



Deepak Phenolics propels Company's cons quarterly turnover past the 1,000Cr. ; Soon to start derivatives project with investment of 300Cr. Country to expect US\$ 400Mn import savings

Ahmedabad, May 2019:

Deepak Phenolics Ltd. (DPL), a wholly owned subsidiary of Deepak Nitrite Ltd., achieves major milestone towards manufacture of Phenol and Acetone with capacity utilization 100% during the quarter and contributes INR 927 Cr. to consolidated turnover of INR 2,715 Cr. in FY19

This mega project aligned with the *Make in India* initiative of Government of India, has capacity to manufacture 200,000 MTPA of Phenol and 120,000 MTPA of its co-product Acetone and supported by capacity to manufacture 260,000 MT of Cumene as captive consumption. Furthermore, the company has assembled a strong marketing and leadership team along with robust network of distributors and dealers across key customer locations to enhance volumes and well posed to venture into its Phenol & Acetone derivatives project with additional investment of INR 300Cr.

Speaking at this stellar performance, **Mr. Deepak Mehta, C&MD, Deepak Phenolics** said, "Our Phenol and Acetone and upcoming derivatives project are all -a step towards building India's Chemical Security. At full capacity, we anticipate that Deepak Phenolics will save close to US\$ 400 million in value of imports for the country. Besides, a large number of small and medium enterprises will also benefit due to local availability of Phenol and Acetone. Further, this will lead to quantum leap in Deepak Group revenue to 1 Billion in the ensuing years, while additional DPL turnover propelling cons quarterly revenue past the 1,000 crore mark is just the beginning"

The state-of-the-art, largest, IoT enabled, with latest technology of KBR and Honeywell-uop (technology partner) Phenol/Acetone Plant located at Dahej (PCPIR zone) in the State of Gujarat, meeting 2/3rd of India's demand has the lowest thermal footprint and 12.6 million + safe man hour record. With a capital expenditure of Rs. 1,400 crore funded by debt and equity in the ratio 60:40, DPL will address the opportunity in the domestic market, which is currently met by imports. The plant, based on cutting-edge technology, is resource and energy efficient. Recently, Deepak Phenolics Limited (DPL) joins hands with LCS India – a pioneering organization offering Transportation Safety and Emergency Response Program (TERP) to enhance product safety and put in place an efficient logistic management system

As Phenol finds its applications in various industries such as plywood, resins and laminates, manufacturers in these sectors would greatly benefit from DPL's facility. This facility will also act as a major contributor to Pharmaceutical industries, as around 80% of their raw material requirement is met by imports. Further, majority of Pharmaceutical companies - requiring Acetone as an important solvent - will no longer import this product in bulk, thereby, saving



on inventory carrying costs. More importantly, this facility will also address easy availability of Pharma grade 'Acetone' locally.

Market demand for Phenol and Acetone is at 350/180 KTPA respectively, growing at 10-12 % annually. Moreover, availability of Phenol and Acetone is expected to boost the production of derivatives and downstream intermediates, which will expand the overall market in the country. Phenol and Acetone have wide applications across industries, such as pharma, plywood, agrochemicals, paints, rubber chemicals, laminates, coating, adhesives, and resins.

About DPL Milestone:

Commissioned the Greenfield Project of Phenol & Acetone

Deepak Phenolics Ltd. (DPL), a wholly-owned subsidiary of Deepak Nitrite Ltd., commenced commercial production at its Mega-Plant of Phenol & Acetone on 1st November, 2018. DPL is well-positioned to benefit from strong demand growth in the local market for these products.

Successfully stabilised the plant and ramped up capacity utilisation above 80% during Q3 and 100% in Q4

Delivered positive EBITDA and PBT in the very first quarter of plant commissioning

Succeeded in replacing bulk of imports of phenol and acetone in the local market

Succeeded in making pharma grade acetone and also making first export of acetone

Achieved production and despatch of approx. 75% of avg. capacity utilisation showcasing robust logistics

Seed marketing efforts in pre-commissioning phase have firmly established DPL in leadership position

About Deepak Nitrite Limited

Ranked among Fortune 500 and recognized among the top 25 wealth creators by Fortune Magazine, India, Deepak Nitrite [NSE - DEEPAKNTR, BSE - 506401] is acknowledged as one of the country's fastest growing chemical companies. It has a diversified portfolio of intermediates that cater to the dyes and pigments, agrochemical, pharmaceutical, plastics, textiles, paper and home and personal care segments in India and abroad. Its products are manufactured across 5 locations which are all accredited by Responsible Care.

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Safe Harbour

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