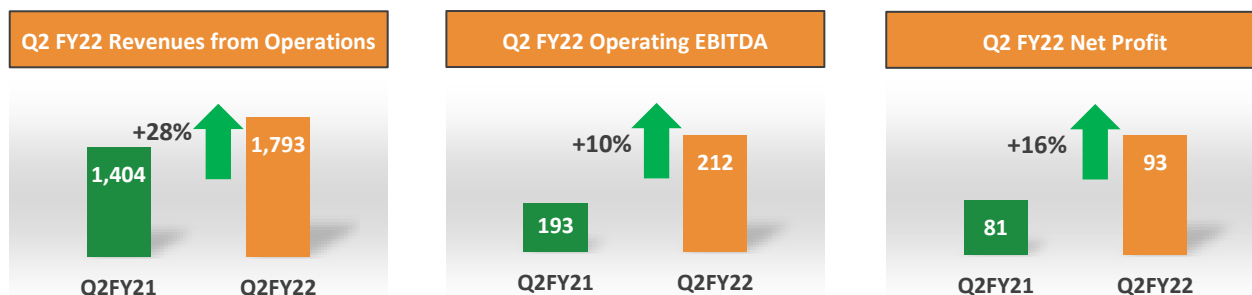


Improved Business Performance Y-O-Y Despite Unprecedented Rise in Raw Material Prices

| Revenue Growth of +28% Y-O-Y | Net Profit Growth of +16% Y-O-Y|

Pune, India, November 12, 2021: 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 quarter ending September 30, 2021.

Consolidated Financial Highlights



- Adverse movement of key raw material prices in Q2 FY22 YoY (Ammonia ▲ ~158%; Phos Acid ▲ ~70%; RGP ▲ ~53%)
- Finance Cost reduced by 11.7% YoY driven by continuous reduction of short-term debts, better working capital management and conversion of IFC FCCB tranche 1
- Net Debt further reduced by approximately Rs. 205 Cr in H1 FY22
- Net Debt / Equity of 0.53x as of 30th Sept 2021; improved from 0.65x (31st March 2021)
- Global Long-term Marquee Investors Join DFPCL via QIP

Chairman's Message

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

"We continued to deliver improved financial and operational performance during the quarter despite prevailing higher input cost challenges. In October 2021, we successfully raised Rs. 510 Cr through QIP from multiple long term marquee investors. These investments are testament to the confidence of investors on our operations and strategic direction.

During the Quarter:

1. *With the easing of restrictions, reduction in covid cases and increased industrial activity, the demand for all our products strengthened*
2. *We continued to work closely with our Mining Chemicals customers to demonstrate technical capability and value benefits. Furthermore, we are leveraging advanced technologies like Drones & AI-based blast modelling to improve productivity in the mines and infrastructure projects*

Going Forward:

1. *Our drive to move from commodity to speciality and end consumer focus continues, and is slated to help improve margins along with establishment of strong brands*
2. **Fertilisers:** *With almost full reservoir levels across the country and relatively higher MSPs, the stage is set for an even better Rabi season. Despite the sharp increase in key raw material prices y-o-y,*



our strategically directed efforts right from Crop Specific product to farmer-focused marketing drive should benefit in expanding our market share and margins

3. **Mining Chemicals:** *The Country is facing significant coal shortages and with improving economic recovery, the demand for power and therefore coal is poised to increase, which is anticipated to benefit our mining chemical business*
4. **Pharma / Speciality Chemicals:** *The nitric acid demand and prices are expected to remain strong in Q3 owing to the diminishing availability of many down streams of Nitric Acid from China resultant better realization*

In addition, the new Ammonia Project at Taloja, which is located close to the consuming downstream complex, is making good development on the ground and is progressing as per planned schedule.”

Chemicals Review

- Q2 FY22 Revenues increased by 39.4% to Rs. 988 Cr in Chemical segment comprising Mining Chemicals and Pharma / Speciality Chemicals. Segment Profit increased from Rs. 109 Cr in Q2FY21 to Rs. 148 Cr in Q2 FY22
- **Mining Chemicals:**
 - Typically, 2nd Quarter is a seasonally low period for mining chemicals due to monsoon also Q2 FY22 witnessed gradual resumption of economic activities
 - AN Melt recorded highest-ever 2nd Quarter sales volume with a 74% y-o-y growth. HDAN sales volume grew by 51% as supported by combination of fixed-price short-term agreements and increasing prices of imported AN due to availability concerns from exporting countries
 - The Company continued to innovate across Coal, Limestone/Metal Mines and Infrastructure segments to demonstrate technical capability, value and cost benefits, coupled with security of supply through advanced explosives
- **Pharma / Speciality Chemicals:**
 - With the easing of restrictions, restart of the industries and increase in curbs on production by Chinese Govt pushing up demand coupled with reduction in domestic supply resulted into much improved realization in spot market in all acids in Q2
 - Despite good demand, IPA prices were depressed during the quarter due to plunge in feedstock Acetone prices in NEA resulting in cheaper imports. IPA volumes increased by 32% y-o-y
 - Witnessing good response for Cororid disinfection products from all the segments. Further strengthened presence on Government e-Marketplace (GeM) portal and won one of the biggest tenders for supply of Cororid Hand Sanitizers to Odisha State Medical Corporation (OSML)

Fertilisers Review

- Q2 FY22 Revenues grew by 15.8% to Rs. 802 Cr.
- Continuing the strategy of differentiation and farmer focussed marketing, the Company achieved Smartek sales of 2.28 lakh MT in H1 FY22 which majorly focused on Kharif Crops like Cotton, Sugarcane, Soyabean, Maize and Paddy
- Shortage of Muriate of Potash and unprecedented increase in prices across all the Raw Materials resulted in lower than planned production of NPK fertilisers in Q2
- The Company continued to adopt digital means of working due to movement restriction in core command area. As per the strategy of ‘seeing is believing’, the team conducted 10,000+ single product demos and distribution of 1,25,00,000 5 kg samples on focus crops during H1



Strategic Outlook

- With the positive outlook for the mining and infrastructure sector, focus on coal mining and the opening of the coal segment to private operators, the Company is expected to be benefitted from the increased TAN demand, a trend that is likely to sustain
- Curbs on production due to environmental concern owing to the ensuing winter Olympics in Feb'22 by Chinese Government has pushed the demand and prices of most down streams of Acids upwards
- Many IPA producers in China are either operating at reduced load or under shut down. Meanwhile, DGTR has recommended QR on IPA imports to support the domestic producers for survival
- The demand for Hand sanitizers and Disinfectant products likely to go up in the short term

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). The facilities across different states of India ensures its proximity to the key consumers.

The Company successfully raised Rs. 510 Crores through a Qualified Institutions Placement ("QIP") of equity shares in October 2021. Leading investors from India and the globe have participated in the issue which includes Smallcap World Fund, Government Pension Fund Global, Axis Mutual Fund, Fidelity, Avendus and Societe Generale among others.

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Safe Harbour:

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