



# DEEPAK NITRITE LIMITED

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**For Immediate Publication**

## **Deepak Nitrite Ltd. launches products in the Fuel Additives space**

**Pune, January 12, 2010:** Deepak Nitrite Ltd. (DNL), a leading manufacturer of organic, inorganic, fine & specialty chemicals and preferred business partner of global chemical companies, has announced that it has launched new products in the fuel additives space.

Fuel additives are compounds formulated to enhance the quality and efficiency of fuels. Fuel Additives act as anti-oxidising agents and are useful in the improvement of cetane thereby reducing emissions, and improving the overall quality of different types of fuels like gasoline, diesel, aviation turbine fuel and lubricants.

Internationally, exponential growth is expected in diesel additives, due to the requirement of ultra low sulphur diesel and from the increasing use of biodiesel. Fuel additives in the US are expected to be a \$1.2 billion industry by 2012. Since Indian refineries are net exporters of diesel, the domestic demand for fuel additives is also likely to go up significantly.

In India, diesel consumption far exceeds petrol consumption, except in the metros. The emission regulations for the diesel fuel quality are expected to be significantly tightened in the coming years. While the Indian regulators currently apply Euro – I norms, they are expected to transition to Euro II & Euro IV norms in the near future. This reinforces the opportunity available to DNL through these products.

The company anticipates healthy demand for these products and is strategically positioned to exploit the available opportunity.

By venturing into development of these products, the company has forward integrated into a new segment. Due to in house availability of the building blocks and DNL's expertise to undertake the complex manufacturing process, the company is expected to enjoy a significant competitive advantage in the manufacture of these products. This advantage is further enhanced as the major demand centres for these products would be in the Asia Pacific region.

DNL has bagged business from some of the domestic refineries and is bidding for business from other leading refineries. In the domestic market DNL is the only Indian manufacturer for many of these products and globally also there are very few manufacturers of fuel additives. Samples of these products have been approved by international & domestic customers. The annualised revenues expected from this segment will be in the range of Rs. 75 -100 Crores. DNL has adequate manufacturing capacity in place to meet initial demand and expects any future growth in demand to be met from its planned capacity expansion at Dahej.

Commenting on the development, **Mr. Deepak C. Mehta, Vice Chairman & Managing Director**, said, *“These products are a testament to our technical capabilities where we are striving to exploit emerging opportunities competitively. While currently at a nascent stage, the potential for growth in the fuel additives market is significant as there is an increasing focus on greater fuel efficiency combined with a rapid expansion in the number of automobiles, especially in India. This gives us confidence that we will be faced with sustained demand for these products.*

*These products are a valuable addition to our existing portfolio, all of which offer immense prospects for growth. When combined with our process expertise, R&D investments and business expansion plans; this puts us in a good position to generate significant returns for our stakeholders in the coming years.”*

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### **About Deepak Nitrite Limited**

Deepak Nitrite Limited [NSE - DEEPAKNITR, BSE - 506401] is a leading manufacturer of organic, inorganic, fine and speciality chemicals and is the partner of choice for several global chemical majors. Headquartered at Pune, DNL is a multi-division and multi-product company with manufacturing facilities at Nandesari in Gujarat, Roha and Talaja in Maharashtra, and at Hyderabad in Andhra Pradesh.

The organic intermediates segment consists of Nitro Aromatic plants and Multi Purpose Aromatic Amines Plant based on Catalytic Hydrogenation Technology. The inorganic intermediates segment consists of manufacture of Sodium Nitrite and Sodium Nitrate by the ammonia oxidation process, where DNL is the largest on purpose manufacturer. The Fine & Speciality Chemicals segment produces a broad and innovative range of Effect Chemicals meeting customized needs of Speciality Producers.

The end user industries for DNL range from agro-chemicals, dyestuffs, pigments, inks, whiteners, pharmaceuticals to fuel additives. DNL prioritises R&D activities and invests over 1% of its annual revenues in this area. It has a government approved central R&D facility in Pune which has a sophisticated analytical laboratory, state-of-the-art equipment and advanced facilities. The company expects to launch new products through its R&D efforts. As a part of its growth strategy, the company anticipates that it will be able to add around 15% of its revenue through new products. This will help the company to broad base its presence in the market segment.

## Safe Harbour

*Some of the statements in this document that are not historical facts are forward-looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.*