

Equity Research Desk

ALPHA



DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

From Volume to Value



Established: 1979
HQ: Pune



6 Manufacturing Facilities
across India



Core Segments: Industrial
Chemicals, Crop Nutrition,
Mining Chemicals



Leadership: South Asia's
largest Nitric Acid maker
India's top IPA producer



Exclusive: Only Indian producer
of multiple Ammonium Nitrate
variants



Sectors Served: Pharma,
Agrochemicals, Defence,
Resins, Textiles, Fertilisers,
Mining & Agriculture

Subsidiaries



11 subsidiaries; no associate companies or joint ventures (as of FY24)

Growth Strategies



Expansion Plans

- TAN plant at Gopalpur (376 KTPA) – Ops by Q4FY26, taking total TAN capacity to 1 MTPA
- Backward integration at Dahej – 300 KTPA weak nitric acid + 150 KTPA concentrated nitric acid; commissioning in Q4FY26 | ₹1,950 Cr investment → will make it Asia's largest nitric acid producer
- Ammonia plant (1,500 MTPD) commissioned in FY23 – reduced import dependency
- Signed India's largest private LNG supply deal with Equinor (Norway) – supply from FY26

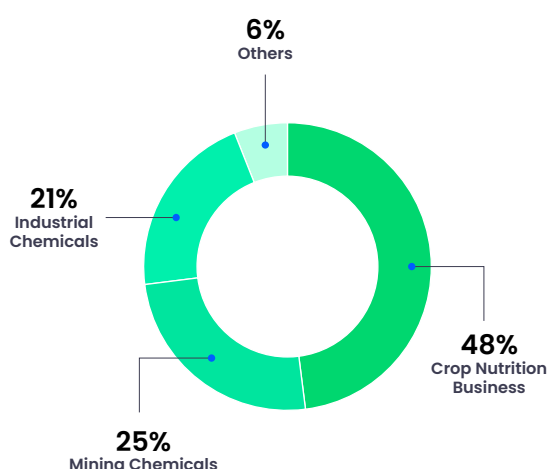


Value-Driven Growth

- Shift from commodity sales to value-added, solution-led offerings
- Mining Chemicals – 16% revenue from B2C channel via integrated blasting services (better pricing power & stable margins)
- Australian subsidiary Platinum Blasting offers blast design & technical support → deeper client ties, less price volatility
- Crop Nutrition – Specialty portfolio = 45% of CNB revenue, 40% price premium vs 15% for bulk fertilisers
- Q1FY26 volumes: Bulk fertilisers +3% YoY (1.8 lakh MT) | Specialty grades +73% YoY (CropTek) & +21% YoY (pencil WSF)

Revenue Breakup (FY25)

Total Revenue (FY25) – ₹10,274 crore



Financial Highlights



Q1FY26

- Revenue: ₹2,659 Cr (↑ 17% YoY)
- EBITDA: ₹513 Cr (↑ 11% YoY)
- Net Profit: ₹244 Cr (↑ 22% YoY)
- Net Debt-to-EBITDA: 1.50x (vs 1.72x YoY)

Strong topline growth driven by robust order flow and expansion momentum



FY25

- Revenue: ₹10,274 Cr (↑ 18% YoY)
- EBITDA: ₹1,925 Cr (↑ 50% YoY)
- Net Profit: ₹945 Cr (↑ 107% YoY)

Robust performance driven by higher margins and strong demand momentum

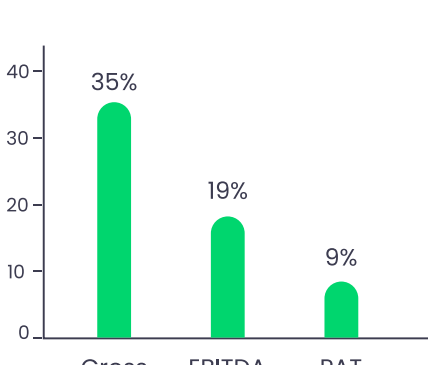


3 Year Financial Performance

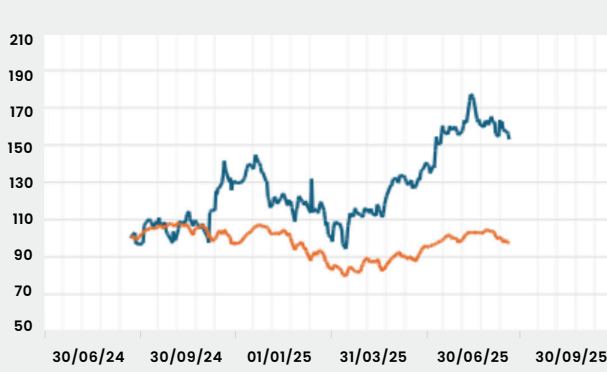
- Revenue CAGR: ~10%
- Net Profit CAGR: ~12%
- Avg. ROE: 16%
- TTM Sales Growth: 23%
- TTM Net Profit Growth: 82%
- Debt-to-Equity Ratio: 0.67

Solid growth momentum with robust returns and a healthy capital structure.

Margins-FY25



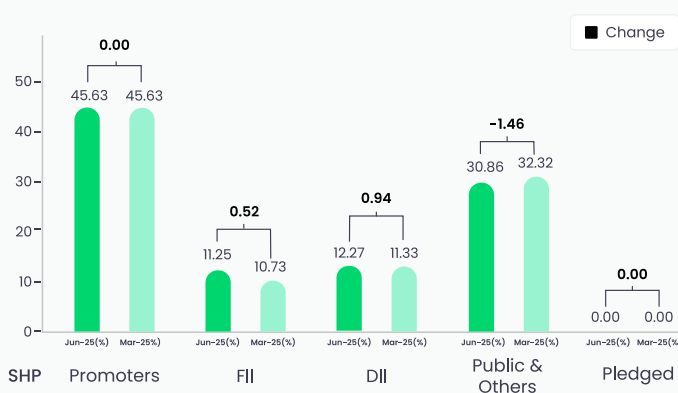
Indexed Price Chart



Market Data

CMP	₹1470
Date	08-Aug-25
Target Price	₹1751
Upside Potential	19%
52 Week High/Low	1779/889
NSE Code	DEEPAKFERT
Market Cap	Small
Sector	Commodity Chemicals
Rating	BUY

Shareholding Pattern



Ratios - FY25

ROE	16%
ROCE	16%
Div. Yield	0.66%
PE Ratio (x)	15.1
Face Value	10.00
EPS	73.95

Industry Outlook



Scale & Contribution: 7% of GDP | 6th largest globally | 3rd in Asia



Diversity: 80,000+ products | 2M+ employed



Market Size: US\$ 220B (FY25) → US\$ 300B by 2030 → US\$ 1T by 2040



Growth Drivers: Strong demand from food processing, personal care & home care



Specialty Chemicals: Fastest-growing segment, driven by end-user industries



Global Positioning: Expanding capacity to meet rising domestic & export demand



Key Segments: Bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, fertilizers

Growth Drivers



Budget Push: ₹1.62 lakh crore (US\$18.7B) allocation to Chemicals & Fertilizers Ministry



Long-Term Vision: 2034 roadmap to boost domestic output, cut imports & attract investments



Incentive Boost: PLI scheme in works for specialty chemicals sector

Competitive Advantage



Competes with SRF Ltd, Rashtriya Chemicals & Fertilizers Ltd, and others, delivering strong returns on invested capital supported by steady sales growth.

Peer Analysis

Company	CMP	Mcap	ROCE	ROE	3Yr Sales CAGR	P/E	EPS
Deepak Fertilisers	1470	18521	16.00%	16.00%	10.00%	19	77.73
SRF	2861	84481	12.00%	10.00%	6.00%	59	48.27
RCF	147	8099	8.00%	5.00%	10.00%	33	4.39

Outlook



Integration Push: Forward & backward integration to cut import dependence, control costs & stabilise margins



Export Boost: TAN export quota raised from 20K → 50K MT, unlocking global opportunities



Dual-Coast Model: Upcoming west & east coast facilities to enhance logistics & cut freight costs



BUY Rating with Target Price: ₹1,751 (17x FY27E EPS)

Note: We also encourage maintaining a stop-loss at 20% from the entry price to manage potential downside risk effectively.

SWOT Analysis



Strengths

- Strong market leadership across multiple product categories
- Well-diversified customer base with reach across industries
- Forward & backward integration driving operational and cost efficiencies



Weaknesses

- Dependence on imported raw materials
- Vulnerability to monsoon impact on agriculture



Opportunities

- Capacity additions to expand scale and product availability
- Focus on value-added, differentiated products to boost margins & retention



Threats

- Raw material price volatility
- Rising competition intensity

Product Portfolio



Industrial Chemicals – Isopropyl Alcohol (IPA), Nitric Acid, Liquid CO₂, Methanol



Technical Ammonium Nitrate (TAN) – Low, High & Medical Grade TAN, TAN Solution, Platinum Blasting Services (Australia)



Crop Nutrition – Bulk & Specialty Fertilisers, Water-Soluble Fertilisers, Micronutrients, Secondary Nutrients



Creaticity – Furniture Mall & Home Décor Store, Pune

Note: To read the Disclaimer and Disclosure, [click here](#)

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