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DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED

18 November 2019

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 Q2 FY 2020**

Dear Sir / Madam,

Please find enclosed an Earnings Presentation of the Company for **Q2 FY 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

*Deepak*



Products to Solutions  
Commodities to Brands



DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED



INDUSTRIAL CHEMICALS



MINING CHEMICALS



CROP NUTRITION

## Deepak Fertilisers And Petrochemicals Corporation Ltd.

Q2 FY2020 Earnings Presentation

(BSE: 500645; NSE: DEEPAKFERT)

18 November 2019

*A Journey of 40 Years*

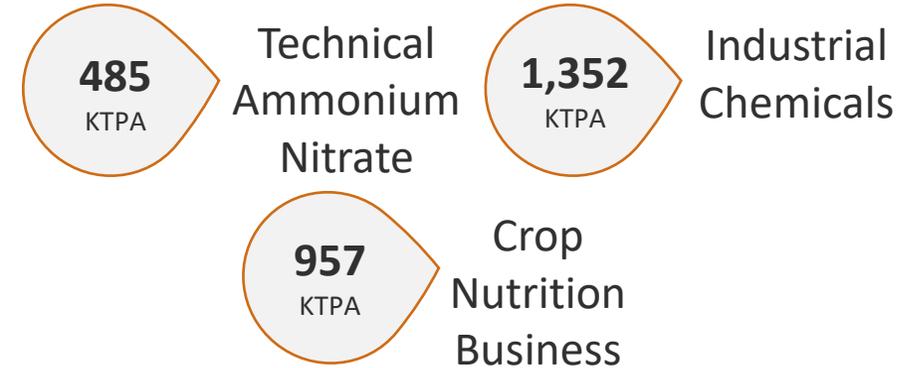


## Diversified Business

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



## Installed Capacity



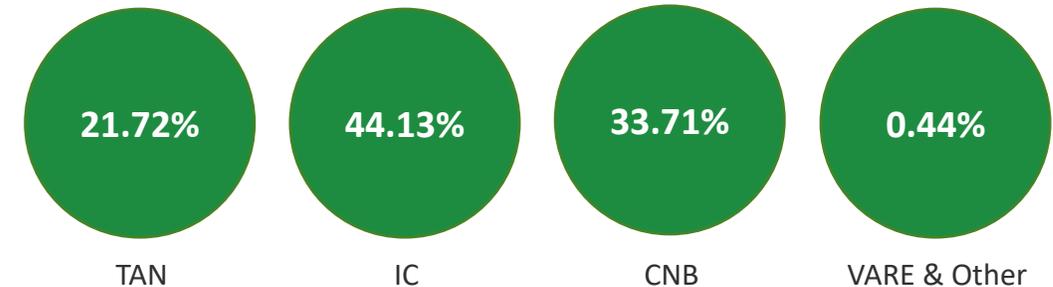
## Strategic Plant Locations

- 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. 6,742 Crore\*

## Contribution to Total Revenues (%)



\*FY2019 financials

# Consolidated Quarterly Highlights

## Financial Performance

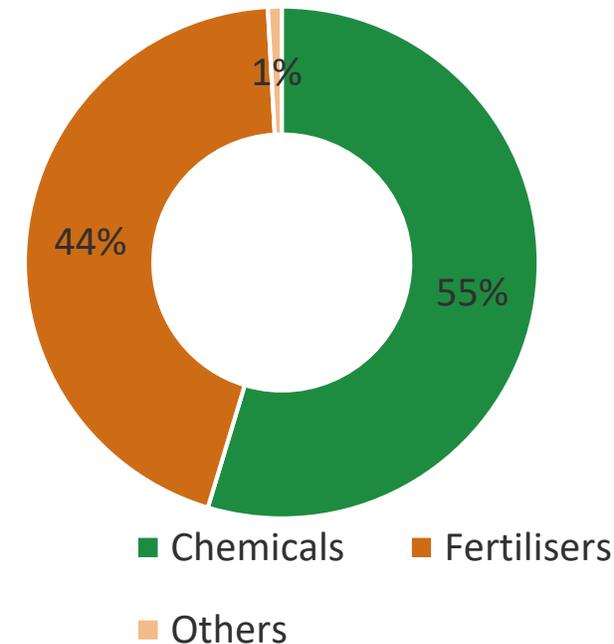
- Total Revenues reported at ~ Rs. 1,151 Cr in Q2 FY2020
- Operating EBITDA stood at Rs. 117 Cr;
  - Operating Margins of ~10.1% in Q2 FY20 (~6.5% in Q2 FY19; ~10.7% in Q1 FY20)
- Net Profit stood at ~Rs. 25.5 crores in Q2 FY20 (Rs. 18.5 Cr in Q2 FY19; Rs. 10.7 Cr in Q1 FY20)
- Net Debt stood at ~Rs. 2,868 Cr as of 30 Sept 2019 (Rs. 2,698 Cr as of March 2019)

## Operational Performance

- Prices of major key raw material declined compared to Q1 FY2020 and Q2 FY2019
- With the initial delay in the onset of monsoon which became active only in July first week and continued well in August and September, sales volume of NPK increased by 22% Y-o-Y and NP grew by 25% y-o-y. However, the segment profitability mainly got impacted on account of high channel inventory and abrupt price disruption.
- The Company continued to consolidate trading portfolio in Chemical business and focus on high-margin products
- Chemicals segment performance was impacted primarily due to relatively lower economic activity in the country and flooding situations at customers site at Dahej. Dahej operations tested for 100% capacity utilisation.
- Despite IPA coming into positive zone, the impact of dumping from Chinese continued to affect IPA margins.
- There was unfortunate and wrongful blanket water cut by MIDC on all units at Taloja consequent to NGT strictures on the Common Effluent Treatment Plant (CETP) despite the Company being a non-polluting unit. The water supply was restored in October 2019 after stay from Honourable Supreme Court.

## Revenue Breakdown

Q2 FY20: Rs 1,151 Cr



## Successful Closure of first tranche of IFC Funding

- **October 2019:** International Finance Corporation (IFC) successfully subscribed to the first tranche of US\$ 30 million (i.e. approx. Rs.210 Crores), by way of Compulsory Convertible Debentures (CCDs) and Foreign Currency Convertible Bonds (FCCBs) into DFPCL and its wholly owned subsidiary Smartchem Technologies Limited (STL)
- Funding is part of IFC's US\$60 million investment commitment by way of CCDs and FCCB. The second tranche of US\$ 30 million (i.e. approx. Rs. 210 Crores) is expected to be subscribed in next three months

## Warrants Subscription

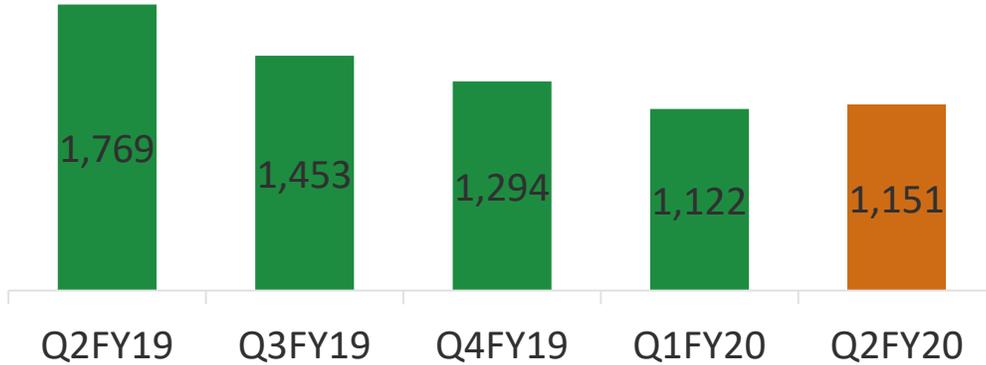
- **October 2019:** The promoters of DFPCL have infused further Rs. 25 Crores into the company towards conversion of warrants into equity shares
- Warrants of Rs. 200 Crore were issued to the promoters at a price of Rs. 308.79, out of which 25% of the amount (i.e. Rs. 50 Crores) were already infused in October 2018
- The promoters remains committed to subscribe to the warrants through preferential allotment. The balance of Rs. 125 Crores would be infused by the promoters within the stipulated time period

## Monetization of Non-Core Assets

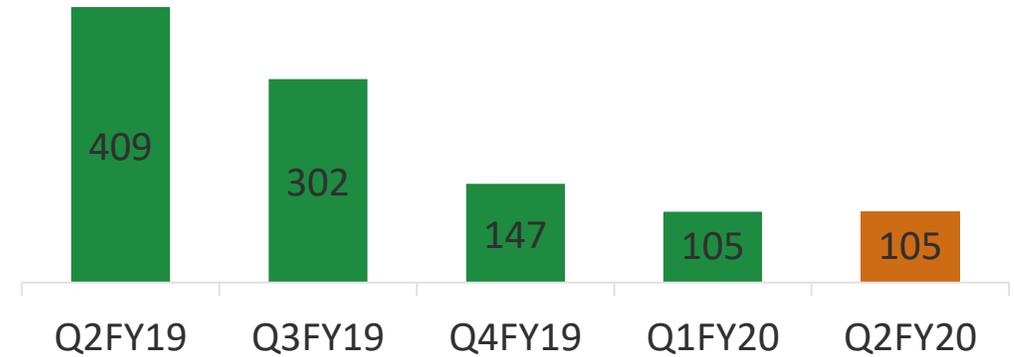
- **July 2019:** DFPCL sold 75% holding in Desai Fruits and Vegetables Private Limited to Contract Farming Mauritius Private Limited for Rs. 28.2 Crores
- The Company is making good progress on monetizing of other non-core assets

# Consolidated Quarterly Highlights

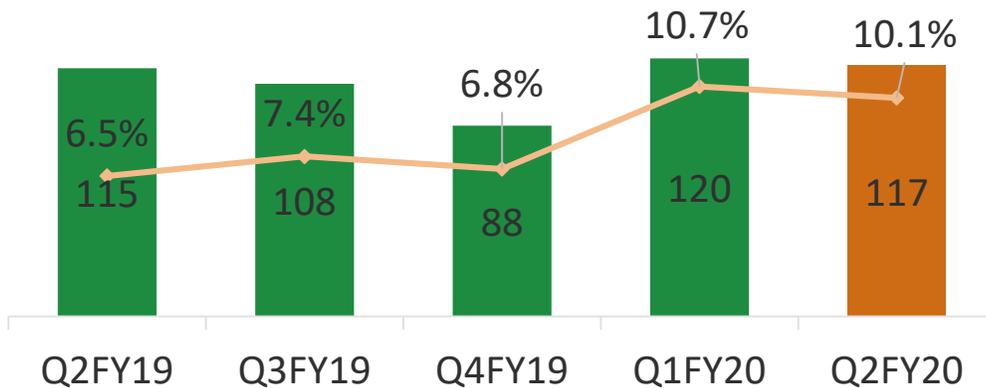
Revenue from Operations (Rs. Cr)



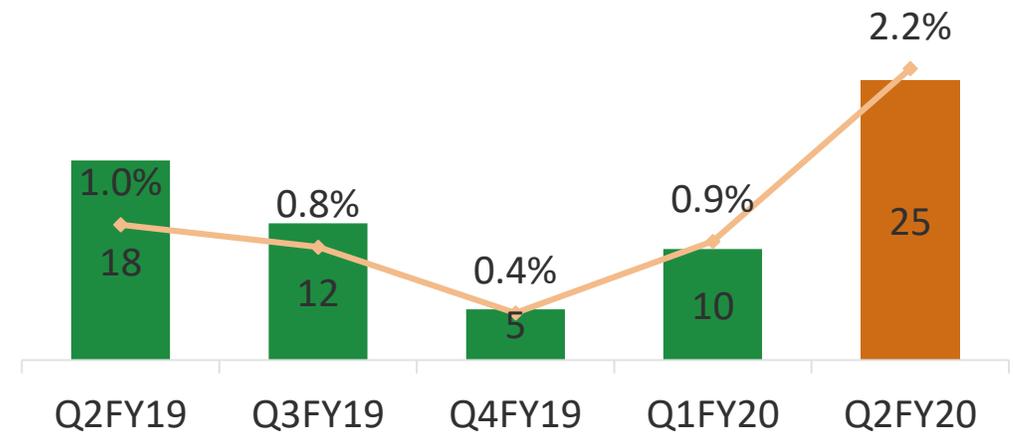
Chemicals: Trading Revenues (Rs. Cr)



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

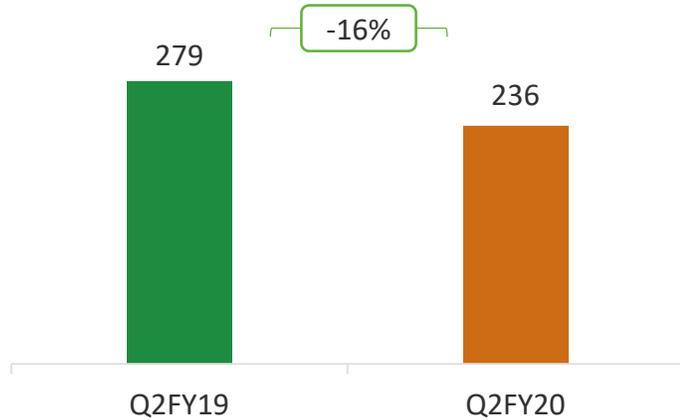


Profit After Tax (Rs. Cr)

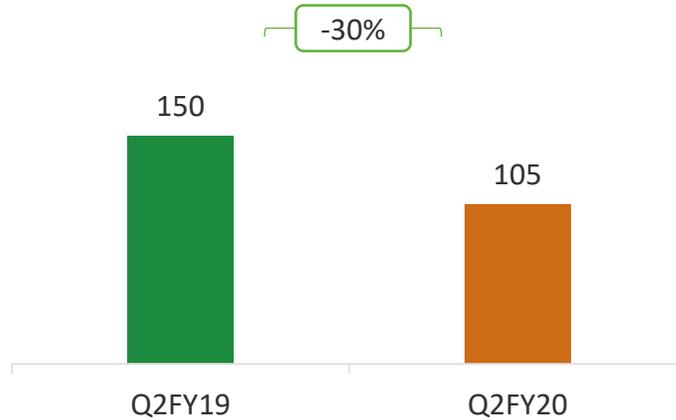


# Consolidated Segment Highlights: Chemicals

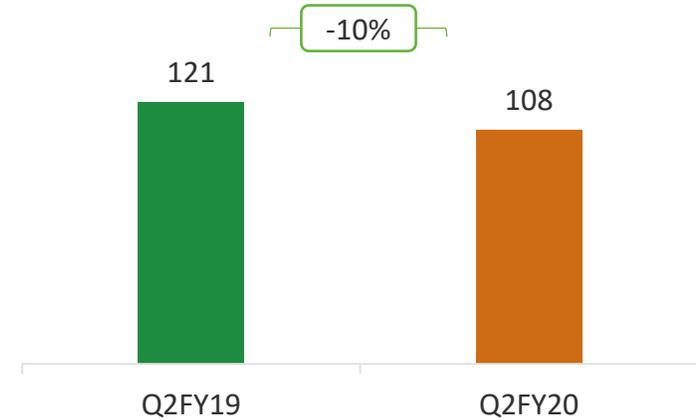
## Manufactured TAN Sales



## Manufactured IPA Sales



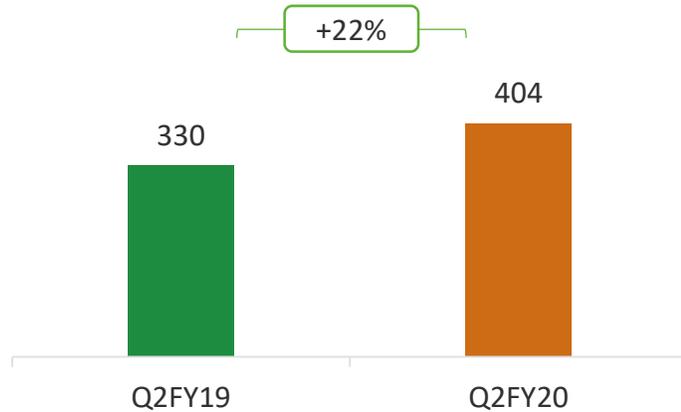
## Manufactured Acids Sales



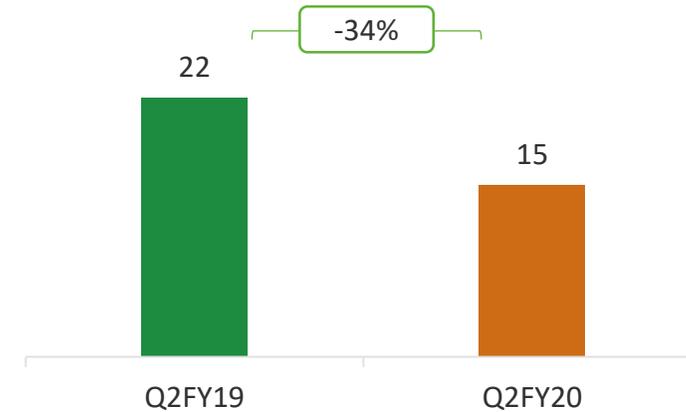
- Manufactured Chemical business reported revenues of ~Rs. 524 crores in Q2 FY20 as compared to ~Rs. 670 crores in Q2 FY19. Chemical Trading business was consciously reduced from ~Rs. 409 crores Q2 FY19 to ~Rs. 105 crores in Q2 FY20. The Company continued to consolidate its trading portfolio and focus on high-margin products
- TAN sales were impacted mainly on account of reduction in sales volumes of LDAN (~27%) and HDAN (~23%) backed by incessant and extended rains in mining region, stagnant growth in cement production, weak infrastructure development and de-growth in Coal India's coal production. The volume loss was offset to some extent by sales volume gain of TAN Solutions (~37%) and better price realizations in HDAN and TAN Solution. The situation is expected to improve over H2.
- Acids volume increased by ~6.3% Y-o-Y in Q2 FY20. Dahej operations tested for 100% capacity utilisation. Sales volumes of IPA decreased by ~11% y-o-y but increased by ~72% compared to Q1 FY2020. IPA margins moved into positive zone with the recent correction in RGP prices.
- MIDC curtailed the inlet water to all the industries in Talaja Industrial Area in the first week of September which continued till the end of the month, resulting in production volume loss of various products. The water supply was restored in October 2019 after stay from Honourable Supreme Court.

# Consolidated Segment Highlights: Fertilisers

## Manufactured NP and NPK Sales



## Manufactured Bensulf sales



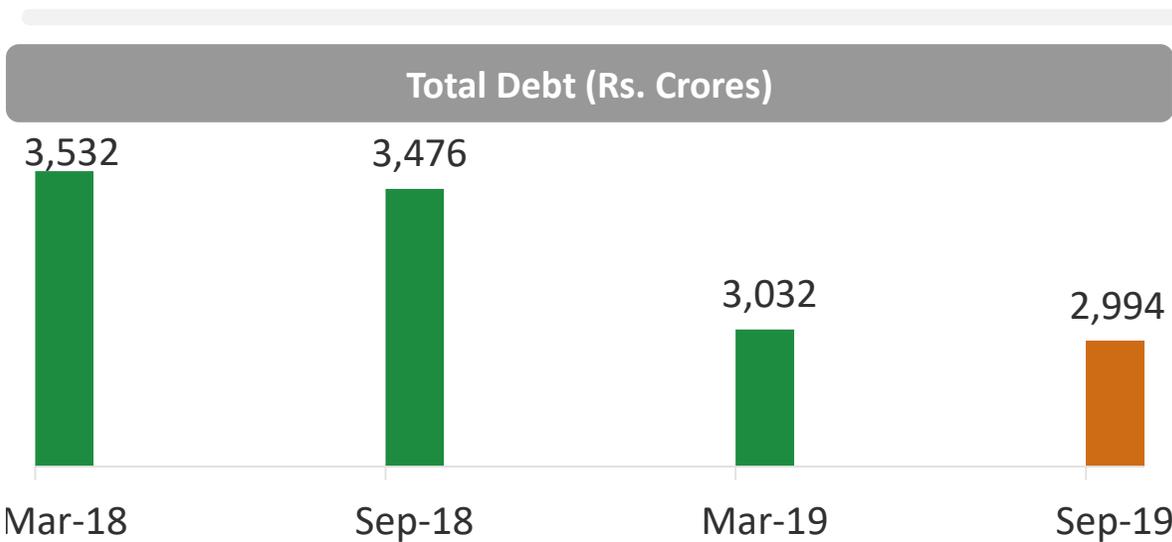
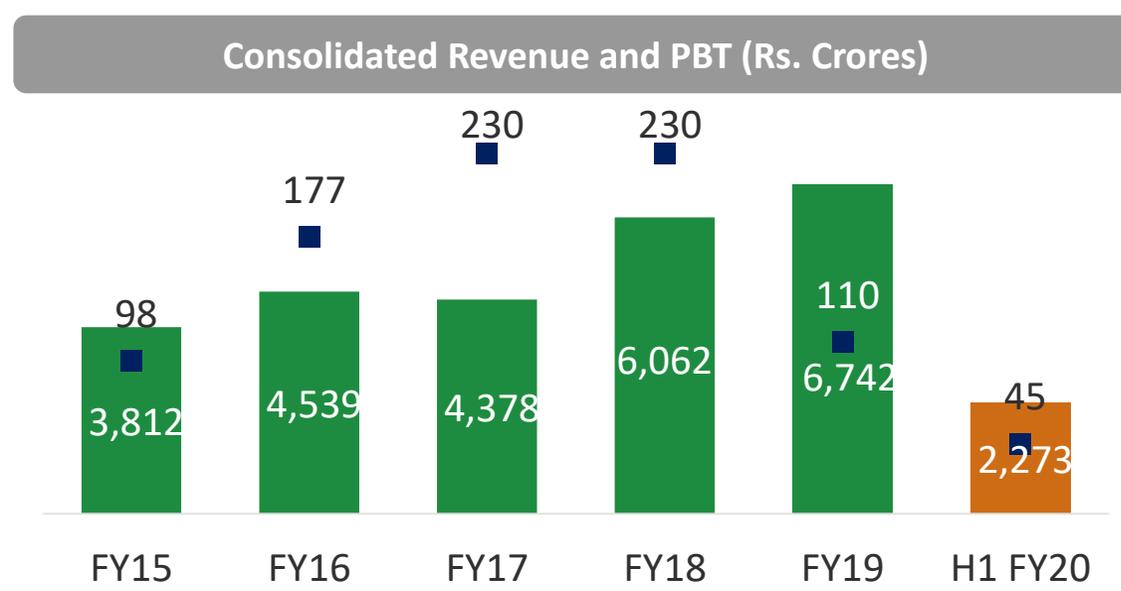
- Manufactured Fertilisers business reported revenues of ~ Rs. 420 crores in Q2 FY20 as compared to ~ Rs. 355 crores in Q2 FY19. Fertilisers Trading business was reduced from Rs. 325 crores Q2 FY19 to Rs. 92 crores in Q2 FY20. The reduction in traded revenue in CNB was in line with the strategic decision to move towards differentiated NPK grade
- During the quarter, sales volume of NPK increased by 22% Y-o-Y and NP increased by 25% compared to Q2 FY2020. However, segment profitability impacted due to high channel inventory, delayed monsoon and abrupt price disruption in the core command area
- SMARTEK as percentage of NPK sales increased from 37% in H1 FY19 to 57% in H1 FY20. The farmers and retailers have accepted SMARTEK as a premium NPK fertiliser
- MIDC curtailed the inlet water to all the industries in Taloja Industrial area. This also affected the production of fertiliser products
- Prices of key raw material (such as phos acid and ammonia) have declined compared to Q1 FY2020 and Q2 FY2019

# Consolidated Sales Volume

Volume MT	Q2 FY20	Q2 FY19	Y-o-Y growth	Q1 FY20	Q-o-Q growth	H1 FY20	H1 FY19	Y-o-Y growth
Methanol	5,273	17,871	(70.5)%	10,370	(49.2)%	15,643	37,107	(57.8)%
Nitric Acid	56,450	53,100	6.3%	61,519	(8.2)%	117,880	98,519	19.7%
IPA	18,621	20,992	(11.3)%	10,827	72.0%	29,448	32,674	(9.9)%
TAN Solid	78,699	104,111	(24.4)%	108,571	(27.5)%	187,271	211,594	(11.5)%
LDAN	21,993	30,216	(27.2)%	27,880	(21.1)%	49,873	64,983	(23.3)%
HDAN	56,706	73,895	(23.3)%	80,691	(29.7)%	137,397	146,611	(6.3)%
TAN Solutions	11,956	8,705	37.3%	18,287	(34.6)%	30,243	21,519	40.5%
NP	66,394	53,301	24.6%	37,957	74.9%	104,351	105,755	(1.3)%
NPK	68,616	56,091	22.3%	65,666	4.5%	134,282	145,226	(7.5)%
WSF	189	280	(32.4)%	246	(23.1)%	435	345	26.4%
Bensulf	6,567	7,836	(16.2)%	6,102	7.6%	12,669	16,585	(23.6)%

# Consolidated Financial Highlights

	Mar-19	Sep-19
ST Debt	1,176	1,064
LT Debt	1,771	1,845
Current Maturities	85	85
<b>Total Debt</b>	<b>3,032</b>	<b>2,994</b>
Cash & Cash Equivalent	334	126
<b>Net Debt</b>	<b>2,698</b>	<b>2,868</b>
Equity	2,142	2,140
<b>Net Debt/ Equity</b>	<b>1.26x</b>	<b>1.34x</b>



### Credit Ratings

Bank Facilities	ICRA
Long Term Bank Facilities	A+ (stable)
Short Term Bank Facilities	A1

## Rural Initiatives



Vegetable Seed and Fertilizer Distribution



Dairy Development project



Arogyam – Spectacle Distribution



Vocational Skill Development



Support to Flood affected families

## Urban Initiatives



Placed 78 Aspirants Through The Vocational Skills Development Project



Soft Skills and Health Awareness Talk



Health check up camp



Livelihood Enhancement Through Entrepreneurship Development



Gyanam – Supporting Classes 1-10 Standard

# Awards and Recognition



Smartek awarded for Best formulation – Innovation at the Agribusiness Summit and Agri Awards 2019



Mahadhan was honoured with “Agribusiness leadership” award at the 11th Global Agriculture Leadership Summit 2018



Smartek won RMAI Agribusiness Leadership Award 2019 for introduction of revolutionary product in bulk fertiliser category



Mahadhan received Brand Excellence Award in agri-inputs from ABP News for its constant drive towards innovation



Smartchem Technologies Limited bagged the Safest Workplace Award during the Safe-Tech Award Function held in August 2019



Smartek received “Golden Peacock Award” for innovative product at the Dubai Global Convention 2019



‘Certificate Of Merit’ awarded to ‘Smartchem Technologies’ by NSC for achieving zero accident frequency rate in chemicals & fertilizers group



Integrated Mahadhan Smartek Launch received the award for best campaign in agriculture and agri-tech from Kaleido



Creaticity won the ‘Most popular mall for furniture at Times Retail Icons, Pune



Received the “Best National Employer brand Award” by ET Now and World HRD Congress in the manufacturing category



Best Employer Award by World HRD Congress in Pune region for its strategies and implementation across the organisation



DFPCL was honoured with two distinguished awards at the PRCI Corporate collateral awards in 2018

# Appendix

# Financial Results - Profit & Loss (Consolidated)

Rs. In Lacs

Sr. No.	Particulars	Quarter Ended			Six Months Ended		Year Ended
		30 Sept 19	30 June 19	30 Sept 18	30 Sept 19	30 Sept 18	31 Mar 19
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	• Revenue from operations	115,074	112,220	176,873	227,294	399,492	674,206
	• Other income	3,073	925	1,371	3,998	2,130	5,430
	<b>Total income</b>	<b>118,147</b>	<b>113,145</b>	<b>178,244</b>	<b>231,292</b>	<b>401,622</b>	<b>679,636</b>
2	Expenses						
	• Cost of materials consumed	50,510	53,782	71,403	104,292	143,722	283,536
	• Purchases of stock-in-trade	19,455	32,896	48,326	52,351	181,318	251,930
	• Changes in inventories of FG and stock-in-trade	14,253	(11,119)	20,521	3,134	(3,800)	(6,403)
	• Employee benefits expense	8,147	7,993	6,290	16,140	13,549	27,766
	• Finance costs	6,312	6,117	5,747	12,429	11,478	22,933
	• Depreciation and amortisation expense	5,432	5,188	4,261	10,620	8,451	17,146
	• Other expenses	11,052	16,711	18,827	27,763	38,388	71,444
	Total expenses	115,161	111,568	175,375	226,729	393,106	668,352
3	<b>Profit before share of (loss) of equity accounted investees and income tax (1-2)</b>	<b>2,986</b>	<b>1,577</b>	<b>2,869</b>	<b>4,563</b>	<b>8,516</b>	<b>11,284</b>
4	Share of (loss) of associates	(3)	(17)	(101)	(20)	(103)	(305)
5	<b>Profit before tax (3+4)</b>	<b>2,983</b>	<b>1,560</b>	<b>2,768</b>	<b>4,543</b>	<b>8,413</b>	<b>10,979</b>
6	Total tax expense	433	490	917	923	2,839	3,632
7	<b>Net Profit / (Loss) for the period (5-6)</b>	<b>2,550</b>	<b>1,070</b>	<b>1,851</b>	<b>3,620</b>	<b>5,574</b>	<b>7,347</b>
8	<b>Operating EBIDTA</b>	<b>11,657</b>	<b>11,957</b>	<b>11,506</b>	<b>23,614</b>	<b>26,315</b>	<b>45,933</b>
	<i>% on Operating Income</i>	10.1%	10.7%	6.5%	10.4%	6.6%	6.8%

# Consolidated Segment Results (Rs. Lakhs)....(i)

Sr. No.	Particulars	Quarter Ended			Six Months Ended		Year Ended
		30 Sept 19	30 June 19	30 Sept 2018	30 Sept 19	30 Sept 2018	31 Mar 19
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment revenue						
	(a) Chemicals						
	Manufactured	52,364	61,302	67,015	1,13,666	1,27,969	2,55,310
	Traded	10,511	10,492	40,939	21,003	1,43,738	1,88,643
	<b>Sub-total</b>	<b>62,875</b>	<b>71,794</b>	<b>1,07,954</b>	<b>1,34,669</b>	<b>2,71,707</b>	<b>4,43,953</b>
	(b) Fertilisers						
	Manufactured	41,987	34,078	35,479	76,065	78,428	1,52,905
	Traded	9,249	5,491	32,492	14,740	47,557	74,375
	<b>Sub-total</b>	<b>51,236</b>	<b>39,569</b>	<b>67,971</b>	<b>90,805</b>	<b>1,25,985</b>	<b>2,27,280</b>
	(c) Realty	680	512	604	1,192	1,089	2,155
	(d) Others	283	345	344	628	711	818
	<b>Total income from operations</b>	<b>1,15,074</b>	<b>1,12,220</b>	<b>1,76,873</b>	<b>2,27,294</b>	<b>3,99,492</b>	<b>6,74,206</b>
2	Segment results [profit / (loss) before tax and finance costs from Each segment]						
	(a) Chemicals	8,412	12,526	12,905	20,938	28,034	51,725
	(b) Fertilisers	(1,186)	(970)	(454)	(2,156)	1,251	(3,886)
	(c) Realty	(335)	(432)	(375)	(767)	(758)	(1,572)
	(d) Others	184	247	247	431	511	421
	<b>Total</b>	<b>7,075</b>	<b>11,371</b>	<b>12,323</b>	<b>18,446</b>	<b>29,038</b>	<b>46,688</b>
	Less: i) Finance costs	6,312	6,117	5,747	12,429	11,478	22,933
	ii) Other unallocable expenditure (net of unallocable income)	(2,223)	3,677	3,707	1,454	9,044	12,471
	<b>Total profit before tax</b>	<b>2,986</b>	<b>1,577</b>	<b>2,869</b>	<b>4,563</b>	<b>8,516</b>	<b>11,284</b>

# Consolidated Segment Results (Rs. Lakhs)....(ii)

Rs. In Lacs

Sr. No.	Particulars	Quarter Ended			Six Months Ended		Year Ended
		30 Sept 19	30 June 19	30 Sept 2018	30 Sept 19	30 Sept 2018	31 Mar 19
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
3	Segment assets						
	(a) Chemicals	359,945	286,940	381,168	359,945	381,168	336,640
	(b) Fertilisers	212,569	229,412	234,712	212,569	234,712	228,313
	(c) Realty	22,006	22,079	25,102	22,006	25,102	21,884
	(d) Others	2,340	2,212	3,323	2,340	3,323	1,960
	(e) Unallocated	86,232	157,307	126,309	86,232	126,309	122,964
	<b>Total assets</b>	<b>683,092</b>	<b>697,950</b>	<b>770,614</b>	<b>683,092</b>	<b>770,614</b>	<b>711,761</b>
4	Segment liabilities						
	(a) Chemicals	290,543	262,492	180,533	290,543	180,533	274,867
	(b) Fertilisers	149,894	207,142	149,022	149,894	149,022	201,311
	(c) Realty	3,061	2,714	1,437	3,061	1,437	2,406
	(d) Others	69	67	45	69	45	3
	(e) Unallocated	25,537	10,400	231,773	25,537	231,773	19,012
	<b>Total liabilities</b>	<b>469,104</b>	<b>482,815</b>	<b>562,810</b>	<b>469,104</b>	<b>562,810</b>	<b>497,599</b>

# Consolidated Balance Sheet (Rs. Lakhs)

Rs. In Lacs

Sr. No.	Particulars	30 Sept 2019	31 Mar 2019
		(Unaudited)	(Audited)
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-current assets</b>		
	(a) Property, plant and equipment	2,57,191	2,16,883
	(b) Capital work in progress	96,989	1,37,022
	(c) Investment property	511	511
	(d) Right of use assets	6,834	-
	(e) Goodwill	2,596	2,632
	(f) Intangible assets	2,679	864
	(g) Investment in equity accounted investees	10	10
	(h) Financial assets		
	(i) Investments	69	72
	(ii) Loans	45	45
	(iii) Other financial assets	2,745	3,103
	(i) Deferred tax assets (net)	6,559	7,353
	(j) Income tax assets (net of provisions)	9,628	9,090
	(k) Other non-current assets	40,127	40,680
	<b>Total non-current assets</b>	<b>4,25,983</b>	<b>4,18,265</b>
<b>2</b>	<b>Current assets</b>		
	(a) Inventories	76,191	82,790
	(b) Assets held for sale	5,151	614
	(c) Financial assets		
	(i) Investments	1,276	24,544
	(ii) Trade receivables	1,16,000	1,39,626
	(iii) Cash and cash equivalents	11,342	8,874
	(iv) Bank balances other than cash and cash equivalent	10,058	2,749
	(v) Loans	101	129
	(vi) Other financial assets	1,139	984
	(d) Other current assets	35,851	33,186
	<b>Total current assets</b>	<b>2,57,109</b>	<b>2,93,496</b>
	<b>TOTAL ASSETS</b>	<b>6,83,092</b>	<b>7,11,761</b>

Sr. No.	Particulars	30 Sept 2019	31 Mar 2019
		(Unaudited)	(Audited)
<b>B</b>	<b>EQUITY &amp; LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity share capital	8,820	8,820
	(b) Other equity	2,00,825	2,00,965
	<b>Equity attributable to owners of the Company</b>	<b>2,09,645</b>	<b>2,09,785</b>
	(c) Non-controlling Interests	4,343	4,377
	<b>Total equity</b>	<b>2,13,988</b>	<b>2,14,162</b>
<b>2</b>	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	1,84,466	1,77,092
	(ii) Lease liabilities	5,986	-
	(b) Provisions	5,051	4,631
	<b>Total non-current liabilities</b>	<b>1,95,503</b>	<b>1,81,723</b>
	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	1,06,409	1,17,591
	(ii) Lease liabilities	1,082	-
	(iii) Trade payables		
	(a) total outstanding dues of micro and small	741	307
	(b) total outstanding dues of creditors other than micro and small enterprises	1,17,393	1,48,092
	(iv) Other financial liabilities	30,378	35,986
	(b) Other current liabilities	9,925	11,472
	(c) Provisions	7,061	1,756
	(d) Current tax liabilities (net of advance income taxes)	612	672
	<b>Total current liabilities</b>	<b>2,73,601</b>	<b>3,15,876</b>
	<b>Total liabilities</b>	<b>4,69,104</b>	<b>4,97,599</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,83,092</b>	<b>7,11,761</b>

# Consolidated DFPCL Cash Flow (Rs. Lakhs)....(i)

## Statement of Consolidated Cash Flows for the period ended 30 September 2019

	Six months ended 30 September 2019	Year ended 31 March 2019
	Unaudited	Audited
<b>Cash flow from operating activities</b>		
Profit before tax	4,543	10,979
Adjustments for		
Depreciation and amortisation expense	10,620	17,146
Loss on sale of property, plant and equipment	71	70
Provision for doubtful debts	232	175
Gain on sale of investment in associate	(2,372)	-
Gain on sale of investments	(650)	(2,121)
Changes in fair value of financial assets at fair value	181	(145)
Share of loss of equity accounted investees	20	305
Dividend income	-	(122)
Interest income	(378)	(970)
Finance costs	12,429	22,933
Unrealised foreign exchange fluctuations (gain) / loss (net)	(163)	134
<b>Cash generated from operations before working capital changes</b>	<b>24,533</b>	<b>48,384</b>
Change in trade receivables	23,394	56,736
Change in inventories	6,599	(5,941)
Change in trade payables	(30,265)	57,501
Change in other financial liabilities	4,388	(16,232)
Change in other financial assets	94	(1,033)
Change in other non-current assets	326	(1,653)
Change in other current assets	(2,665)	(3,921)
Change in provisions	5,589	72
Change in other current liabilities	(5,489)	190
<b>Cash generated from operations</b>	<b>26,504</b>	<b>134,103</b>
Income taxes paid (net)	(681)	(3,102)
<b>Net cash generated from operating activities</b>	<b>25,823</b>	<b>131,001</b>

# Consolidated DFPCL Cash Flow (Rs. Lakhs)....(ii)

## Statement of Consolidated Cash Flows for the period ended 30 September 2019

	Six months ended 30 September 2019	Year ended 31 March 2019
	Unaudited	Audited
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, intangible assets (including net movement in Capital work-in-progress)	(22,157)	(72,284)
Advance received towards assets classified as held for sale	3,970	-
Purchase of Investments	-	(584,367)
Loans repaid to the company	28	279
Proceeds from sale of investments	23,204	599,553
Proceeds from sale of investment in associate	2,820	-
Proceeds from sale of property, plant and equipment	-	74
Minority Interest - net movement	(34)	64
Fixed deposit placed	(17,106)	(20,087)
Fixed deposit matured	9,797	18,185
Dividends received from Mutual Funds	-	122
Interest received	487	894
<b>Net cash generated from / (used in) investing activities</b>	<b>1,009</b>	<b>(57,567)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	180,631	32,455
Repayment of borrowings	(184,440)	(82,453)
Share Warrants Issued	-	5,000
Payment of lease liabilities	(790)	-
Interest paid	(16,547)	(22,647)
Dividends paid (including dividend distribution tax)	(3,218)	(6,099)
<b>Net cash (used in) financing activities</b>	<b>(24,364)</b>	<b>(73,744)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>2,468</b>	<b>(310)</b>
Cash and cash equivalents at the beginning of the period / year	8,874	9,184
<b>Cash and cash equivalents at end of the period / year</b>	<b>11,342</b>	<b>8,874</b>

The above statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flows"

## Notes to the Statement of Standalone and Consolidated unaudited Financial Results for the quarter and half year ended 30 September 2019

1. The above unaudited results of Deepak Fertilisers and Petrochemicals Corporation Limited (the “Company”), its subsidiaries (collectively referred to as “the Group”), its associates and its joint operations were reviewed by the Audit Committee and the Board of Directors at its meeting held on 13 November 2019, approved and adopted the same.
2. The Department of Fertilisers (DoF), Ministry of Chemicals and Fertilisers, had withheld subsidy, due to the Group in accordance with applicable Nutrient Based Subsidy (NBS) scheme of Government of India (GOI), alleging undue gain arising to the Group on account of supply of cheap domestic gas, since challenged by the Group before the Honourable High Court of Bombay. Based on the directive of the Honourable Court, DoF agreed to release subsidy withheld except a sum of Rs. 31,052 Lakhs pending final decision, which has been released during the month of January 2018 against a Bank Guarantee of equal amount.
3. The Unaudited standalone and consolidated Financial Results of the Company (including its subsidiaries and associates and joint operations) are prepared in accordance with applicable accounting standards i.e. Ind AS, as prescribed under section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.
4. With effect from Q2 of FY 2020, the Company is required to submit a statement of cashflows as per the revised requirements of Regulation 33 of the SEBI (LODR) Regulations, 2015. Since there is no specific guidance given by SEBI for the comparative information, the Company has provided cashflow statement for the year ended 31 March 2019 as comparative information. However, cashflow statement for the corresponding half year ended 30 September 2018 has not been provided.
5. Effective 1 April, 2019, the Group adopted Ind AS 116 "Leases", for all lease contracts existing on 1 April, 2019 using the modified retrospective method. The adoption of Ind AS 116 did not have any impact on the opening retained earnings as at 1 April, 2019. Accordingly, comparatives for the year ended 31 March, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right of use assets (ROU) of Rs. 7,498 lakhs and a lease liability of Rs.7,498 lakhs. The effect of this adoption is insignificant.
6. Other income for the quarter and six months period ended 30 September 2019 includes profit on sale of investment in an associate amounting to Rs. 1,053 lakhs and Rs. 2,372 lakhs in standalone and consolidated Financial Results respectively.
7. Previous period's figures have been reclassified/ regrouped wherever necessary.



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**Disclaimer:** 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.

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