

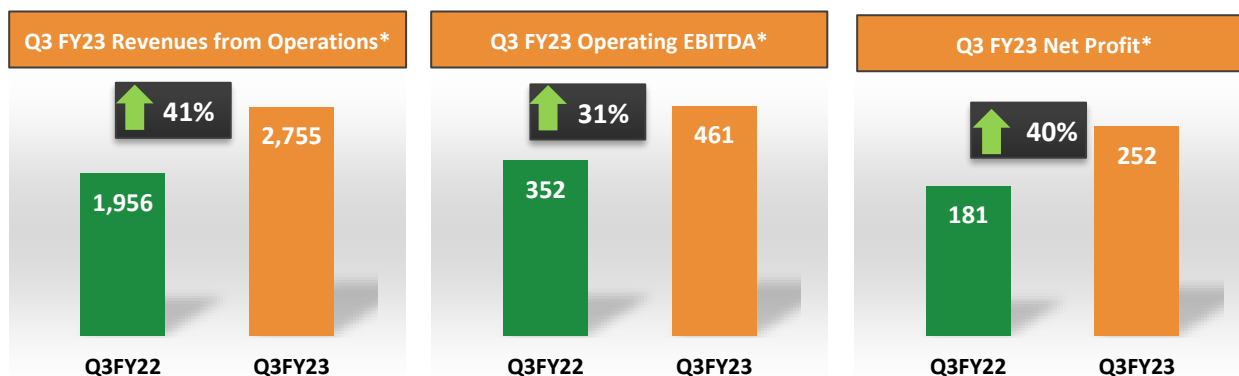
Best Ever Q3 and 9M Financial Performance with High Growth Trajectory in Place

9M EBITDA Doubled; Q3 Jumps by 31%

Around 40% Gas Tied Up for Ammonia Project at Attractive Discount to Spot

Pune, India, Feb 2, 2023: Deepak Fertilisers And Petrochemicals Corporation Limited, one of India's leading producers of industrial chemicals and fertilisers ("DFPCL" or the "Company"), announces its results for the quarter ended December 31, 2022.

Consolidated Financial Highlights



* Rs Crores

INR CR	Q3FY23	Q3FY22	Y-o-Y Growth	9M FY23	9M FY22	Y-o-Y Growth
Operating Revenue	2,755	1,956	40.9%	8,505	5,651	50.5%
Operating EBITDA	461	352	31.0%	1,696	854	98.6%
Margins (%)	16.7%	18.0%	(126) bps	19.9%	15.1%	483 bps
Net Profit	252	181	39.7%	964	405	138.2%
Margin (%)	9.1%	9.2%	(10) bps	11.2%	7.1%	412 bps

Segment Performance:

- 9M Chemicals Segment** contributed ~87% of segment profits. Revenues grew by 60% y-o-y and margins increased from 21% (9M FY22) to 33% (9M FY23)
- 9M Fertilisers Segment** revenues grew by 39% y-o-y with segment margins of 7%
- Strong performance despite adverse movement of key RM Prices in 9M:** Ammonia ▲ ~83.7% YoY; Phos Acid ▲ ~80.7% YoY; RGP ▲ ~16% YoY; MOP ▲ 103%, Gas ▲ 95.6%
- TAN Project Funding:** Tied up entire Debt of Rs. 1,541 Crores with door to door tenor of 14 years
- State Incentive on NPK Project Investment:** Received 'Sanction of Industrial Promotion Subsidy Claim' for FY20, FY21 and FY22 of approx. Rs. 25 Crores from Directorate of Industries, Government of Maharashtra in Jan 2023
- Asian Development Bank Blue Loan:** First tranche of \$15 Million disbursed in November 2022
- Corporate Restructuring:** Announced Demerger plan of its Mining Chemicals & Fertiliser Businesses in Dec 2022; Composite scheme of arrangement has been admitted with National Company Law Tribunal (NCLT) on January 25, 2023



Chairman's Message

Commenting on the performance, Mr. Sailesh C. Mehta, Chairman & Managing Director:

" We, at DFPCL group, have been consistent in delivering overall business growth supported by strong operational performance, dominant market position and robust cashflows. This is indeed our Best Ever Q3 and 9M Performance despite having to weather the headwinds such as unfavourable raw material pricing and difficult global economic conditions.



Our Ammonia Greenfield Plant is on track, and we expect that it will be operational by the first quarter of FY24. Project has already achieved an overall progress of 93.5% as of Dec'22 and construction work is almost complete. Project has already been granted Ultra-Mega project status by Government of Maharashtra. Through bilateral negotiations with gas aggregators, we have tied up around 40% of gas needs for the upcoming Ammonia project which is Brent-linked and at an attractive discount to spot. In addition to this, we are in advance stage of discussion with gas aggregators and also targeting purchase of domestic gas through auction route.

Considering TAN and Crop Nutrition business have attained a strategic size and relevance, Corporate Restructuring plan shall provide required unlocking with strategic flexibility to drive long-term business growth and value creation for the end customers, employees and other stakeholders"

Chemicals Review

- Q3 Chemicals Segment revenues grew by 37% y-o-y with segment margins of 28%
- **Mining Chemicals (TAN):**
 - Post Q2 i.e., after monsoon period, the mining & infrastructure activities started picking-up in Q3. Q3 FY23 witnessed moderate recovery in demand. CIL's OB (overburden) production grew by 21% y-o-y and by 53% q-o-q, CIL's Coal production grew by 10% y-o-y and 29% q-o-q
 - In Q3 FY23, TAN continued to focus on meeting the domestic demand. Sales volume decreased by approx. 10% year over year, mainly due to delayed pickup of demand in the infrastructure and non coal segment and resumption of typical imports of AN from Russia
 - Pricing across all segments remained competitive amidst moderation of imported AN prices
 - Continues to execute Total Cost of Ownership (TCO) projects to establish and deliver the superior value proposition of its Solutions (product supply + technical services), in line with the transformation journey to move from commodity to speciality
- **Pharma / Speciality Chemicals (Nitric Acid and IPA):**
 - Prices of all grades of Nitric Acid remained strong. Extended plant maintenance period at DFPCL Dahej plant affected the CNA supply adversely
 - New specialty product Solar Grade Nitric Acid has been commercialized and regular supplies has started to a Solar cell manufacturer. The product has received good feedback from the end user
 - IPA sales were impacted by import of cheaper IPA from China and the rising cost of propylene raw material and fuel. Focus is on specialty Pharma grade IPA, Sanitizer & Disinfectant segment yielding positive traction and paving way for future shift



Fertilisers (CNB) Review

- Q3 Fertilisers Segment revenues grew by 47% y-o-y with segment margins of 5%
- Delayed withdrawal of South west Monsoon and heavy rain led to slow start of rabi season
- CropTek experiencing good response; sales of 25,100MT of CropTek in Q3 and about 1.21 Lakh MT of CropTek Since its launch; reached approx. 0.75 Million farmers
- Significant ramp up of Solutek - Tomato and Grapes
- Received Golden category Award for CropTek launch campaign at Rural marketing association of India (RMAI) flame awards
- Unique 'Blue Loan' from ADB: Financial association with ADB to enhance Company's ongoing Specialty Fertiliser business including the applied R&D and grass-root Farmer Training initiatives. This validates Company's efforts towards Crop/Soil specific Fertiliser Systems and improvements of Nutrient Use Efficiency that promises to bring balanced soil nutrition while lowering leeching effluents

Other Updates

- **Ammonia Project:** Drive for fast-track project execution for the Ammonia greenfield projects continues on full swing; Commissioning expected in Q1 FY24
 - [Click Here](#) to watch Latest Ammonia Plant Video
- **DFPCL ESG Profile:** Launched an online ESG profile platform on DFPCL Corporate website, providing accessible streamlined ESG information to all stakeholders
 - [Click Here](#) to Visit: Online ESG Profile
- **DFPCL Ranking** in NSE Top 500 Companies: DFPCL moved up from 674th rank in Dec 2019 to 358th rank in Dec 2022
- **Promoter Pledge:** As on 31st December 2022, Promoters' pledged shares are now restricted to ONLY 3.10% of paid-up share capital and NDU obligation (and not 'pledge') is of 3.66% of paid-up share capital

Outlook

- **Mining Chemicals (TAN):**
 - Growth momentum is expected to continue in Q4 FY23, which typically is the period of peak production for Mining and Infrastructure activities
 - Strong demand for power and Infrastructure (cement & rock aggregates) is also expected to improve compared to Q3 FY23
- **Pharma / Speciality Chemicals:**
 - Domestic demand for all grades of NA is expected to be stable in Q4
 - Steel Grade Nitric Acid commercialization planned during Q4 FY23
 - Cost pressures are expected to continue for propylene-based producers
- **Fertilisers (CNB):**
 - Reservoir levels in key operating geography are well above the normal level expecting Good rabi sowing
 - Focus is on innovating and differentiated products such as CropTek and Solutek which will enhance use efficiency, promote balance crop nutrition management, good soil health, increase crop productivity and achieve improvement in nutritional quality of crop produce
- **Union Budget 2023-24:**
 - Agriculture Sector: Focus remains on agriculture sector growth, building of physical and digital infrastructure, enhancing productivity of selected cash crops etc which would indeed



incentivise the farmers and overall agri sector. Fertiliser subsidy is also in line with estimates of downward price movement of RM prices.

- Infrastructure Development, Railways, Logistics, Capital Investment Sector: Continued focus on country's infrastructure and logistics requirement supported by increasing budgetary allocation to drive Mining and Power demand. This is expected to further increase the demand for TAN.
 - Pharma Sector: Focus on pharma and health sector particularly in research and development, infrastructure and preventive healthcare domain shall have positive impact on Company's solvent business catering to pharmacopeia requirements.
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Additional Notes

Company 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).

DFPCL is Leading manufacturer and marketer of Iso Propyl Alcohol (IPA) in India and Largest Manufacturer of Nitric Acid in South East Asia. The Company is developing specialised grades of Nitric acid and IPA to meet specific requirements to cater needs of the industry/consumer.

DFPCL is one of the leading manufacturers of Technical Ammonium Nitrate in the world, it is the only producer of prilled TAN solids in India and also manufactures medical grade Ammonium Nitrate. The Company has commenced best in-class Technical Services to drive downstream productivity benefits for the mining end consumers.

CNB Segment (fertilisers) offers a basket of 48 products which include bulk fertilizers, Crop nutrient solutions, specialty fertilizers, water-soluble fertilizers, bio-stimulants, micro-nutrients, and secondary nutrients, catering to every crop's nutrient requirement. 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 & vegetables. Over last three years, value-added nutrition products have benefitted 6 million farmers.

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Safe Harbour:

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