



26<sup>th</sup> August, 2021

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| <b>The National Stock Exchange of India Limited</b><br>Listing Department<br>Exchange Plaza, Bandra Kurla Complex, Bandra (East)<br>Mumbai 400 051<br>NSE Code: DEEPAKFERT | <b>BSE Limited</b><br>Department of Corporate Services<br>Floor 25, Phiroze Jeejeebhoy Towers<br>Dalal Street,<br>Mumbai 400 001<br>BSE Code: 500645 |
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**Sub: Proceedings of the 41<sup>st</sup> Annual General Meeting - Disclosure of events pursuant to Regulation 30 read with Schedule- III of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.**

Dear Sir / Madam,

The **41<sup>st</sup> Annual General Meeting (AGM)** of the members of Deepak Fertilisers And Petrochemicals Corporation Limited was held on **Thursday, 26<sup>th</sup> August, 2021 at 11.00 a.m.** through Video Conference (VC) / Other Audio Visual Means (OAVM). The meeting was held in compliance with circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

The proceedings of the meeting were as under:

Shri Sailesh C. Mehta, Chairman and Managing Director of the Company chaired the meeting.

Members Present: 39 Members through VC.

The requisite quorum being present, Chairman called the meeting to order.

The Chairman informed that the Meeting was held through VC/OAVM in compliance with the circulars issued by the Ministry of Corporate Affairs, Government of India and Securities and Exchange Board of India.

The Chairman introduced the Directors present and confirmed the presence of the Chairman of the Audit Committee, Chairman of the Nomination & Remuneration Committee, Chairman of the Stakeholder's Relationship Committee, the representatives of P G Bhagwat,



LLP, Chartered Accountants, Statutory Auditors, Secretarial Auditors and the Scrutinizers appointed by the Company to scrutinize the e-voting process on the resolutions proposed in the notice of the meeting.

The Chairman then informed that few changes have taken place in the Board since the last Annual General Meeting, which were as under:

1. Smt. Renu Challu, Independent Director of the Company has resigned as the director of the Company with effect from 31st October, 2020 due to personal reasons.
2. Smt. Varsha Purandare has been appointed as Independent Director of the Company w.e.f. 31<sup>st</sup> January, 2021.

The Chairman then delivered his speech which is attached separately as **Annexure 1**. Thereafter, presentation on Business Update was made by Chief Financial Officer during the Annual General Meeting which is also attached separately as **Annexure 2**.

The Chairman informed the members that the Company had provided the members the facility to cast their votes electronically on all the resolutions set forth in the notice.

The Chairman also informed the Members that the facility for voting through e-voting system was made during the AGM for Members who had not cast their vote prior to the Meeting. Further, Shri Sridhar Mudaliar, Partner of M/s. SVD & Associates, Practicing Company Secretaries, was appointed by the Company to scrutinize the e-voting process in a fair and transparent manner.

The Chairman requested the members to offer comments and seek clarification on the resolutions contained in the notice. The Management of the Company provided clarifications to the queries raised by the members.

The Chairman thanked all the members for their participation and for their constructive suggestions and comments.



Thereafter, the following items of business as per the Notice of 41<sup>st</sup> Annual General Meeting were commended for members consideration and approval:

| S. N.                    | Resolution(s) Description  |
|--------------------------|--|
| <b>Ordinary Business</b> |  |
| 1                        | To receive, consider and adopt the audited financial statements and audited consolidated financial of the Company for the financial year ended 31st March, 2021 and the Reports of the Board of Directors and Auditors thereon   |
| 2                        | To declare a dividend on equity shares for the financial year ended 31st March, 2021   |
| 3                        | To appoint a Director in place of Smt. Parul Mehta (DIN: 00196410), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment   |
| 4                        | To approve appointment of P G BHAGWAT LLP, Chartered Accountants as Statutory Auditors of the Company.   |
| <b>Special Business</b>  |  |
| 5                        | To ratify and confirm the remuneration payable to M/s Harshad S. Deshpande & Associates, Cost Accountants as Cost Auditors of the Company.   |
| 6                        | Appointment of Smt. Varsha Purandare (DIN: 05288076) as an Independent Director of the Company.  |
| 7                        | Transfer of services of Ms. Rajvee Mehta to Smartchem Technologies Limited from the Company and continuance of her engagement as AVP-TAN Business Strategy in Smartchem Technologies Limited (STL), wholly owned subsidiary of the Company w.e.f 1st June, 2021  |
| 8                        | To approve raising of funds aggregating to Rs. 600 crores (Rs. Six hundred cores) through one or more of various options of securities such as Equity Shares, GDRs, ADRs, Foreign Currency Convertible or Partly Convertible Debentures or by way of qualified institutions placement to QIB (Qualified Institutional Buyers) in terms of Chapter VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI (ICDR) Regulations, 2018). |

The Chairman then authorised the Company Secretary to carry out the e-voting process and to declare the results of voting after receipt of Scrutiniser's Report.



The Chairman informed the Members that the e-voting results along with the consolidated Scrutiniser's Report shall be informed to the stock exchanges and also be placed on the website of the Company and KFin.

Kindly take the above intimation on your record.

Thanking you,  
Yours faithfully,

For Deepak Fertilisers And  
Petrochemicals Corporation Limited

Ritesh Chaudhry  
Company Secretary

**Dear Shareholders,**

A very warm welcome to each and every one of you. It gives me great pleasure to greet you all at the 41<sup>st</sup> Annual General Meeting of Deepak Fertilisers And Petrochemicals Corporation Limited. I hope that you all have taken your vaccine shots and keeping safe and healthy. It is the second year in a row that I miss the intimacy and warmth of face-to-face interaction with you as the country continues to reel under the effects of Covid-19. It has disrupted our collective sense of the 'normal', but I am sure that we will emerge out of this crisis stronger, more resilient and wiser.

On behalf of the Board of Directors, I thank each one of you for making it convenient to attend this virtual meeting given the extraordinary circumstances. The Annual Report for the year ended 31<sup>st</sup> March 2021 has been circulated among you and with your permission, I would like to take them as read.

**Economic Scenario**

The outbreak of COVID-19 pandemic in 2020 triggered an unprecedented disruption in the world impacting lives and economies. While the global economy shrunk by 3.3% in 2020, the fast development and roll out of the vaccine against the deadly disease rekindled a new hope of revival. According to the International Monetary Fund (IMF), the world has set on a recovery mode. The global economy is expected to grow at 6% in 2021. Despite a very sharp recovery, it is worth noting that the average growth for three years (2020 through 2022) is likely to be lower than the pre-pandemic growth rate of 2019.

Back home in India, we saw a much sharper contraction of the economy in 2020 and the outbreak of the second wave slowed the pace of economic recovery. The rapid vaccination drive across the country has helped us to contain the spread of the disease and isolate the further impact on the economy. According to IMF, India is expected to be the torchbearer in the world's economic recovery path. It has been forecasted to grow much higher than China at 12.5% in 2021 and 6.9% in 2022.

**Challenges**

We did face challenges particularly in H1 FY2021 due to COVID-19, resulting into lower capacity utilisation but later part of the year it gradually picked up. Despite all the challenges of the past few years, including the COVID-19 crisis, I am happy to share with all of you that we closed 2020-21 with strong deliveries and recorded historic best financial performance for the year.

## Financial Performance:

- 24% improvement in Top-line
- 357% jump in Profits
- Rs 840 Crore reduction in Net Debt

The concerted all round efforts on cost optimization efforts and efficiency improvements in manufacturing, logistics and the market place, helped achieve the sterling results. Our revenues stood at Rs 5,808 crore and we recorded the highest ever annual consolidated profit of Rs 406 crore.

During the year, the industrial chemicals business grew by 15%. The IC business saw a huge growth in the hygiene segment as well as the pharmaceutical and fine chemicals industry. The shift of global specialty chemicals value chain from China to India promises further positive boost to the Nitric Acid business growth.

DFPCL's mining chemicals business that makes up to 26% of the overall revenue contribution, too registered healthy growth in FY21 with Rs 1,495 Crores in revenues. The recent changes in the mining policies with the country's needs for Power from Coal, Cement & Infrastructure is beautifully aligned with our TAN business and shall give further positive impetus to the company and its TAN Business.

In the Crop Nutrition (fertilisers) sector, DFPCL's business has been well-aligned to the mid-income group growth and its resultant demand for high value fruits and vegetables. The Crop Nutrition business has seen a growth of 38% in FY21 as against (16%) last year. The Government's continued drive to bring much needed reforms in the agriculture sector will further benefit your Company.

Despite the demanding situation driven by the second COVID-19 wave, Q1 FY22 performance continued its growth momentum on the back of better capacity utilisation, product differentiation, cost optimization, value-based pricing and diversified end user segment consumption which is fundamentally well aligned with India's economic growth.

This is indeed a strong performance considering that raw materials, ammonia grew by +102% y-o-y, phos acid by +49% y-o-y and RGP by +50% y-o-y. Considerable progress in collections and inventory management resulted in a significant reduction in Net Debt at the end of Q1 FY22. During Q1 FY22, our operating EBITDA stood at Rs. 290 Crores with margins of about 15.3%, which

is indeed the 'Highest Ever Quarterly Operating Profits'. The robust quarterly results validate the resilience in our basket of products.

## **Going Forward**

To establish the premise of building for the future, we looked back to our strengths that could be leveraged for the purpose. Two strong and solid pillars emerged: (1) Over 40 years of strongly established experiences right from Raw Material Sourcing- Manufacturing - Logistics - Channel-Customers and (2) alignment of our businesses with India's Growth Story.

To get ourselves **Future Ready**, our core strategy drivers beyond Operational efficiencies have been:

### *1. Getting the Size Right*

The key investments made over the last 4 years, such as Nitric Acid plant at Dahej and NPK plant at Taloja, have started reaping fruits. Further capacity enhancements in the existing product lines like TAN would enable us in mitigating risk, attracting good returns and improving market share through substituting imports. We have also initiated debottlenecking to increase capacities of TAN and NPK with minimum investments to tap the growing demand.

### *2. Backward Integration for Value Creation*

Majority of DFPCL consolidated turnover depends on ammonia as a key raw material. The new Ammonia project has in-house ready demand at Taloja as Ammonia produced will be consumed by majority of DFPCL businesses. Backward integration would help enhance and capture value in our total manufacturing chain and as a consequence, also enable us to mitigate price volatility risks in our key raw materials. This would also help hugely mitigate the supply chain bottlenecks and logistics costs for the key imported raw material.

During the year, we saw completion of all the required land acquisition for Ammonia project, statutory approvals to commence construction, receipts of over 95% of the required equipments and the EPC contractor moving to site for a fast-paced construction delivery. Once this Ammonia project is implemented, this will hugely solidify the strong foundations of the Company and shall help sustain and enhance our sectoral leadership built over the past 40 years.

### *3. Moving from Commodity to Speciality*

Our journey of transformation is unfolding slowly and steadily, undeterred by the challenges on the way. We have successfully moved our 100% NPK production from plain grade to differentiated NPK (SMARTEK), resulting in a volume growth of 198% YoY. Likewise, we have forayed into hand sanitiser and disinfectant category in April 2020 to deal with COVID-19 situation.

The introduction of cost-effective and high-performance ANFO explosives as a substitute for conventional emulsion explosives is also expected to further support TAN business. These strategic initiatives hold tremendous promise for the future, as we build further on the success of our transformational business models.

This journey from product to unique and holistic solutions promises to help create a renewed brand space with sustained higher returns.

#### **Acknowledgement**

I would like to thank the Customers, Business Associates, Financial Institutions, Banks, Stakeholders and respective Central and State Government for their continued support and co-operation.

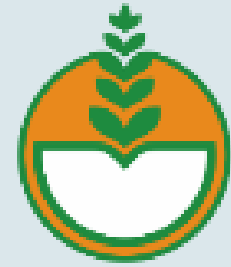
I would also want to express my gratitude to the entire DFPCL team for its contribution to the Company's competitiveness and growth.

My best wishes to you and your families. Stay safe, stay healthy.

Warm Regards,

S.C. Mehta  
Chairman & Managing Director





**DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED**

(BSE: 500645; NSE: DEEPAKFERT)

# Welcome to 41<sup>st</sup> Annual General Meeting

26<sup>th</sup> August 2021

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





**Industrial Chemicals**



**Mining Chemicals  
(Technical Ammonium Nitrate)**



**Crop Nutrition  
(Bulk & Specialty Fertilisers)**

|                            |              |            |               |
|----------------------------|--------------|------------|---------------|
| <b>Existing Capacities</b> | 13,62,160 MT | 486,900 MT | 9,85,720 MTPA |
|----------------------------|--------------|------------|---------------|

|  |     |  |     |
|--|-----|--|-----|
| <b>Segmental Results - Contribution FY21</b> | 78% |  | 21% |
|--|-----|--|-----|

|                          |   |   |   |
|--------------------------|---|---|---|
| <b>End Key Consumers</b> | <ul style="list-style-type: none"> <li>• Pharmaceuticals</li> <li>• Nitro Aromatics</li> <li>• Steel and Agrochemicals</li> <li>• Paints &amp; Coatings, Inks, Dyes, Cosmetics &amp; Adhesives</li> <li>• Health Hygiene</li> </ul> | <ul style="list-style-type: none"> <li>• Mining</li> <li>• Infrastructure</li> <li>• Pharmaceuticals</li> </ul> | <ul style="list-style-type: none"> <li>• Agriculture</li> </ul> |
|--------------------------|---|---|---|

**Aligned to India's growth story, serving country's critical sectors**

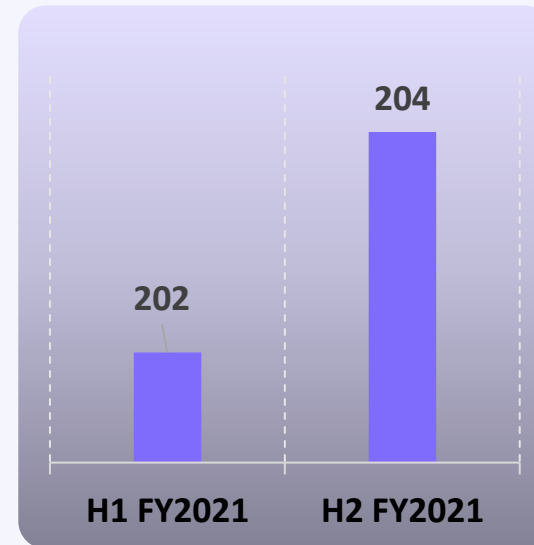
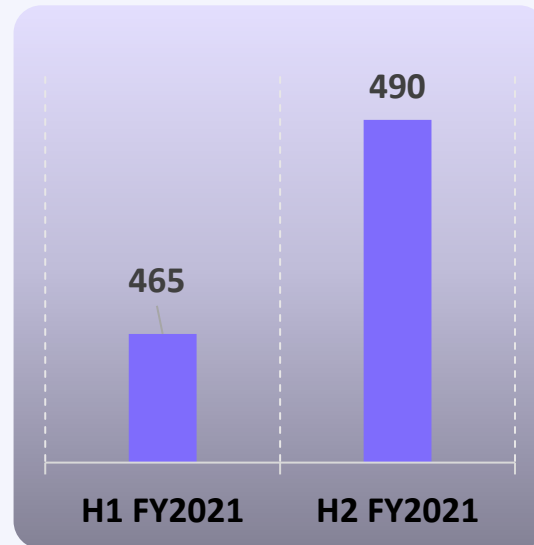
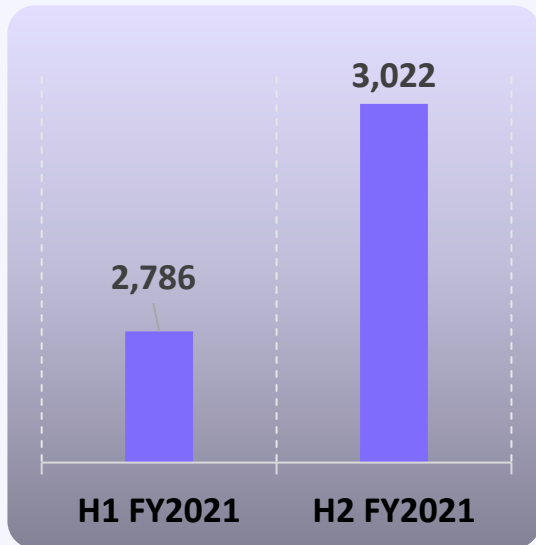
# Despite COVID Disruptions, achieved best ever financial performance

The impact was witnessed more in H1, however, with proactive steps we came back stronger in H2

**Rs. 5,808 Cr**  
FY21 Operating Revenues

**Rs. 955 Cr**  
FY21 Operating EBITDA

**Rs. 406 Cr**  
FY21 Net Profit



## Improvement in Financial Health

- **Increase in Equity** – Raised 178 Cr through Rights Issue & \$30 Mn from IFC
- **Reduction of Debt** - Net Debt Reduced By Rs 840 Crore in FY21 despite new borrowings for Project
- **FINANCIAL & LEVERAGE Ratios within the prudential norms** –
  - Net Debt/Equity reduced from 1.2 to 0.65
  - Net Debt/EBIDTA reduced from 5.74 to 1.91, Current Ratio is at 1.22
- Much **Better Working Capital Management**; Robust Cash Generation from Operations - Rs. 1,248 Cr generated in FY21

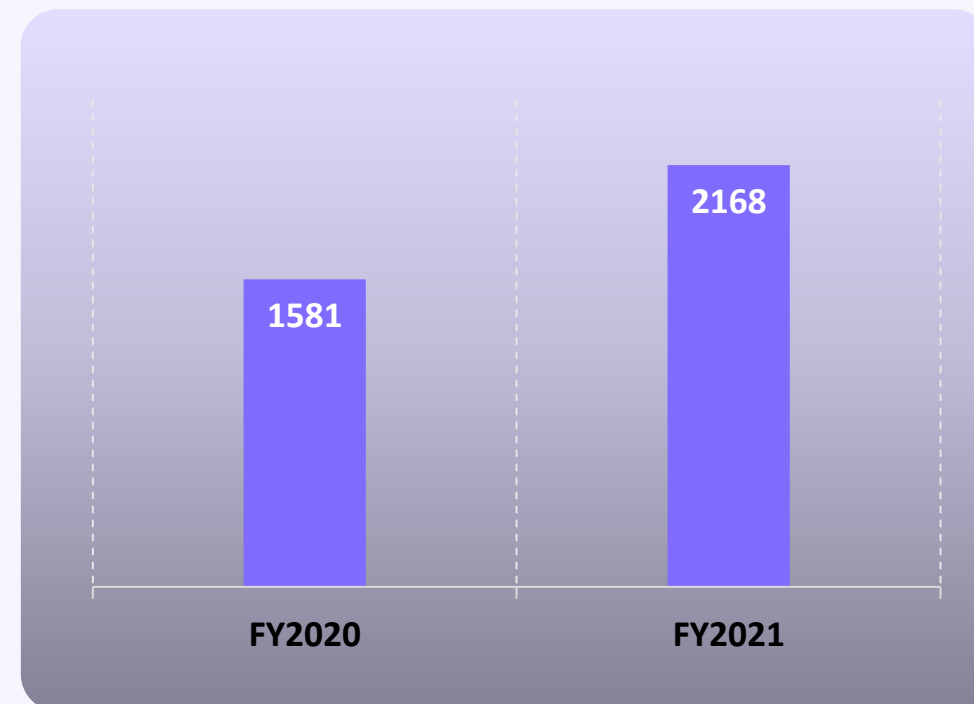


# Crop Nutrition Business

## Recent Developments / Product Launches

- Strong acceptance of Smartek: 100% migration to Smartek in FY21 – an important milestone towards shift from Commodity to Specialty
- “Seeing is Believing” concept; conducted ~16,000 on-farm demonstrations of products, 18,000 digital webinars explaining to 2.22 Lakh farmers about our product value proposition
- Nutrient Based Subsidy approval received for crop specific grades by Government of India
- Success came in form of new product launches during FY21: The new launches include ‘Smartek 14.28.00’, ‘Superfast Bensulf’, ‘Grape Crop Specific Package’ (3 Grades) and ‘Tomato Crop Specific package’ (2 Grades)
- During FY21, the Company tied up with Samunnati, a specialised Agri Value Chain enabler to offer crop-based advisory and access to affordable loans to farmers under FPOs (Farmer Producer Organisations)

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



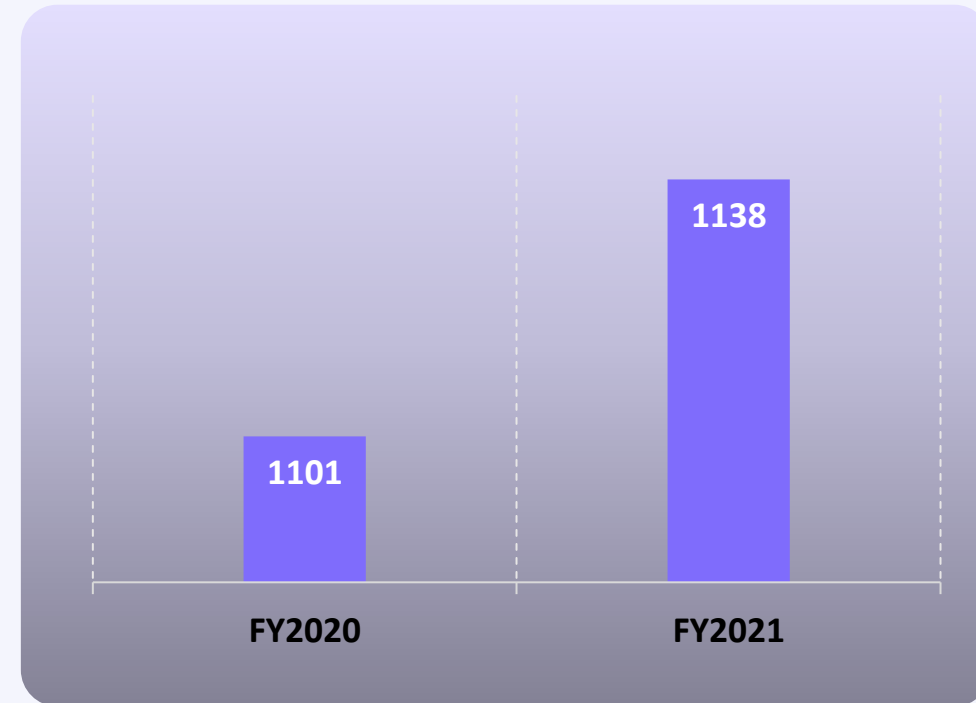
# Mining Chemicals

## (Technical Ammonium Nitrate)

### Recent Developments / Product Launches

- CIL tender volume of 2,000 MT won through Single Tender Enquiry mode
- Initiated debottlenecking to increase the TAN capacity at Taloja by 25% with minimum investment
- Deployment of specially designed Bulk Mixing and Delivery (BMD) trucks to deliver ANFO and High Energy Emulsion blend bulk explosives directly into the blast hole in mines
- Identification of mine and quarry productivity improvement projects to optimise their drilling, blasting and downstream costs
- Launched AN Care Portal, a major milestone in the company's journey towards becoming one-stop solution provider to the Mining and Infrastructure industries for their blasting requirements

TAN Revenue – Rs. Cr  
(Manufactured)

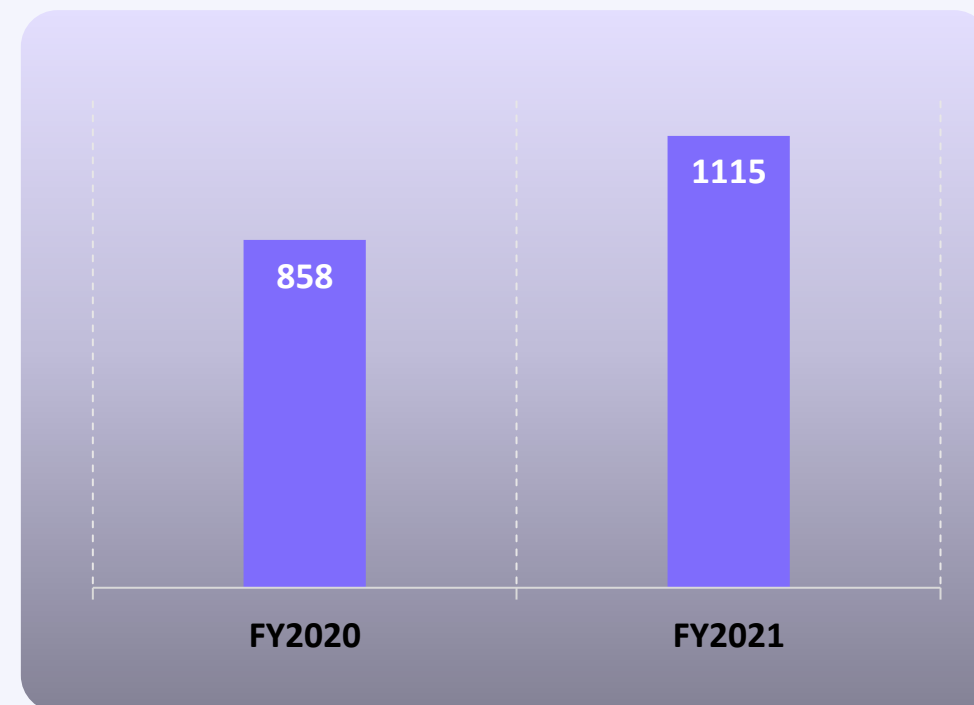


# Industrial Chemicals

## Recent Developments / Product Launches

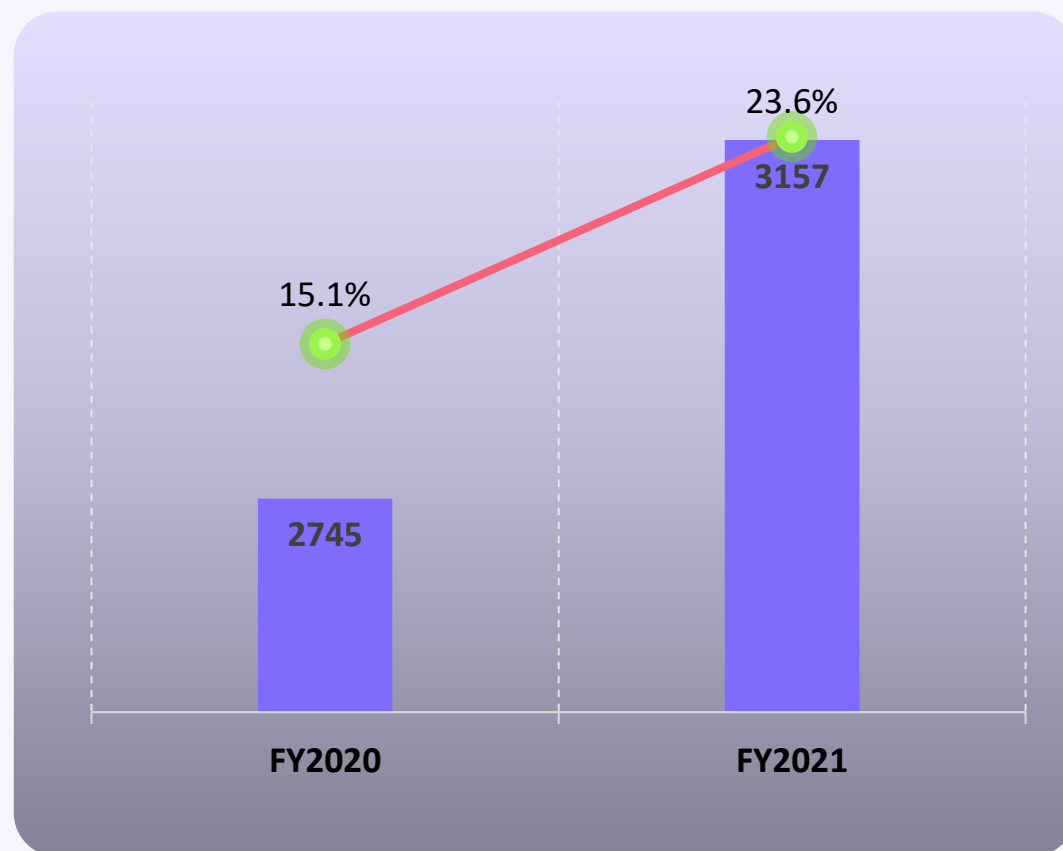
- Dahej Investment started bearing fruits - capacity utilization improved from 65% in FY20 to >100% in Q4' FY21
- The Company is in the process of segmenting the market depending on the concentration of Acids, their application and different end-user segments
- Forayed into the hand sanitisers, disinfectants and wipes segment with its IPA-based product brand called Cororid
- Focusing on the pharma sector and converting standard grade IPA consumers to pharma grade to garner higher market share
- The shift of global specialty chemicals value chain from China to India promises further positive boost to the Nitric Acid Business growth

## Chemicals (IPA+NA) – Rs. Cr (Manufactured)

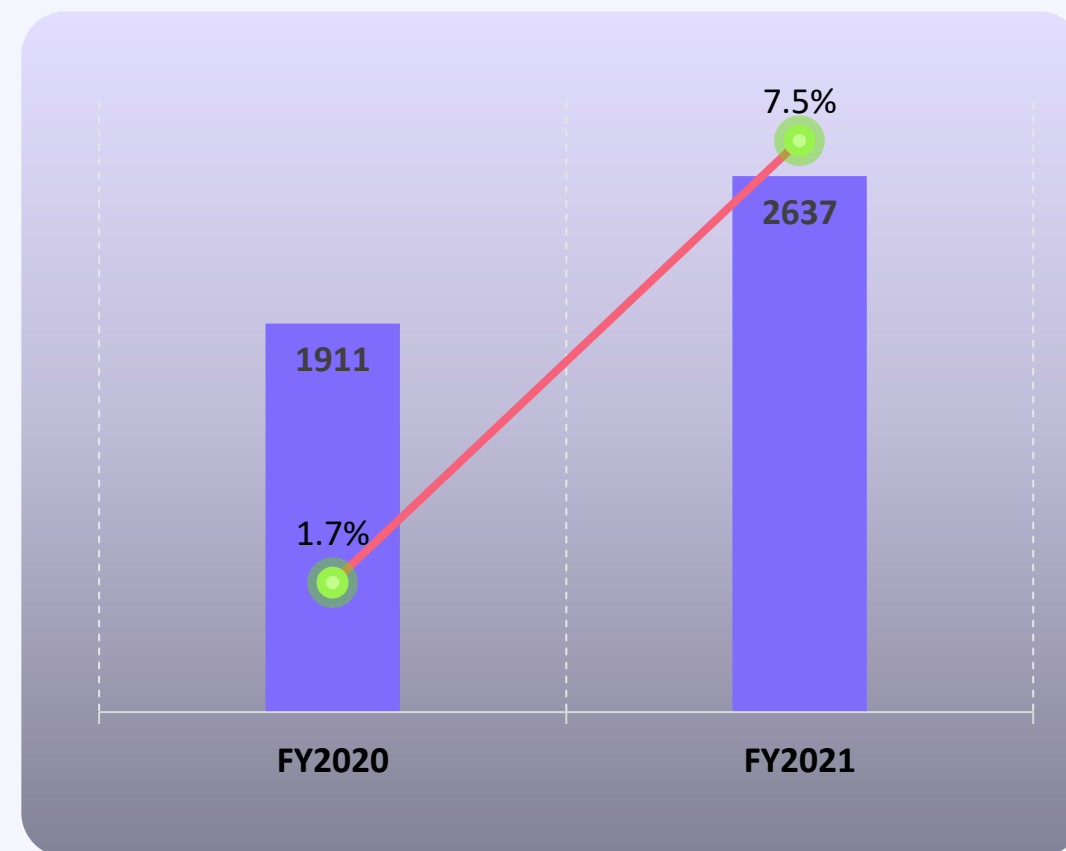


## Robust improvement in margins across product segments

● Chemicals Revenues (Rs. Crores) ● Segment Margins (%)

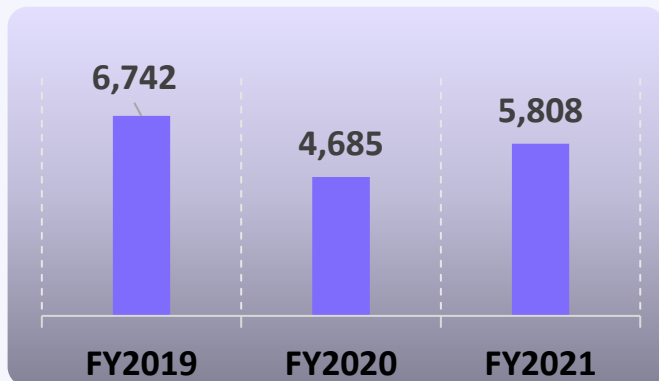


● Fertilisers Revenues (Rs. Crores) ● Segment Margins (%)

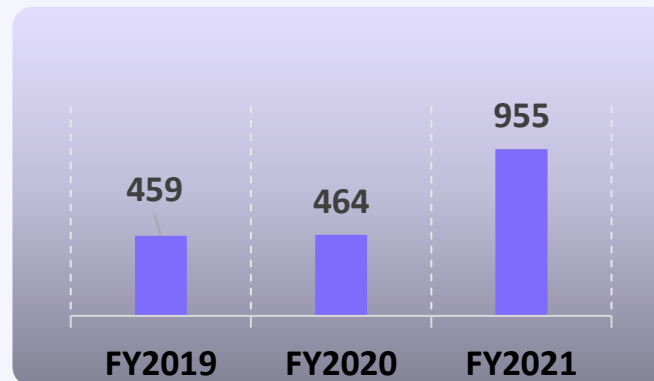


# Financial Track Record

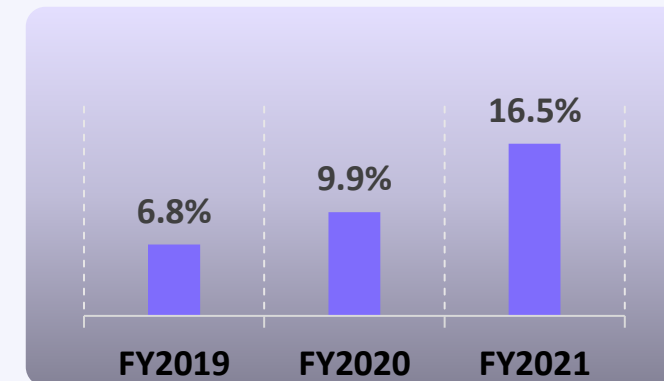
### Operating Revenue (Rs. Cr)



### Operating EBITDA (Rs. Cr)

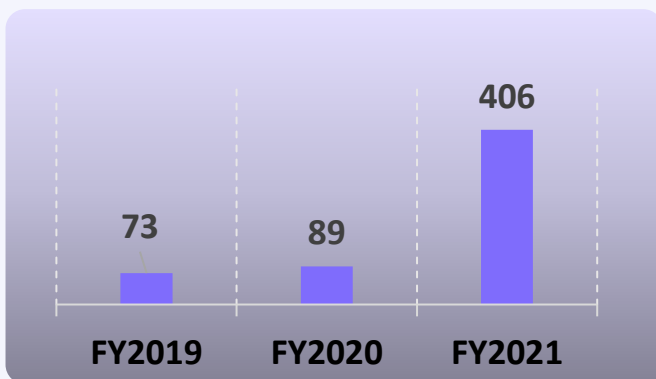


### EBITDA Margin (%)

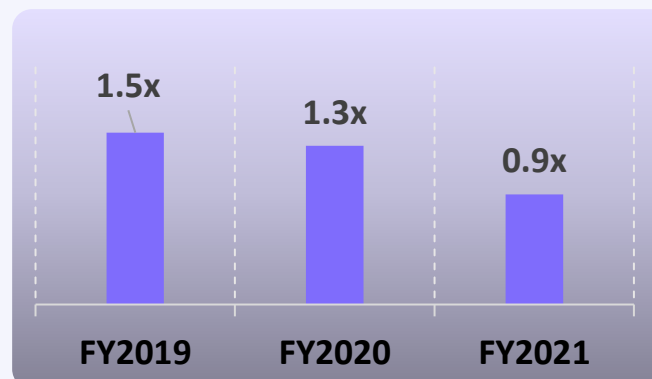


\*Cautiously consolidated trading portfolio with focus on high-margin products

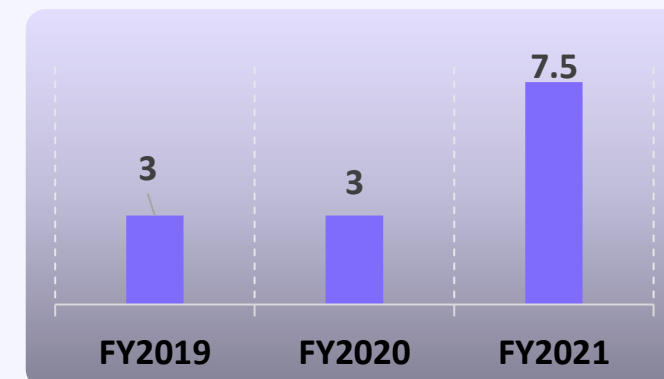
### PAT (Rs. Cr)



### Gross Debt/EBITDA (Rs. Cr)



### Dividend / Share INR





# Digitization in Deepak

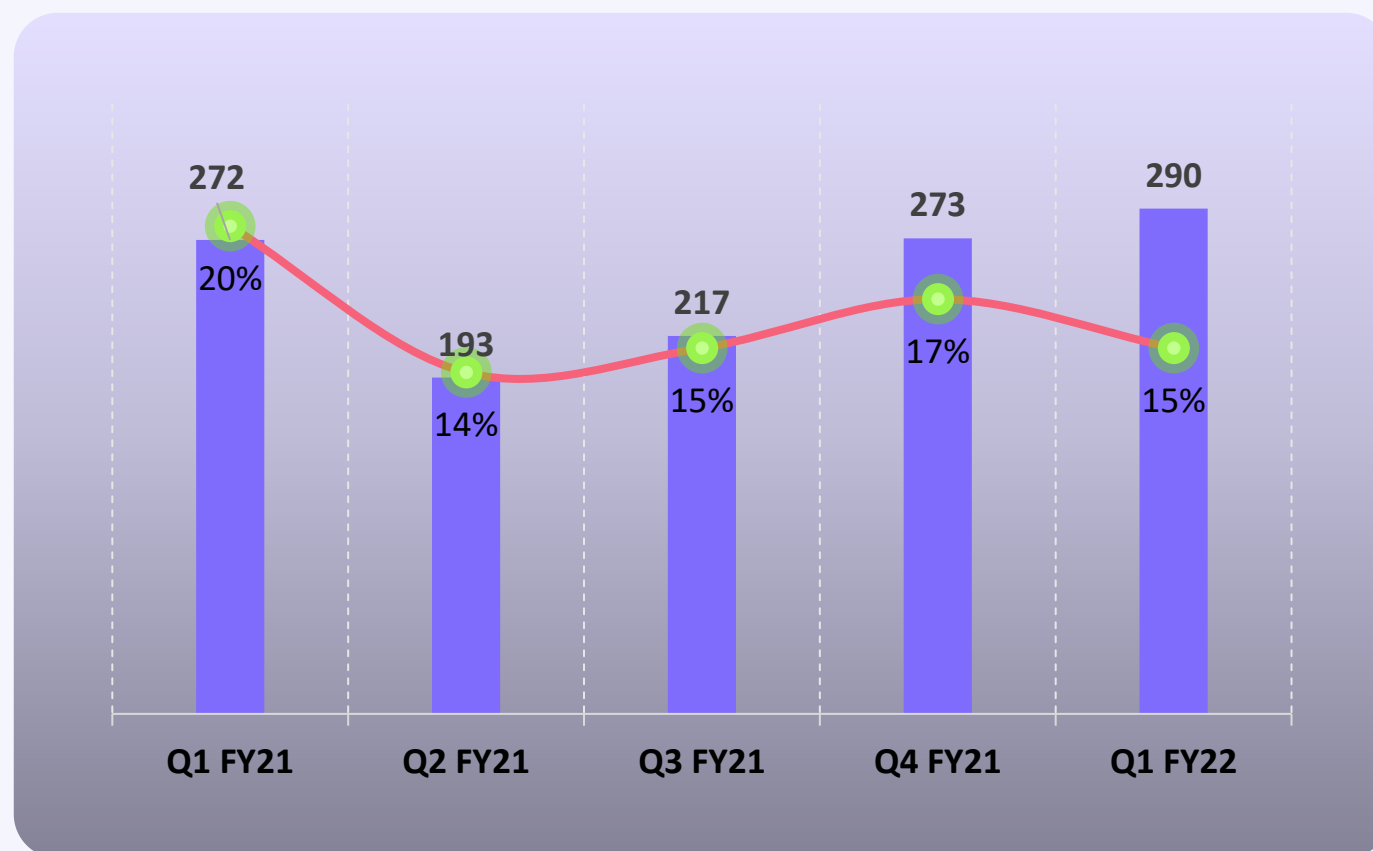
- Total operations migrated from SAP to SAP (Hana) with Dashboard-based Decision Support Systems
- Unleashing Digital Powers, the year saw an introduction of an end-to-end IT enabled Sales and Operations Planning (S&OP) system to enable the delivery of Sales Forecast Improvement, Logistics Cost & Inventory Optimisation, Meeting Customer Demands etc
- Smart Factory/Industry 4.0 Initiative: Implemented various pilot projects and in process of rolling out across all manufacturing operations to improve reliability, productivity, yield and quality
- Mobility Enablement: Various enhancements to Farmer connect mobile app (Mahadhan) to improve user experience and provide digital functionality to farmers. For example, Soil Test Report, Dosage Calculators and Farmer Loyalty Program. Launched mobile digital R&D platform for field trails
- Creativity online portal for assisted commerce and virtual visualization of physical spaces
- Digitalisation of Business Planning and Consolidation under implementation to automate processes related to Budget Cycle, Annual Operating Plan, Rolling Forecast and Financial Dashboards for margin management and costs controls
- Account Payables Centralisation and Automation

## Strong Resilient Product Basket Despite Huge Raw Material Price Surge

### HIGHEST EVER QUARTERLY OPERATING PROFITS

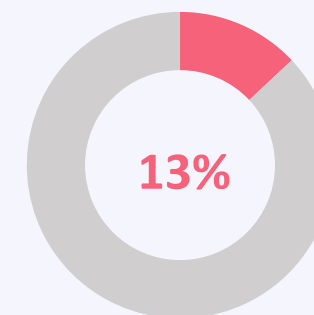
### DIFFERENTIATED AND SPECIALITY FERTILISER VOLUMES GREW FURTHER

● OPERATING EBITDA (Rs. Crores)
 ● EBITDA Margins (%)



### Segment Margins: Q1 FY2022

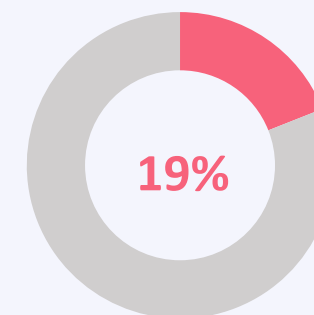
#### Fertilisers



Consistent improvement in operational and financial performance

Achieved highest ever quarterly ANP & NPK production; Speciality fertiliser also grew significantly

#### Chemicals



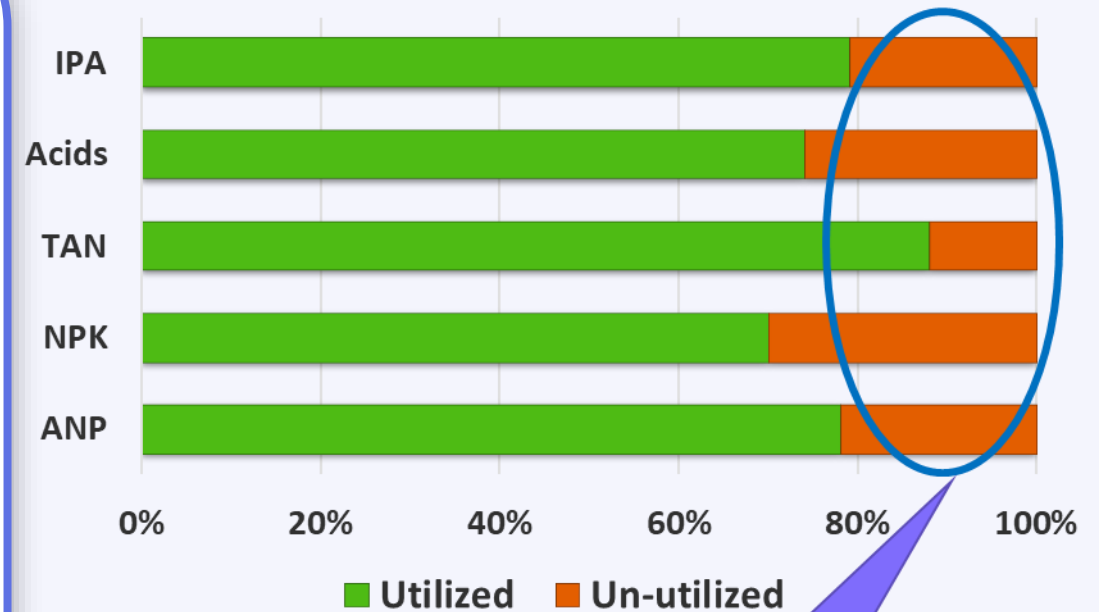
Acid and TAN sales volumes improved y-o-y

Overall Margins were impacted y-o-y due to high base last year which was an aberration for IPA

## Key Messages

- Q1 FY22 Revenue growth +38%, EBITDA and Net Profit growth of 7% and 8%, respectively
- Efforts in each of the businesses to move from Commodity to Speciality continue with strong vigour and the next few years are expected to reap its positive impact
- Strategic ammonia and TAN expansion projects plans; IRR in High Teens
- Embedded operating leverage with manufacturing capacity headroom 20 - 25%
- With all the three sectors: Industrial Chemicals, Mining Chemicals and Fertilisers, strongly aligned to India Growth story, positive tailwinds will continue

### Capacity Utilization in FY21



Headroom in  
capacities

# Ammonia Project

## Why Ammonia Project:

- Ammonia (key raw material) requirements to increase to around 500,000 MTPA
- Huge Risk Mitigation for all the 3 Business Segments with Backward Integration
- Huge savings of \$75-90 per MT in Logistics costs
- Attractive Returns (IRR in High Teens)

## Where are we?

|  |   |
|--|---|
| <b>Land</b>                              | • Land required for project execution completed   |
| <b>Financing Situation</b>               | • Majority of debt is secured for the Ammonia project with 19-year door to door maturity tied up with banks |
| <b>Statutory Approvals</b>               | • Approvals to commission construction in place   |
| <b>Water</b>                             | • MIDC allocation in place  |
| <b>Natural Gas</b>                       | • Discussions are at highly advanced stage for Closure  |
| <b>Licensing &amp; Technology Tie-up</b> | • Agreements for license, Basic Engineering and post BED services with KBR in place                         |
| <b>Supply and Delivery of Equipment</b>  | • Over 90% of FOB equipment including most of the long lead items received at site.                         |
| <b>EPC Contract</b>                      | • EPC contract awarded and site construction on Full Swing  |
| <b>Product Off-take</b>                  | • Agreement in place with group companies on arms length pricing basis                                      |
| <b>Expected Mechanical Completion</b>    | • Q4 FY23   |

# CSR & Awards

## COVID-19 Initiatives

- Provided 2,500 PPE kits to Haffekine Institute through Government of Maharashtra
- Donated a total of 7 ambulances to various hospitals and Municipal Corporations in Mumbai and Panvel
- Donated 5 oxygen generation plants to various hospitals
- Donated 25 oxygen concentrators to Government of Maharashtra
- Donated 2,200 liters of sanitizer and over 5,000 masks.
- Food grains and groceries were supplied to more than 2,500 needy families and migrant workers



DFPCL's Dahej unit has been declared winner of Rotary Environment Excellence Award 2020 - Gold Award - in Large scale chemical sector for outstanding achievement in **Environment Management**



DFPCL's Dahej unit has been declared winner of Rotary Environment Excellence Award 2020 - Gold Award - in Large scale chemical sector for outstanding achievement in **Safety & Health Management**



DFPCL received the Digital Technology Senate Awards 2021 under Internet of Things category organized by The Indian Express Group



**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  
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President and Chief Financial Officer

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Bijay Sharma/Ashok Negi  
Churchgate Partners

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