

DFPCL to set up a brown field IPA plant with an ISBL investment of Rs. 450 crores

India's only manufacturer of IPA will expand its existing capacity by 100 KTA

Pune, 22 September 2017: Deepak Fertilisers and Petrochemicals Corporation Limited (DFPCL) a leading manufacturer of chemicals and fertilizers, today announced its plans to setup a brown field Iso Propyl Alcohol (IPA) plant, with high purity Diisopropyl Ether (DIPE) as co-product, at Taloja with an ISBL (Inside Battery Limit) investment of approx. Rs. 450 crores. DFPCL, the sole manufacturer of IPA in India, enjoys significant market leadership. The OSBL cost of the project will be worked out by engineering consultant with inputs of technology licensors.

DFPCL has been serving the IPA market since 2006 with a total manufacturing capacity of 70 KTA per annum and since 2013-14, the capacity utilization of the IPA plant has been more than 100% based on the actual production capacity. As the market demand continues to increase, significant portion of IPA demand is being met through imports, which is about 48% of the total IPA demand of the country. To fulfil the market requirement and maintain its market leadership, the Company, in addition to manufacturing, has been importing and supplying IPA. The expansion aligns with the Hon'ble Prime Minister's vision of "Make in India" and will substitute the imported product by domestically manufactured product.

One of the most widely used solvents and chemical intermediate, IPA's demand in India has been witnessing an annual growth rate of around 8 - 9% for the last 5-7 years and is expected to grow in future at the similar rate. Total demand for IPA in India was around 135 KTA in 2016-17, which is expected to grow to 171 KTA by 2019-20 and further continue to grow at similar rate in the future.

Consumption in India is mainly driven by use of IPA as a solvent in the Pharma industry (~80% of the total demand). The Indian pharma industry has been growing at a compounded double-digit growth rate over the last five years and has significant growth potential. Other segments like Inks & Coatings and Derivatives are also showing robust growth in demand for IPA.

Looking at the scenario, DFPCL is expanding its IPA capacity by 100 KTA and 7 KTA Diisopropyl Ether (DIPE); the execution of the project would take around 30 months. Requirement of the key feedstock is going to be met with supplies from HPCL, a leading refinery in Mumbai for which an MOU has been signed recently. A brown field project, the expansion at Taloja will share synergies in various storages and utilities with the existing IPA plant. The production of high purity DIPE, which commands a significant premium, at some additional investment, is an added advantage of the project.

With established customer base for IPA, large demand supply gap and DFPCL's market leadership, the Company is quite confident in marketing additional 100 KTA IPA to its existing and emerging customers. The Company will also explore manufacturing of segment specific grades to cater to specific industries like electronic, cosmetic, pharma etc.

"This is yet another step towards achieving our aspirations of growth, profitability and market leadership for each of our businesses. Being a front runner in IPA for over a decade, we have realized the market potential both for IPA as well as the sectors consuming it. With the new state-of-the-art technology and a

robust distribution system we will be able to provide better service and enhance customer experience.”
stated **Mr. Sailesh Mehta, CMD DFPCL.**

About DFPCL

Deepak Fertilisers And Petrochemicals Corporation Ltd (DFPCL) has established a prime position for itself over the last three decades across Indian markets. Set up in 1979 as an Ammonia manufacturer, DFPCL today is a publicly listed, multi-product Indian conglomerate with a multi-product portfolio spanning industrial chemicals and value added real estate.