


INVESTMENT CASE


Strengths and Enablers that Bolster our Competitive Edge


With a diversified product portfolio, integrated and cost-effective operations and resilient supply chain, we are primed to capitalise on burgeoning opportunities and catalyse growth. Our strong financial position, dedicated research and development capabilities and unwavering commitment to sustainability further bolster our position in the marketplace.




KEY STRENGTHS


 Integrated operations

 Smart manufacturing

 Cost and operational efficiency

 Zero debt with strong financials and return ratios

 Strong R&D and innovation capabilities

 Resilient supply chain

Investment Case 1

INTEGRATED OPERATIONS

Our integrated operations encompass both forward and backward integration, ensuring a comprehensive ecosystem. This approach drives efficiency, agility and resilience across our operations, enabling us to expand capacities and meet growing customer demands.

- We are expanding our product portfolio by adding fluorination products, Nitric Acid, speciality agrochem and MIBK-MIBC through forward integration and incorporating new chemistry

platforms such as photochlorination and fluorination through backward integration

- Our backward integration includes comprehensive safety measures for secure transportation, storage and handling of our products
- Our integrated systems support our distributed partners by offering real-time order management capabilities and providing relevant marketing materials

- We utilise comprehensive Laboratory Information Management System (LIMS) to optimise our laboratory workflows, enhance data integrity and compliance and drive operational excellence

KPIs

- Forward and backward integration

Investment Case 2

SMART MANUFACTURING

We are steadily transitioning from traditional manufacturing to a deeply interconnected, data-driven and agile ecosystem. This evolution is fuelled by the rapid expansion of digital technology, evolving customer expectations and the imperative for improved efficiency and resilience. We embrace visibility and integration as fundamental pillars of our smart manufacturing approach.

We are one of very few in the country to implement Advance Process Controls (APC) in chemical manufacturing facility of our size. APC is a process control and optimisation technology that runs the plant at optimum by optimising processes on a minute-by-minute basis. This is done by manipulating variables such as feed flow, temperature settings, pressure settings and reflux flows, which are otherwise done by manual interventions. Our dedication to utilising advanced technologies for continuous improvement is evident in our integration and implementation of APC.

This system, based on artificial intelligence, uses mathematical models and historical



data to predict process behaviour and adjust control parameters in real time, ensuring stability and preventing disruptions. Real-time monitoring of critical variables allows APC to optimise performance and make timely decisions.

We also undertook debottlenecking (DBN) exercise to improve throughput. These initiatives have resulted in achieving the highest-ever 300+ KT of Phenol production in FY 2023-24. This achievement underscores our commitment to maximising efficiency and setting a high standard for operational excellence.

Another significant move towards digitalisation has been the successful migration to SAP-S4 HANA at DPL, which further strengthens our resource planning and decision-making that streamline operations and advance our agility to forge ahead.

KPIs

- Interconnected, data-intensive and agile manufacturing
- Culture of innovation and digitalisation
- Integration of CRM with ERP system
- Smooth transition to SAP-S4 HANA

Investment Case 3

COST AND OPERATIONAL EFFICIENCY

Technology is crucial in enhancing operational efficiency, reducing costs and improving overall productivity through process optimisation and automation. By utilising digital tools and software solutions, we analyse, optimise and streamline our processes, enhance efficiency and innovation through strategic supply chain management and continuous improvement, ensuring competitive production costs without compromising quality.

- We constantly refine and optimise manufacturing processes to minimise waste, reduce energy consumption and enhance productivity
- We are streamlining the supply chain by sourcing raw materials strategically, negotiating favourable contracts and minimising inventory and logistical costs through high end software applications, given ongoing socio-economic challenges
- We implement energy-efficient practices and are in the process of investing in renewable energy sources to reduce energy costs and environmental impact
- We have implemented an advanced system that automates the loading of tankers with minimum human intervention while strictly adhering

to safety regulations. Seamlessly integrated with our ERP system, it ensures an automated process from billing to load management. By eliminating manual errors and minimising waste, it maximises throughput, leading to improved operational efficiency and significant cost savings

KPIs

- Improved operational efficiencies
- Strong customer relationships

Investment Case 4

ZERO DEBT WITH STRONG FINANCIALS AND RETURN RATIOS

Our prudent financial management empowers us to navigate business downturns, ensuring long-term growth and sustainability for our shareholders. Supported by our strong credit rating, which attests to our financial strength and our zero debt position, we're well-positioned to enhance investments and deliver superior returns.

- We review all our investments based on our stringent capital allocation framework to maximise shareholder returns
- Our net block of assets, valued at ₹ 2,180 Crores, underscores our robust foundation

KPIs

- **Zero Debt**
- **18% ROE**
- **19% ROCE**
- Strong credit ratings from ICRA



Investment Case 5

STRONG R&D AND INNOVATION CAPABILITIES

With a dedicated focus on innovation, we are continuously pushing boundaries, driving advancements in our products and processes. This commitment to R&D not only fosters a culture of creativity and excellence but also enables us to stay ahead of the curve in meeting evolving market demands.

- Our R&D team is actively developing new products to establish additional speciality chemical facilities
- We are constructing a new state-of-the-art R&D centre at Savli, Vadodara, slated for completion by March 2025
- To enhance the efficiency of lab scale development, we utilise the Design of Experiments (DOE) methodology, supported by specialised software for screening and optimisation

KPIs

- **100+** R&D professionals employed
- **23** PhDs employed
- **₹ 9.13 Crores** invested in R&D and innovation during the year

Investment Case 6

RESILIENT SUPPLY CHAIN

Leveraging advanced technologies, robust processes and strategic partnerships, we have built a supply chain that is agile, adaptable and responsive to dynamic market conditions.

- By integrating smart sensors, we capture and transmit real-time data, facilitating seamless information flow. This enhances visibility and promotes integration across the supply chain,
- optimising operations and enabling responsive decision-making
- We have streamlined our complex supply chain and logistics flow by implementing advanced software applications, designed to address service procurement, resource planning, allocation, despatch, in-transit monitoring, delivery confirmation and vendor payments

KPIs

- **6.89** Inventory Turnover Ratio
- **Seamless** data integration

OUR VALUES: 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.



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.



Responsiveness

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



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.



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.