



DNL/138/BSE/897/2017 February 20, 2017

To, BSE Ltd Department of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Steet, Fort, Mumbai-400 001

Dear Sir,

Sub: Intimation of Meetings with Analysts/ Institutional Investors

Re.: Scrip Code: 506401

As required under the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we would like to inform you that representatives of the Company shall meet various Analysts/Institutional Investors during the fortnight starting today.

This is to further inform you that a copy of presentation to be made at such meetings is enclosed herewith for your records and the same has been uploaded on the website of the Company, i.e. www.deepaknitrite.com.

Kindly take the same on your record.

Thanking you,

FOR DEEPAK NITRITE LIMITED

ARVIND

Company Secretary

Encl.: as above.







www.deepaknitrite.com

February, 2017

#### Safe Harbour

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## Deepak Nitrite at a glance

### A producer

of organic, inorganic and fine chemicals with specialization in Hydrogenation, Nitration, customized products as per client specifications and Toluene derivatives amongst others

#### A market leader

for Inorganic intermediates and Nitro Toluenes in India

# Among top global players

for products like Xylidines, Color intermediates, Cumidines and Oximes





## **About Deepak Nitrite Limited**

## **Company Overview**

#### Established in 1970s by Mr. Chimanlal K. Mehta (Founder & Chairman Emirates), Deepak Nitrite Limited ("DNL") is an Indian chemical manufacturing company

- Product Portfolio: Basic Chemicals (BC) | Fine & Specialty Chemicals (FSC) | Performance Products (PP)
- Enjoys a leading market position in most of its products in the domestic as well as global markets
- Leading global player for several niche chemical products like Xylidines, Cumidines, Oximes & Colour Intermediates
- Caters to several industries Colorants, Petrochemicals, Agrochemicals, Rubber, Pharmaceuticals, Paper, Textile, Detergents, Fine & Specialty Chemicals, etc. & includes some multinational corporations amongst its clientele
- ISO certified manufacturing facilities located at Nandesari, Dahej (Gujarat), Roha, Taloja (Maharashtra) & Hyderabad (Telangana) & an R & D facility at Vadodara
- Strong R&D focus has led to in-house development of new product applications and understanding customer preferences
- Accredited with "Responsible Care" certification
- Wide distribution network across the globe with footprints in over 30 countries
- Consistent track record of dividend payment & shareholder wealth creation
- DNL has undertaken a greenfield expansion plan at Dahej through its wholly owned subsidiary Deepak Phenolics Ltd (DPL), Dahej, Gujarat for manufacturing Phenol and Acetone

#### Shareholding Pattern – Dec 31, 2016



#### Standalone Key Financials (INR mn)

Particulars	FY15	FY16	9M FY17
Revenues	13,272	13,357	8,961
EBITDA	1,402	1,682	1,094
margin (%)	10.6%	12.6%	12.2%
PAT	534	652	368^
margin (%)	4.0%	4.6%	4.6%
Particulars	FY15	FY16	H1 FY17*
Net worth	3,468	4,759	5,592
Debt**	5,445	4,952	4,769
Net Block	5,867	6,074	6,061

\* Balance Sheet items as on H1 FY17

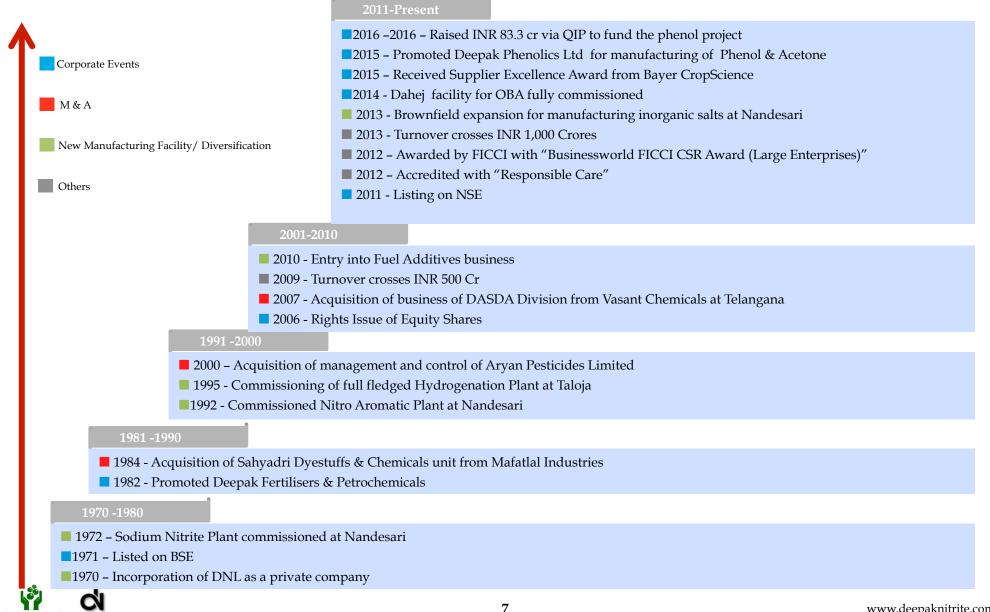
\*\* Debt = Long term + Short term borrowings + Current maturities of long term borrowings

^ Normalized PAT

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#### **Milestones**



### **Business** Segments

9M FY17 Rev 54%

- High volume segment consisting of Basic Chemicals that are made to standard specifications thus is characterized by moderate margins
- Manufacturing of both organic & inorganic chemicals
- This SBU can be further classified under Organic Chemicals such as Nitro Toluene, Ortho Toluene and Inorganic Chemicals such as Sodium Nitrites & Sodium Nitrates
- DNL plans to leverage on Company's cost leadership to enhance volumes & drive profits



- Includes niche products that require greater value addition
- It is segregated into Specialty Chemicals, Xylidines, Oximes, Cumidines, Nitro Oxylene amongst others
- These products are customised as per customer specifications
- These products find application in the manufacture of agrochemicals, pharmaceuticals, pigments, paper, hair colour, etc
- PP is an application chemical and is commonly known as Optical Brightening Agent (OBA)
- DNL is a fully integrated manufacturer of OBA also known as Fluorescent Whitening Agent (FWA)
- OBA has wide applications in varied industries Paper, Detergents, Textiles, Coating Applications in Printing & Photographic Paper
- The products in this segment can be customised into liquid or powdered form, as per the customer's requirements.



## **Manufacturing Facilities**

#### NANDESARI, Gujarat

 Bulk and commodity product manufacturing with on site Nitration & Specialty Agrochemicals

#### DAHEJ, Gujarat

- Full spectrum stilbenic Optical Brightening Agents production
- Phenol & Acetone Project through wholly owned subsidiarity DPL

#### TALOJA, Maharashtra

Hydrogenation & noble metal catalysis specialty

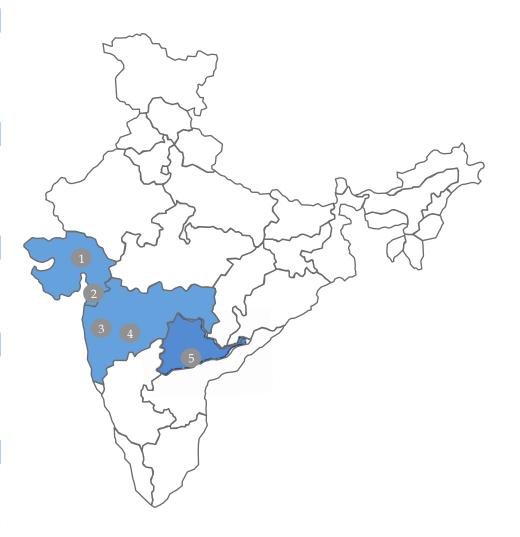
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#### ROHA, Maharashtra

• Multispecialty manufacturing facility specializing in pilot plants and scaling up activities Nitration & Specialty Agrochemicals

HYDERABAD, Telangana

Manufactures DASDA for captive use and for commercial sales

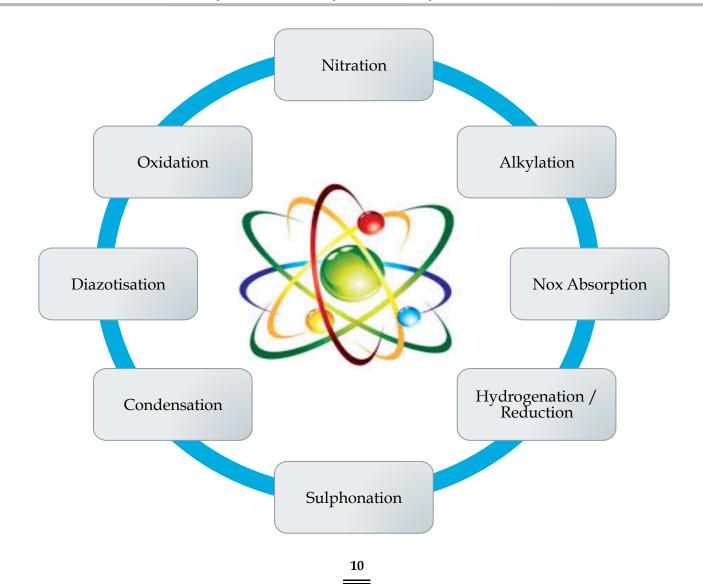




## **Technical Capabilities**

Responsible Car

Expertise in multiple chemical processes



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#### **Global Reach**

Exporting products to over 30 countries across 6 continents





## **Business Segments**

Fine & Specialty Chemicals			
Specialty	Xylidines	Oximes	Cumidines
Colourants	Pigment	Agrochemicals	Agrochemicals

Pharma Interm.



Agrochemicals



Refinery

**Basic Chemicals** 



Paper



Textiles



Food colours





DASDA







**Specialty Chemicals** 



Performance Products

#### DASDA/FWA

























**Rubber Chemicals** 

Colourants

**Specialty Chemicals** 

Pharmaceuticals



Explosives



Dyes



Agrochemicals





# **Value** Proposition

## **Product Profile having varied applications**



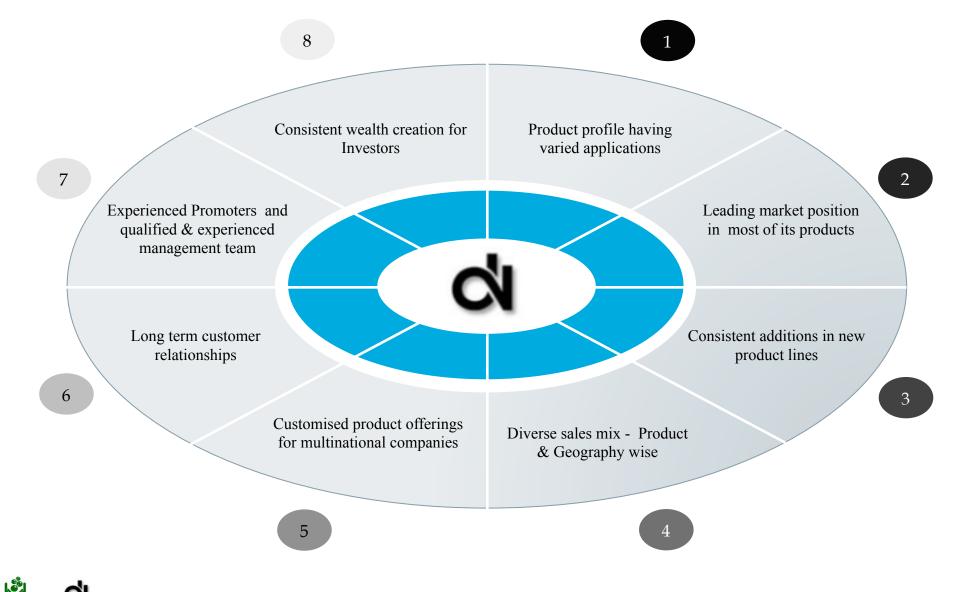
#### APPLICATION DIVERSITY





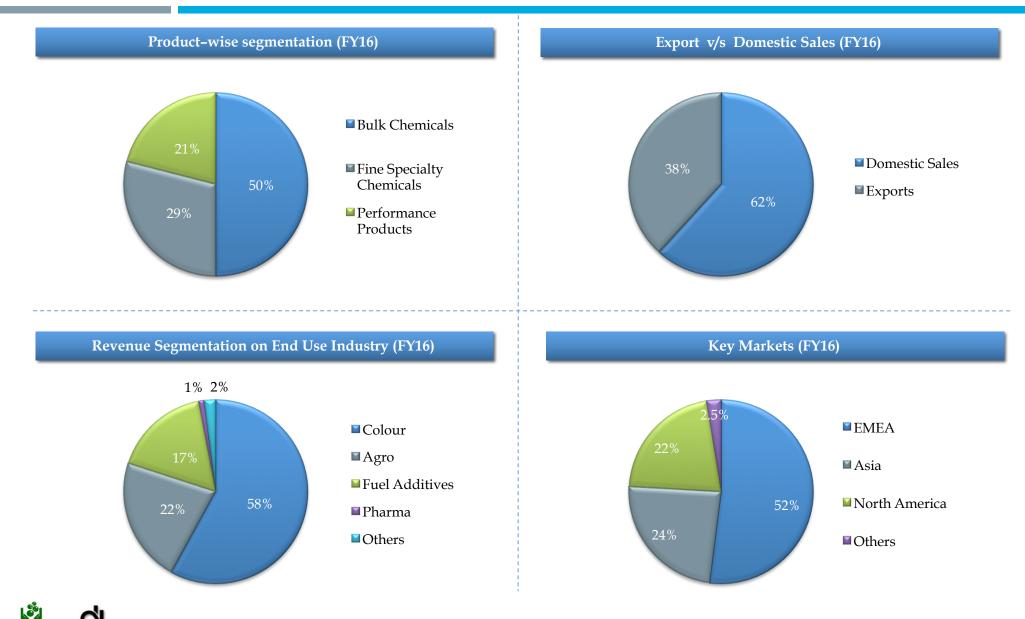
### **Value Proposition**

Responsible



## Diverse sales mix - Product & geography wise

Responsible Ca



### **Marquee Customer Relationships**

Responsible Car



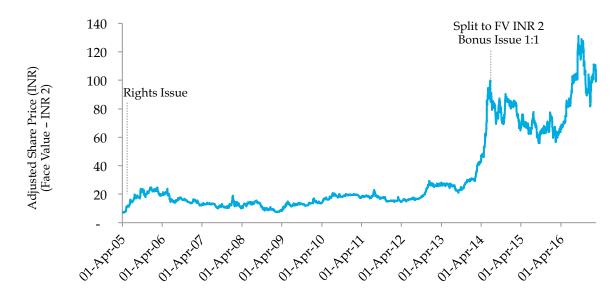
## **Professional Board of Directors backed by Strong Team**

Name of Director	Designation		
Mr. Chimanlal K. Mehta	Chairman Emirates		
Mr. Deepak C. Mehta	Chairman & Managing Director	Name of Senior Management Personnel	Designation
Mr. Ajay C. Mehta	Managing Director	Mr.Sanjay Upadhyay	Chief Financial Officer
Mr. Umesh Asaikar	Executive Director & CEO	Dr. Pramod Garg	President, BC
Mr. Maulik Mehta	Whole time Director	Mr. Suresh Manerikar	President, F & S
Mr. Nimesh Kampani	Independent Director	Mr. Girish Satarkar	President, PP
Mr. Sudhin Choksey	Independent Director	Mr. Vijay Deshpande	Vice President, HR
Dr. Richard H. Rupp	Independent Director	Mr. Arvind Bajpai	Company Secretary
Mr. Sudhir Mankad	Independent Director		
Mr. Sandesh Kumar Anand	Independent Director		
Dr. Swaminathan Sivaram	Independent Director		
Prof. Indira Parikh	Independent Director		



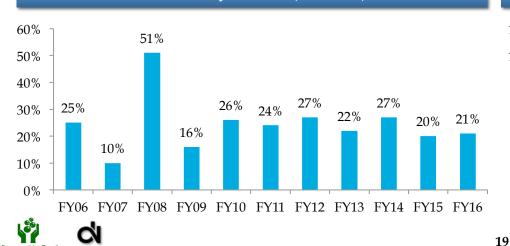
#### Wealth Creator for Investors

**DNL Share Price Performance - Adjusted** 



Summary of Returns on 1 DNL Share		
Price of 1 Share in Apr, 2005	88	
Further Inv in Rights Issue (2006)	75	
Total Investment	163	
Dividend Recd from 2005-16	111	
Current Value of the Holding	1,560	
Total Value Derived from Investment		

#### Dividend Payout Ratio (% of PAT)



Responsible Care<sup>®</sup>

#### Declared Dividend (% of FV)



## **Financials**

## **Standalone Financials**

INR mn

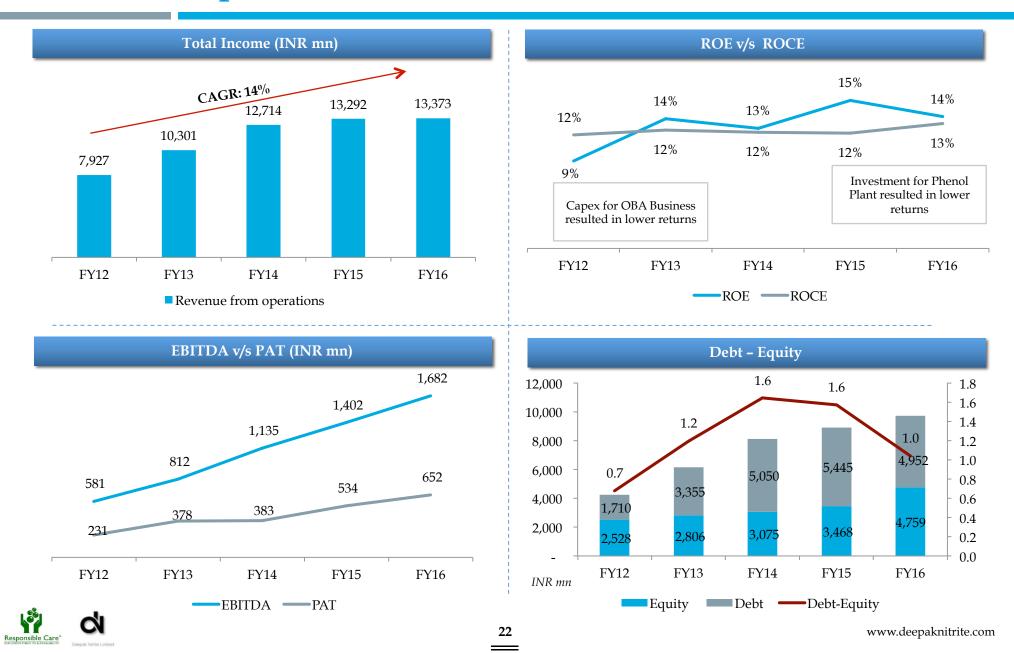
Income Statement	FY15	FY16	9M FY17
Revenue from Operations	13,271.6	13,357.3	8,961.2
RM Consumed	8,570.5	7,897.5	5,103.5
as a % of sales	64.6%	59.1%	56.9%
Employee benefit Expense	1,001.0	1,160.8	931.5
as a % of sales	7.5%	8.7%	10.4%
Other Expenses	2,319.0	2,632.2	1,868.7
as a % of sales	17.5%	19.7%	20.9%
EBITDA	1,417.6	1,682.2	1,094.4
Margin %	<b>10.7%</b>	12.6%	12.2%
Finance costs	364.1	374.5	226.0
Depreciation	360.2	394.5	316.2
РАТ	534.4	651.5	912.8*
Margin %	4.0%	4.6%	<b>10.2%</b>

\* Includes gain of INR 707.7 mn on sale of land

Balance Sheet	FY15	FY16	H1 FY17
Share Capital	209.1	232.6	232.6
Reserves & Surplus	3,259.2	4,526.3	5,359.0
Networth	3,468.3	4,758.9	5,591.6
<u>Debt</u>			
Long Term Borrowings	2,386.0	1,589.3	1,105.8
Short Term Borrowings	2,310.1	2,349.0	2,645.3
Other Non Current Liabilities	542.5	642.4	719.8
Current Liabilities & Provisions	2,528.6	3,247.3	2,745.9
TOTAL LIABILITIES	11,235.5	12,586.9	12,808.4
Net Block (Incl. CWIP)	5,867.1	6,074.2	6,061.4
Other Non Current Assets	584.9	1,059.4	1,990.3
Current Assets	4,783.6	5,453.3	4,756.7
TOTAL ASSETS	11,235.5	12,586.9	12,808.4

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## **Financial Snapshot – Standalone**



## **Phenol Project**

## Phenol & Acetone Facility at Dahej - Snapshot

#### Manufacturing Capacity

#### 200,000 MTPA

Total manufacturing capacity for Phenol

#### 120,000 MTPA

Total manufacturing capacity for Acetone

#### 260,000 MTPA

Total manufacturing capacity for Cumene

#### **Technology Tie-up**



Technology tie-up with KBR (USA) & UOP Honeywell

- KBR is a licensor of phenol capacity
- UOP is a licensor of Cumene capacity

**Fund Requirements** 

#### INR 14,000 mn

Total capital outlay for the project

#### INR 8,400 mn

Total Debt raised by DPL for the project Financial closure achieved

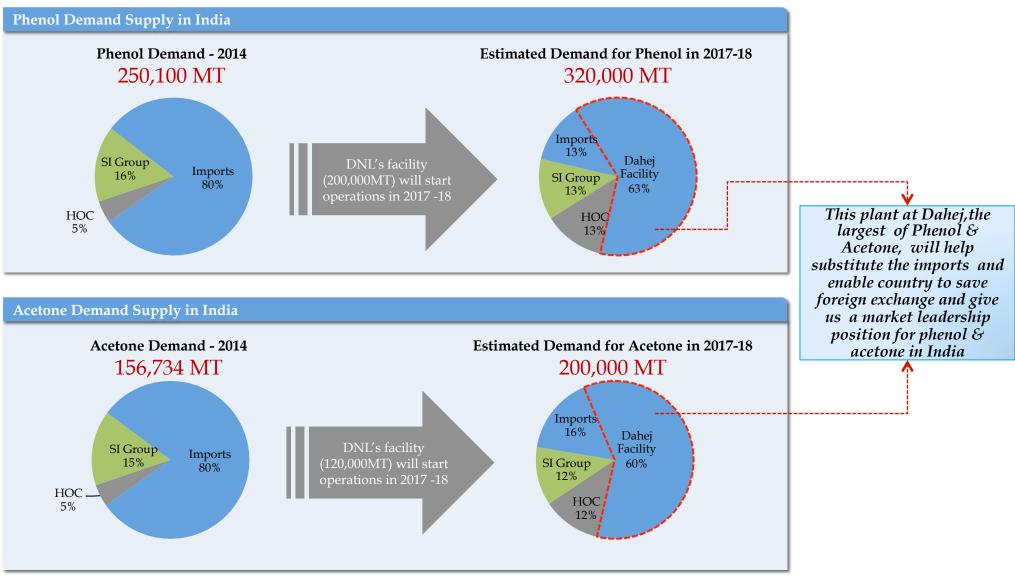
#### **Project Progress Status**

Overall project progress 57.3%

- Order to the tune of Rs. 8,300 mn placed with supplier
- All major contractors are already mobilized at Project site



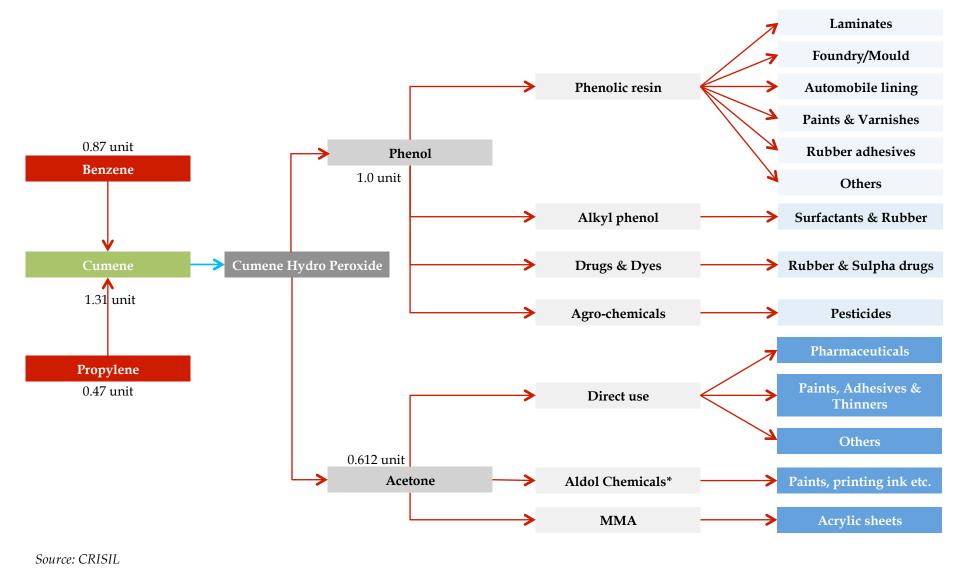
## **Market Opportunity**



Source: CRISIL

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#### Acetone & Phenol Value Chain in India





## **Thank You**



# CEP WARD IN 20 E 6

# **Deepak Nitrite Limited**

#### **Corporate Office**

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