

INVESTMENT CASE

Standing Apart through our Core Strengths

Deepak Nitrite is distinguished by its unmatched R&D capabilities and manufacturing prowess, enabling us to deliver innovative, high-quality products that align with evolving consumer demands. With integrated operations, operational efficiency, robust supply chain, and strong financial position, we are poised to stand apart as an agile and resilient player and retain our market leadership.



KEY STRENGTHS



Research & Innovation
Capabilities



Smart Manufacturing



End-To-End Operational
Integration



Responsive Supply Chain
Network



Cost and Operational
Efficiency



Robust Financial
Performance and Stability

RESEARCH & INNOVATION CAPABILITIES

DNL's commitment to innovation is resolute. Our strong R&D capabilities enable us to continually challenge conventional limits to unlock our creative potential and champion product and process innovation, diversifying our product suite and driving sustained progress.

- A new world-class R&D centre is being constructed at Savli, Vadodara
- A competent R&D team at DNL is actively enabling the development of new products to establish additional speciality chemical facilities
- We are expanding into new product frontiers like speciality chemicals, and Polycarbonate
- The Design of Experiments (DOE) methodology is being used to improve the efficiency of lab scale development, supported by specialised software for screening and optimisation

KPIs

- 108 R&D professionals employed
- ₹ 24.91 Crores invested in R&D during the year

SMART MANUFACTURING

Smart manufacturing refers to our ability to leverage advanced technology and integration to improve efficiency across our manufacturing processes. Driven by rising digitalisation and evolving consumer expectations, we are swiftly moving beyond the conventional methods, embracing an interconnected and data-driven approach to manufacturing.

- Advance Process Controls (APC) is a process control and optimisation technology which, by real-time, minute-by-minute observation and manipulation of critical variables, maximises process efficiency and helps a plant function at its optimal capacity. We take pride in being distinguished as one of the very few companies in India to implement APC in chemical manufacturing facility of our size, a testament to our relentless commitment to technological advancement. Leveraging artificial intelligence, the implementation is helping us eliminate manual intervention and automate the manipulation of variables such as feed flow, temperature settings, pressure settings and reflux flows to make timely decisions and maximise performance. This is achieved through use of

mathematical models and historical data to predict process behaviour and adjust control parameters in real time, ensuring stability and preventing disruptions.

- We focus on optimising the production of Phenol and maximising operational efficiency through a debottlenecking exercise
- We accelerated our digitalisation efforts by successfully migrating to SAP-S4 HANA. The migration is enabling us to plan our resources more effectively and enhance our decision-making ability, advancing our journey towards operational excellence

KPIs

- Interconnected, data-intensive and agile manufacturing
- Culture of innovation and digitalisation
- Integration of CRM, Logistics Module, Laboratory Management, Transport Management, Quality Assurance and Procurement module with SAP system
- Smooth transition to SAP-S4 HANA



END-TO-END OPERATIONAL INTEGRATION

Our business model is anchored in integrated operations which improves efficiency, and bolsters quality control, contributing significantly to our resilience and agility. With a comprehensive ecosystem of both forward and backward linkages, we are well-positioned to expand our capacities and quickly respond to market demands.

- Use of comprehensive Laboratory Information Management System (LIMS) is enabling us to maximise our laboratory workflows, optimise data integrity, strengthen compliance and drive operational excellence
- Robust safety measures have been deployed for safe transportation, storage and handling of our products, strengthening our backward integration
- Through forward and backward integration, we are strategically expanding our product portfolio to include fluorination products, Nitric Acid, speciality agrochem, and MIBK/MIBC. Moreover, nitration and

hydrogenation facilities, are set to be commissioned in the coming quarters

- By enabling our distributed partners to manage their orders in real-time and providing them with relevant marketing materials, our integrated operations create greater value across the supply chain

KPIs

- Forward and backward integration

RESPONSIVE SUPPLY CHAIN NETWORK

A resilient supply chain powers our ability to easily adapt to changing market conditions and respond with agility. This, in turn, is enabled by forging collaborative and long-term partnerships, utilising advanced technologies and implementing robust processes.

- Our supply chain is powered by smooth and uninterrupted flow of information through use of smart sensors that capture and transmit data in real-time. By enhancing visibility and integration, these sensors pave the way for responsive decision-making and improved business operations
- State-of-the-art and customised software has been deployed for seamless supply chain, supporting leaner, more efficient operations. The software is designed to address multiple aspects of the supply chain, including address service procurement, resource planning, allocation, despatch, in-transit monitoring, delivery confirmation and vendor payments

KPIs

- 7.41 Inventory Turnover Ratio
- Smooth data integration



COST AND OPERATIONAL EFFICIENCY

Deployment of advanced technologies is an imperative for success. Through the implementation of digital tools and solutions, we are seamlessly automating our processes, streamlining operations, optimising production, and accelerating innovation. An improved supply chain control is further enabling us to minimise our cost of production without compromising on quality, allowing us to maintain our edge in this highly competitive landscape.

- In our effort to improve operational efficiency, loading of tankers has been automated through deployment of a cutting-edge system. In addition to minimising human intervention and errors, reducing waste and maximising throughput, the system adheres to required safety protocols. Seamlessly integrated with our ERP system, it offers end-to-end automation, from billing to load management
- Deployment of best-in-class software applications is helping us exercise better supply chain control, strategically source raw materials, negotiate

favourable contracts and minimise inventory and logistical cost

- We are dedicated to continuously improving our manufacturing processes, which other than enhancing efficiency and productivity, is contributing to our sustainability goals by minimising waste and reducing energy consumption

KPIs

- Improved operational efficiencies
- Strong customer relationships

ROBUST FINANCIAL PERFORMANCE AND STABILITY

Our strong financial position continues to be a key enabler of our sustained growth. Through prudent financial allocation, supported by strong credit ratings, we are well-equipped to invest in our strategic priorities, capitalise on growth opportunities and navigate the socio-economic fluctuations.

- A robust capital allocation framework guides and influences our investment strategy to maximise shareholder returns
- Our net block of assets, valued at ₹ 2,313 Crores underscores our solid foundation

KPIs

- Debt Equity Ratio
- Net Fixed Assets to Turnover Ratio
- Strong credit ratings from ICRA

OUR ATTRIBUTES: DRIVERS OF GROWTH

Innovativeness

Driving growth through groundbreaking ideas and innovation, we go beyond merely generating product concepts. Our focus extends to superior processes and elevating employee engagement. This holistic approach maximises growth and fosters a culture of continuous improvement.

Performance-driven

Leveraging profound category insights to identify opportunities and provide effective solutions. This, combined with rewarding high performers across diverse verticals, sets compelling examples for leadership.

Agility

In a constantly evolving landscape, adaptability is key. By swiftly responding to change and delivering results, our organisation becomes equipped to navigate the evolving challenges of the progressing world.

Ownership

Every individual is both a leader and a team member, sharing equal responsibility for the company's growth. In our organisation, the vision serves as not only the company's objective but also as a personal goal for each individual.

Responsiveness

We go beyond mere responsiveness; we provide solutions and embrace accountability. This commitment extends to our employees, customers and all other stakeholders.