



1<sup>st</sup> February, 2024

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. BSE Code: 500645	National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051. NSE Code: DEEPAKFERT
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Dear Sir/ Madam,

**Sub: Press Release on Unaudited Standalone and Consolidated Financial Results for the quarter and nine months ended 31<sup>st</sup> December, 2023**

Please find enclosed a Press Release on Unaudited Standalone and Consolidated Financial Results for the quarter and nine months ended 31<sup>st</sup> December, 2023.

We request you to take the same on your record.

Thanking you,  
Yours faithfully,

**For Deepak Fertilisers  
And Petrochemicals Corporation Limited**

**Gaurav Munoli  
Company Secretary**

Encl: as above.

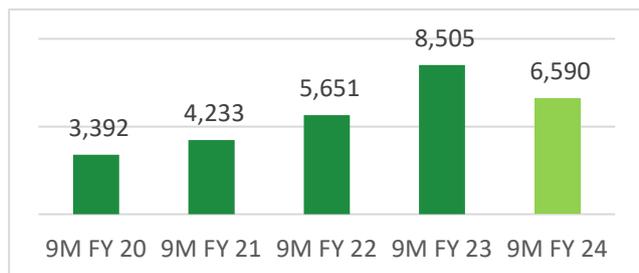
## Resilient Performance Amidst Challenges

Q3 FY24 EBITDA Margins grew by 343 bps Q-o-Q to 15.2%

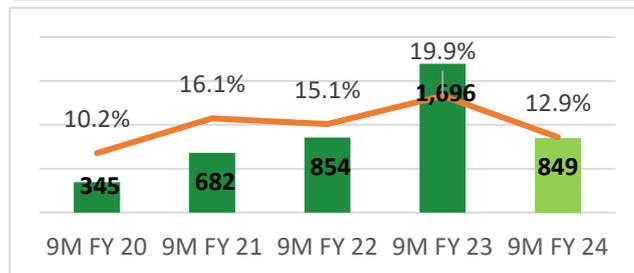
**Pune, India, February 1, 2024:** Deepak Fertilisers and Petrochemicals Corporation Limited (BSE: 500645; NSE: DEEPAKFERT), one of India's leading producers of industrial chemicals and fertilisers ("DFPCL" or the "Company"), announces its results for the quarter ended December 31, 2023

### Consolidated Financial Highlights

#### 9M FY24 Operating Revenues (Rs. Cr)



#### 9M FY24 Operating EBITDA (Rs. Cr) and Margins (%)



Consolidated (INR CR)	Q3 FY 24	Q2 FY24	Q-O-Q Growth	Q3 FY 23	Y-o-Y Growth	9M FY24	9M FY23	Y-o-Y Growth
Operating Revenue	1,853	2,424	(23.6)%	2,755	(32.7)%	6,590	8,505	(22.5)%
Operating EBITDA	282	286	(1.4)%	461	(38.8)%	849	1,696	(50.0)%
Margins (%)	15.2%	11.8%	343 bps	16.7%	(151) bps	12.9%	19.9%	(706) bps
Net Profit	61	63	(4.6)%	252	(76.0)%	238	964	(75.3)%
Margin (%)	3.3%	2.6%	65 bps	9.2%	(589) bps	3.6%	11.3%	(772) bps

#### 9M FY24 Financial Performance:

- Revenue and Operating EBITDA continue demonstrating a sustained growth trend over the last five years (except for FY23 which was a positive aberration)
- Operating EBITDA margin is 12.9%, which has one time subsidy impact of Rs. 267 Cr and Rs. 87 Cr on account of stabilization impact of Ammonia business during H1 FY2024

#### Significant Business Highlights:

- Greenfield Ammonia Plant:** Post the successful commissioning of the Ammonia plant, the DFPCL Group's risk exposure from Ammonia to Downstream has shifted to a lesser volatile Gas to Downstream. The recently completed Guarantee Test Run has conclusively established the Global scale capacity and Efficiency of the Plant/Technology. Furthermore, the state approved incentives are expected to kick-in during this year
- Mining Chemicals (TAN):** The expected increase in domestic demand in Russia, and demand of Russian product in Brazil, is likely to ease up the Russian AN dumping in India. With India taking strong steps to become self-reliant in Coal by targeting to eliminate Coal imports, the demand for TAN is likely to get a further boost, a positive for DFPCL's greenfield TAN project under construction.



- **Pharma / Speciality Chemicals (Nitric Acid and IPA):** The dampners of global interest rate hikes transmitting to the real sector and China slowdown gradually stabilizing combined with the gradual cessation of de-stocking of old inventories is expected to gradually help prices to bounce back
- **Fertilisers (CNB):** With the recently announced Retail Price Reasonability Guidelines for margins giving clarity on allowable fair margins on Fertiliser sales will help restore the basic tenets of the Nutrient Based Subsidy (NBS) scheme of Free/reasonable MRPs. This will also provide the needed impetus to bring innovative products such as Crop-specific, CropTek products. The value proposition of DFPCL's speciality CropTek products are finding increasing acceptance by the farmers

### Chairman's Message

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

*"As we start 2024, DFPCL remains focused on implementation of the Company's strategic growth plans. Price volatility is an inherent part of industry dynamics that DFPCL have been successfully navigating through.*

- *TAN sales during the quarter was largely affected due to higher and cheap imports. FGAN imports from Russia in the first half resulted in high opening inventories in the quarter, which in turn impact volume & margins.*
- *Nitric Acid sales to downstream industries was impacted due to Chinese imports of nitroaromatics along with scheduled plant maintenance at Dahej.*
- *Fertiliser business experienced erratic and lower-than-average rainfall in the core market which reduced availability of irrigation water.*
- *Ammonia business performance improved against last quarter due to increase in Ammonia prices which was partially offset by plant interruptions.*



*As we navigate through short term challenges for the quarter, on YTD basis there have been consistent improvement in the operating EBITDA margins over the past five years (except for FY23, which was a positive outlier). We continue to work towards enhancing efficiency in order to drive sustainable growth, and contribute to India's growth story.*

*DFPCL continues to transform its businesses from commodity to specialty, providing customised solutions to our end customers. In spite of the short term challenges, mid to long term fundamentals continues to remain strong. This will aid to our growth based on our strong market position, the underlying competitive edge in each of the businesses, and our product and service value proposition."*

### Chemicals Review

- **Mining Chemicals (TAN):**
  - Reflecting the resilience of the industry amid evolving market dynamics, production of Coal, Cement and Steel grew by 14% Y-o-Y, 7% Y-o-Y and 10% Y-o-Y respectively during Q3 FY24 which are key market indicators for TAN business
  - Despite of the positive industry trend, overall TAN sales volume during the quarter declined by 15% Y-o-Y due to a surge in imports from Russia
  - The Company continues to maintain competitive pricing across all segments
  - Business Outlook: GOI's gradual removal of the ban on exports of AN would help DFPCL to export of the top grade LDAN prilled product. Demand is expected to remain stable in Q4 FY24.
- **Pharma / Speciality Chemicals (Nitric Acid and IPA):**
  - Nitric Acid volumes were impacted due to the scheduled plant maintenance during Q3 along with low demand from downstream industries due to imports of nitroaromatics from China



- Business Outlook: IPA volumes expected to improve and prices are expected to be stable. New Solar Grade Nitric Acid plant has been commissioned and expected to have better volumes

### Fertilisers (CNB) Review

- Lower-than-average rainfall, limited water for irrigation in our core markets, unseasonal rains and hailstorms have impacted sowing of key Rabi crops which has impacted sales volumes negatively
- We have recently launched crop specific water-soluble product Solutek for Banana which is gaining acceptance among the farmers
- With approach of 'seeing is believing', CNB team has conducted 6,000+ product demonstrations and engaged with about 5.0 lakh farmers through various market development activities in order to demonstrate product performance
- Business Outlook: Skymet's recent early predictions indicate normal monsoon for the current year which would support a good fertiliser Kharif season



### 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.

**Substantial Reduction in Promoters Pledge:** As on 5th January, 2024, pledge on 23,000 equity shares has been released and there is no encumbrance of any kind on Promoters' holding

### Investor Relations / Media Contacts:

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### 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.

