



RESPONSIBLE
CHEMISTRY

CORPORATE PRESENTATION

June 2018

VISION- VALUES



Vision

To become the **FASTEST GROWING**
Indian chemical intermediates company.



Values:



Innovativeness

Driving not just product ideas but also innovation in terms of processes and employee engagement thus maximizing growth.



Responsiveness

Towards, employees, customers and all other stakeholders.



Ownership

Where the vision becomes not just the company goal but the individual goal as well.



Performance driven

Rewarding performers across verticals, thereby setting examples for leadership.



Agility

Change is constant. This equips the organization to respond rapidly to this dynamic world.

RESPONSIBLE CHEMISTRY



Health & Safety

Focus on plant, process and people safety.

Emergency preparedness through drills and pre-tests.

HAZOP studies and safety inspections.

Occupational health centre at each unit.

Community Care

Community development through Deepak Foundation

Social interventions spanning over 1,500 villages in Gujarat

Focus areas include:

- Women & Child Welfare
- Integrated Livelihood Promotion
- Disaster Relief
- Rehabilitation & Integrated Child Development Schemes

Environment

Dedicated cell for conservation through improvisation in processes and products.

Effluent treatment plants compliant with pollution control norms.



ABOUT THE FOUNDER



Mr. C.K. Mehta, Chairman-Emeritus

- A pioneer , visionary and founder with over five decades of versatile experience in Chemical.
- He is credited with leading an able Board and laying the foundation of a strong professionally driven organisation at par excellence.
- Today, he is more like a inspiration of DNL and all group Cos, including foundation
- Instrumental in initiating company's CSR initiatives and in establishing the Deepak Foundation.
- **Recipient of ICC Lifetime Achievement Award in 2014**





BOARD OF DIRECTORS & LEADERSHIP TEAM

PROFESSIONAL BOARD OF DIRECTORS BACKED BY A STRONG TEAM



MR. D. C. MEHTA

Chairman & Managing Director

Mr. D. C. Mehta is a dynamic personality whose business acumen has enabled the Company to take swift strides forward and achieve new laurels, year after year. He is at the helm of affairs at Deepak Nitrite for the last 38 years. He is a Science Graduate from the University of Bombay.



MR. UMESH ASAIKAR

Executive Director & Chief Executive Officer

Mr. Umesh Asaikar has been associated with the Company since September 2008. He has around 37 years of varied experience in the areas of Sales and Marketing, Manufacturing, Commercial and Business Management across industries including pharmaceuticals, vitamins and fine chemicals, glass flaconage, etc.



MR. SANJAY UPADHYAY

Director, Finance & Chief Financial Officer

Mr. Sanjay Upadhyay is an associate member of the Institute of Cost Accountants of India. He is also a Fellow of the Institute of Company Secretaries of India. He has vast experience in the areas of Finance, Accounts, Commercial and Secretarial Functions. He is associated with the Company since 1994.



MR. MAULIK MEHTA

Additional Director & Whole-Time Director

Mr. Maulik D. Mehta holds a Bachelors degree in Business Administration from University of Liverpool, UK. He has also done Masters in Industrial and Organizational Psychology from Columbia University, USA. He has around 8 years of experience in the areas of Business Development.



MR. A. C. MEHTA

Managing Director

Mr. A. C. Mehta has been actively associated with the Company since 1984. With extensive experience, a comprehensive approach and strong industry foresight, he has paved the way for innovation and excellence in the Company.



MR. SUDHIN CHOKSEY

Independent Director

Mr. Sudhin Choksey has extensive experience in handling functional areas of finance, commerce and general management, both in India and abroad. He is the Managing Director of GRUH Finance Ltd and also a Fellow Member of the Institute of Chartered Accountants of India.

PROFESSIONAL BOARD OF DIRECTORS BACKED BY A STRONG TEAM



MR. SUDHIR MANKAD

Independent Director

Mr. Sudhir Mankad, IAS (Retd.), has served in senior positions, both with the Government of India and the Government of Gujarat. His last assignment was Chief Secretary, Government of Gujarat. He has served as a Director/Chairman on the Board of several companies.



DR. S. SIVARAM

Independent Director

Dr. Sivaram is a scientist of distinction, having held leadership positions in R&D, in both industry and academia. He has done his M.Sc. from the Indian Institute of Technology, Kanpur, and Ph.D. from Purdue University, W. Lafayette, Indiana, USA.



DR. RICHARD H. RUPP

Independent Director

Dr. Rupp has held various top level positions in leading multinational companies such as Hoechst AG (Germany), Lonza (Switzerland) and Allessachemie (Germany). His focus is in the field of pharmaceuticals and fine chemicals.



PROF. INDIRA PARIKH

Independent Director

Prof. Indira Parikh is the Founder President of FLAME (Foundation for Liberal and Management Education). She holds a Ph.D. from the Gujarat University and MA from University of Rochester. She was a faculty member at IIM-A, for over 30 years and the Dean from 2002 to 2005



MR. S. K. ANAND

Independent Director

Mr. S. K. Anand has a rich experience of around 44 years in the field of Project Management, Operations, Corporate Planning, Quality Management, Health, Safety and Environment Management, Energy Management and Strategic Planning in petrochemicals, refining and other allied industries.



MR. NIMESH KAMPANI

Independent Director

Mr. Nimesh Kampani is the Founder and Chairman of the JM Financial Group, one of India's leading financial services group. In a career spanning four decades, he has made invaluable contributions to the development of Indian capital market.

HISTORY

1970

Incorporation of Deepak Nitrite Limited

1971

Listed on BSE with landmark over-subscription

1972

Commissioned Sodium Nitrite & Sodium Nitrate Plant at Vadodara, Gujarat

1984

Acquisition of Sahyadri Dyestuffs & Chemicals unit from Mafatlal Industries

1992

Commissioned Nitro Aromatic Plant at Nandesari

1995

Commissioned a full fledged Hydrogenation Plant at Talaja

2003

Acquisition of management and control of Aryan Pesticides Limited

2007

Acquisition of DASDA Division from Vasant Chemicals at Telangana

2010

Foray into Fuel Additives business

2012

Accredited with 'Responsible Care' – a global benchmark of environment, safety and health management

2013

Brownfield expansion for manufacturing Sodium Nitrite & Sodium Nitrate at Nandesari

Turnover crosses INR 1,000 crore milestone

2014

Commissioned a world-class facility to manufacture Optical Brightening Agents (OBA)

2015

Promoted Deepak Phenolics Limited for manufacturing of Phenol & Acetone

2016

Raised INR 83 crore via QIP (1st Round) to fund the phenol project

2017

Raised INR 150 crore via QIP (2nd Round) to fund the phenol project

2018

Deepak Phenolics Limited commissioned. Production starts

COMPANY OVERVIEW

Since 1972, Deepak Nitrite has been a leading intermediates company in the Indian chemical industry.

We serve numerous industries & 56 applications with a portfolio of over 100 international quality products.

We are a recognized globally as a '*Responsible Manufacturer*' and as a '*Supplier of Choice*' by our clients.



Net
Revenue
1455 Cr.
FY17-18

**Amongst top
3 global
players**

for products like
Xylidines, Cumidines
and Oximes

1000+
Customers

**Leading
producer**

of Sodium Nitrite
and Sodium Nitrate
since 1972

1600+
Employees

5
Manufacturing
locations

Exports
to 30 countries,
6 continents

50 years
Legacy
par excellence

GLOBAL REACH

30
Countries

6
Continents

56+
Applications

1000+
Customers

100+
Products

VALUE PROPOSITION



Large product portfolio
of value-added
intermediates

Exports to
30 countries
and growing

Largest
Phenol-Acetone plant
in India for increasing
demand

Among top 3 global
players in Xylidines,
Cumidines and Oximes

Balanced
import-export revenues

MAJOR CUSTOMERS



Product Portfolio:

Basic Chemicals

Fine & Specialty Chemicals

Performance Products

Supplier of Choice for :



Applications



Pharmaceuticals



Agrochemicals



Personal Care



Petrochemicals



Dyes and Pigments



Paper

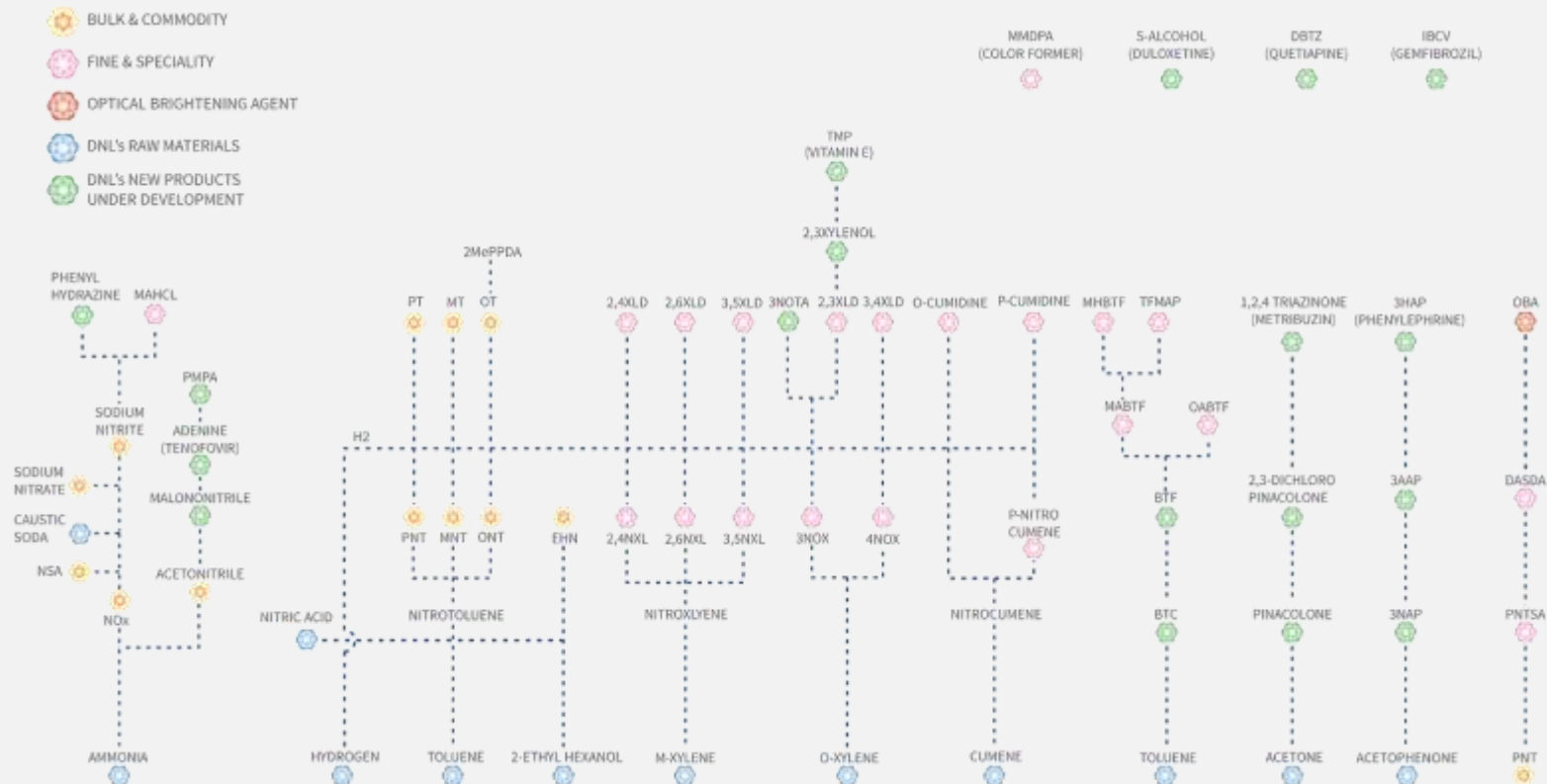


Fuel Additives



Detergents

CHEMISTRY OF GROWTH



DEEPAK R&D CENTRE

Location: Nandesari, Gujarat, India



ISO 9001, 14001, OHSAS 18001

Government recognized

Strong team of **45 scientists**

Patented chemistries developed and commercialized for global consumption

Cost-effective and eco-friendly process development

Chemical synthesis for different product segments

Advanced Intermediate developed & commercialized For MNCs

Fields of Expertise:

Advanced Sulphonation
Multiple Pathway Oxidation
Continuous Reduction Nanotechnology
Ion-exchange Resins

Facilities

State-of-the-art
Instruments and Equipment

- HPLCs and GCs
- FTIR
- UV-visible spectrophotometer
- Micro reactor
- Wiped film evaporator
- Vapour phase fixed bed reactors
- Autoclaves of various capacities and MOCs
- Horizontal beadmill
- Rotary furnace
- Multiple CSTR assembly
- Nanofiltration setup



Dedicated centralised facility At
Nandesari, Gujarat, India



Recognized by
Department of
Scientific & Industrial Research
Govt. of India



Strong team of
45+
Scientists



8 patents Granted

8 patents applied



Expertise in multiple chemical processes

Nitration | Catalytic hydrogenation | Sulphonation
Oxidation | Oxidative Coupling | Alkylalation (C, N & O)
Dissolving metal Reduction | Diazotization | Lithiation
Ammonidation | Halogenation | C-C (Grignard, Suzuki, Heck etc)
Enzyme catalysis



MANUFACTURING FACILITIES

Nandesari

The first and flagship manufacturing facility.

Basic chemicals,
Bulk chemical commodity



Roha

Intermediates for
Agrochemicals, Dyes,
Fine and Specialty
chemicals.

Taloja

Synthetic Organic
chemicals, Fine and
Specialty chemicals



Dahej

Basic chemicals, Fine and
Specialty chemicals and
Performance products.

Fully automatic batch
process with production
capacity of 100 thousand
tonnes.

Hyderabad

DASDA

20% of world's market
share of DASDA
business.





ECO-CONSCIOUS

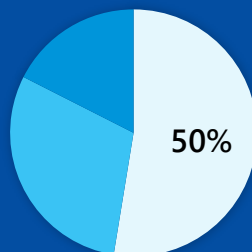
Green Belt
21000 Sq. Mt

BUSINESS SEGMENTS

BASIC CHEMICALS (BCC)

- Nitro Toluenes
- Sodium Nitrite / Nitrate
- Fuel Additives

50%
Total Revenues in FY17



Colourants



Petrochemicals



Rubber

- High volume segment consisting - Bulk Chemicals & Commodities made to standard specifications.
- Manufacturing both organic & inorganic chemicals.
- Classified under organic chemicals – Nitro Toluene, Ortho Toluene, EHN and Inorganic Chemicals - Sodium Nitrites & Sodium Nitrates

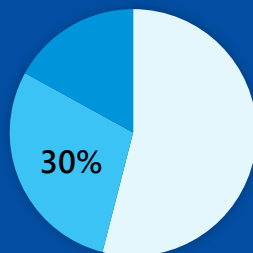
BUSINESS SEGMENTS

FINE AND SPECIALTY CHEMICALS

- Xylidines
- Oximes
- Cumidines
- Specialty Agrochemicals

30%

Total Revenues in FY17



Pharmaceuticals



Paper



Agrochemicals

- Includes niche products that require greater value addition.
- Segregated into Specialty Chemicals, Xylidines, Oximes, Cumidines, Nitro Xylene amongst others.
- Products customized as per customer specifications.
- Application in the manufacture of agrochemicals, pharmaceuticals, pigments, paper, hair colours etc.

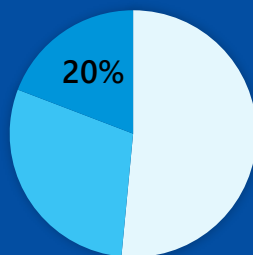
BUSINESS SEGMENTS

PERFORMANCE PRODUCTS



Optical Brightening Agent
(OBA)

20%
Total Revenues in FY17



- FWA is an application chemical; commonly known as Optical Brightening Agent (OBA).
- Fully integrated manufacturer of FWA.
- Wide applications across Paper, Detergents, Textiles, Coating Applications in Printing & Photographic Paper
- Customised into liquid or powdered form, as per the customer's requirements.

NEW LAUNCHES



Agrochemicals

1,2,4 Triazinone
(CAS NO. 33509-43-2)

3-Amino Benzotrifluoride
(CAS NO. 98-16-8)

2-Amino Benzotrifluoride
(CAS NO. 88-17-5)

3-Hydroxy Benzotrifluoride
(CAS NO. 98-17-9)



Pharmaceuticals

Adenine
(CAS NO. 73-24-5)

3-HAP
(CAS NO. 121-71-1)



Wood preservatives

(With pesticide content)

Protecto B plus premium

Protecto GLP plus

Protecto PFB plus



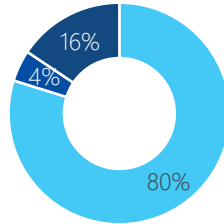
RESPONSIBLE
CHEMISTRY

PHENOL PROJECT

MARKET OPPORTUNITY

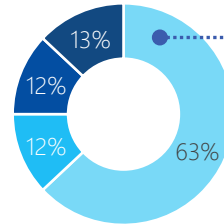
Phenol Demand Supply in India

Phenol Demand - 2014
250,100 MT



DNL's facility (200,000MT) will start operations in 2017 -18

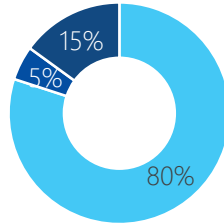
Estimated Demand for Phenol in 2017-18
3 20,000 MT



The plant at Dahej will help substitute the imports and give DNL a market leadership position for phenol & acetone in India

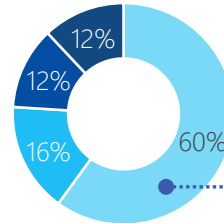
Acetone Demand Supply in India

Phenol Demand - 2014
156,734 MT



DNL's facility (200,000MT) will start operations in 2017 -18

Estimated Demand for Phenol in 2017-18
3 20,000 MT



Source: CRISIL

PHENOL & ACETONE FACILITY AT DAHEJ - SNAPSHOT

Manufacturing Capacity

200 KTPA

Total manufacturing capacity for **Phenol**

120 KTPA

Total manufacturing capacity for **Acetone**

260 KTPA

Total manufacturing capacity for **Cumene**

Technology Tie-ups



- Technology tie-up with KBR (USA) & UOP Honeywell
- KBR is a licensor of phenol capacity



FINANCIALS

FINANCIAL SUMMARY

Financial Summary

1467 Net Revenue

214 EBITDA

83 *PAT

*Normalized PAT

Market Capitalisation (in Rs. Cr)



CONSOLIDATED FINANCIALS

Income Statement	FY16	FY17	FY18
Revenue from Operations	13,729.3	13,604.4	16,514.5
RM Consumed	8,254.7	8,458.5	10,387.9
<i>as a % of sales</i>	60.10%	62.20%	62.90%
Employee Benefit Expense	1,190.8	1,255.9	1,361.5
<i>as a % of sales</i>	8.70%	9.20%	8.24%
Other Expenses	2,615.8	2,483.4	2,803.2
<i>as a % of sales</i>	19.20%	18.40%	16.97%
EBITDA	1,668.0	1,406.6	1,962.0
<i>Margin</i>	12.10%	11.10%	11.88%
Finance costs	397.1	365.4	451.5
Depreciation	395.4	427.2	526.0
PAT	627.3	435.7	790.2
<i>margin</i>	4.57%	3.20%	4.78%

* Excluding exceptional item profit

Balance Sheet	FY16	FY17	FY18
Share Capital	232.6	261.4	272.8
Reserves & Surplus	4,496.1	6,909.5	8,948.6
Networth	4,728.6	7,170.9	9,221.4
DEBT			
Long Term Borrowings*	2,602.9	3,671.3	5,504.6
Short Term Borrowings	2,685.2	3,766.2	3,315.7
Other Non Current Liabilities	643.7	763.9	703.7
Current Liabilities & Provisions	2,281.1	2,676.2	7,160.2
TOTAL LIABILITIES	12,941.5	18,048.5	25,905.6
Net Block (Incl. CWIP)	6,296.6	9,398.4	5,420.7
Other Non Current Assets	833.4	1,727.3	556.1
Current Assets	5,811.5	6,922.7	9,928.8
TOTAL ASSETS	12,941.4	18,048.5	25,905.6

* Long term borrowing includes Current maturities of long term borrowing

STANDALONE FINANCIALS

Income Statement	FY16	FY17	FY18
Revenue from Operations	13,357.3	12,215.6	14,549.8
RM Consumed	7,897.5	7,064.4	8,438.2
<i>as a % of sales</i>	59.10%	57.80%	58.00%
Employee Benefit Expense	1,160.8	1,222.0	1,320.6
<i>as a % of sales</i>	8.70%	10.00%	9.08%
Other Expenses	2,632.2	2,477.8	2,764.3
<i>as a % of sales</i>	19.70%	20.30%	19.00%
EBITDA	1,682.2	1,451.4	2,026.7
<i>Margin</i>	12.60%	11.90%	13.93%
Finance costs	374.5	308.9	403.4
Depreciation	394.5	422.8	519.5
PAT	651.5	1,120.4*	834.6
<i>margin</i>	4.60%	9.20%	5.74%

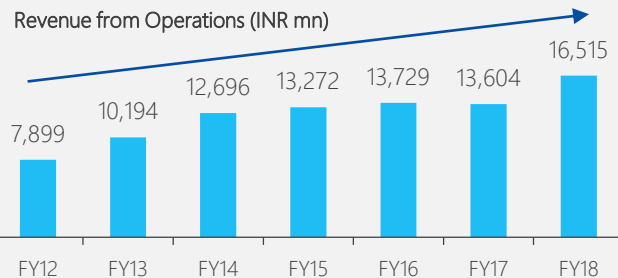
* Includes gain of INR 707.7mn (pre tax) on sale of land

Balance Sheet	FY16	FY17	FY18
Share Capital	232.6	261.4	272.8
Reserves & Surplus	4,526.3	7,082.2	9,165.7
Networth	4,758.9	7,343.6	9,438.4
DEBT			
Long Term Borrowings*	2,599.3	2,663.9	929.6
Short Term Borrowings	2,349.0	3,075.2	2,640.6
Other Non Current Liabilities	642.4	759.5	600.3
Current Liabilities & Provisions	2,373.3	1,873.6	4,396.0
TOTAL LIABILITIES	12,586.9	15,715.9	18,005.0
Net Block (Incl. CWIP)	6,074.2	6,134.1	6,054.4
Other Non Current Assets	1,059.4	3,283.1	4,501.7
Current Assets	5,453.3	6,298.7	7,448.9
TOTAL ASSETS	12,586.9	15,715.9	18,005.0

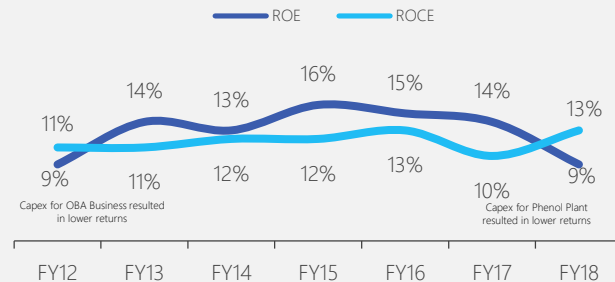
* Long term borrowing includes Current maturities of long term borrowing

FINANCIAL SNAPSHOT - CONSOLIDATED

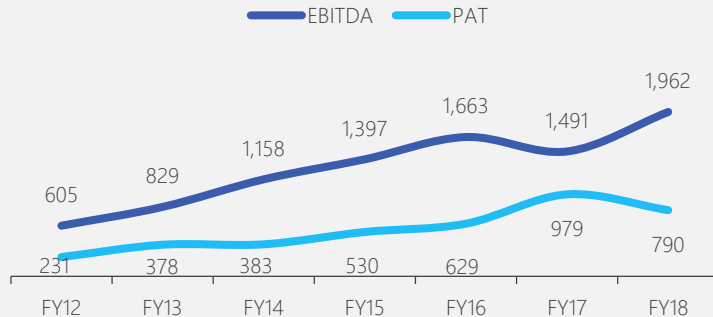
Revenue from Operations (INR mn)



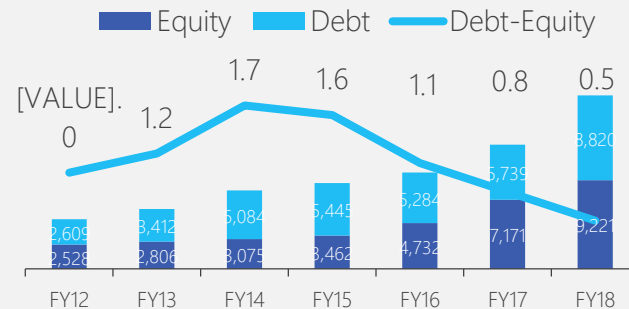
ROE v/s ROCE



EBITDA v/s PAT (INR mn)



Debt - Equity



AWARDS



FGI award, 2018 Certificate of Merit

Deepak Foundation was conferred with a Certificate of Merit at the 15th Federation of Gujarat Industries (FGI) awards.



Excellent Performance as Most Collaborative Partner, 2017

Deepak Nitrite recognised by Rallis, A TATA Group Company.



FICCI CSR Award, 2016

Deepak Nitrite Limited, as the parent company of Deepak Foundation, received the FICCI CSR Awards 2015-16.



ICC Award For Social Responsibility, 2017

Deepak Foundation conferred with the ICC Award For Social Responsibility by the Indian Chemical Council.



GCSRA Awards, 2017

Comprehensive Emergency Obstetric and Newborn Care (CEmONC) unit at Jabugam received the best CSR project for Cohesive & Strategic Partnerships under the large companies' category.



ICC Lifetime Achievement Award, 2014

The Indian Chemical Council (ICC) conferred Mr. C.K. Mehta, Chairman, Deepak Group of Industries with the ICC lifetime achievement award.



CORPORATE SOCIAL RESPONSIBILITY



DEEPAK FOUNDATION



40+ years | 2 million people

- Maternal & neonatal care
- Livelihood projects

Some of the key initiatives include:

EDUCATION:

Integrated child development services
Mobile library
Wage employment trainings

LIVELIHOOD

Water harvesting

MEDICAL INITIATIVES:

Occupational health services in GIDC
Quality care in tribal areas
Healthcare at doorstep
Medical intervention & services
De-addiction & counselling services
Blood donation camp

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