



01 August 2020

The Secretary  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

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

**Subject: Earnings Presentation for the first quarter ended 30<sup>th</sup> June, 2020**

Dear Sir / Madam,

Please find enclosed an earnings presentation of the Company for the first quarter ended 30<sup>th</sup> June, 2020.

We request you to take the same on your record.

Thanking you,  
Yours faithfully,

For **Deepak Fertilisers  
And Petrochemicals Corporation Limited**

**K. Subharaman**  
**Executive Vice President (Legal) & Company Secretary**

Encl: as above



Products to Solutions  
Commodities to Brands



DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED



INDUSTRIAL CHEMICALS



MINING CHEMICALS



CROP NUTRITION

## Deepak Fertilisers And Petrochemicals Corporation Ltd.

### Q1 FY2021 Earnings Presentation

(BSE: 500645; NSE: DEEPAKFERT)

August 01, 2020

*A Journey of 40 Years*

**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 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.

**Disclaimer:** Deepak Fertilisers and Petrochemicals Corporation Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, a rights issue of its equity shares in the near future and is in the process of filing a letter of offer with the stock exchanges and with SEBI.

# Consolidated Financial Highlights: Q1 FY2021

## Revenues

**Rs. 1,382 Cr**

Increased by  
**+23% y-o-y**

## Operating EBITDA

**Rs. 272 Cr**

Bolstered by  
**+128% y-o-y**

## EBITDA Margins

**19.7%**

Expanded by  
**+85% y-o-y**

## Net Profit

**Rs. 121 Cr**

Profits augmented  
**11x y-o-y**

## Profit Margins

**8.8%**

Expanded  
by **+819% y-o-y**

## EPS

**Rs. 13.46**

Strengthened further  
Rs. 1.12 (Q1 FY20);  
**Rs. 13.46 in Q1 FY21**

# Consolidated Financial Highlights

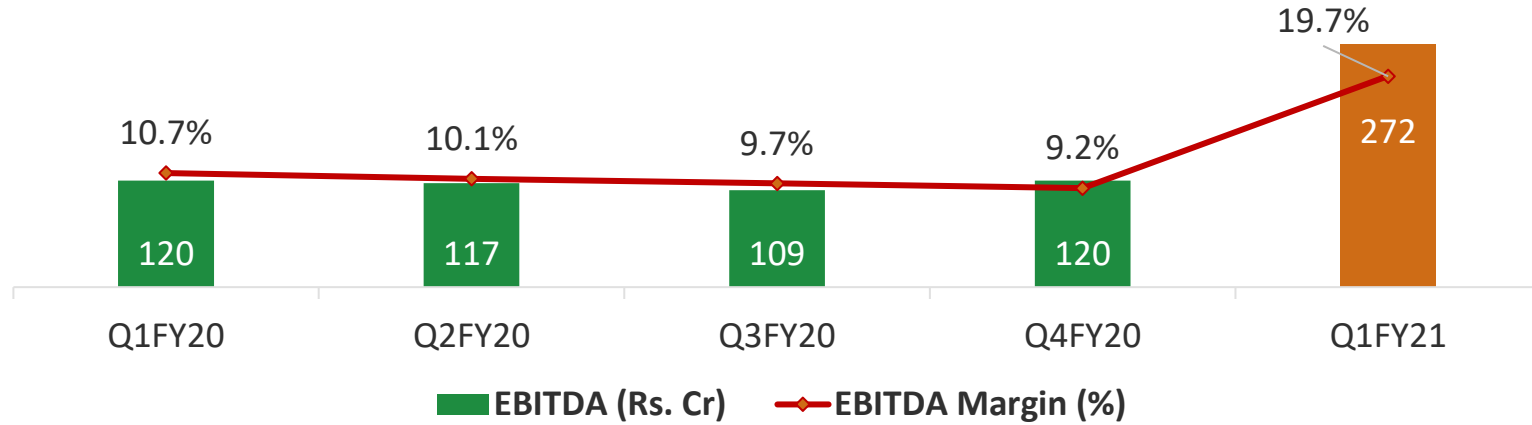
Particulars (Rs. Cr)	Q1FY21	Q1FY20	Y-o-Y growth	Q4FY20	Q-o-Q growth	FY2020	FY2019	Y-o-Y growth
<b>Net Revenue</b>	1,382	1,122	23%	1,293	7%	4,685	6,742	* (31)%
<b>Operating EBITDA</b>	272	120	128%	120	128%	464	459	1%
<b>Margins (%)</b>	<b>19.7%</b>	<b>10.7%</b>	<b>85%</b>	<b>9.2%</b>	<b>113%</b>	<b>9.9%</b>	<b>6.8%</b>	<b>45%</b>
<b>Net Profit</b>	121	11	1,032%	23	438%	89	73	21%
<b>Margin (%)</b>	<b>8.8%</b>	<b>1.0%</b>	<b>819%</b>	<b>1.7</b>	<b>404%</b>	<b>1.9%</b>	<b>1.1%</b>	<b>74%</b>
<b>EPS (Rs)</b>	13.46	1.12	1,099%	2.53	433%	9.83	8.01	23%
<b>Net Debt / Equity</b>						1.25X	1.26X	

- With the outbreak of Covid-19 pandemic and subsequent lockdown, DFPCCL took multiple precautionary measures / COVID care initiatives, to maintain the operation continuity during the quarter
- Most of the products being essential commodity, the Company continued its operations during the period of lockdown. There were intermittent disruptions in the few plants (mainly in Nitric Acid plants) due to disruptions in supply chain / labour / logistics etc and shut down of customer plants
- Overall, there has been no major impact on overall business and its profitability
- New differentiated Bentonite Sulphur variant “Bensulf Super-fast” launched during Q1 FY21
- The Company has launched IPA based hand sanitizers under the brand name ‘CORORID’, which conforms to WHO’s recommended formulation
- In accordance with COVID-19 guidelines, Creativity Mall was closed during the quarter. However, digital connect & marketing efforts were enhanced during the quarter, including promotion of our new brand “CORORID” hand sanitizer
- Other expenses reduced by Rs. 26.9 Cr y-o-y. Efforts to optimise the fixed costs also showed some positive results

\* Cautiously consolidated trading portfolio with focus on high-margin products (Chemical trading reduced by Rs. 1,405 Cr. y-o-y and Fertiliser trading by Rs. 419 Cr y-o-y)

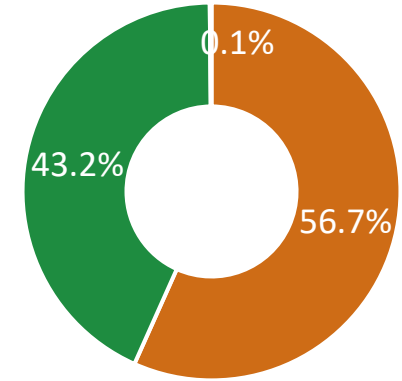
# Consolidated Financial Highlights

## Operating EBITDA Trend (Rs. Crores)



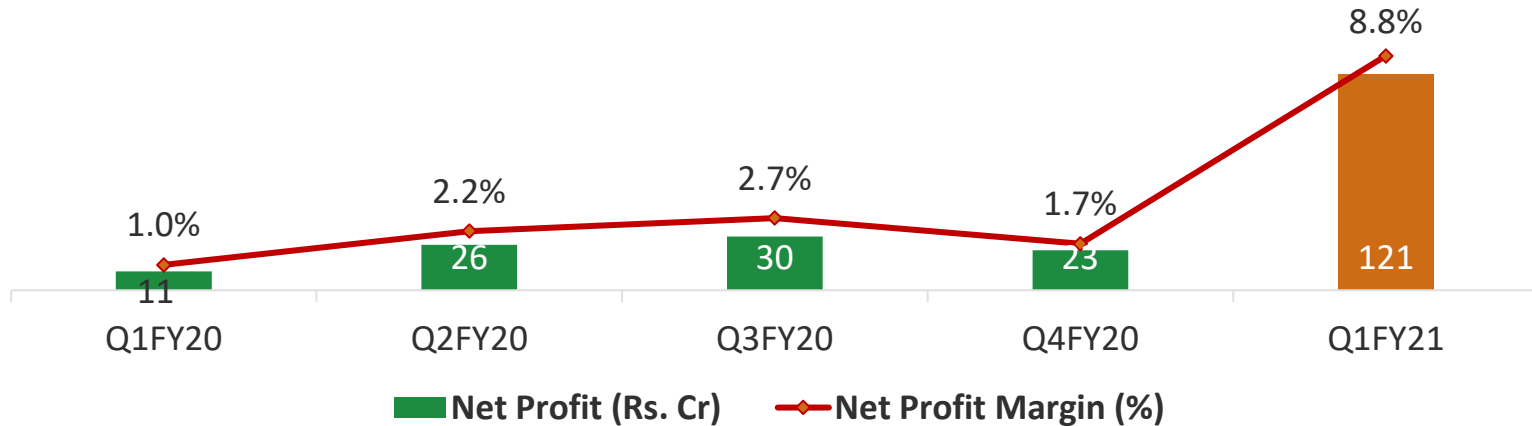
## Revenue Breakdown

Q1 FY21: Rs. 1,382 Cr



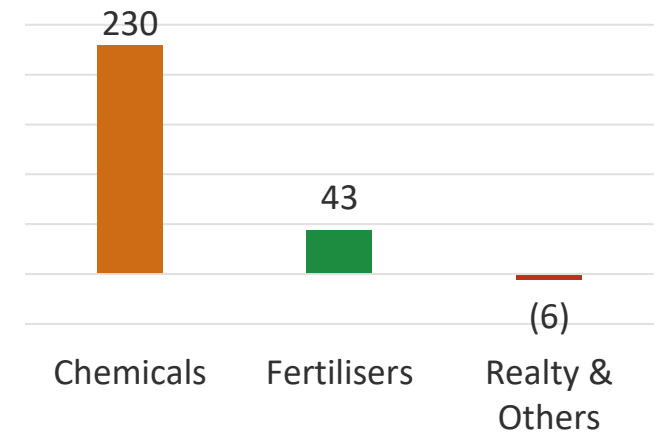
Chemicals Fertilisers Realty & Others

## Net Profit Trend (Rs. Crores)



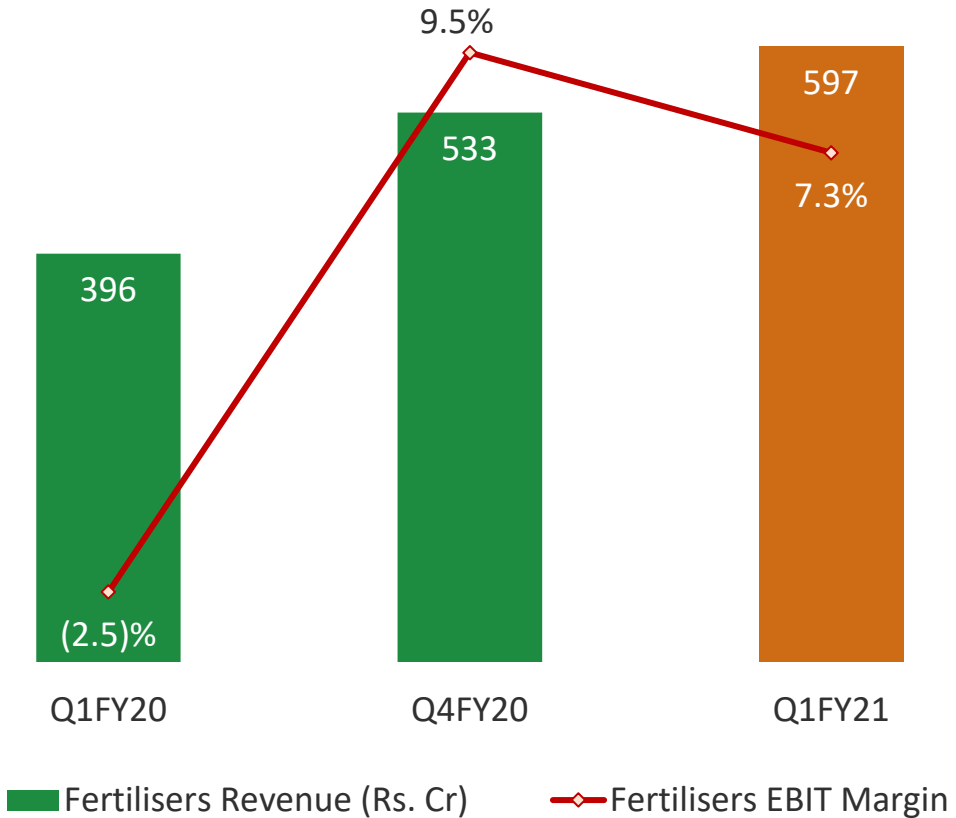
## Segment Profit

Q1 FY21: Rs. 267 Cr

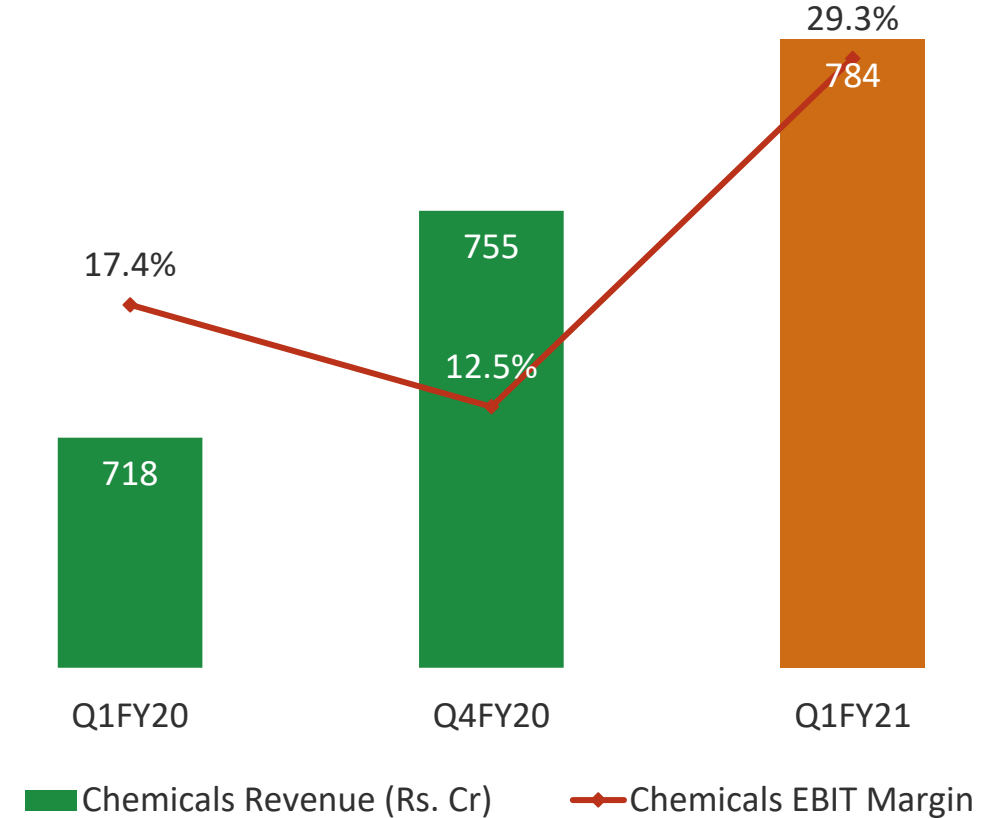


# Consolidated Segment Performance

## Fertilisers



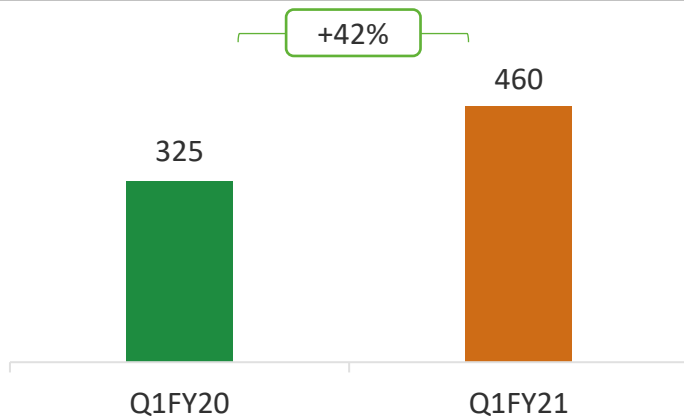
## Chemicals



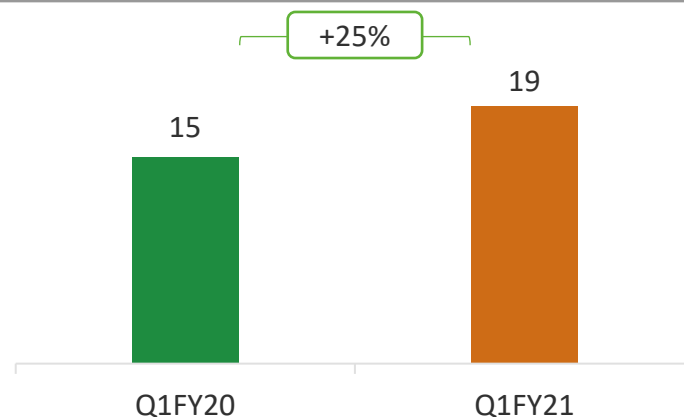
\* Segment margins as per financials; represents segment Profit Before Tax (before finance costs and unallocable expenditure)

# Consolidated Segment Performance: Fertilisers

## Manufactured NP and NPK Sales\*



## Manufactured Bensulf Sales\*



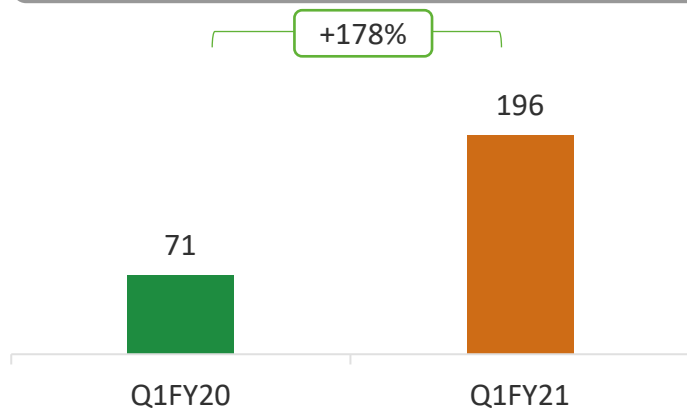
\* Rs. Crores

- Manufactured fertilisers revenues of Rs. 479 Cr in Q1 FY21 compared to Rs. 341 Cr in Q1 FY20. Trading revenues for Q1 FY21 were Rs. 117 Cr compared to Rs. 55 Cr for Q1 FY20
- Sales volumes of NP increased by 59% y-o-y in Q1 FY21 and NPK volumes increased by 46% y-o-y. Overall margins improved significantly due to higher Smartek in product mix with higher NSP
- The demand has been further supported by good Kharif projection by IMD and on time arrival of monsoon in core command area
- The Company continued its journey to move from commodity to specialty and accordingly, moved ~100% volumes to Smartek
- New differentiated Bentonite Sulphur variant “Bensulf Super-fast” has been launched during Q1 FY21. Product is being manufactured at Taloja plants and has been well received in the market
- COVID-19 pandemic impacted the production of NP and NPK products at Taloja for few days in the month of March and April 2020. With extensive farmer and channel connect through digital marketing initiatives under restricted movement conditions, the Company was able to connect with 7000+ dealers and retailers through digital meeting. Despite the challenges due to COVID-19, the Company exceeded its internal sales targets in both Bulk & Specialty fertilisers
- Major raw materials prices declined in Q1 FY21

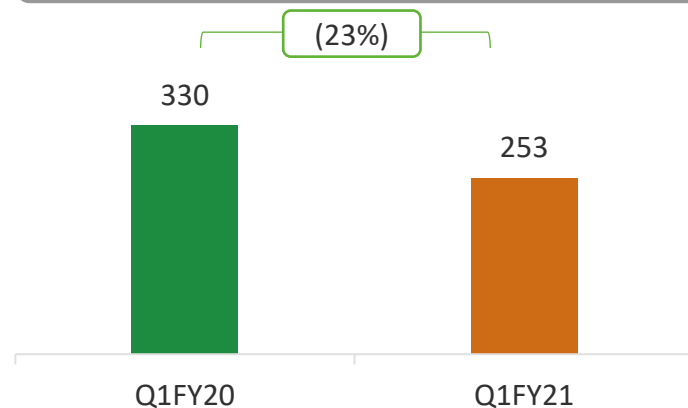


# Consolidated Segment Performance: Chemicals

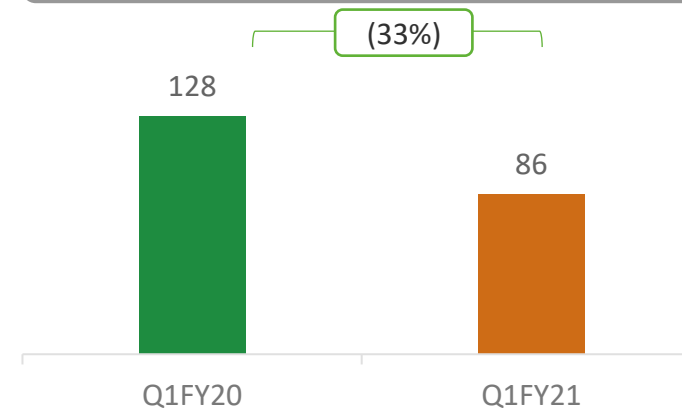
## Manufactured IPA Sales\*



## Manufactured TAN Sales\*



## Manufactured Acids Sales\*



- Manufactured Chemical business reported revenues of Rs. 634 crores in Q1 FY21 as compared to Rs. 613 Crores in Q1 FY20. Chemical Trading business was Rs. 150 crores in Q1 F21 compared to Rs. 105 Cr in Q1 FY20
- IPA revenues increased by 178% y-o-y to Rs. 196 Crores in Q1 FY21. IPA sales volumes increased by about 49% y-o-y. Improved margins were driven by an unprecedented surge in IPA demand on the back of the increased awareness of use of IPA in hand sanitizer & disinfectant along with increase in International IPA prices. DFPCCL also forayed into IPA based 'Hand Sanitizer' space to combat COVID-19 pandemic in April 2020
- TAN Revenues decreased by 23% y-o-y to Rs. 253 Cr. The lockdown had severely impacted demand and consumption of AN in India. TAN Solid volumes (LDAN + HDAN) were lower by 11% and AN Melt volumes were lower by 48% with respect to Q1 FY20. LDAN sales volumes in Q1-FY21 were lower by 52% mainly due to liquidity issues and stalled large-scale infrastructure projects due to COVID-19. LDAN sales volumes also dropped due to stoppage of production in the cement plants across India
- Acids revenues decreased by 33% y-o-y to Rs. 86 Crores in Q1 FY21. Nitric Acid demand faced challenges due to shutdown / low capacity utilisations of downstream customer plants due to COVID-19
- Major raw materials prices declined compared to Q1 FY2020

# Consolidated Sales Volumes (product wise)

Volumes MT	Q1 FY21	Q1 FY20	Y-o-Y growth	Q4 FY20	Q-o-Q growth	FY20	FY19	Y-o-Y growth
Nitric Acid	43,674	62,477	(30.1)%	49,235	(11.3)%	233,654	199,201	17.3%
IPA	16,124	10,827	48.9%	20,543	(21.5)%	61,584	61,274	0.5%
TAN – LDAN	13,444	27,880	(51.8)%	21,413	(37.2)%	92,333	128,607	(28.2)%
TAN – HDAN	82,644	80,691	2.4%	76,473	8.1%	284,587	324,581	(12.3)%
TAN – AN Melt	9,410	18,287	(48.5)%	13,267	(29.1)%	59,284	53,003	11.8%
<b>TAN - Total</b>	105,498	126,858	(16.8)%	111,153	(5.1)%	436,204	506,191	(13.8)%
NP	60,505	37,957	59.4%	58,286	3.8%	219,996	198,145	11.0%
NPK	95,732	65,666	45.8%	80,206	19.4%	286,226	285,725	0.2%
<b>Bulk Fertilisers - Total</b>	156,237	103,623	50.8%	138,492	12.8%	506,222	483,870	4.6%
Bensulf	8,289	6,102	35.8%	3,714	123.2%	23,500	23,898	(1.7)%

## **Macro Strategic Directions:**

- Enhanced hygiene levels, becoming the new global normal, is expected to see needs for hand sanitizer and other IPA end-uses to be on a continued positive upswing
- The Government's recently announced policies on 'Commercial Mining' and 'Agriculture' are likely to provide transformative positive directions over the next few years

## **Micro Strategic Drivers:**

- The Company has made its pilot run of multiple hygiene products based on IPA in the B2C markets. Going forward, it is expected to open up a value-added product segment for the IPA business
- The Company's hi-tech Smartek NPK Fertilisers consolidated its Crop Productivity based differentiation and Brand, evidenced by greater product demands even with Premium pricing

# Appendix

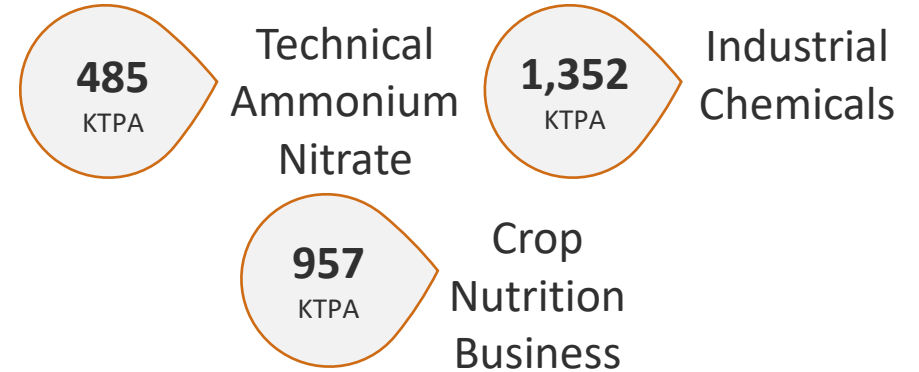


## Diversified Business

- Strong knowledge base and experience in:
  - Mining Chemicals
  - Industrial Chemicals
  - Crop Nutrition
- Diversified ammonia downstream player
- 40+ years industry experience



## Installed Capacity



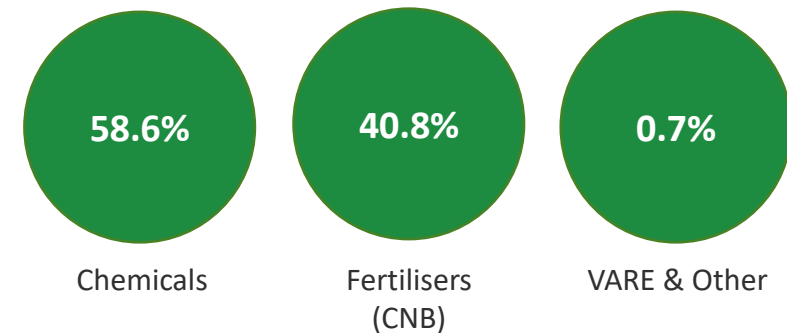
## Strategic Plant Locations

- Plants in Western, Northern and Eastern India
- Well-established sourcing channels
- Port and gas pipeline infrastructure for import of raw materials



Revenue from Operations: Rs. 4,685 Crore\*

## Contribution to Total Revenues (%)



\*FY2020 financials

# DFPCL Standalone Profit & Loss Statement (Rs. Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30 June 2020	31 Mar 2020	30 June 2019	31 MAR 2020
1	<b>Income</b>				
	(a) Revenue from operations	48,912	46,005	53,601	170,775
	(b) Other income	446	1,162	317	6,772
	<b>Total income</b>	<b>49,358</b>	<b>47,167</b>	<b>53,918</b>	<b>177,547</b>
2	<b>Expenses</b>				
	a) Cost of materials consumed	15,011	19,639	18,872	74,003
	b) Purchases of stock-in-trade	12,534	12,354	27,997	62,071
	c) Changes in inventories of FG & Stock in trade	274	4,991	(833)	3,737
	d) Employee benefits expense	2,399	1,797	1,754	6,844
	e) Finance Cost	2,125	2,316	1,821	8,525
	f) Depreciation and amortisation	1,879	1,742	1,784	7,228
	g) Other expenses (net)	3,237	4,961	3,642	12,946
	<b>Total expenses</b>	<b>37,459</b>	<b>47,800</b>	<b>55,037</b>	<b>175,354</b>
3	<b>Profit / (loss) before tax (1-2)</b>	<b>11,899</b>	<b>(633)</b>	<b>(1,119)</b>	<b>2,193</b>
4	Total tax expense / (reversal)	2,991	(1,105)	(457)	(878)
5	<b>Net profit / (loss) after tax (3-4)</b>	<b>8,908</b>	<b>472</b>	<b>(662)</b>	<b>3,071</b>
	% on Revenue	18.0%	1.0%	-1.2%	1.7%
6	<b>Operating EBIDTA</b>	<b>15,457</b>	<b>2,263</b>	<b>2,169</b>	<b>11,174</b>
	% on Operating Revenue	31.6%	4.9%	4.0%	6.5%

# DFPCL Consolidated Profit & Loss Statement (Rs. Lakhs)

Sr. No.	Particulars	Quarter Ended (Consol)			Year Ended (Consol)
		30 June 2020	31 Mar 2020	30 June 2019	31 MAR 2020
1	<b>Income</b>				
	(a) Gross Sales/income from operations.	138,208	129,295	112,220	468,538
	(b) Other Income	359	1,418	925	9,545
	<b>Total Income</b>	<b>138,567</b>	<b>130,713</b>	<b>113,145</b>	<b>478,083</b>
2	<b>Expenses</b>				
	a) Cost of materials consumed	60,412	94,027	53,782	261,470
	b) Purchases of stock-in-trade	18,839	(10,833)	32,896	55,471
	c) Changes in inventories of FG & Stock in trade	8,786	8,580	(11,119)	14,017
	d) Employee benefits expense	8,932	7,792	7,993	30,617
	e) Finance Cost	5,521	5,811	6,117	24,293
	f) Depreciation and amortisation	5,335	5,323	5,188	21,353
	g) Other expenses	14,018	17,770	16,711	60,537
	<b>Total expenses</b>	<b>121,843</b>	<b>128,470</b>	<b>111,568</b>	<b>467,758</b>
3	<b>Profit before share of (loss) of associate</b>	<b>16,724</b>	<b>2,243</b>	<b>1,577</b>	<b>10,325</b>
4	Share of (loss) of associates	-	18	(17)	(17)
	<b>Profit Before Tax</b>	<b>16,724</b>	<b>2,261</b>	<b>1,560</b>	<b>10,308</b>
5	Tax expense	4,610	11	490	1,407
6	<b>Net Profit / (Loss) for the period</b>	<b>12,114</b>	<b>2,250</b>	<b>1,070</b>	<b>8,901</b>
	% on Revenue	8.7%	1.7%	0.9%	1.86%
7	<b>Operating EBIDTA</b>	<b>27,221</b>	<b>11,959</b>	<b>11,957</b>	<b>46,426</b>
	% on Operating Revenue	19.7%	9.2%	10.7%	9.91%



**DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED**

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