



Deepak Nitrite Limited

RESEARCH REPORT ON

Deepak Nitrite Ltd

FOUNDER : Deepak Chimanlal Mehta (Chairman & Managing Director)

FOUNDED : 1970

HEADQUATER : Baroda, Gujarat, India

REVENUE : ₹8,019 crore

DATE OF REPORT : 14/11/2024

About Deepak Nitrite Ltd

Deepak Nitrite Ltd (DNL), founded in 1970, is a leading player in India's chemical industry. It operates across several segments, including Basic Chemicals, Fine and Specialty Chemicals, Performance Products, and Phenolics. The company supplies a diverse range of chemicals used across industries such as pharmaceuticals, agrochemicals, dyes and pigments, rubber, and petroleum. Headquartered in Gujarat, India, Deepak Nitrite has established a strong domestic and international market presence, with products reaching clients worldwide.

CASH CALL – BUY Deepak Nitrite Ltd

**BUY AT 2633
TGT 2659
SL 2607**

Mr. Kundan Mishra

Research Analyst

CASH CALL

**BUY AT 2633
TGT 2659
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COMPANY OVERVIEW

Market cap	₹ 36,146 Cr.
Face value(Rs)	₹ 2.00
P/E ratio	45.5
Book value	₹ 373
52 week high	₹ 3,169
52 week low	₹ 2,021
Return on Equity(ROE)	16.4 %

Key Points of Deepak Nitrite Ltd

Business Segments

Basic Chemicals: Core industrial chemicals, including sodium nitrite, sodium nitrate, and fuel additives. These products have stable demand due to their industrial applications.

Fine & Specialty Chemicals: High-margin chemicals like xylidines, oximes, and other intermediates, crucial for pharmaceutical and agricultural industries.

Performance Products: Involves optical brightening agents used in textiles, paper, and detergents, enhancing product appearance.

Phenolics: Largest segment by revenue, it includes phenol, acetone, and IPA (Isopropyl Alcohol). This business gained momentum as India moved toward self-reliance in phenolics production.

Financial Performance

Deepak Nitrite has shown substantial financial growth over recent years, with 2023 marking a particularly strong year despite challenging economic conditions:

Revenue: INR 7,500 Crores, driven by solid domestic and international demand, particularly in the Phenolics and Fine Chemicals segments.

EBITDA Margin: Maintained at around 25% due to efficient cost management and economies of scale.

Net Profit: Approximately INR 1,100 Crores, reflecting a steady increase due to operational efficiencies and rising market share.

Deepak Nitrite Ltd by Mutual Funds 6Last Quarter

	Aug 2024 No. of shares	Sep 24 No. of shares
TOTAL	15,290,969	15,404,475

NOTE:-

For schemes that have not disclosed the number of shares, the same has been calculated on the basis of the closing price of the stock on the BSE/NSE as on the portfolio date. The increase/decrease in the share quantity besides the fund buying or selling the shares from the market, could also be due to any bonus, split, rights, or restructuring in the company.

Financial highlights of Deepak Nitrite Ltd

Financial highlights refers to a section appearing in an annual report that includes a multi-year comparison of operating and business metrics. Financial highlights are often times the first section appearing in an annual report, providing investors with an at-a-glance view of the company's recent performance.

The information contained in an annual report is normally audited by the company's accounting firm and includes financial highlights, a Chairperson's Letter as well as the Form 10-K. The financial highlights section of the report usually contains performance over the last several years in addition to the percentage change in each metric overtime.

Price / EPS	91.66
EPS (TTM)	₹ 29
No. of Shares	13.64 Cr
Profit Growth	-7.66 %
Dividend / Yield	0.3 %
Price / Book	11.86
Enterprise Value	₹ 36,075.76 Cr.
Sales Growth	-10.19%

Key Ratio of Deepak Nitrite Ltd

Key ratio of Deepak Nitrite Ltd specifically designed to help traders gauge the overall sentiment (mood) of the market. The ratio is calculated either on the basis of options trading volumes or on the basis of the open interest for a particular period. If the ratio is more than 1, it means that more puts have been traded during the day and if it is less than 1, it means more calls have been traded. The PCR can be calculated for the options segment as a whole, which includes individual stocks as well as indices.

Financial ratios are important tools for quantitative analysis. Certain ratios are available to evaluate both short and long-term financial and operational performance, making them useful at identifying trends in the business and providing warning signs when it may be time to make a change. There are also specific ratios that can measure important variables essential to one industry or another. By evaluating particular ratios, a business can benchmark itself against similar companies and understand its strengths, weaknesses, threats and areas of opportunity.

Price to Earning	39.38
Price to Book	7.58
Price to Sales	4.21
Shareholders Equity	78.68
Return On Equity	19.30
Return On Asset	15.50
Net Profit Margin	10.69
Operating Profit Margin	12.90
EBITDA Margin	16.90
Debt to Equity Ratio	0.0467
Cash Ratio	0.745
Quick Ratio	2.65

Key Technical Indicators of Deepak Nitrite Ltd

Technical indicators are heuristic or pattern-based signals produced by the price, volume, and/or open interest of a security or contract

used by traders who follow technical analysis.

In general, technical indicators fit into five categories: trend, mean reversion, relative strength, volume, and momentum.

Leading indicators attempt to predict where the price is headed while lagging indicators offer a historical report of background conditions that resulted in the current price being where it is.

Indicator	Value
ADX	Adx : 23.02, +DI : 18.16, - DI : 37.65
Aroon	Aroon Up : 71.43, Aroon Down : 100.00
Awesome Osc	-103.64
MACD	Macd : -58.52, Signal Line : - 44.25
Parabolic SAR	2865.61
Rate Of Change	-7.88
Super Trend	2812.94

Key Moving Average of Deepak Nitrite Ltd

A moving average (MA) is a stock indicator that is commonly used in technical analysis. The reason for calculating the moving average of a stock is to help smooth out the price data over a specified period of time by creating a constantly updated average price.

A simple moving average (SMA) is a calculation that takes the arithmetic mean of a given set of prices over the specific number of days in the past; for example, over the previous 15, 30, 100, or 200 days.

Exponential moving averages (EMA) is a weighted average that gives greater importance to the price of a stock on more recent days, making it an indicator that is more responsive to new information.

EMA	Value
EMA 5	2601.08
EMA 10	2649.68
EMA 15	2677.28
EMA 20	2698.97
EMA 50	2765.29
EMA 100	2740.99
EMA 200	2612.58

SMA	Value
SMA 5	2636.55
SMA 10	2665.41
SMA 15	2676.94
SMA 20	2701.23
SMA 50	2811.62
SMA 100	2826.12
SMA 200	2560.95

Daily Candle Stick Chart Pattern



Weekly Candle Stick Chart Pattern



Monthly Candle Stick Chart Pattern



Deepak Nitrite Ltd Mutual Fund Holdings

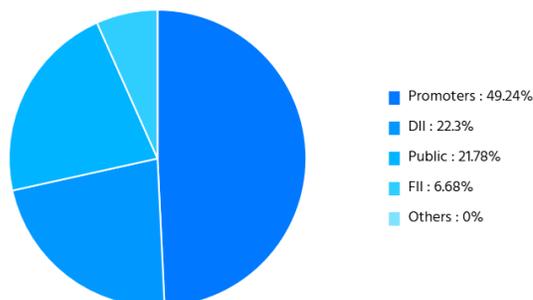
Pivot	S2	S 1	Pivot point	R 1	R 2
Fibonacci	2454.15	2476.93	2513.82	2550.70	2573.48

S1 – First Support Level, R1 - First Resistance Level, S2 – Second Support Level, R2 – SecondResistance Level

Deepak Nitrite Ltd Technical Views

50 Day EMA	Close is Above EMA 50 (Short Term)	Bullish
100 Day EMA	Close is Above EMA 100 (Mid Term)	Bullish
200 Day EMA	Close is Above EMA 200 (Long Term)	Bullish
MACD (12 26 9)	MACD Line is Less Then SIGNAL Line	Bearish
RSI (14)	RSI is 33.10	Sideways
MFI (14)	MFI is 41.19	Sideways
CCI (20)	CCI is Below -100	Over Sold
WILLIAM %R (14)	William %R is Below -80	Over Sold
ADX (14)	ADX is Above 20 & +DI is Below -DI	Down Trend
PSAR	Stoploss For Long Buy	505.73
10 Day Avg Volume	Traded -21.92 % Less then 10 Day Average Volume	

Shareholding Pattern of Deepak Nitrite Ltd



Peer Comparison of Deepak Nitrite Ltd

COMPANY	PRICE Rs.	MCAP Cr.	P/B	P/E	EPS Rs.	ROE %	ROCE %	P/S	EV/EBITDA
Pidilite Inds.	3,034.05	1,54,315.88	17.87	78.30	38.75	23.38	31.51	13.82	51.89
Solar Industries	10,040	90,852.02	34.28	131.79	76.18	28.99	34.23	24.44	89.05
SRF	2,237	66,310.23	6.09	56.44	39.64	13.93	14.79	6.15	30.00
Gujarat Fluorochem	4,035.25	44,327.22	7.22	111.73	36.12	7.31	9.23	11.02	47.94
Deepak Nitrite	2,657.80	36,250.54	11.86	91.66	29.00	15.54	20.17	13.31	68.89
Godrej Industries	934.50	31,469.48	17.72	352.60	2.65	-12.56	4.08	10.43	48.05
Tata Chemicals	1,063.80	27,100.97	1.45	39.45	26.97	5.16	6.13	6.18	24.74
Himadri Speciality	505.85	24,972.87	7.49	51.98	9.73	16.15	19.20	5.97	30.77
Atul	7,344	21,622.03	3.89	51.17	143.53	7.95	10.56	4.96	27.81
Vinati Organics	1,854.55	19,225.31	7.44	51.46	36.04	14.32	18.54	10.12	33.39

Share Price History of Deepak Nitrite Ltd

Date	Price	Open	High	Low	Vol.	Change %
14-11-2024	2,657.85	2,474.00	2,667.00	2,471.30	821.75K	6.59%
13-11-2024	2,493.60	2,564.00	2,572.20	2,475.65	545.52K	-3.08%
12/11/2024	2,572.90	2,628.00	2,654.30	2,551.10	403.64K	-1.87%
11/11/2024	2,622.00	2,677.90	2,677.90	2,566.05	261.07K	-2.10%
8/11/2024	2,678.25	2,816.15	2,833.80	2,670.00	200.98K	-4.89%
7/11/2024	2,816.00	2,850.00	2,885.10	2,794.30	161.43K	-1.06%
6/11/2024	2,846.10	2,715.00	2,855.45	2,701.90	356.46K	5.60%
5/11/2024	2,695.10	2,640.95	2,704.50	2,623.00	156.89K	1.79%
4/11/2024	2,647.65	2,646.25	2,658.95	2,600.80	119.50K	0.05%
1/11/2024	2,646.25	2,664.00	2,665.00	2,641.05	37.54K	0.38%
31-10-2024	2,636.30	2,705.40	2,705.40	2,611.10	309.48K	-2.80%
30-10-2024	2,712.15	2,707.05	2,744.80	2,695.35	267.92K	0.19%
29-10-2024	2,707.05	2,699.95	2,716.55	2,653.10	106.37K	0.55%
28-10-2024	2,692.20	2,660.00	2,720.00	2,647.85	126.27K	0.78%
25-10-2024	2,671.40	2,720.05	2,726.15	2,651.00	182.61K	-1.68%
24-10-2024	2,717.10	2,735.75	2,757.90	2,705.00	180.30K	-0.66%
23-10-2024	2,735.20	2,650.05	2,784.45	2,640.00	342.01K	3.18%
22-10-2024	2,650.80	2,775.00	2,793.45	2,640.10	280.92K	-4.53%
21-10-2024	2,776.45	2,840.00	2,858.00	2,769.25	158.63K	-2.22%
18-10-2024	2,839.40	2,850.05	2,877.90	2,820.05	213.55K	-1.02%
17-10-2024	2,868.75	2,999.00	2,999.00	2,840.15	536.08K	-4.36%
16-10-2024	2,999.50	2,932.60	3,011.15	2,925.00	987.81K	2.28%
15-10-2024	2,932.60	2,854.00	2,944.00	2,835.80	478.02K	2.96%
14-10-2024	2,848.25	2,829.60	2,855.00	2,805.00	271.14K	0.66%

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