

Asian Development Bank (ADB) funds farm efficiency initiative of Smartchem Technologies Limited

Initiative to help farmers adopt best practices **in soil nutrition, climate-resilient farming**

Pune, November 1, 2022: Asian Development Bank (ADB) has announced that it would fund the farm efficiency initiative of Smartchem Technologies Limited (STL), a wholly owned subsidiary of Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL), through a \$30 million loan facility with a tenor of 5 years. This is ADB's first agribusiness "Blue Loan", and the first such blue loan in India in the agribusiness sector across institutions. The loan will be used to finance capital expenditure as well as research and development of enhanced-efficiency speciality fertilizers.

STL was chosen as a suitable candidate for Asian Development Bank (ADB) support because of its (i) leading market position in the enhanced efficiency specialized fertilizers (EESF) segment, with advanced technical capability and satisfactory financial performance; (ii) growth potential from the enhancement of fertilizer production capacity to provide quality inputs; and (iii) actions to encourage the application of EESFs, which will support the sustainable transformation of agriculture in India while improving its resilience to climate change.

ADB has also given approval for a technical assistance grant of USD 5,00,000 for building capacity for Soil Nutrition Management among Smallholder Farmers and Climate Resilience in India. The said grant is in addition to financing of \$30 Million ("Blue loan").

Enhanced-efficiency speciality fertilizers have shown increased output while reducing the need for fertiliser application rate. It also reduces environmental impact and supports Nutrient uptake efficiencies and thus delivers better productivity leading to improved food security.

STL has, over the years, successfully built on its credentials as an innovator in the Water Soluble and Specialty Fertiliser category, to emerge as market leader through its Mahadhan Brand. Its Crop-Specific products provide Enhanced Nutrient Uptake by the soil/crop in comparison to the commodity NPK products and will help enhance farmers' incomes by way of better yields and quality. STL today offers a basket of 48 products which include bulk fertilisers, Crop nutrient solutions, speciality fertilizers, water soluble fertilizers, bio-stimulants, micro-nutrients and secondary nutrients, catering to every crop's nutrient requirement. STL's enhanced-efficiency speciality fertilizers are developed basis rigorous R&D efforts and product trials at over 50,000 farmer demo plots. The R&D efforts have shown distinct yield and quality improvements for crops across segments such as cotton, sugarcane, onion, fruits, and vegetables. The efficacy of STL's speciality fertilizers has been appreciated by the scientific community and Agricultural Universities for their ability to improve nutrient use efficiency as well as provide balanced and holistic nutrition. Over the last three years, value-added nutrition products have benefitted 6 million farmers.

Commenting on the development, Mr Sailesh C Mehta, Chairman & Managing Director, DFPCL said "This Financial association with ADB will help enhance our ongoing Specialty Fertiliser Business including the applied R&D & grass-root Farmer Training initiatives. It is heartening to have a validation of our efforts towards Crop/Soil specific Fertiliser Systems and improvements of Nutrient Use Efficiency that promises to bring balanced soil nutrition while lowering leaching effluents. We will continue to strive to deliver on our Vision of playing an active role in building an Atmanirbhar Bharat in foodgrain production and play a decisive role in ensuring food security by raising the yield & quality parameters of Indian Farms to Global Standards."

ADB's Director General for Private Sector Operations Suzanne Gaboury said "Private sector investment in agriculture is critical to help farmers adapt to climate change. Fertilizer companies need to be at the forefront of climate adaptation as their products can increase productivity and improve resilience to the impacts of climate change. The private sector can play an important role in bringing more advanced fertilizer products to the market, investing in local manufacturing to reduce reliance on imports, and training farmers in proper usage and soil management."

Additional Notes

DFPCL Overview:

Deepak Fertilisers and Petrochemicals Corporation Ltd. (DFPCL) is among the India's leading manufacturers of industrial chemicals and fertilisers. With a strong presence in Technical Ammonium Nitrate (mining chemicals), Industrial Chemicals and Crop Nutrition (fertilisers), the Company supports critical sectors of the economy such as infrastructure, mining, chemicals, pharmaceutical and agriculture. DFPCL is a publicly listed, multi-product Indian conglomerate and has plants located in four states, namely Maharashtra (Taloja), Gujarat (Dahej), Andhra Pradesh (Srikakulam) and Haryana (Panipat). ICRA has upgraded DFPCL & STL 'Long Term' Credit Rating to AA- with Stable outlook. 'Short Term' Credit Rating is also affirmed to A1+ (Highest Rating).

STL Overview:

Smartchem Technologies Limited (STL) is one of the leading fertiliser manufacturers in India. It is a wholly owned subsidiary of DFPCL, a publicly listed, multi-product Indian conglomerate with a multi-product portfolio spanning industrial chemicals, farming diagnostics and solutions and value added real estate. DFPCL is the parent company of Smartchem Technologies Ltd, handling the fertilisers, bulk fertilisers and TAN businesses. Its fertilizer brand "Mahadhan" has been serving the farming community for over 25 years and is a leader in specialty fertilizers. DFPCL's products conform to world-class quality standards and are preferred brands among various sectors.

Safe Harbour:

This document 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.