



1<sup>st</sup> July, 2020

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.	National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Sandra (East), Mumbai - 400 051.
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Dear Sir/ Madam,

**Sub: Press Release on Audited Financial Results for the quarter and year ended  
31<sup>st</sup> March, 2020**

Please find enclosed a press release on the Audited Financial Results of the Company for the quarter and year ended 31<sup>st</sup> March, 2020.

We request you to take the same on your record.

Thanking you,  
Yours faithfully,

**For Deepak Fertilisers  
And Petrochemicals Corporation Limited**

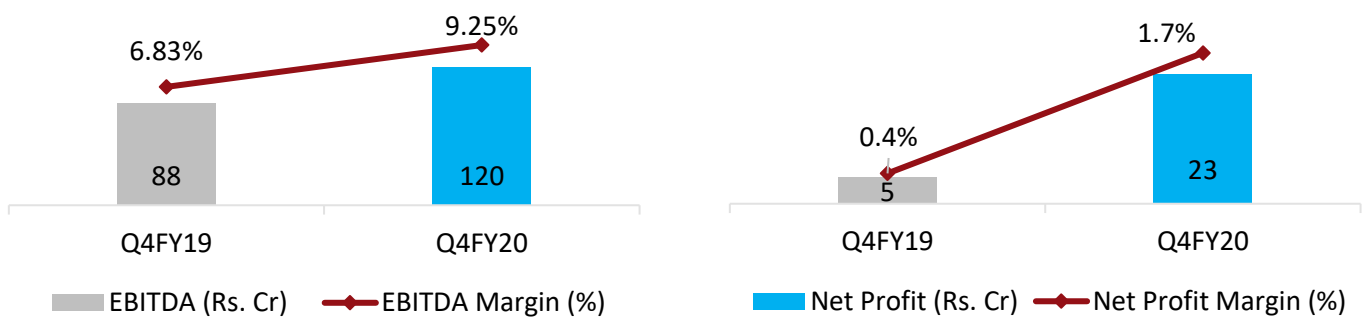
**K. Subharaman  
Executive Vice President (Legal) & Company Secretary**

Encl: as above.

**Despite a subdued market demand, Deepak Fertilisers sustained its Q4 Operating EBITDA growth at ~35% y-o-y**

**Pune, India, July 01, 2020** – Deepak Fertilisers And Petrochemicals Corporation Limited (BSE: 500645; NSE: DEEPAKFERT), one of India’s leading producers of Industrial Chemicals and Fertilisers (referred to as “DFPCL” or the “Company”), announces its results for the quarter and full year ending March 31, 2020

<u>Consolidated Financial Highlights</u>	
• Total Revenues reported at Rs. 1,293 Cr in Q4 FY20 (Rs. 1,294 Cr in Q4 FY19)	
• Total Revenues for FY20 was Rs. 4,685 Cr compared to Rs. 6,742 Cr in FY19. The Company cautiously consolidated trading portfolio with focus on high-margin products (Chemical trading consciously reduced by Rs. 1,405 Cr. y-o-y and Fertiliser trading reduced by Rs. 419 Cr y-o-y)	
• Operating EBITDA increased from Rs. 88 Cr in Q4 FY2019 to Rs. 120 Cr in Q4 FY2020; Operating Margins increased to 9.25% in Q4 FY20 as compared to 6.83% in Q4 FY19. This was primarily driven by improved fertilizer business outlook and cost optimization initiatives. Despite forex impact of ~Rs. 25 Cr y-o-y, total other expenses reduced by ~Rs. 18 Cr y-o-y to ~Rs. 178 Cr in Q4 FY20	
• Net Profit augmented from Rs. 5 Cr in Q4 FY19 to Rs. 23 Cr in Q4 FY20	
• Net Debt / Equity stood at 1.25X as of 31st March 2020 (1.34X - 30th Sept 2019)	
<u>Consolidated Operational Highlights</u>	
• Fertiliser Segment margins improved significantly from ~(7.4)% in Q4 FY19 to ~9.5% in Q4 FY20	
• Nitric Acid plant at Dahej completed its first year of operation; achieved overall capacity utilization of approx. 65%	
• Major raw materials prices declined compared to Q4 FY2019 (Phos. Acid by 23.6%; Ammonia by 16.6%)	
• Covid-19 pandemic impacted production for NP/NPK, TAN and Nitric Acid at Dahej during March 20	
• Forayed into alcohol based ‘Hand Sanitizer’ space to combat COVID-19 pandemic	
• Credit Ratings re-affirmed by ICRA; Long Term Facilities: A+ (Stable); Short Term Bank Facilities: A1	
• The Board has recommended a dividend of Rs. 3/- per equity share of Rs. 10/- each (30%)	



**Commenting on the performance, Mr. Sailesh C. Mehta, Chairman & Managing Director, Deepak Fertilisers And Petrochemicals Corporation Limited, said:**

*“As world has been grappling with unprecedented situation due to COVID-19 pandemic, the Company continues to manage through current industry challenges such as low availability of contract workmen, supply chain issues and overall subdued market dynamics. Being a producer of essential commodities, DFPCL received support from administration to operate even during lockdown to cater to the country’s requirement in these tough times. Due to COVID-19, the production was intermittently impacted at NP/NPK, TAN and Acids plants during March 20.*



*DFPCL remains focused on taking cost optimization measures, enhancing capacity utilization levels, and maintaining financial discipline with an aim to further strengthen its balance sheet in these challenging times. The Company has reported an improved financial performance for the fourth quarter as well as full year ended March 20. We have cautiously reduced trading portfolio revenues by approx. Rs. 1,800 Cr during FY20 to focus on high-margin products and better working capital management*

*Our greenfield Nitric Acid plant Dahej, after facing initial teething issues, and incessant rains in H1, successfully completed its first year of operation with capacity utilization of approx. 65% and annual EBITDA margins of about 18%*

*We remain optimistic for the upcoming kharif season on the back of various pro-reformative agriculture measures being undertaken by Central Government along with good reservoir levels and positive outlook for normal monsoon this year. Surge in IPA based sanitizer requirement is expected to remain high on account of elevated level of hygiene awareness”*

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### Segment Performance Q4 FY20 vs Q4 FY19

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#### a) Chemicals Segment:

- Manufactured Chemical business reported revenues of Rs. 583 crores in Q4 FY20 as compared to Rs. 629 crores in Q4 FY19. Chemical Trading business was Rs. 172 crores in Q4 F20. Strong demand for IPA resulted into the higher trading revenues in Q4.
- Chemical trading business was Rs. 482 crores in FY2020 compared to Rs. 1,886 crores in FY2019. The Company continued to consolidate its trading portfolio and focus on high-margin products
- TAN business reported muted performance during the quarter. Total TAN Revenues decreased by ~22% y-o-y to Rs. 274 Cr. TAN Solid volumes were lower by ~18% and AN Melt volumes were lower by ~25% wrt Q4 FY’19; resulting in lower revenues. LDAN volumes in Q4-FY20 were lower by ~40% mainly due to liquidity issues and stalled large-scale infrastructure projects. Restrictions on movement and lockdown situation in the month of Mar-20 due to the COVID-19 pandemic has also impacted the domestic TAN business as well TAN exports
- Acids revenues decreased by 4% y-o-y to Rs. 103 Crores in Q4 FY20. COVID-19 impacted production of Nitric Acid and TAN
- Nitric Acid plant at Dahej completed its first year of operation; achieved overall capacity utilization of approx. 65%. All WNA and CNA plants at Dahej have stabilized and proved running at beyond 100% rated capacity
- IPA production in Q4 FY19-20 was at 18.8 KT, 100% capacity utilization. IPA revenues increased 30% y-o-y to Rs. 141 Crores in Q4 FY20. During the quarter, both NSP and cost adversely impacted IPA

margins due to unfavourable market dynamics. Although, the outlook of IPA has improved significantly towards the end of the quarter

**b) Fertiliser Segment:**

- Manufactured fertilisers reported revenues of Rs. 421 Cr in Q4 FY20 and Rs. 1,586 Cr in FY20
- Trading revenues for FY20 was Rs. 325 Cr compared to Rs. 744 Cr for FY19. The reduction is inline with the strategic decision to move towards differentiated NPK grade
- Sales volumes of NP increased by ~19% y-o-y in Q4 FY20, although NPK volumes decreased by ~9% y-o-y. Despite this decrease, overall margins improved significantly due to higher Smartek in product mix with higher NSP
- Good Rabi sentiment in core command area and good price realisation in key cash crops such as Onion has helped with the Company with better margins during the quarter. Ground water level was also high in the core command area
- The Company has successfully moved its entire sales to differentiated products (Smartek) and 98% of total CNB Bulk sales was Smartek in Q4
- Major raw materials prices (Phos Acid by 23.6% y-o-y; Ammonia by 16.6% y-o-y) declined in Q4 FY20
- Covid-19 impacted production NP/NPK at Taloja for a few days during March 2020

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*Other Significant Developments*

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- **Credit Rating Update:** DFPCL Ratings re-affirmed by ICRA on April 14, 2020; Long Term Bank Facilities: A+ (Stable); Short Term Bank Facilities: A1
- **Forayed into alcohol-based Sanitizer & Disinfectant space to combat COVID-19 pandemic:** DFPCL has launched IPA based hand sanitizers under the brand name 'CORORID', which conforms to WHO's recommended formulation. Isopropyl Alcohol (IPA) is the world's most preferred active ingredient in hand sanitizer and rubbing alcohol (Press Release dated May 25, 2020)
- **Appointment of Woman Independent Director:** Appointed Mrs. Renu Challu as an Additional Director (with effect from 30<sup>th</sup> May, 2020) in the capacity of Woman Independent Director of the Company. She has over four decades of professional experience in commercial banking, investment banking and in the field of financial services. She has served as the Managing Director of State Bank of Hyderabad, MD and CEO of SBIDFHI, President and Chief Operating Officer of SBI Capital Markets Ltd and Dy. Managing Director (Corporate Strategies and New Businesses) in State Bank of India
- **Appointment of new Independent Director:** Mr. Sujal Shah has been appointed as an Independent Directors in the board meeting held on 30<sup>th</sup> June 2020, subject to the approval of shareholders. He is a practicing Chartered Accountant having an overall post qualification experience of about 28 years. Main areas of expertise are valuation for Mergers & Acquisitions, advising on restructuring of business, conducting financial due-diligence and general corporate advisory

**DFPCL at a Glance:**

Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL), has established a prime position for itself over the last four decades, across Indian markets. Set up in 1979 as an Ammonia manufacturer, DFPCL today, is a publicly listed, multi-product Indian conglomerate, with a portfolio spanning Industrial Chemicals, Bulk and Specialty Fertilisers, Technical Ammonium Nitrate, and Value Added Real Estate.

**Investor Relations Contacts:**

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<p align="center"><b>Deepak Fertilisers and Petrochemicals Corporation Ltd.</b> Reg. Off and Corp. Off: Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036 CIN: L24121MH1979PLC021360 <a href="http://www.dfpcl.com">www.dfpcl.com</a></p>	

**Safe Harbour:**

This release contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to DFPCL’s 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