



19th May, 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 and year ended 31st March, 2023

Dear Sir / Madam,

Please find enclosed an earnings presentation of the Company for the quarter and year ended 31st March, 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 Q4 FY2023

19th May 2023

MINING CHEMICALS



INDUSTRIAL CHEMICALS



CROP NUTRITION



DFPCL closes FY23 with Highest Ever Profits and Revenue

Board Proposes Highest-Ever Dividends of 100%

Revenue From Operations

Rs. 11,301 Cr

(+47.5% Y-o-Y)

Operating EBITDA

Rs. 2,165 Cr

(+59.7% Y-o-Y)

EBITDA Margins

19.2%

(FY2022: 17.7%)

Profit After Tax

Rs. 1,221 Cr

(+77.6% Y-o-Y)

PAT Margin

10.7%

(FY2022: 8.9%)

- **Segment Performance:**
 - **FY23 Chemicals Segment** contributed ~85% of segment profits. Revenues grew by 40% y-o-y and margins increased from 25% (FY22) to 31% (FY23)
 - **FY23 Fertilisers Segment** revenues grew by 59% y-o-y with segment margins of 7%
- **Strong performance despite adverse movement of key RM Prices in FY23:** Ammonia ▲ ~61% YoY; Phos Acid ▲ ~63% YoY; RGP ▲ ~9% YoY; MOP ▲ 87%, Gas ▲ 87%
- Net Debt of Rs. 2,518 Cr with Net Debt / Equity of 0.48x (FY22: 0.35x)
- Demerger: Composite scheme of arrangement has been admitted with National Company Law Tribunal (NCLT) on January 25, 2023
- The name of Smartchem Technologies Limited, a material subsidiary of the Company, has been changed to Mahadhan AgriTech Limited ('MAL') w.e.f. 20th April, 2023
- The Board has recommended a dividend of Rs. 10/- per equity share of Rs. 10/- each (100%)



FY23 PAT Surges to Rs. 1,221 Cr whilst Revenues from Operations Hit Rs. 11,301 Cr

INR CR	Q4FY23	Q4FY22	Y-o-Y growth	Q3FY23	Q-o-Q growth	FY23	FY22	Y-o-Y growth
Operating Revenue	2,796	2,012	38.9%	2,755	1.5%	11,301	7,663	47.5%
Operating EBITDA	469	502	(6.5)%	461	1.7%	2,165	1,356	59.7%
<i>Margins (%)</i>	16.8%	24.9%	(814) bps	16.7%	3.83 bps	19.0%	17.7%	147 bps
Finance Cost	55	39	42.1%	53	3.3%	195	155	25.8%
D&A	69	53	30.4%	55	25.2%	239	233	2.9%
Net Profit	257	283	(9.0)%	252	2.0%	1,221	687	77.6%
<i>Margin (%)</i>	9.2%	14.0%	(483) bps	9.1%	10 bps	10.7%	8.9%	180 bps



No large Loan Repayments due in next 3 years

(Rs. CR)	Mar-23	Sep-22	Mar-22
ST Debt	115	85	-
LT Debt	3,231	2,750	2,321
Current Maturities	267	246	263
Total Debt	3,613	3,081	2,584
Cash & Cash Equivalent	279	354	161
Other Bank Balances	219	93	128
Investment in MFs	597	628	876
Net Debt	2,518	2,006	1,419

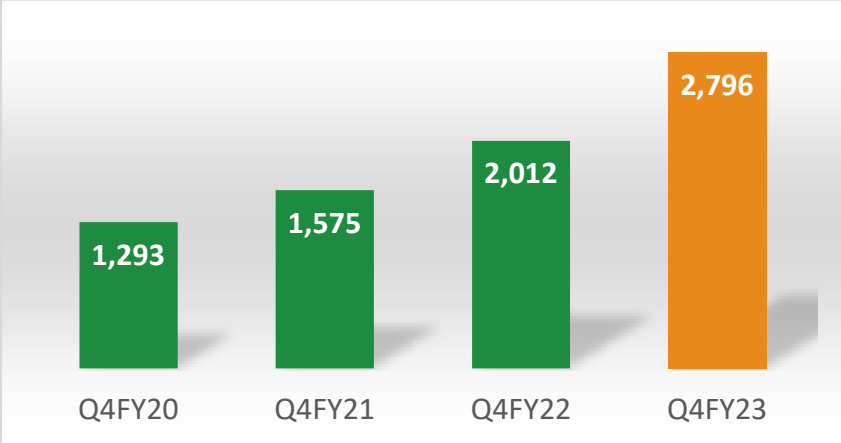
Leverage Ratios	Mar-23	Mar-22	Change
Net Debt/Equity (x)	0.48x	0.35x	0.13
Net Debt/EBIDTA (x)	1.16x	1.05x	0.12

- Asian Development Bank (ADB) funded DFPCL's farm efficiency initiative through STL, promoting sustainable agriculture and contributing to the company's growth
- TAN Project Funding: Tied up entire Debt of Rs. 1,541 Crores with door to door tenor of 14 years
- Credit Rating Upgraded to [ICRA] AA-(Stable) / [ICRA] A1+
- **12,62,37,825 shares** currently outstanding

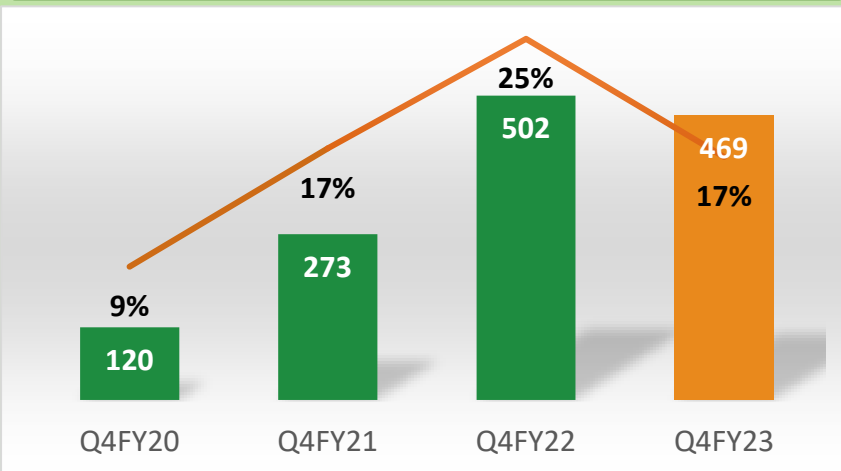


Quarterly Operating Margins improved from 9% to 17% between Q4 FY20 – Q4 FY23

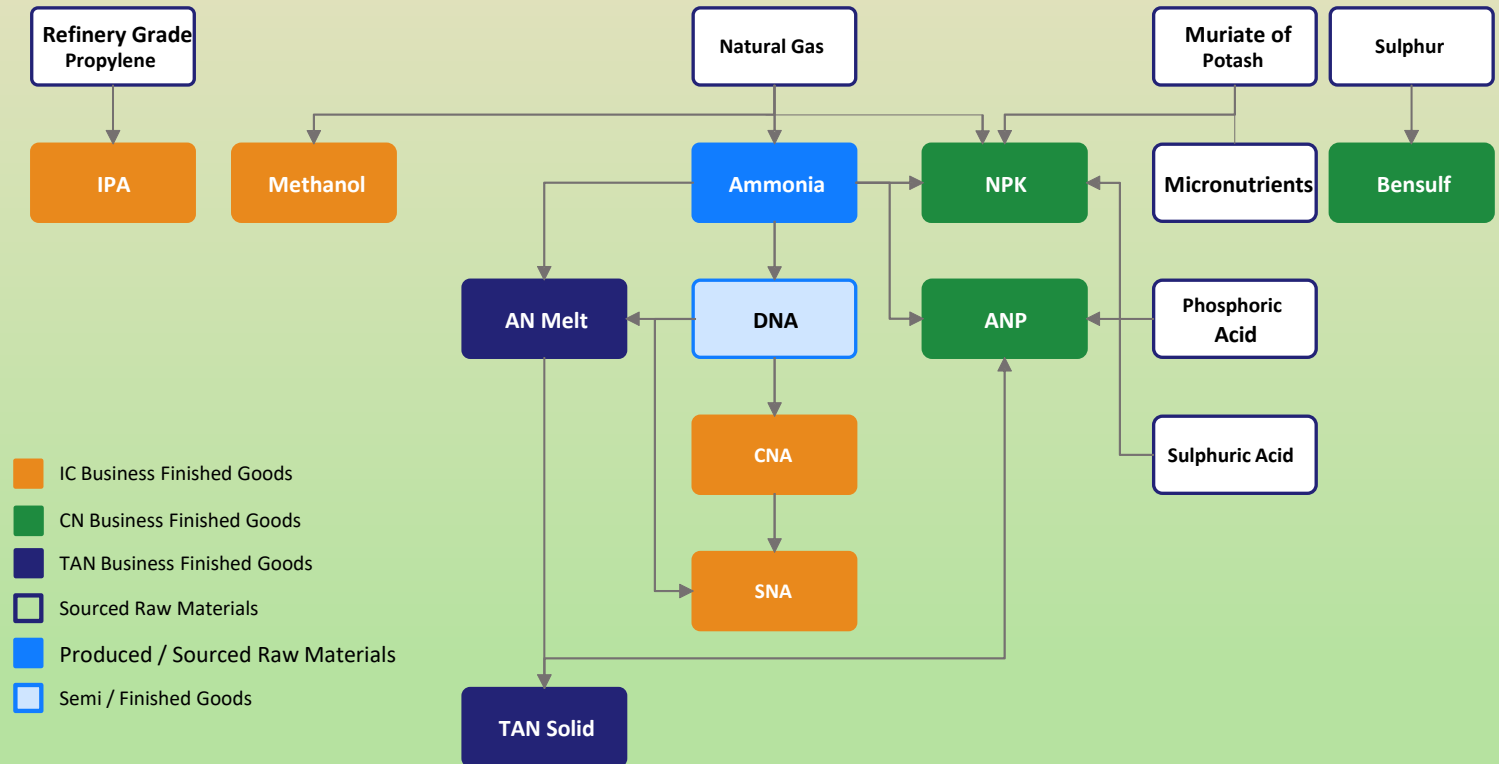
Operating Revenue (Rs. Cr)



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



High level of Integration and Fungibility in Upstream – Downstream Operations



- IC Business Finished Goods
- CN Business Finished Goods
- TAN Business Finished Goods
- Sourced Raw Materials
- Produced / Sourced Raw Materials
- Semi / Finished Goods

Synergistic Business Model



Q4FY23 Chemicals Segment contributed ~80% of Segment Profits

Chemicals Business

Revenues (Rs. Cr)



Segment Profit (Rs. Cr)



Fertilisers Business

Revenues (Rs. Cr)



Segment Profit (Rs. Cr)

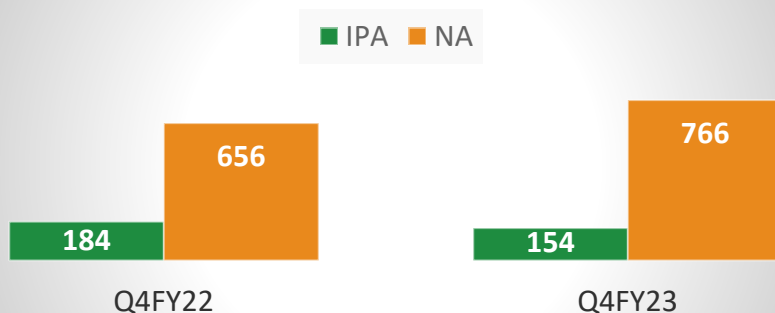


DNA & CNA demand and pricing is expected to remain stable in coming months

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



Pharma / Speciality Chemicals (Manufactured Sales Volumes MT 00)



Q4 FY23 Capacity Utilization

IPA: 98%

ACIDS: 89%

Operational Highlights

- In Q4FY23, Acid business achieved a capacity utilization of 89% while the IPA business reached 98%. Nitric Acid Q4 sales volumes increased by 18% Y-o-Y. Due to cheaper Chinese dumping, IPA Q4 sales volume decreased by 16% year over year. Safeguard Quantative Restriction was imposed on IPA dated 31st March 2023 by Directorate General of Foreign Trade, which is indeed favourable for domestic IPA manufacturers
- DFPCL has developed the commercially viable technology to manufacture Pure DIPE from crude DIPE first time in India and has completed the commercial trial successfully. Solar grade Nitric acid has experienced strong customer response since its commercial launch.
- The demand for nitric acid is expected to grow in the medium to long term due to the increasing use of nitric acid in the steel, pharmaceutical, aromatic, and explosives industries, as well as undercurrents developing from the 'China Plus One' trend for the Specialty Chemical Sector in India. The available brown-field site at Dahej could give opportunities for cost effective capacity enhancements.

Outlook

- DNA & CNA demand and pricing is expected to remain stable in coming months.
- With implementation of Quantative Restriction, IPA import from China should reduce and in turn improve CFR-India prices in Q1FY24 in coming months.
- Steel grade Nitric acid for steel pickling application has completed its multi-stage commercial trials successfully and will be launched commercially soon.



Government's spending on infrastructure projects should further support explosives demand in the Mining and Infrastructure segments

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



Mining Chemicals (Manufactured Sales Volumes MT 00)



Q4 FY23 Capacity Utilization

TAN: 93%

Operational Highlights

- In Q4 FY23, all the key market indicators of TAN Business showed positive trends. Coal Production at all India Level grew by 11% led by Coal India Ltd (CIL). Cement and Steel Production (indicators of Infrastructure demand) also registered a strong growth of more than 8% Y-o-Y.
- In Q4 FY23, TAN business achieved a capacity utilization of 93% with Revenues of Rs. 775 Cr. The addition of an AN Melt capacity in Phase-1 of the Taloja plant's de-bottlenecking project supported the business and domestic customers, with AN Melt growing at 21% Y-o-Y in Q4FY23.
- The pricing across all segments remained competitive despite the moderation of imported AN prices from Russia. This moderation in domestic AN prices is in line with the global trends. This is unfolding on the back of raw material price drops.
- TAN business continues to execute Total Cost of Ownership (TCO) projects in the mines and infrastructure projects to establish and deliver the superior value proposition of its customized solutions. This aligns with its transformation journey to shift from commodity-focused to specialty-focused offerings and from products to comprehensive solutions.

Outlook

- FY23 has recorded healthy volume growth over FY22 and this trend is expected to continue in FY24. The demand for coal mining is likely to remain high due to the strong demand for power.
- The Government's spending on infrastructure projects should further support explosives demand in the Mining and Infrastructure segments.

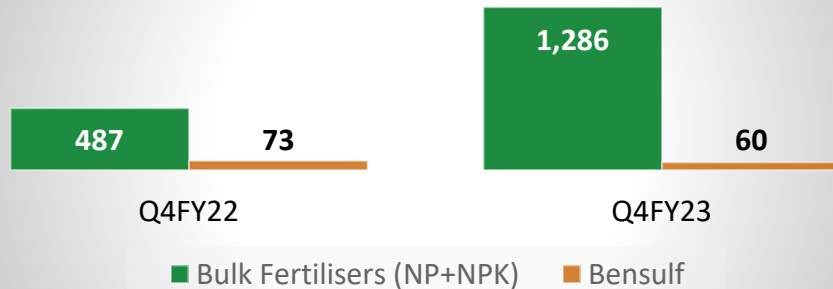


FY23 Fertilisers Segment revenues grew by 59% y-o-y with segment margins of 7%

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



Fertilisers (Manufactured Sales Volumes MT 00)



Q4 FY23 Capacity Utilization

NP/NPK: 55%

Bensulf: 48%

Operational Highlights

- Continued emphasis on innovating and developing crop nutrition products like Croptek, Solutek etc helped maintain leadership position in the industry and benefit approximately 7 million farmers through the farmer connect programs. These products enhance efficiency, promote balanced crop nutrition management, improve soil health, and increase crop productivity.
- In Q4FY23, CNB Bulk (NP + NPK) had a capacity utilization of 55% with total CNB revenues of Rs. 1,297 Cr. Major Phos Acid supplier has withdrawn from the market and the Company is in the process of tying up with alternate sources. Cumulative sales of ~ 1.01 KT of Croptek, with 26.6 KT sold in Q4 FY23.
- Successful social media campaign engaged 5.6 million farmers and generated nearly 129,000 leads. The team also conducted 21,000+ demos of their products in FY23 and connected with 6 lakh farmers through multiple market development activities.

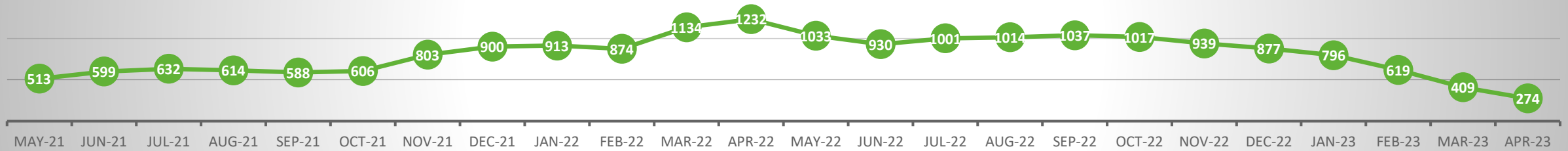
Outlook

- The IMD has forecasted a normal monsoon with around 96% of the LPA, at lower end of normal band (96% - 104%), while Skymet has forecasted monsoon at around 94% of the LPA.
- The Company plans to focus more on crop specific nutrient solution to capitalize on various farmer reach initiative.

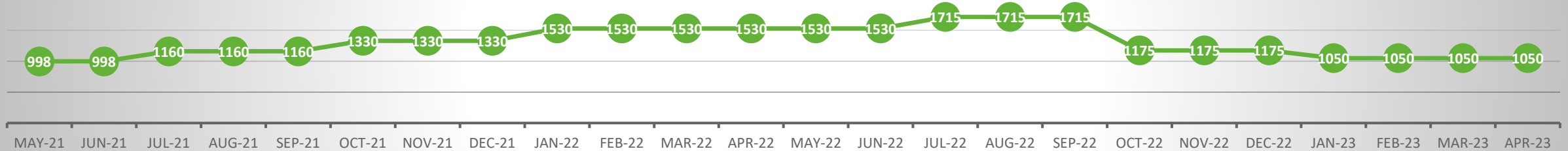


Raw Material Price Movement Trend

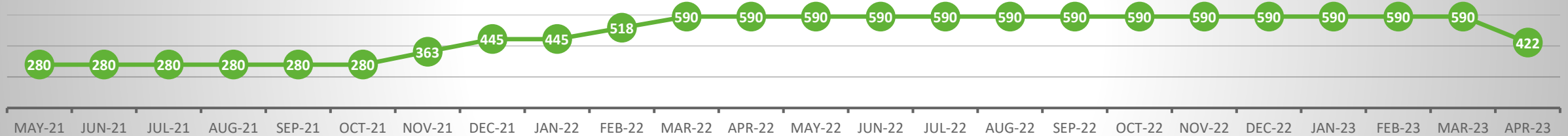
Ammonia Bulk FOB Spot Avg - ME (\$/MT)



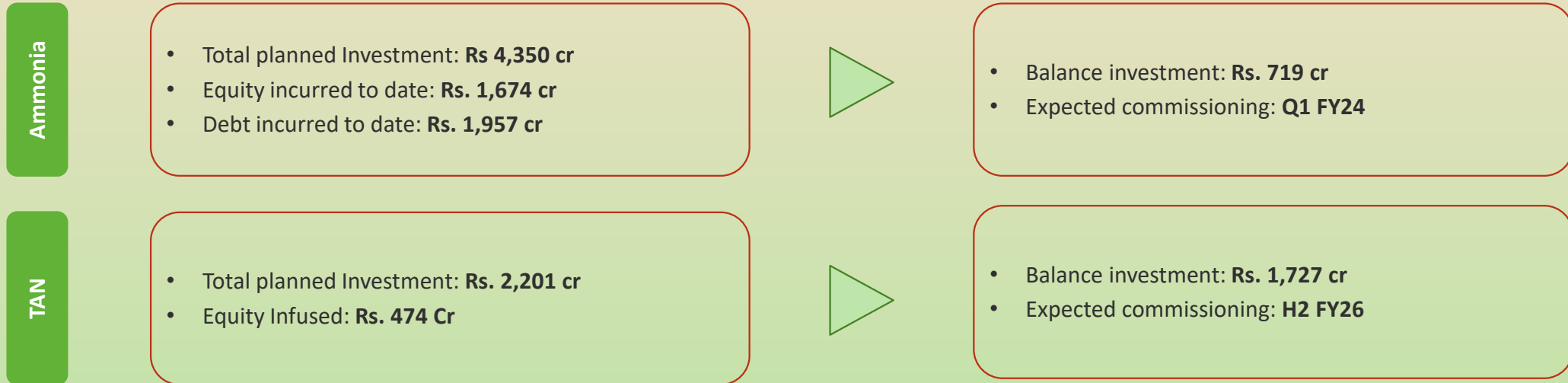
Phos acid Bulk CFR (\$/MT)



Potash Bulk CFR India (\$/MT)



Clearly Defined and Well Funded Capex Program



Capacity (MTPA)	Q4 FY23	Ammonia Expansion	Q1 FY24	TAN Expansion	H2 FY26
Ammonia	128,700	+500,000	628,700		628,700
Technical Ammonium Nitrate	486,900		486,900	+376,000	862,900

Building upon 40+ years of Proven Capabilities

*Data as of 31st Mar 2023



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

Watch Latest Ammonia Plant Video: [Click HERE](#)



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



NORTH SIDE BW VIEW FROM APPROCH ROAD TOWARS TATASEZ BW



EAST SIDE BOUNDARY WALL BY TATASEZ



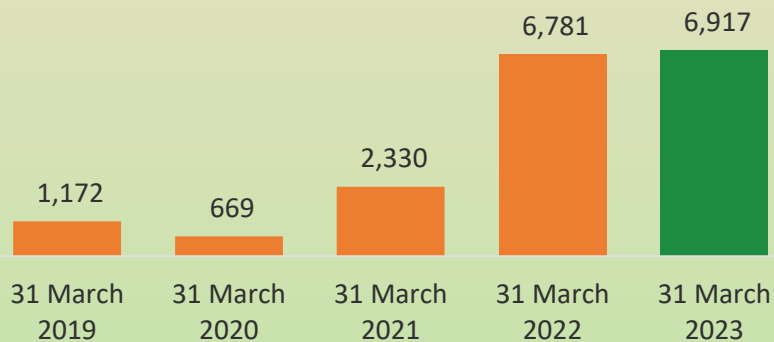
VERTICAL PILE LOAD TEST



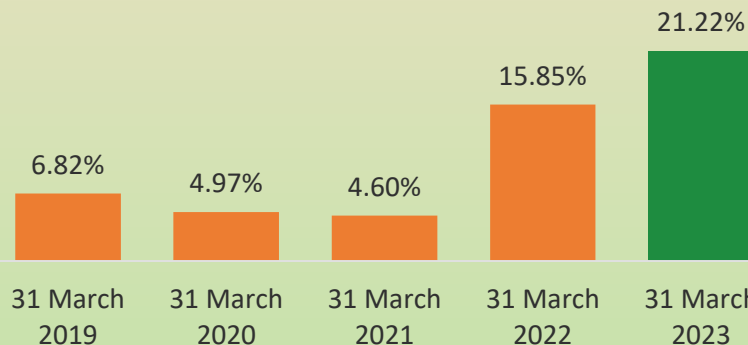
WORKING PILE IS IN PROGRESS AT PB-03

Capital Market: Building on trust by delivering on expectations

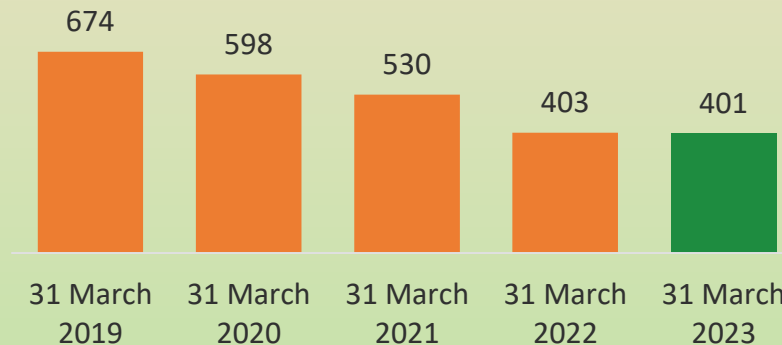
Market Cap (Rs. Crores)



Institutional Ownership (%)



Significant Improvement in NSE TOP 500 Ranking



Plant Visit organized on Feb 23



- **Investor Conference in Feb 2023:** Participated in IIFL Global Investors' Conference and Motilal Oswal Specialty Chemical Investor Conference in Feb 2023 in Mumbai to share business insights and growth prospects
- **Ammonia Plant Visit in Feb 2023:** DFPCL organized a plant visit for reputable institutional and research firms to our Talaja complex and greenfield ammonia plant
- **Key Institutional Investors include** Capital World, International Finance Corporation, Government Pension Fund Global, Axis Mutual Fund, Habrok Capital, Aequitas Equity, BNP Paribas, Dolly Khanna, Vanguard, Abu Dhabi Investment Authority etc
- **Total No. of Shareholders** improved from 100,392 in March 2019 to 193,628 shareholders in March 2023

Inclined Towards Overall Societal Development



All 288 participants in the wadi program have successfully completed the aftercare activities including basin preparation, staking, application of plant nutrients and plant protection



Women's health awareness program held in Pale kh village on 17th Mar 2023



We provided support to 24 individuals in enhancing their entrepreneurship skills



We have equipped 15 classrooms in Raigad Zillah Parishad schools across Pendhar, Taloja Majkur, Karambeli, and Mohadar villages with digital learning facilities

Received award for excellence in procurement at the 6th procurement excellence summit & awards 23, which was organized by UBS Forum and IVALUA



Received award for excellence in Supply chain initiative From ISM India



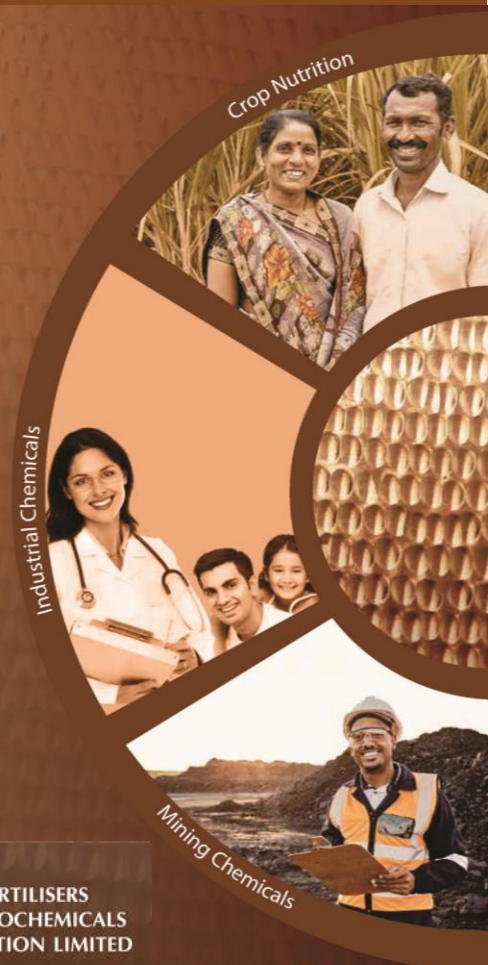
Received award for best company innovation in supply chain management at 3rd annual warehouse & logistics excellence awards



Full Year 2023 Journey So Far: A Compendium

- **Corporate Restructuring:** Announced Demerger plan of its Mining Chemicals in Dec 2022; Composite scheme of arrangement has been admitted with National Company Law Tribunal (NCLT) on January 25, 2023
- **Aarti Industries (AIL) and DFPCL** signs a binding term-sheet for 20 year Nitric Acid offtake and supply arrangement valued over Rs.8,000 Cr
- **Gas Tie-up for Ammonia Greenfield Plant:** Executed Gas Supply Agreements (GSA) for more than 2/3rd of total gas requirement through bilateral negotiations with IGS and GSPC and is in advance stage of discussions for the balance requirement
- **Crop Specific Nutrient (Croptek):** Launched Croptek Cotton and maize grade in the kharif season; Mahadhan Croptek received 'Golden Peacock Award' under 'Golden Peacock Innovative Product/Service Award 2022
- **Debottlenecking** of TAN capacity by approx. 33,000 MT and NPK capacity by about 2,00,000 MT through process improvement of the existing plants at Talaja, Maharashtra
- **Asian Development Bank (ADB)** funded DFPCL's farm efficiency initiative through STL, promoting sustainable agriculture and contributing to the company's growth.
- **TAN Project Funding:** Tied up entire Debt of Rs. 1,541 Crores with door to door tenor of 14 years
- **Credit Rating** Upgraded to [ICRA] AA-(Stable) / [ICRA] A1+
- **DFPCL ESG Profile:** DFPCL promotes transparency and sustainability with online ESG profile. DFPCL ESG profile is one stop solution for all ESG queries with consolidated searchable data at one place; mapped to international ESG frameworks and guidelines. [Click Here](#) to Visit: Online ESG Profile

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



CA. Deepak Balwani
Head – Investor Relations

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



Amitabh Bhargava
President and Chief Financial Officer

amitabh.bhargava@dfpcl.com
+91 20 6645 8733

Anvita Raghuram / Kavin Sadvilkar
Churchgate Partners

deepakfertilisers@churchgatepartners.com
+91 22 6169 5988