



**DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED**

Corporate Presentation H1 FY 14



DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED



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About Us



DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED



DFPCL

- ❑ Over three decades of technology depth, financial prudence and human motivation
- ❑ Listing: The Stock Exchange, Mumbai (BSE), and the National Stock Exchange (NSE). Consistently paying dividend for 18 years
- ❑ Multi-product portfolio spanning a variety of sectors – proven and built in resilience against economic downturns
- ❑ Plants at Taloja, Western Maharashtra, India
- ❑ 100% Subsidiary – Smartchem Technologies at Srikakulam, Andhra Pradesh
- ❑ Ranked Fourth among chemicals manufacturers in India by Dun & Bradstreet
- ❑ The only IPA and TAN manufacturer in India & the largest Nitric Acid and AN producer in South East Asia
- ❑ Assimilated world's finest technologies available for products
- ❑ Certifications—ISO 9001:2000, ISO 14001:2004, OHSAS 18001:2007





Strategic Focus and Competitive Advantages

- ❑ Products closely aligned with India's key growth drivers – mining and infrastructure, chemicals, agriculture and consumer retail
- ❑ Strong scale advantages drawn from global scale plants, across key sectors. Today, are either the leader in a segment or a dominant player
- ❑ Strategy drawn on maximizing synergies across products and markets both through the manufacturing and marketing
- ❑ Strong customer-centricity with high levels of customer loyalty. Built through careful optimization of value to the customer





Strategic Focus and Competitive Advantages

- ❑ Strong cash flows, well managed and prudent operational and financial systems with SAP processes
- ❑ Constantly moving up the value chain and to build scale and market share – a thinking that defines every action we do
- ❑ Among the strongest marketers of ammonia derivative products with an extensive and loyal dealer / distributor base and customers on a pan India basis
- ❑ A people-centric Company with policies not merely performance centric but promoting personal growth. Today, each team member pools in his considerable domain expertise to provide a strong thrust to implement our growth strategy
- ❑ Skill maximization to optimize customer value is a key focus





Product Information





Product Information

Industrial Chemicals

- Iso Propyl Alcohol, Methanol, Ammonium Nitrate (AN), Dilute Nitric Acid (DNA), Strong Nitric Acid (SNA), Concentrated Nitric Acid (CNA), Propane, Carbon-di-oxide (CO₂), Hydrogen (H₂)

Agri-business (Fertilisers)

- Fertilisers : Nitro Phosphate (NP) 24:24:0, Bentonite Sulphur, bio-fertilisers, water soluble fertilisers, soil nutrients and select mixtures
- DFPCL's Saarrthie initiative linking nutrient management to product output management

Mining Services and Mine Consulting

- The only manufacturer of Technical Ammonium Nitrate – a key ingredient to the emergent mining and explosives industry
- Holistic mining services provider of end to end solution in geology, mine consulting and contract mining. JVs with global experts to maximise value to the customer

Value Added Real Estate (VARE)

- Ishanya – India's first true Lifestyle Centre. Located in Pune, Western Maharashtra





Plant Capacities & Technology





Plant Capacities

Installed Capacity	Unit (MTPA)
Ammonia	1,28,700
CNA	1,38,600
DNA	7,02,900
Methanol	1,00,000
Iso Propyl Alcohol	70,000
TAN (across Taloja & Srikakulam)	4,69,000
CO ₂	33,000
Nitro Phosphate	2,29,500
Bentonite Sulphur	25,000





Technology

Products	Technology
Ammonia	Fish International Engrs. (U.S.A.)
Methanol	Davy McKee (U.K.)
Dilute Nitric Acid (DNA)	Weatherly Inc. (U.S.A.)
Concentrated Nitric Acid (CNA)	Plinke (Germany)
Low Density Ammonium Nitrate (LDAN)	Stamicarbon (The Netherlands)
Nitro Phosphate (Fertilisers)	Stamicarbon (The Netherlands)
Iso Propyl Alcohol (IPA)	British Petroleum
Technical Ammonium Nitrate	Stamicarbon (Netherlands)
	Grande Paroisse (France)
	Norsk Hydro (Sweden)
	Uhde (Germany)





Company Strengths





Strengths – Agri-Business





Agri-Business

DFPCL's Business Model

Identify growth platforms at each level of the agri-value chain where value can be maximised-- from farm nutrient inputs, to services and fresh produce management

- ❑ Farm nutrient inputs: Complexes, Fortified and Specialty fertilisers
 - Key Task: Augment capacity, build deeper market penetration and brand strengths.
 - Market leader in fortified and specialty fertilisers in India
 - Reach across west, South and the North of India with strong brands and farmer support mechanisms
- ❑ Services: Enhance critical last-mile connectivity to farmers
 - Key Task: Create effective farm advisory and nutrient input delivery mechanism to the farmer's doorstep, for better yields and profitability - The Saarrthie model in operation
- ❑ Fresh produce management: Focus on select fresh fruits and vegetables for global and Indian markets
 - Key Task: Gestational business in India, therefore need to acquire scale, market access and capability – DFV acquisition the first step towards developing these





Agri-Business

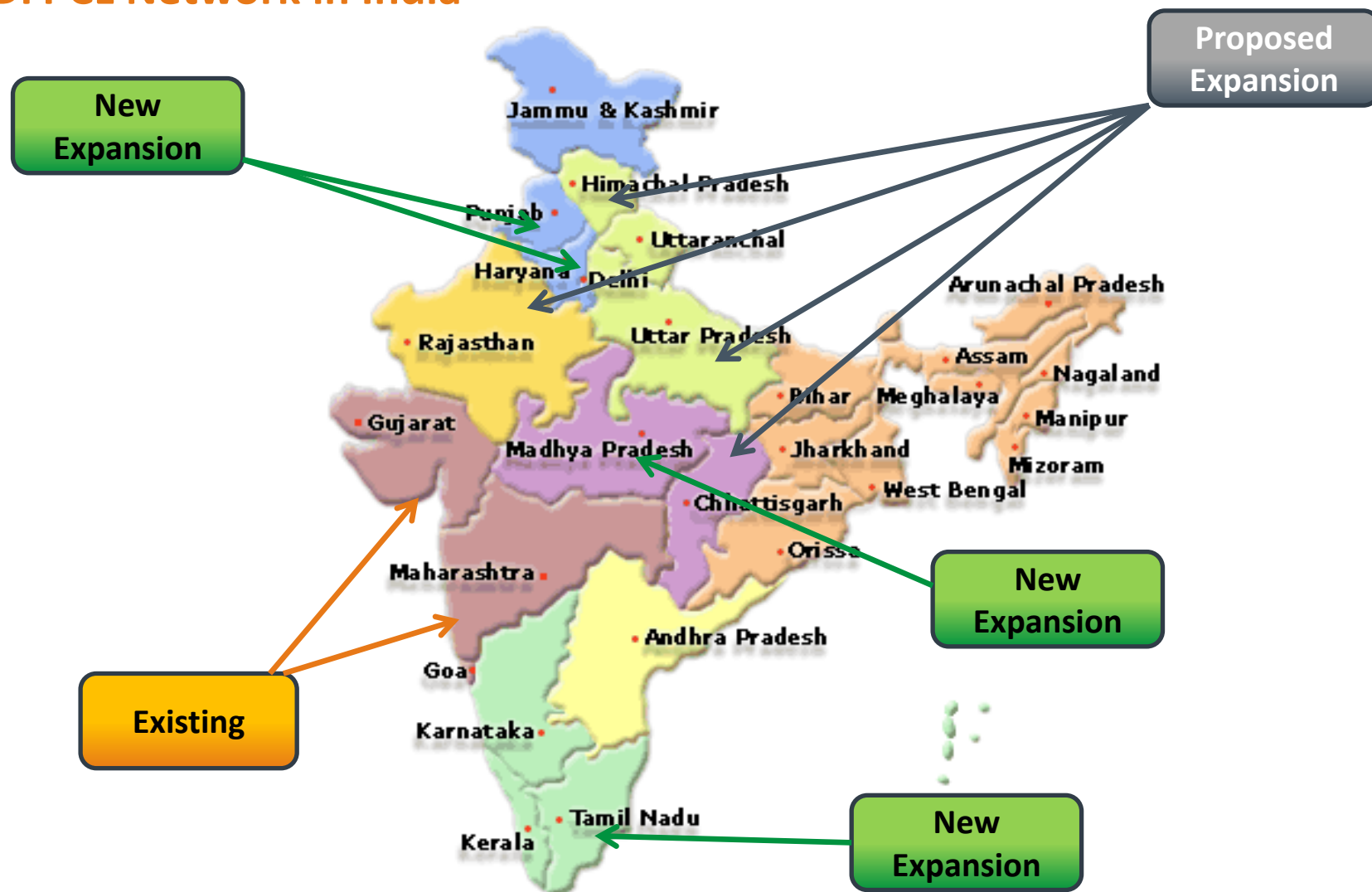
DFPCL's Strengths (Fertiliser Marketing)

- ❑ Only manufacturer of 24:24:0 in India
- ❑ Amongst market leaders in India for specialty products, water solubles, specialty fertilisers and Sulphur Bentonite
- ❑ Among the best recognised brands in the industry—Mahadhan and Bhoodan— drawn across a wide range of fertiliser products
- ❑ Network of 4,500 dealers and sub-dealers to ensure penetration across 7 states – Maharashtra, Karnataka, Gujarat, Madhya Pradesh, Punjab & Haryana
- ❑ Strong farmer relationships through 12 Saarrthie centres serving 11,500 farmers
- ❑ DeepakGap Certifications for agri-produce accepted as global standard
- ❑ ISO 17025 accredited laboratory for agri-research





DFPCL Network in India





Agri-Business

NEW PROJECTS

- ❑ Recently announced two new projects in Agri-business.
- ❑ Capacity augmentation project at Taloja
 - Project will more than double the existing capacity at the integrated fertiliser complex
 - Will enhance capacity of NPK grades complex fertilisers from 2,29,000 MTPA to 6,00,000 MTPA
 - Company will gain additional flexibility to produce all NP / NPK grades with fortification of micro-nutrients
- ❑ Greenfield Bentonite Sulphur plant
 - New BenSulf plant at Panipat in Haryana – Northern India
 - Plant will produce 32,000 MTPA of BenSulf
- ❑ Both projects are expected to be completed in 30-months from commencement





Strengths – Mining Chemicals





Mining Chemicals

DFPCL's Business Drivers

- ❑ Critical need for power and infrastructure drives overall demand for coal, limestone and iron ore
- ❑ India possesses globally significant mineral resources. Mining industry to grow at 7% p.a. for the next 7-10 years
- ❑ Demand for coal is projected to increase to 950 Mn. Tonnes In India's 12th Plan, from around 670 Mn. tonnes currently
- ❑ Coal sector growth therefore at 7-8% p.a. for the next 10 years. Need to enhance coal production to reduce dependence on import
- ❑ 12th Five Year Plan (2012-17) envisages nearly \$1 trillion investment in infrastructure – a key to GDP growth





Mining Chemicals

DFPCL's Strengths

- ❑ One of the largest producers of Technical Ammonium Nitrate (TAN) in the world and the only producer of explosive grade low density prilled AN in India
- ❑ India's largest TAN complex producing AN Melt, High-density Ammonium Nitrate and Low-Density Ammonium Nitrate
- ❑ Strong brands and well-entrenched distribution system
- ❑ World-class quality with domestic scale
- ❑ Proximity advantage with high competence and ability to provide Just-In-Time technical service knowledge





Mining Chemicals

DFPCL's Business Model

- ❑ TAN is a relatively specialised product with customers requiring a high level of service from suppliers
- ❑ DFPCL's key competitive advantages are based on scale, market penetration and technical services - Therefore a value chain based on value extraction at every key link required:
 - Essential Just-In-Time services delivered through strategically placed warehouses and channel partners
 - Mine Consulting to improve efficiencies and build customer loyalty
 - Technical services like down-the-hole technologies
 - Bulk Mixing and Delivery equipment based trucks to provide on the spot service
- ❑ Growth path:
 - Build technology capabilities to enhance technical services and customer value
 - Target gaps in global markets viz. East Asia, Australia, Africa
 - Augment scale with capacity expansion close to Indian mining centres





Strengths – Industrial Chemicals





Industrial Chemicals

DFPCL's Business Model

- ❑ The primary focus of the Industrial Chemicals business is currently solvents
- ❑ Opportunities arising in high value petrochemical downstream products with similarity to solvents business
- ❑ Diversify its raw material base from ammonia towards petrochemicals with an ultimate focus on high value downstream products





Industrial Chemicals

DFPCL's Strengths

- ❑ FDA-licensed products—Iso Propyl Alcohol and Nitric Acid with advantages of scale
- ❑ Strong and direct relationship with over 600 Industrial customers in India and globally
- ❑ Strong distribution network – over 50 channel partners across India and exports across the globe
- ❑ Sales Teams comprising chemical engineers committed to technical support
- ❑ Strong entry barriers to business derived from scale and services
- ❑ One of the few global players with Nitric Acid supply facility in carbuoys and drums





People at the Helm





People at the Helm



□ **Mr. Sailesh C. Mehta, Chairman and Managing Director - DFPCCL**

Under his leadership, the Company has emerged among the world's top five manufacturers of Technical Ammonium Nitrate, Asia's leading manufacturer of Nitric Acid and a domestic market leader in several fertilisers and crop nutrients, and chemicals including Iso-Propyl Alcohol (IPA), Ammonium Nitro Phosphate and Bentonite sulphur. DFPCCL is ranked no. 3 among chemical companies in India by Dun & Bradstreet.

DFPCCL is now foraying into marketing fruits and vegetables globally through a carefully managed vertically integrated business model that links the farm productivity, product quality and consumer needs intimately.

Mr. Mehta took over as the Company's Managing Director in 2002, was appointed Vice Chairman in 2005 and elevated as Chairman in October 2012. His involvement with the Company extends over two decades when he first started work on its manufacturing operations following his management degree from Texas, USA. He then oversaw the expansion of the Company from an ammonia manufacturer to a multi-product market leader spanning fertilisers and petrochemicals from natural gas.

Mr. Mehta is reckoned among the thought leaders in the Indian Agri-business sector with his focus on improving nutrient management and farm economics in India. He has for several years been among the top-office bearers of the Fertilisers Association of India and has been keenly associated with the International Fertiliser Association.





People at the Helm



□ **Mr. Partha Bhattacharyya**, *Executive Director – DFPCL*

With over 35 years of experience across some of the most challenging industrial sectors in the nation, Mr. Partha Bhattacharyya brings with him extensive business knowledge, global financial insight and management expertise, which will be leveraged to drive efficiency and growth across all the key sectors at DFPCL.

Mr. Bhattacharyya joined Coal India Ltd. (CIL) as a Management Trainee in 1977 and ascended to become Chairman and Managing Director in 2006 and continued till February 2011. During his tenure, CIL became Miniratna in 2007, Navratna in 2008 and Maharatna in 2011. He spearheaded the CIL IPO, the largest IPO in Indian Capital Market so far. Prior to joining DFPCL, Mr. Bhattacharyya led the Haldia Petrochemicals Ltd. team as Managing Director and will now lead all operations and growth teams at DFPCL.

Having graduated with a Masters (Physics) from Jadavpur University, Mr. Bhattacharyya has also completed a programme on Investment Appraisal and Management from the Harvard University and Advanced Management Program from Cambridge University. He is an FCMA and fellow of World Academy of Productivity Sciences. He has been recognized by Forbes Magazine as the 'High Achiever of the Year 2010' and has received numerous awards from the Govt. of India. He is also the recipient of the CEPMPMA Honorary Fellowship Award.





People at the Helm

The day-to-day activities and decision making at DFPCL is managed by a competent group of Internal Board members, who bring with them a multi-faceted storehouse of knowledge and expertise. The Internal Board Members include:

- ❑ Mr. Somnath Patil, *President and CFO*
- ❑ Mr. Guy Goves, *President – Agri-business & Farming Solutions*
- ❑ Mr. Carl Anders Lindgren, *President & Technical Advisor - TAN*
- ❑ Dr. Rajeev Chemburkar, *President – Chemicals*
- ❑ Mr. Pandurang Landge, *President – Projects*
- ❑ Mr. Rajendra Sinh, *President – HR*
- ❑ Mr. Alok Goel, *President – Strategy & Business Development*





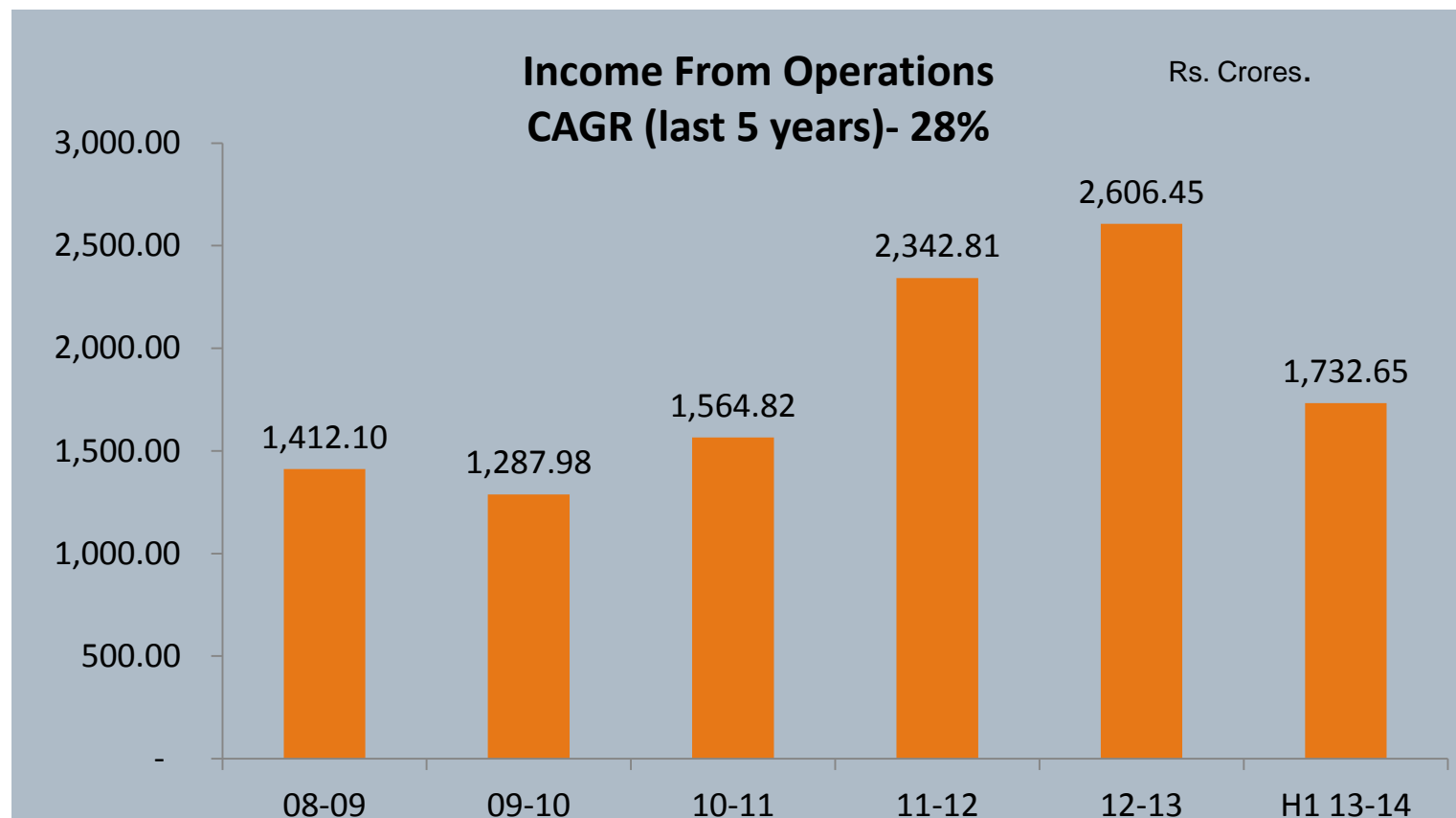
Company Financials



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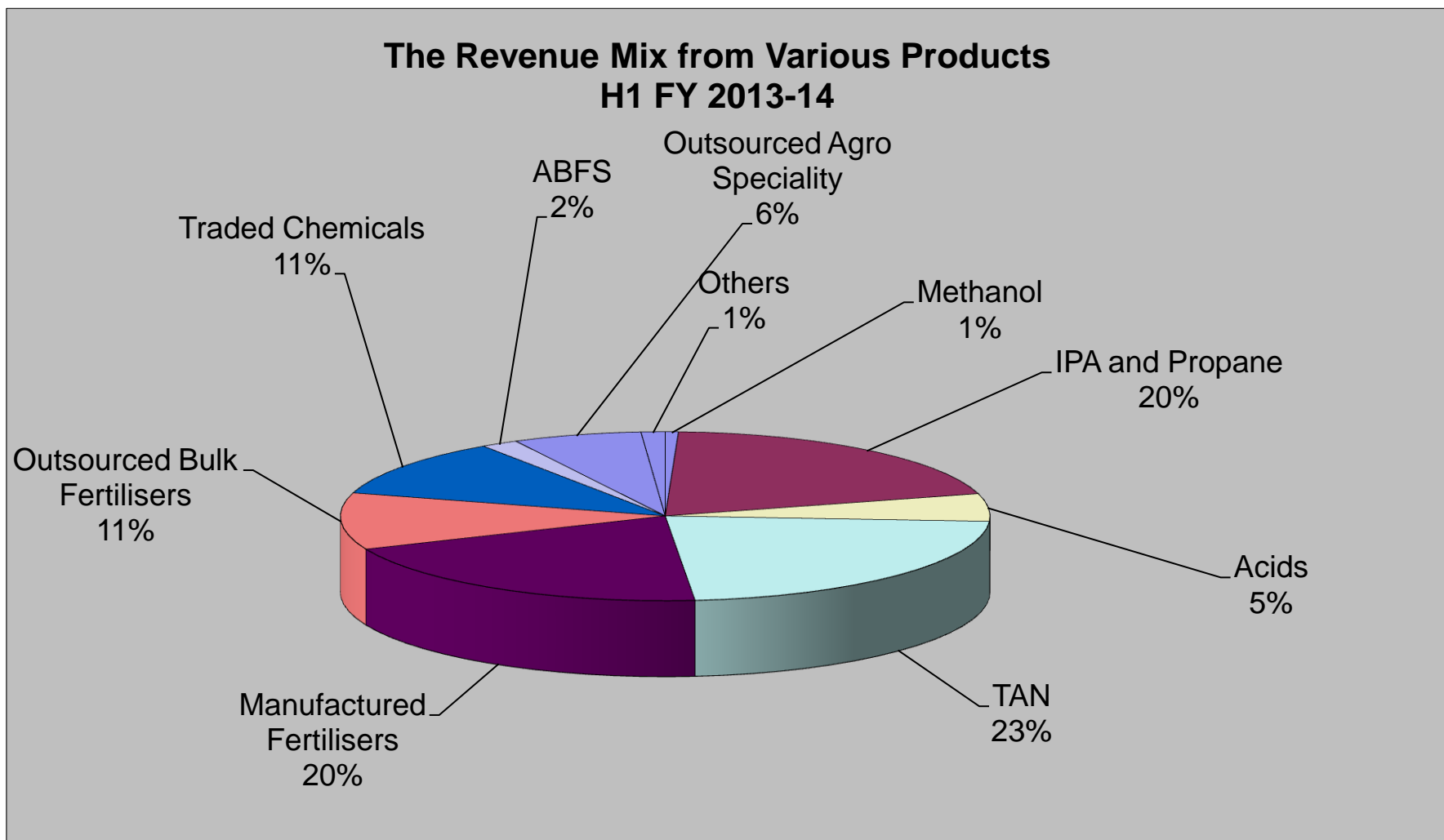


Income from Operations H1 FY 2014





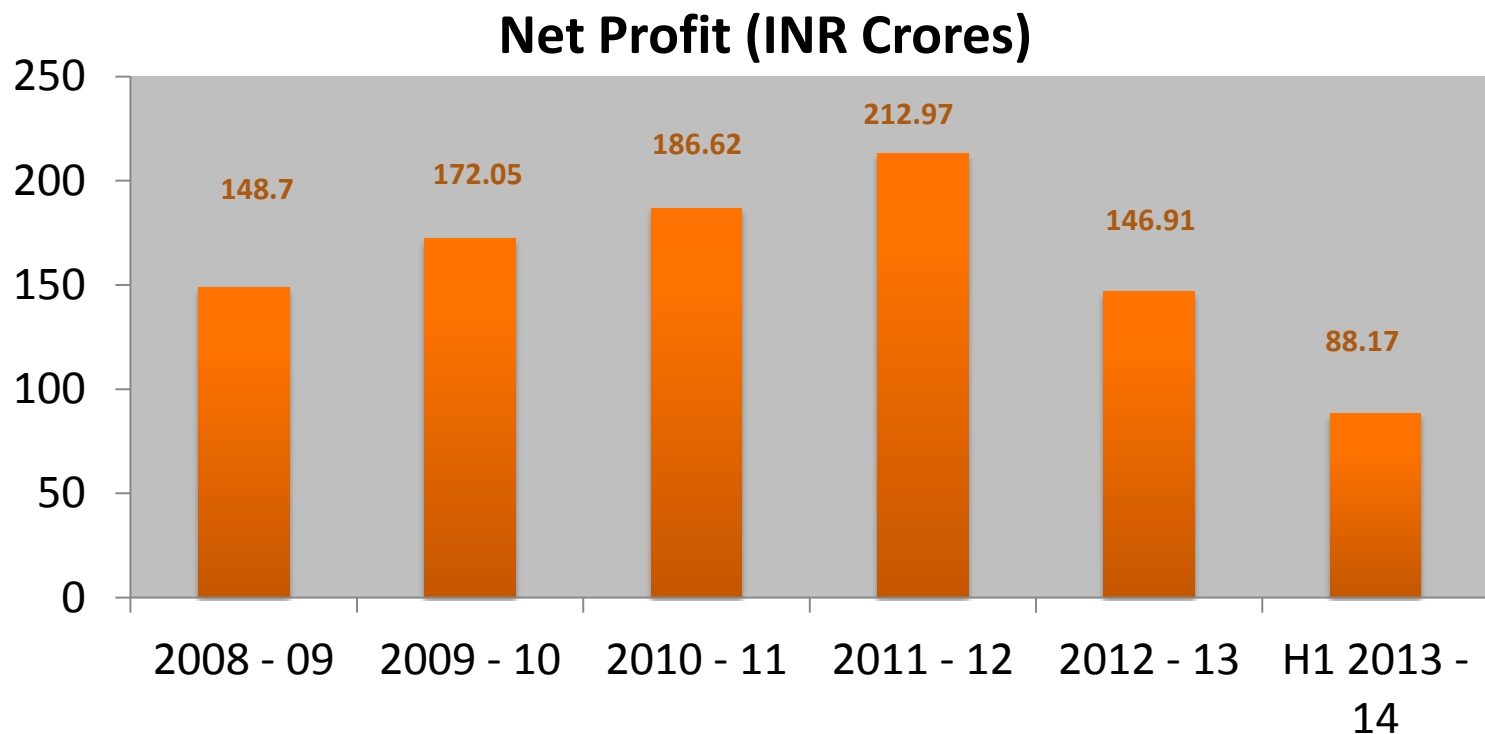
Revenue Mix from Various Products H1 FY 2013 -14





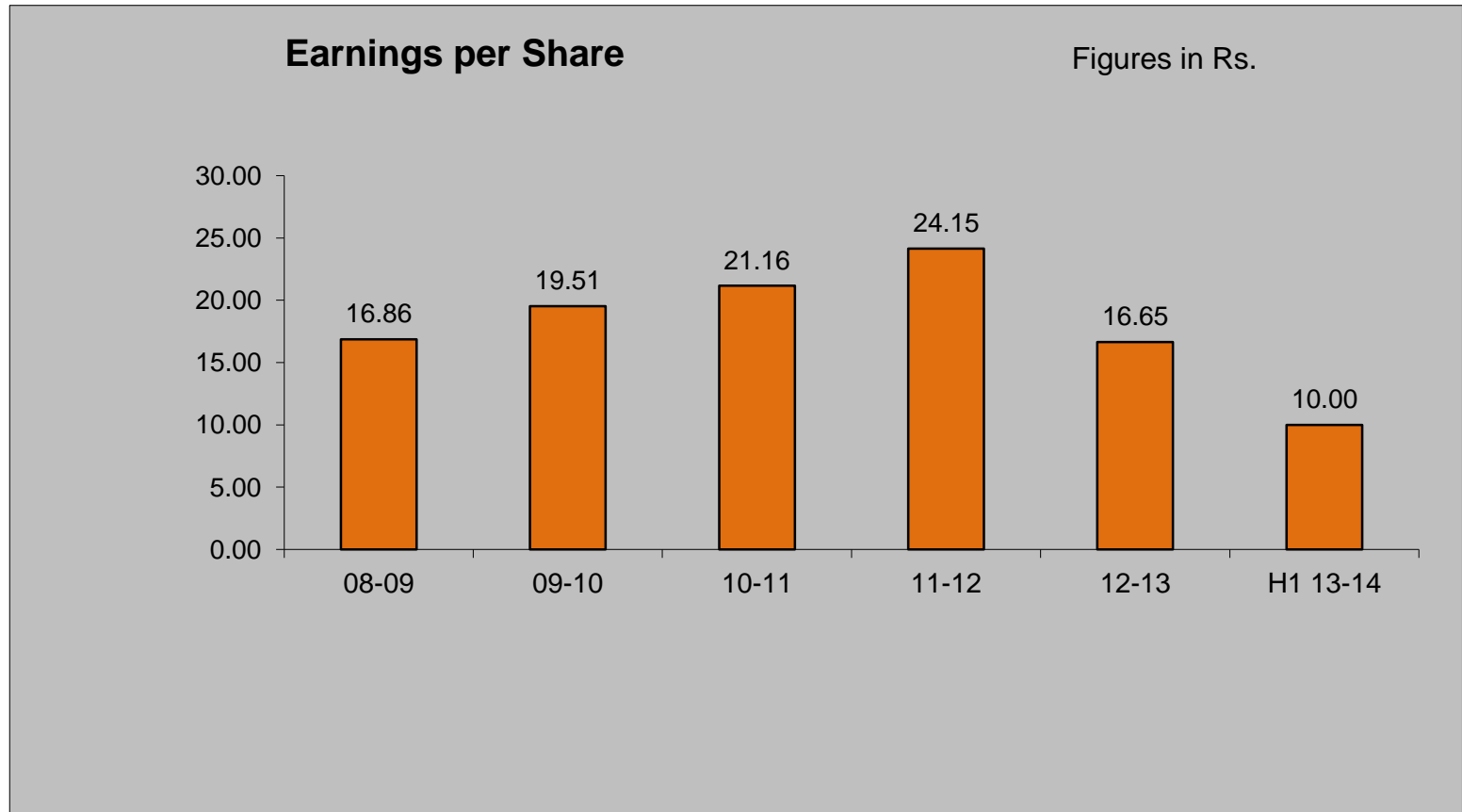
Financial Snapshot

The strength of our business model is reflected in our year-on-year growth despite growing global competition, the strength to withstand and rebound with resilience.



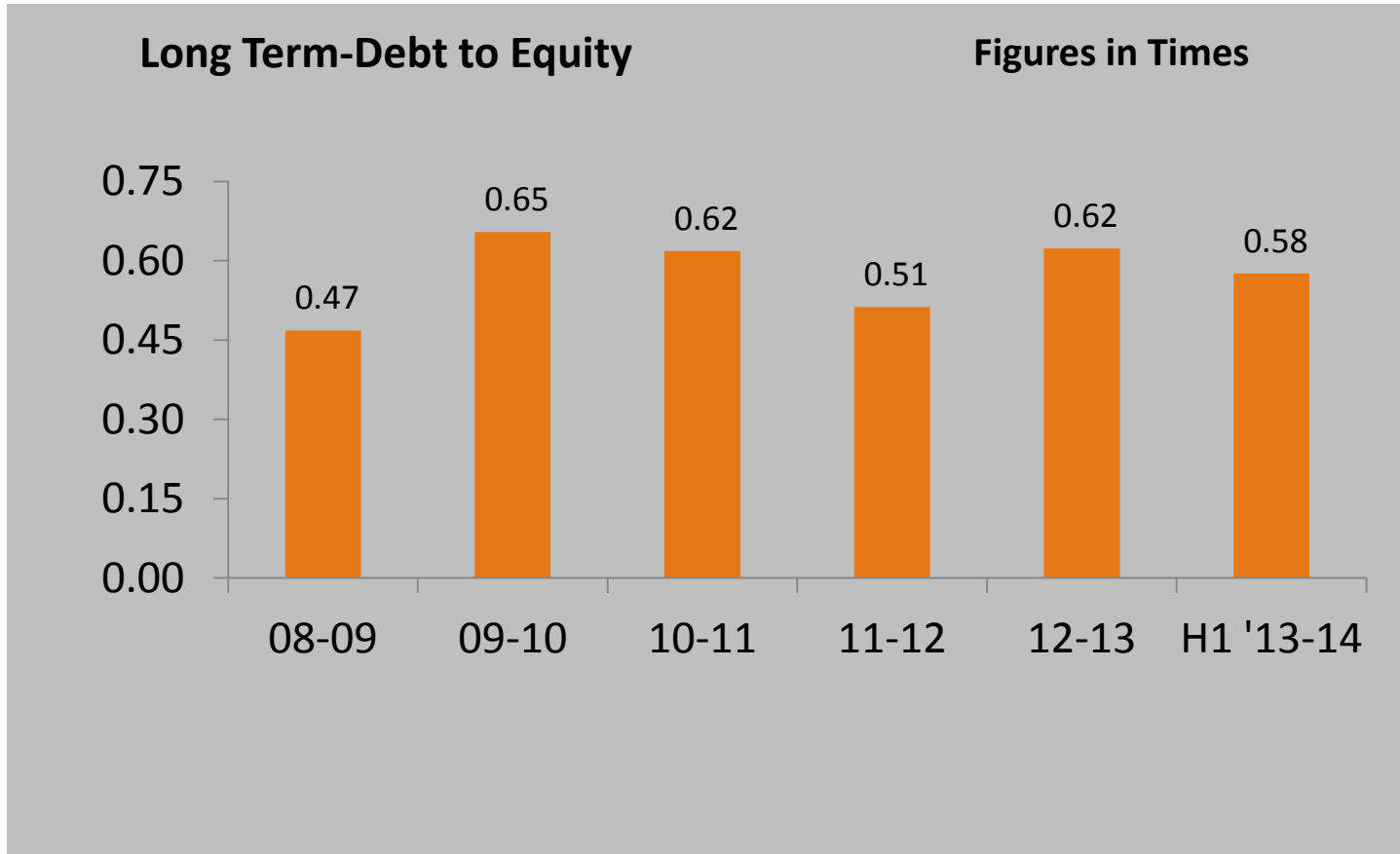


Financial Snapshot





Financial Snapshot





Thank You

Deepak Fertilisers and Petrochemicals Corp. Ltd.

Corp. Off: Opp. Golf Course, Shastri Nagar, Yerwada, Pune – 411006, Maharashtra, India

www.dfpci.com

