



DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

FUTURE READY

Transforming from Commodity to Specialty



Industrial
Chemicals



Crop
Nutrition



Mining
Chemicals

Deepak Fertilisers And
Petrochemicals Corporation Limited

Annual Report 2020-21

CONTENTS

OVERVIEW

Future Ready	01
Who We Are Company Overview	02
Key Business Initiatives	08
Consolidated Financial Highlights	10
Message from Chairman & Managing Director	12
Q&A with Chief Financial Officer	16
Awards & Recognition	19
Corporate Social Responsibility	20

STATUTORY REPORTS

Notice	27
Board's Report	47
Management Discussion & Analysis	84
Corporate Governance	103

FINANCIAL STATEMENTS

Standalone Financial Statements

Independent Auditors' Report	129
Balance Sheet	139
Statement of Profit and Loss	141
Statement of Cash Flow	143
Notes to the Financial Statements	147

Consolidated Financial Statements

Independent Auditors' Report	202
Consolidated Balance Sheet	210
Consolidated Statement of Profit and Loss	212
Consolidated Statement of Cash Flow	216
Consolidated Notes to the Financial Statements	218

Disclaimer

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

FUTURE READY

Transforming from Commodity to Specialty

Our journey of transformation is unfolding slowly and steadily, undeterred by the challenges on the way. We are committed to India's growth story and are aligning our businesses to be a frontrunner in meeting India's requirement for chemicals and strengthening its stature in the world.

As part of our transformational journey to become a specialty player, we have been building new business models and tailoring our diverse product portfolio on the basis of application, usage and target end-user industries. We are deepening our routes into the market with our value-added crop specific fertilisers and nutrient solutions. Our forward integration of the mining services, including down-the-hole (DTH) and blasting solutions, has been enabling us to serve our customers better and more efficiently. Backed by our rich experience, in-depth sector knowledge and expertise, we are transforming our business to make it Future Ready.

Right from the usage of Artificial Intelligence (AI) to Big Data and Internet of Things (IoT) that would provide us the intelligence of sustainable innovation and market, we are transforming digitally to remain ahead of the curve. Moreover, through Smart Factory Initiatives in manufacturing, our seamless movement of products has enhanced customer experience.

We are determined and focused to be the nextgen chemicals solutions provider for mission critical sectors of the nation, providing world-class, high quality and need-based value-added products to end-user industries.

We, at Deepak Fertilisers And Petrochemicals Corporation Limited, are cautiously optimistic to scale new highs, chart new territories and build new specialities.

Our goal remains certain to serve and build sustainable futuristic chemistries of the world, from India. We are moving fast, carving out future opportunities and creating solutions out of the most complex situations. We are marching ahead with conviction, agility and determination.

We are Future Ready.

WHO WE ARE

- A diversified chemicals solutions provider with over 40 years of rich legacy
- Most trusted chemicals and fertilisers manufacturer
- Aligned to India's growth story, serving country's critical sectors such as agriculture, pharmaceuticals, mining and infrastructure
- Diversified portfolio to meet ever-emerging needs of consumers
- Sustainable leadership position across all business operations
- Preferred chemical partner, offering value-added and innovative customer-centric products and solutions





At DFPCL, we are engaged in the manufacturing of Industrial Chemicals (Nitric Acid, Iso Propyl Alcohol, Methanol and Carbon Dioxide) Crop Nutrition (Nitro Phosphate, Nitrogen Phosphorous Potassium variants, Water Soluble Fertilisers and Bentonite Sulphur) and Technical Ammonium Nitrate (Mining Chemicals). Under our value-added real estate (VARE) business, we have India's first-of-its-kind home lifestyle centre called Creaticity in Pune. Creaticity focuses on a holistic real estate experience with state-of-the-art homes and interiors, along with food & beverage and entertainment.

Headquartered in Pune, Maharashtra, we export our products to more than 27 countries across 6 continents. Our strategically located state-of-the-art manufacturing plants in Taloja (Maharashtra), Srikakulam (Andhra Pradesh), Panipat (Haryana) and Dahej (Gujarat) provide us the required operational flexibility to adapt and serve the ever-changing business environment.



₹5,808 CRORE
CONSOLIDATED REVENUES
IN FY 2020-21

₹406 CRORE - CONSOLIDATED HIGHEST-EVER PROFIT

Our Strengths

ONLY MANUFACTURER

OF NP PRILL 24:24:0 FERTILISER AND TAN SOLIDS IN INDIA

2ND LARGEST MANUFACTURER

OF NITRIC ACID IN
SOUTH EAST ASIA
AND THE LARGEST
IN INDIA

LEADING MANUFACTURER

AND MARKETER
OF ISO PROPYL
ALCOHOL (IPA)

LARGEST MANUFACTURER

OF BENTONITE
SULPHUR IN INDIA

MARKET LEADER

IN SPECIALITY AND WATER SOLUBLE
FERTILISERS IN INDIA

Key Sectors



Industrial Chemicals

- Pharmaceuticals
- Nitro Aromatics
- Paints & Coatings
- Steel
- Inks
- Explosives
- Dyes
- Agrochemicals
- Cosmetics
- Adhesives
- Health & Hygiene

Crop Nutrition Business (CNB)

- Agriculture



Technical Ammonium Nitrate (TAN)

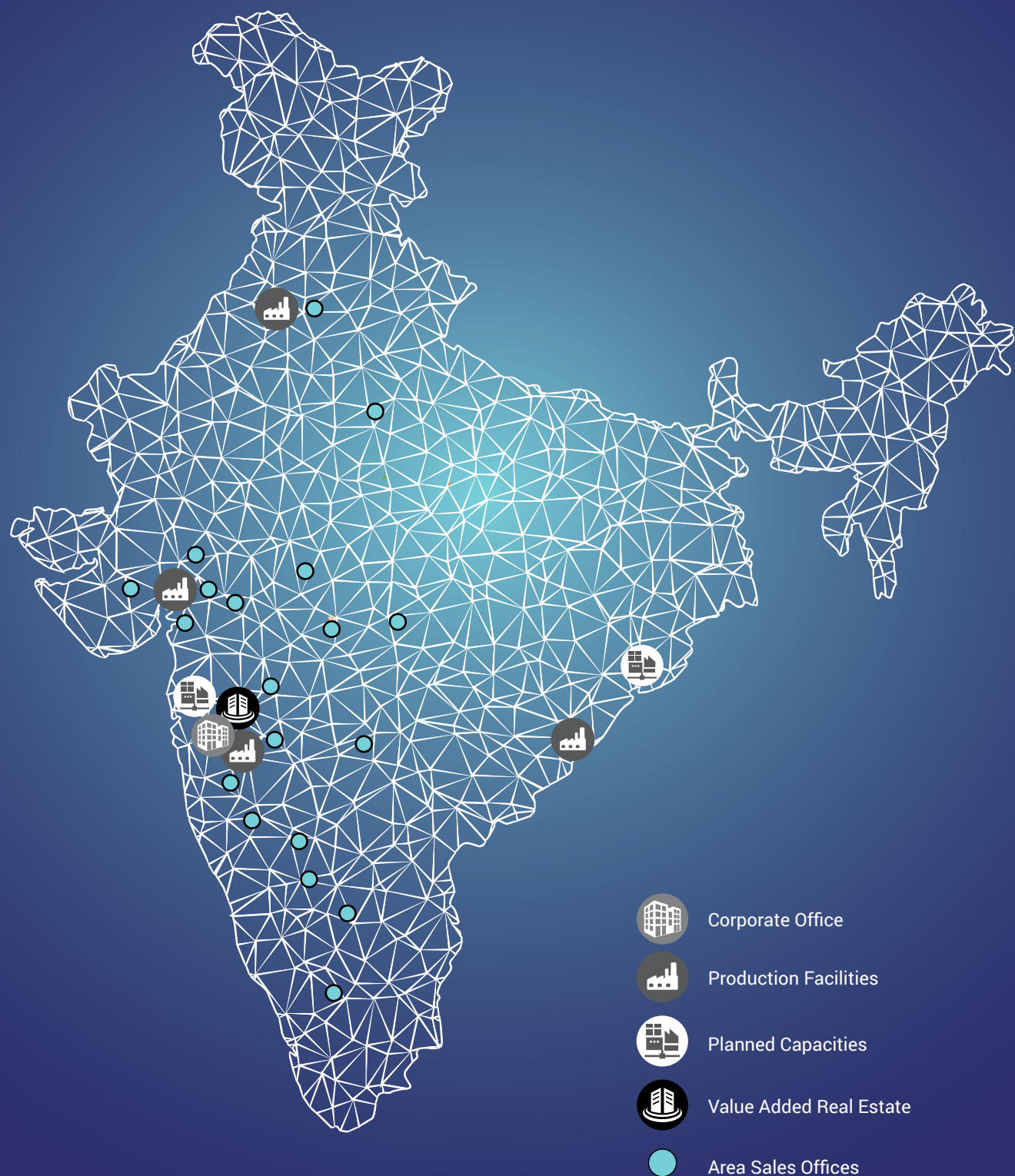
- Mining
- Infrastructure
- Explosives
- Pharmaceuticals

VARE

- Home Makers and Interior Solution Seekers
- Architects
- Interior Designers
- Food and Entertainment Patrons
- Art and Culture Enthusiasts



Core Products and Manufacturing Capacities (MT)





13,62,160
MTPA

CROP NUTRITION BUSINESS (CNB)

Nitro Phosphate Fertiliser, NPK Fertiliser and Bentonite Sulphur

- Nitro Phosphate Fertiliser - Installed (Taloja) - **3,25,000**
- Nitrogen Phosphorous Potassium Fertiliser - Installed (Taloja) - **6,00,000**
- Capacity under Debottlenecking (Taloja) - **2,00,000**
- Bentonite Sulphur - Installed (Taloja & Panipat) - **60,720**



4,86,900
MTPA

INDUSTRIAL CHEMICALS (IC)

Nitric Acid - Weak and Concentrated, Methanol, Iso Propyl Alcohol & Liquid CO₂

- Concentrated Nitric Acid - Installed (Taloja & Dahej) - **2,31,000**
- Diluted Nitric Acid - Installed (Taloja, Dahej & Srikakulam) - **8,88,960**
- Iso Propyl Alcohol - Installed (Taloja) - **70,200**
- Methanol - Installed (Taloja) - **1,00,000**
- Liquid CO₂ - Installed (Taloja) - **72,000**



9,85,720
MTPA

TECHNICAL AMMONIUM NITRATE (TAN)

Low Density Ammonium Nitrate, High Density Ammonium Nitrate and Ammonium Nitrate Melt

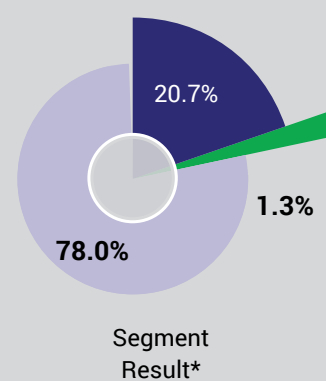
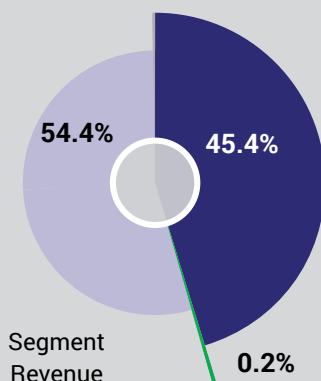
- Technical Ammonium Nitrate - Installed (Taloja) - **4,44,000**
- Technical Ammonium Nitrate - Installed (Srikakulam) - **42,900**
- Planned Additional Capacity (Odisha) - **3,76,000**

AMMONIA

- Installed (Taloja) - **1,28,700**
- Planned Additional Capacity (Taloja) - **5,00,000**

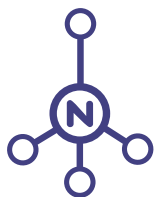
SEGMENTAL CONTRIBUTION FY2021

- CNB
- Industrial Chemicals (including TAN)
- VARE & Others



* Segment Results represents profit / (loss) before tax and finance costs from each segment as per consolidated segment reporting
Annual Report 2020-21 | 7

Business Initiatives



INDUSTRIAL CHEMICALS:

- IC business is focusing on the pharma sector and converting standard grade IPA consumers to pharma grade to garner higher market share.
- IPA LR grade available in smaller pack sizes and soon will be making various Pharmacopeia grade available in smaller pack sizes as well.
- Developing purification method of crude diisopropyl ether (DIPE) which is produced as a by-product in IPA manufacturing process.
- Crossed 90% capacity utilisation at Dahej Nitric Acid complex during the 2nd year of commissioning and initiatives have been taken for further efficiency improvements and capacity utilisation.
- Back-to-back contracts with Methanol customers for three months sales at a fixed and firm price to protect our margins and avoid market fluctuations
- Forayed into the hand sanitisers, disinfectants and wipes segment with its IPA-based product brand called Cororid.



CROP NUTRITION BUSINESS:

- Tied up with Samunnati, a specialised Agri Value Chain enabler, to offer crop based advisory and access to affordable loans to farmers under FPOs (Farmer Producer Organisations).
- Existing NP / NPK capacity is being debottlenecked from 9,25,000 MTPA to 11,25,000 MTPA
- Successfully moved 100% NPK production from plain grade to differentiated NPK (SMARTEK), volume growth of 198% YoY. Smartek sales reached 438,000 MT for FY20-21.
- Largest manufacturer of Bentonite Sulphur and a market leader in speciality and water-soluble fertilisers in India.
- New launches include 'Smartek 14.28.00', 'Superfast Bensulf', 'Grape Crop Specific Package' (3 Grades) and 'Tomato Crop Specific package' (2 Grades).
- Development works for three more specific grades are at an advanced stage with respective field trails planned for FY21-22.
- Actively engaged with 65 lakh farmers by the end of FY2020-21. Around 18,000 online webinars with farmers and close to 1000 online meetings were conducted to reach out to over 15,000 channel partners. Around 16000 on field demos for our differentiated product and Crop combination.
- More than 3.5 lakh+ followers on Facebook, more than 27K subscribers on YouTube, more than 44,000 downloads of Mahadhan app.