhanced Efficiency Fertilisers

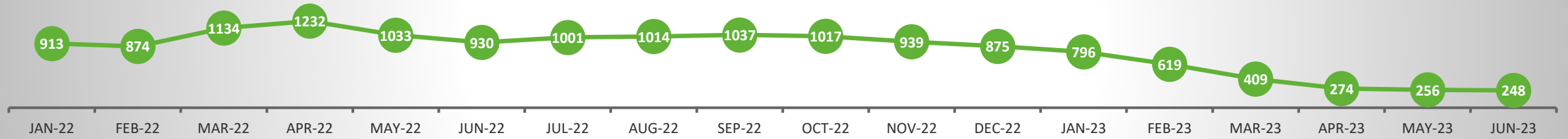
Outlook

- Consumption in Q2 is expected to increase on account of good advancing monsoon and increasing sowing.
- Our strategic focus on enhancing efficiency with a crop-specific fertilizer portfolio imparts confidence in better crop sowing and fertiliser consumption. Further softening in raw material prices should benefit our profitability going forward

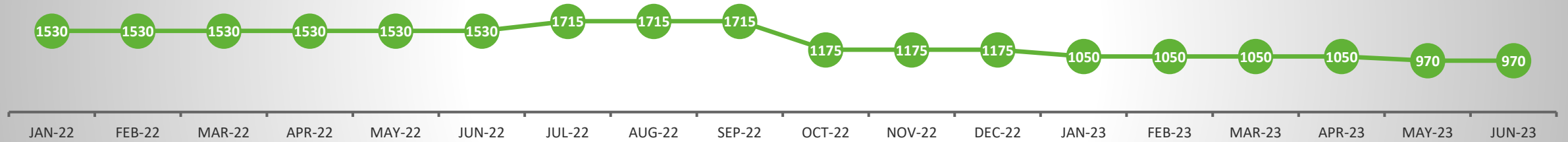


Raw Material Price Movement in Last 18 Months

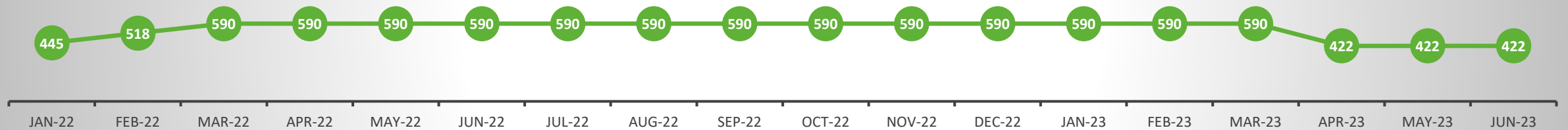
Ammonia Bulk FOB - ME (\$/MT)



Phos acid Bulk CFR (\$/MT)



Potash Bulk CFR India (\$/MT)



Project Update

Ammonia

- Total planned Investment: **Rs 4,350 Cr**
- Equity Infused: **Rs. 1,690 Cr**



- Expected commissioning: **Q2 FY24**

TAN

- Total planned Investment: **Rs. 2,201 Cr**
- Equity Infused: **Rs. 470 Cr**



- Expected commissioning: **H2 FY26**

Capacity (MTPA)	Q1 FY24	Ammonia Expansion	Q2 FY24	TAN Expansion	H2 FY26
Ammonia	128,700	+500,000	628,700		628,700
Technical Ammonium Nitrate	5,36,900		5,36,900	+426,000	962,900

Building upon 40+ years of Proven Capabilities



Ammonia Project – Commencement of Trial Production on July 10, 2023



TAN Project – Site Construction Work In Progress (April 2023)



TSSEL- Access road & bridge over water body



Compound Wall

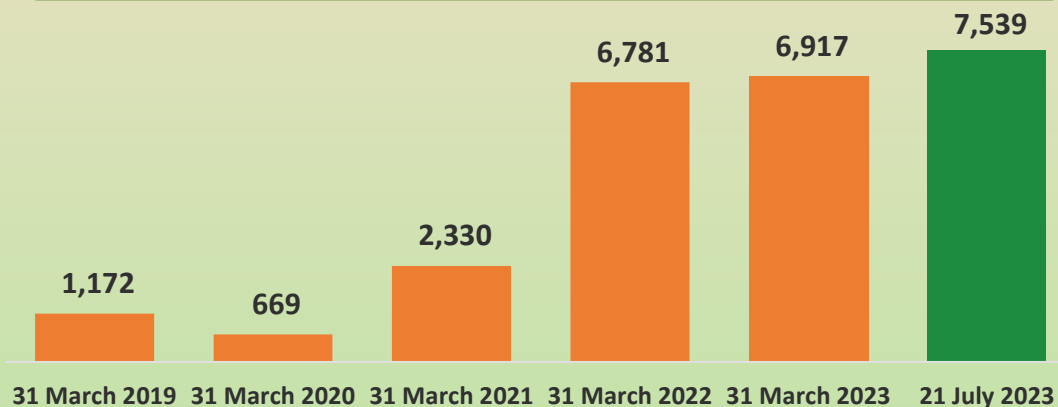


Ground Improvement

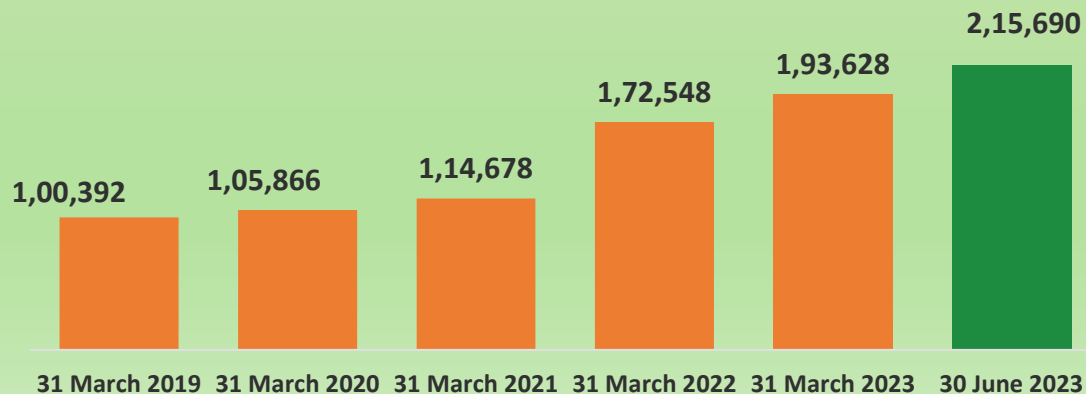


Capital Market: Building on trust by delivering on expectations

Market Cap (Rs. Crores)



Total No. of Shareholders



Institutional Investor - ASIA PACIFIC (EX-JAPAN) BEST INVESTOR RELATIONS Ranking June 2023 (CHEMICALS, OIL & GAS)

- Deepak Fertilisers Ranked Third under 'Small & Mid Cap' in Asia Pacific (after 'ENN Natural Gas (China)' and 'Petronet LNG'):
 - 'Best Investor Relations Program' category
 - 'Company Board of Director' category
 - 'Overall ESG' category
- Mr. Deepak Balwani Ranked Third in Asia Pacific (after 'Reliance Industries' and 'Petronet LNG')
 - 'Best Investor Relations Professional' category



Corporate Social Responsibility for inclusive community welfare



Successfully completed Aarogyam project; installed Domestic R.O/Water Purifier at Rahiyad Aanganwadi (Dahej) benefiting 45 Children



Installed digital learning facility in classrooms of schools across Taloja and Dahej. Also, renovated washrooms and repaired flooring as part of Gyanam project



Skill enhancement Training Program held for women - Industrial Sewing Machine, Hair straightener, Vanity Bag, Foot spa machine, face & head steamer, Parlor chair, Round brush comb



Vocational Skills Development Program (VSDP) held for aspirants of PCB Operator course

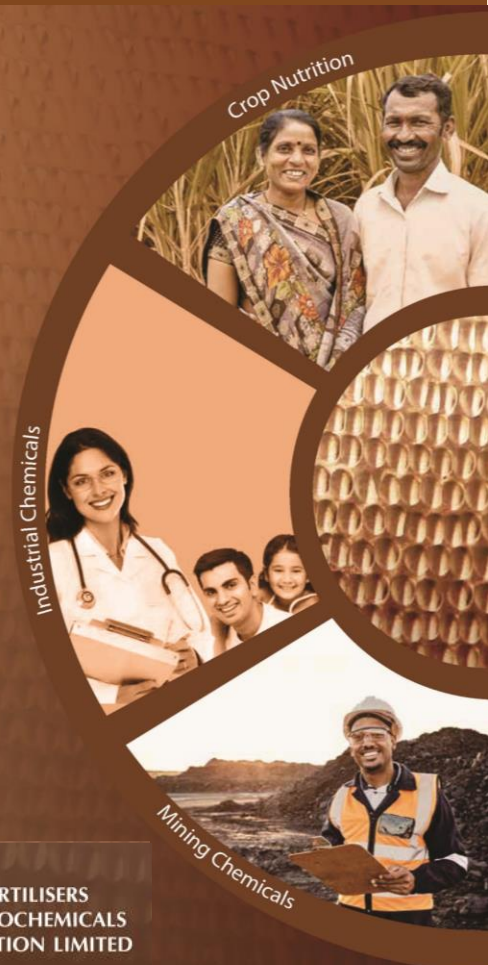


ISCM – 7th Demand Planning And Forecasting Awards 2023 ‘Best Implementation of Connected Planning’

- DFPCL leads the way in adopting technology for enhanced Operational Excellence and Customer Focus



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.



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PETROCHEMICALS CORPORATION LIMITED**

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