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For DNL, exports are now the mainstay

Pune: It is a sign of the changing times for Deepak Nitrite Limited (DNL). The chemical company, which started out in 1971 with the aim of import substitution, now considers exports its "bread and butter"! The company is aiming to grow its exports to 50 per cent of its sales within the next two years.

"Our exports have touched Rs, 110 crore for the fiscal ending March 2004, which is nearly 40 per cent of our sales of Rs 280 crore. We want to take it to 50 per cent in the next 18-24 months," said Deepak Mehta, managing director of DNL. Most of this growth will come from China, South America and East Europe, the new markets DNL has forayed into, according to him. The company, at present, exports mainly to Europe, the US, Japan and Korea.

To achieve that the company is looking at doubling the revenue from long-term or exclusive contracts abroad to 70 per cent of total exports, according to him. It is also talking to its 50-odd customers world-wide for joint research projects.

"We are committing that if the product thus developed succeeds. DNL will scale up capacity for the benefit of the research-partner customer," said Mehta. The company has been doubling its R&D spend every year for the last five years, he said. It's key differentiation is that it offers the entire range of products/services from development to commercial scale supply, he added.

The company is also looking at importing raw material, add value and then export high-end intermediaries.

Plant planned in Baroda

Pune: Deepak Nitrite Limited is planning to set up an under-5 megawatt LNG captive power plant in Baroda to cater to its facility in that city. Power is nearly 15 per cent of the company's total input costs, according to company director Deepak Mehta. Also, cost of power in Gujarat is higher than in Maharashtra.

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