

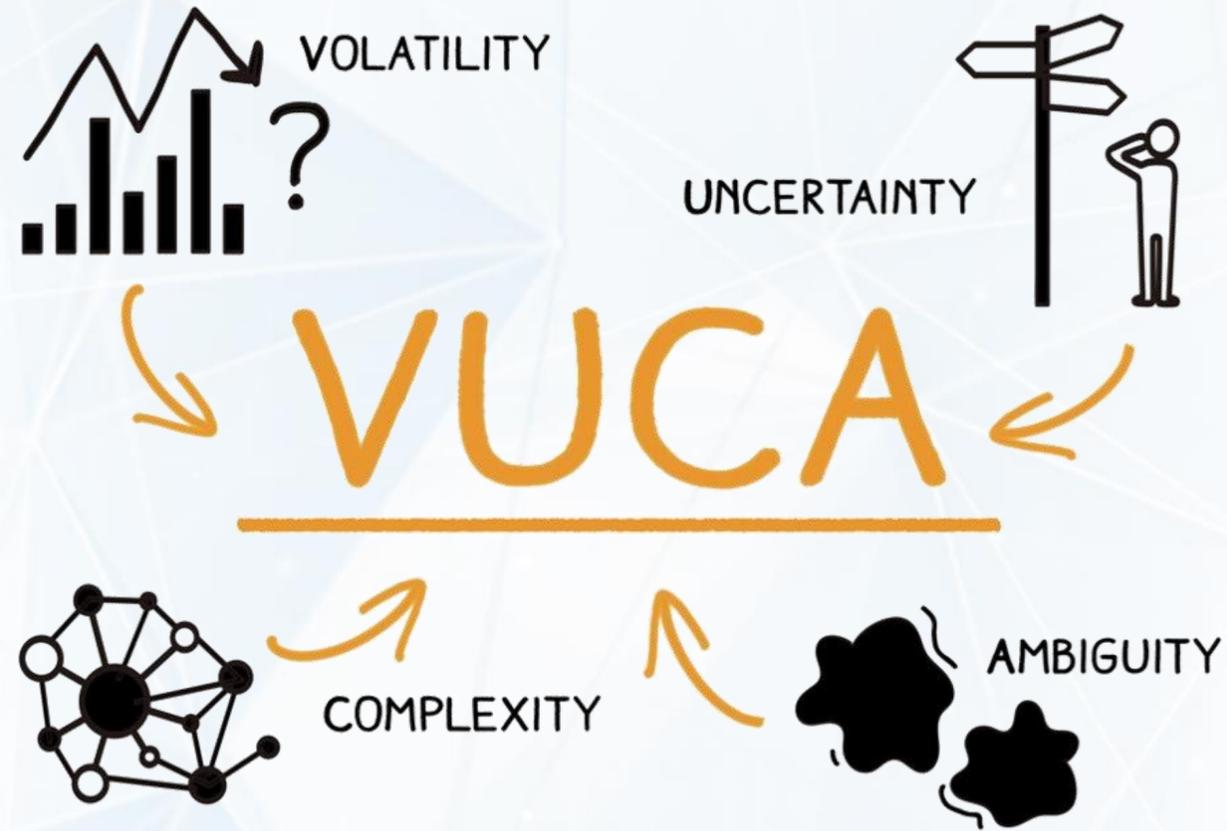
# welcome

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## Annual General Meeting 2023



# Current environment

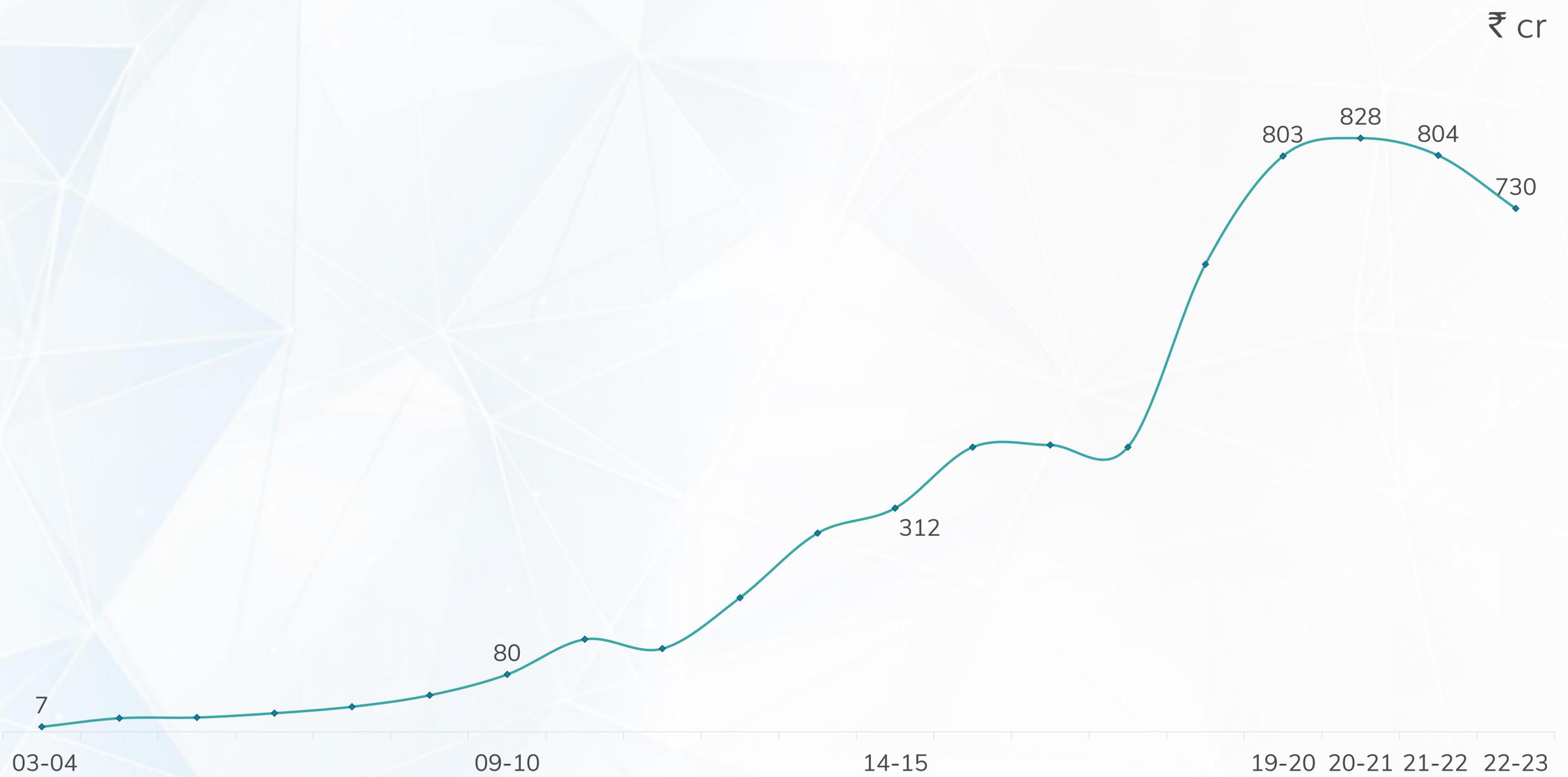


## Main areas



# Profit before tax from operations

₹ cr



# Endurance

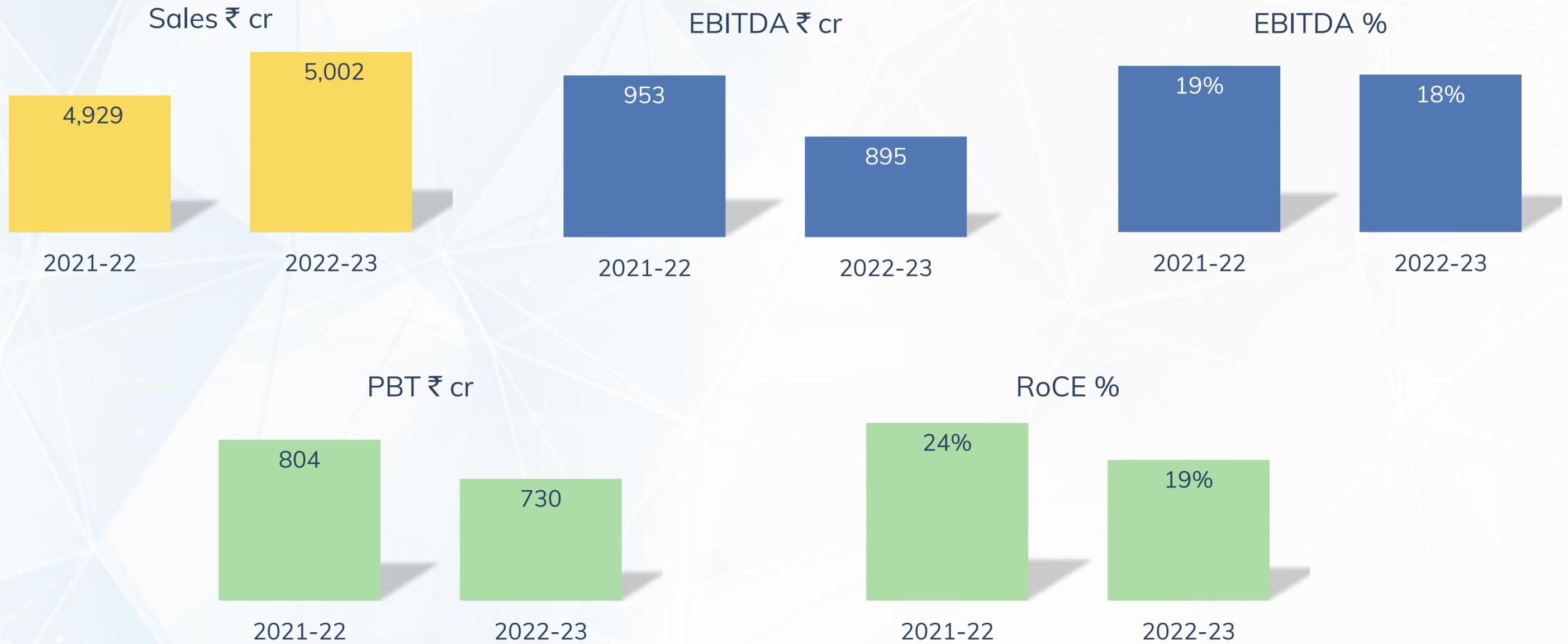


- Think deeply
- Interpret changes clearly
- Work creatively
- Act cohesively
- Relearn quickly
- Serve earnestly

Become internally stronger

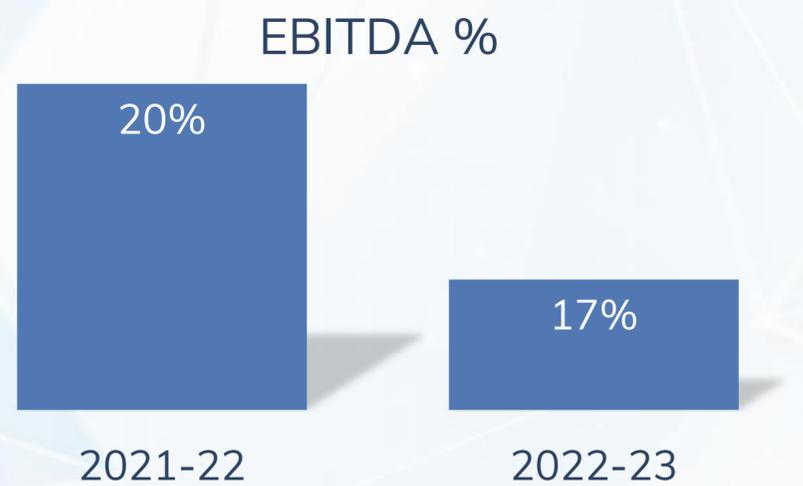
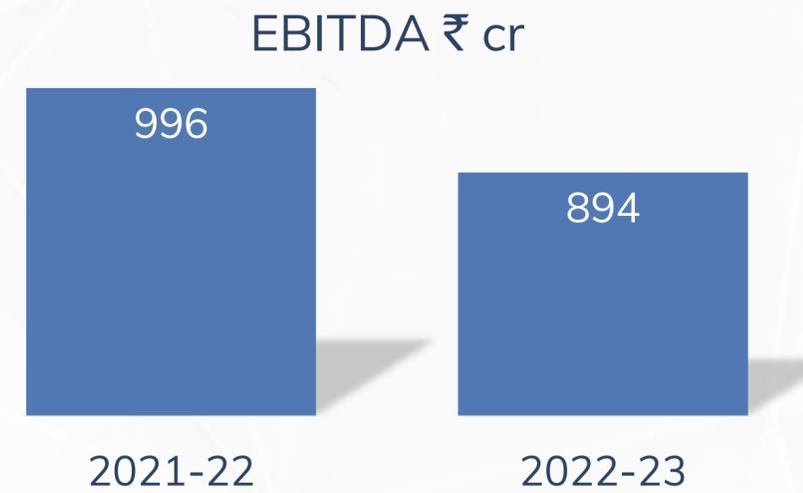
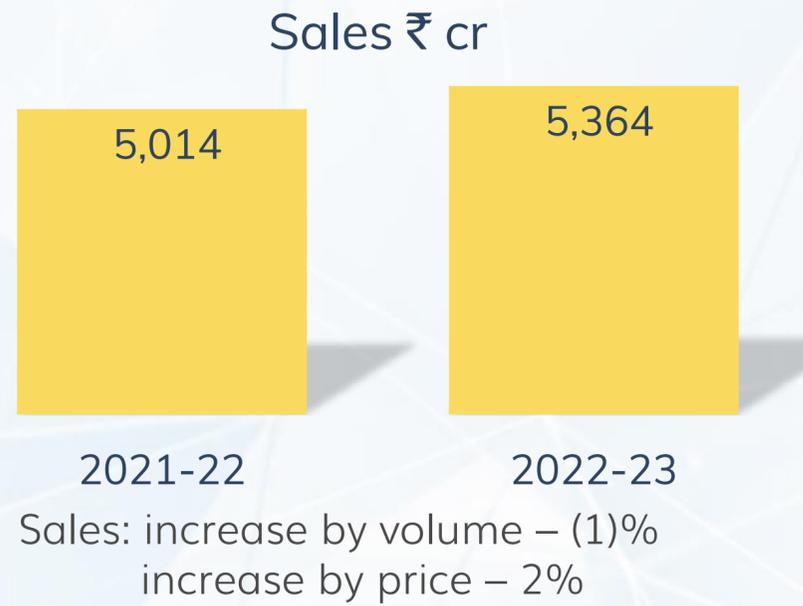
# Financials 2022-23

standalone

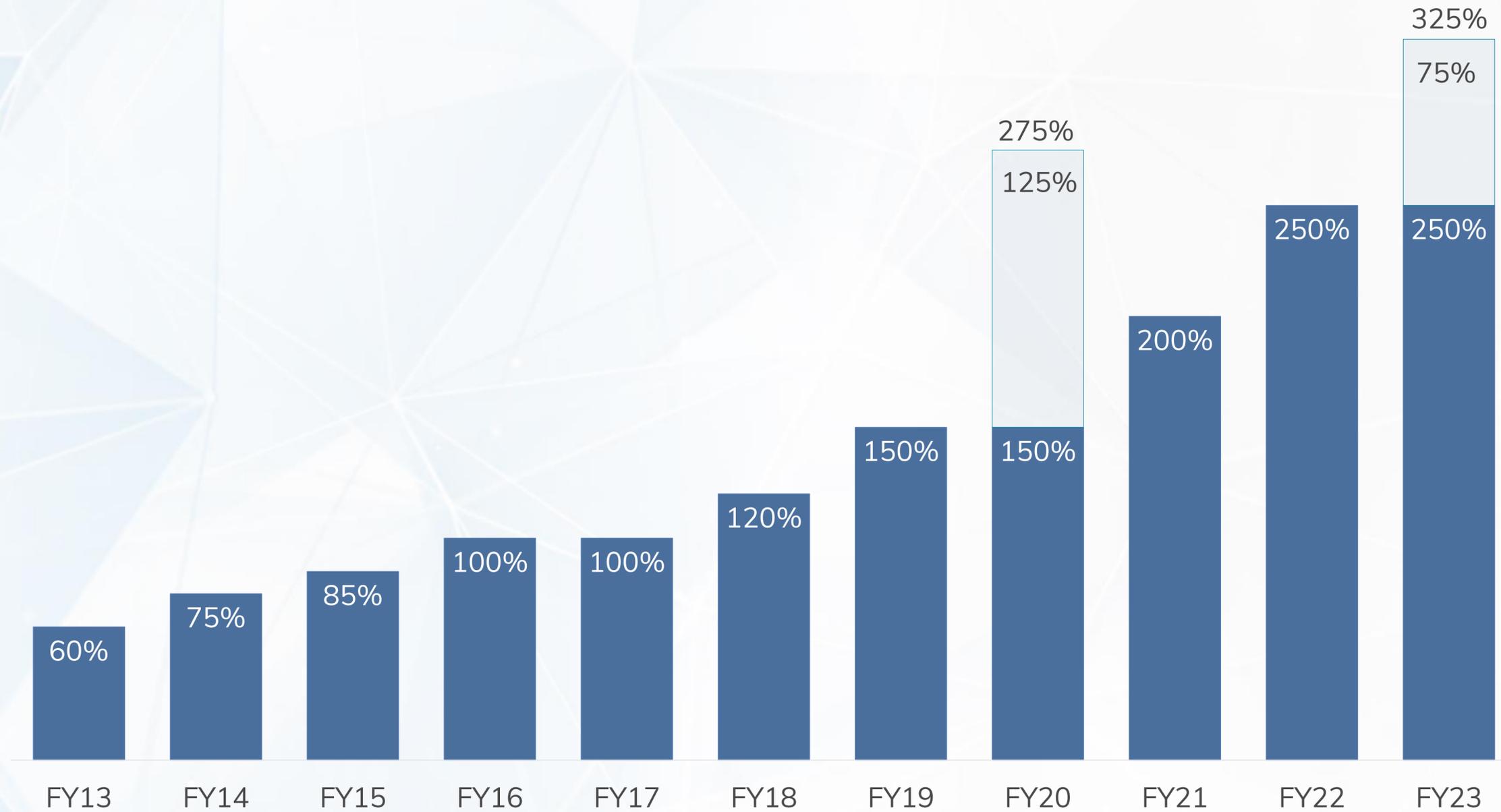


# Financials 2022-23

consolidated



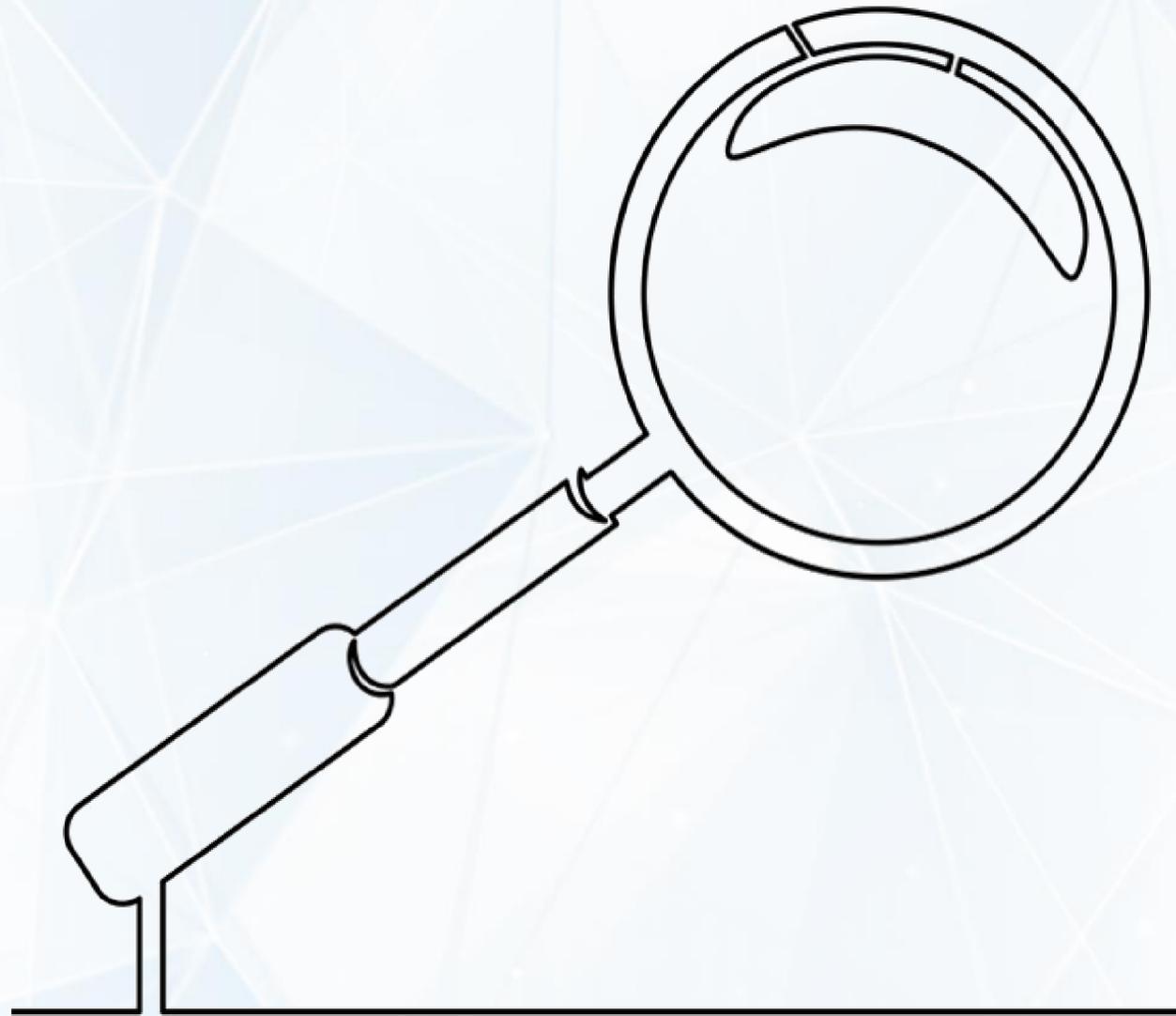
# Dividend



Special dividends:

- 125% in FY20 on the 125<sup>th</sup> anniversary of our Founder
- 75% in FY23 on completion of 75 years of incorporation of the Company

## Stagnant Sales and PBT



- Lower demand
- Decrease in selling prices
- Increase in prices of coal
- Fire in one of the plant

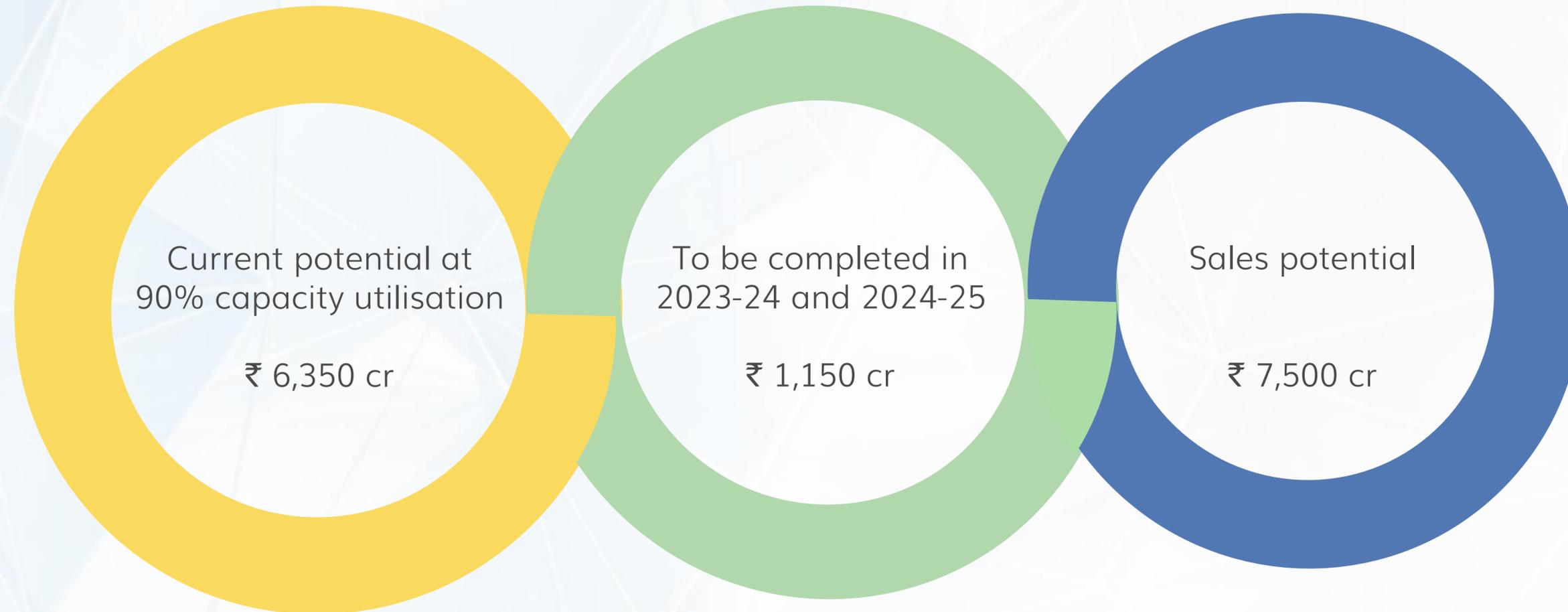
No excuses for decline in performance

# Rebuilding



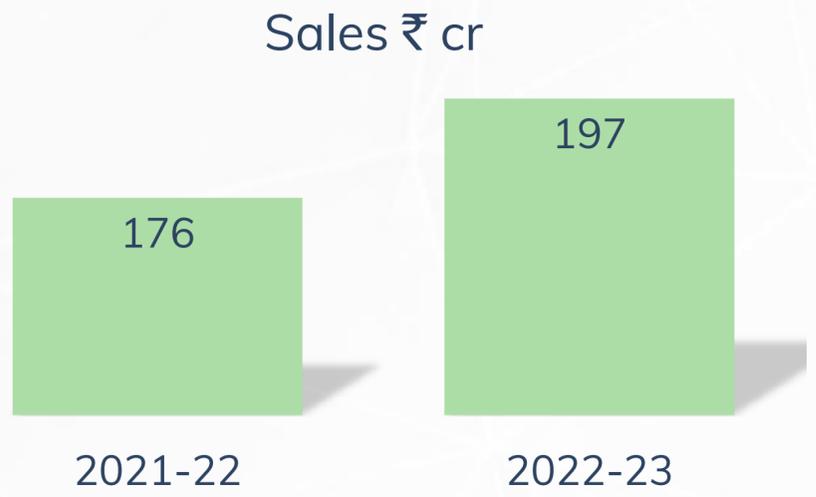
Fire in April, 2022

# Projects



No structural change observed in demand of the products

# Crop Protection – Retail

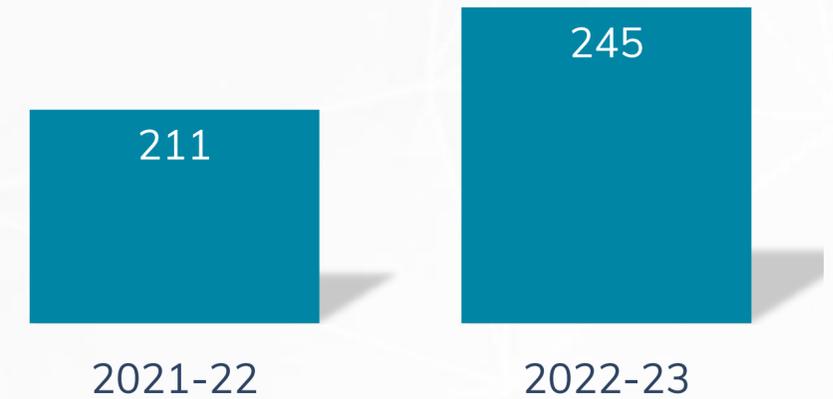


Committed to long-term growth

# Polymers – Retail

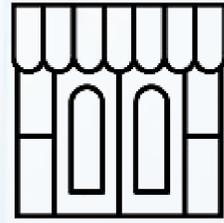


Sales ₹ cr

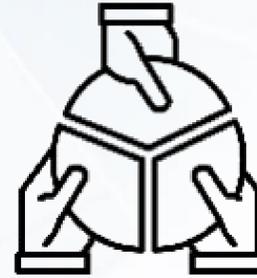


Committed to long-term growth

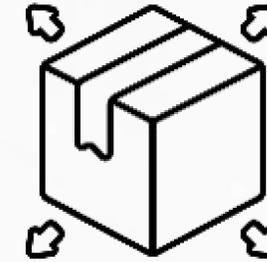
# Mandate



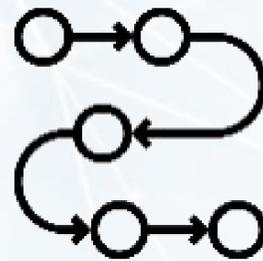
enlarge retail base



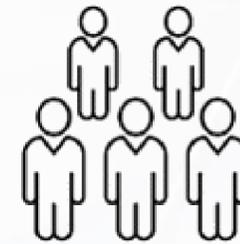
expand geography



Build product portfolio



fortify processes



strengthen team

Practice the philosophy of continuous improvement. Get a little bit better every single day.

BRIAN TRACY

# Financials of subsidiary, JV and associate entities production\*

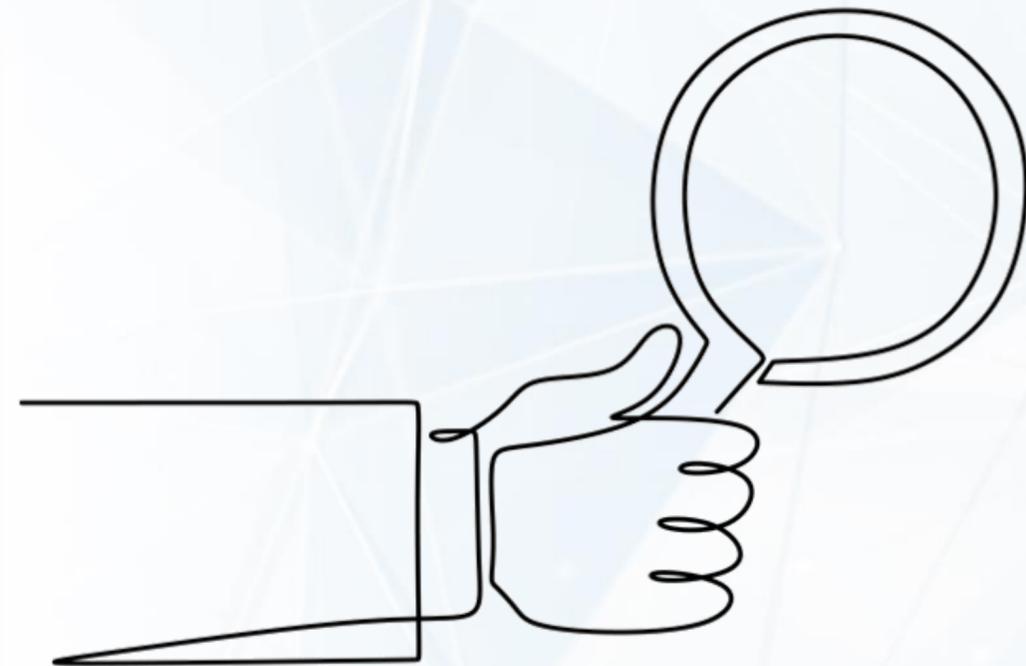


\*Amal, Anaven, Atul Bioscience, Atul Rajasthan Date Palms, Amal Speciality Chemicals, DPD, Rudolf Atul Chemicals, Osia Infrastructure

# Financials of subsidiary, JV and associate entities

## Sub-optimal performance

- Lower sales from Atul Bioscience, Ambernath
- Delayed stabilisation of Atul Rajasthan Date Palms
- Pressure on selling prices of ANAVEN
- Stabilisation of Amal Speciality Chemicals



# Atul Products Ltd

## 300 tpd Caustic + 50 MW powerplant



Investment: ₹ 822 cr, Sales: ~ ₹ 500 cr, Date of completion: September 30, 2023

# JV and associate entities



Amal (50%)



Amal Speciality Chemicals (50%)



Anaven (50%)



Atul Bioscience (100%)



Atul Rajasthan Date Palms (74%)



DPD (98%)

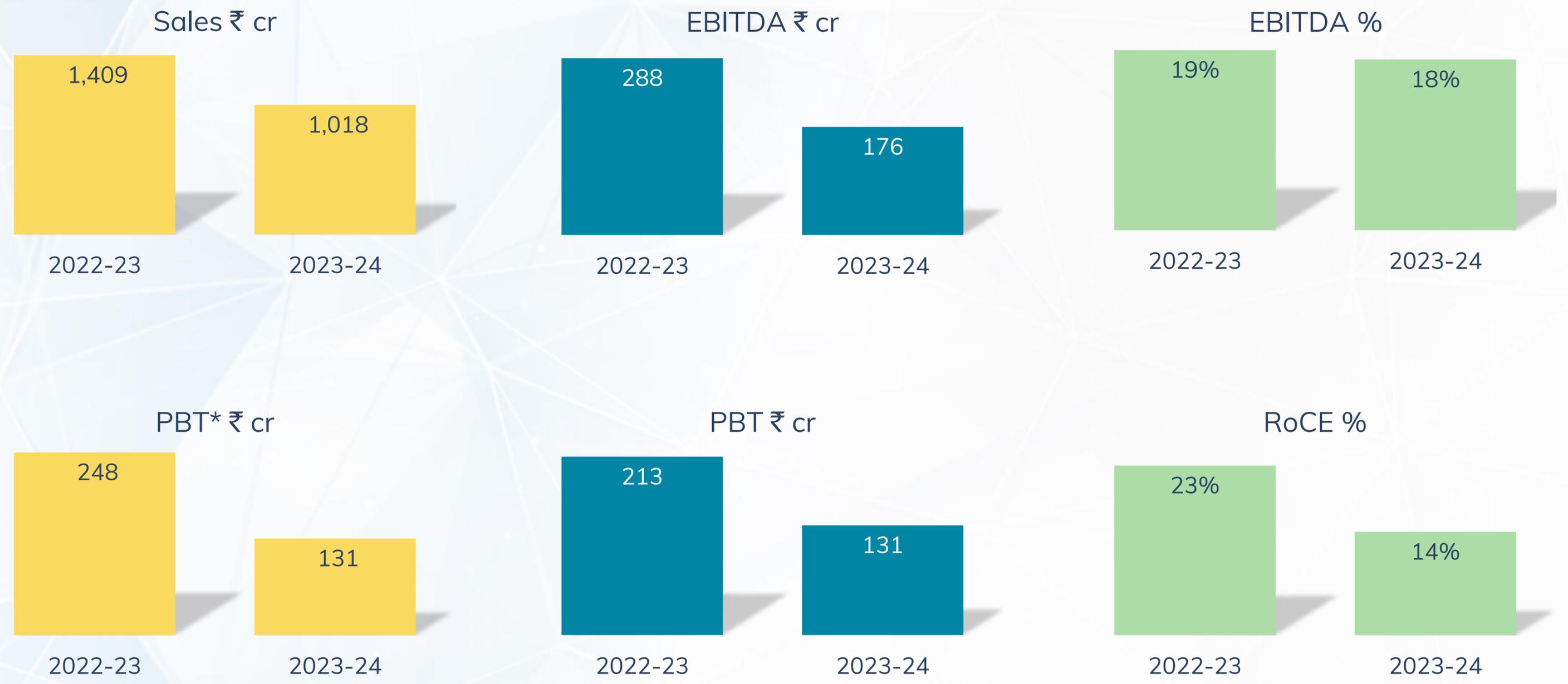


Osia Infrastructure (100%)



Rudolf Atul Chemicals (50%)

# Q1 Financials standalone



\* PBT without adjusting for loss because of fire

Down, but significant upward opportunity

# Digitalisation

## Pervading technology across functions



- Supply chain planning
- Sales forecasting
- Customer relationship
- Enterprise Resource Planning – Oracle
- HR processes

# Digitalisation

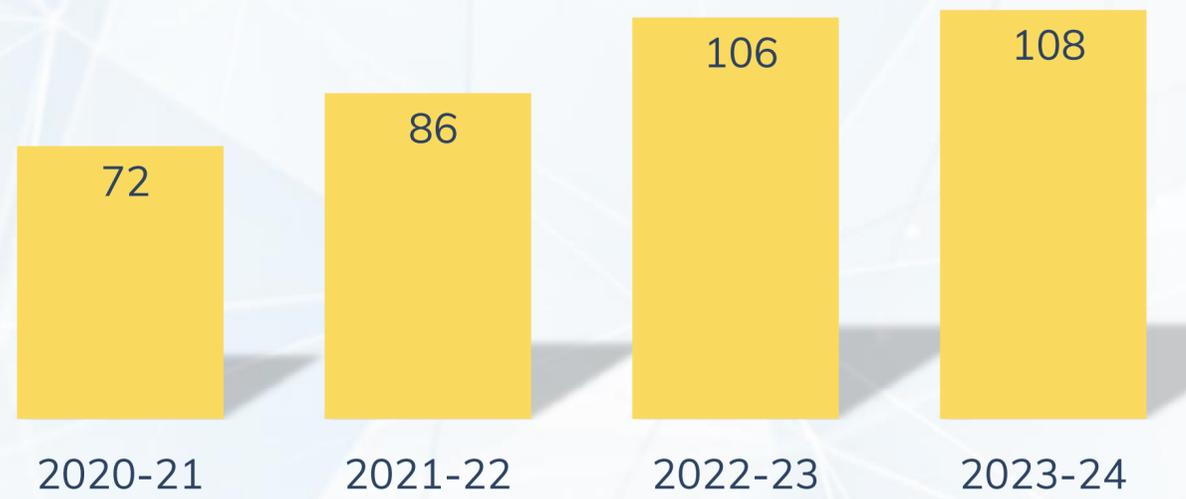
## R&D and Manufacturing



- Design of experiment studies
- Data acquisition and real time analysis
- Digital storage and transfer of data
- RFID
- Intelligent plant

# Human Resources

ET | MT recruitment



Elevation from within

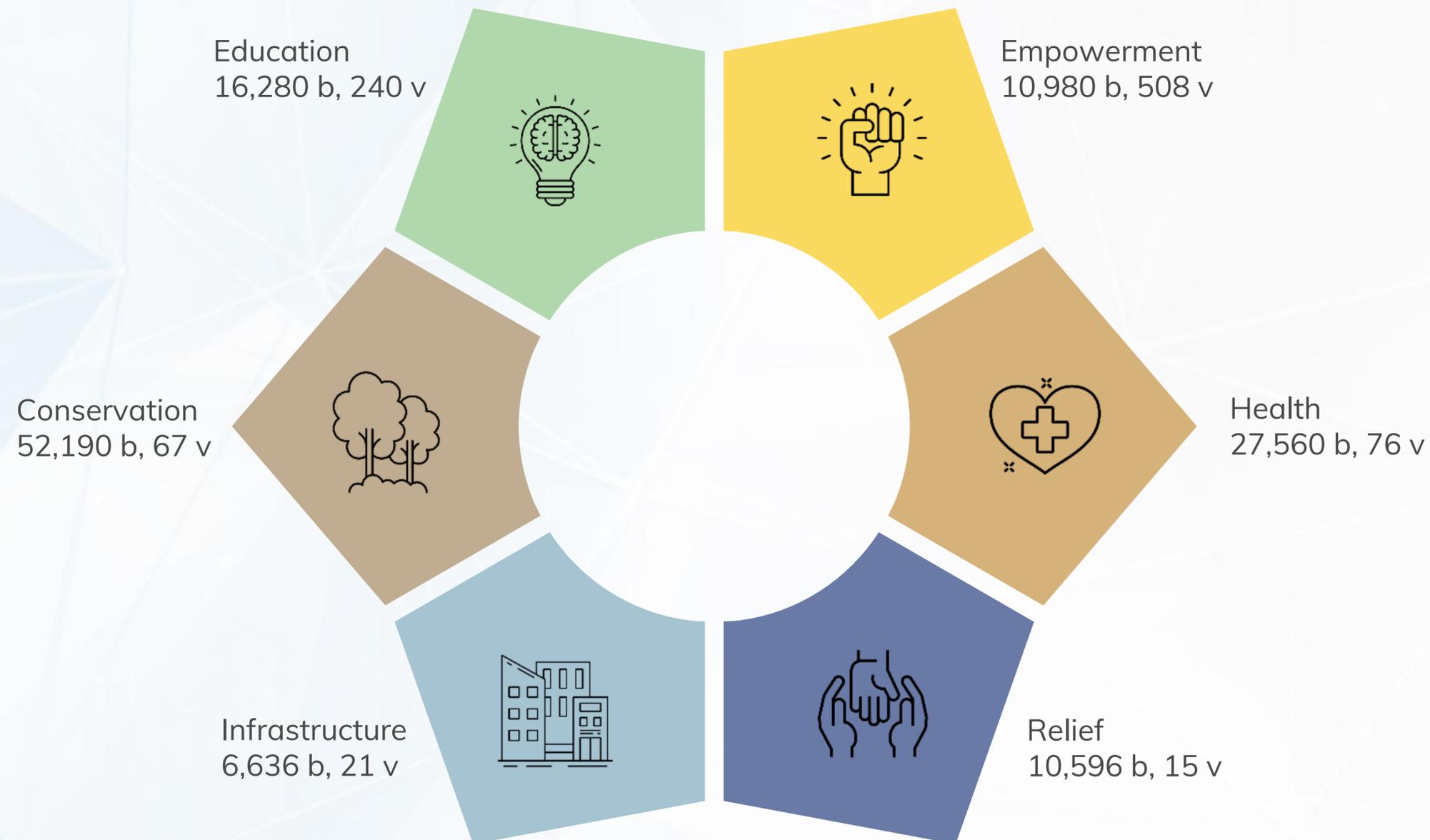


## Organisation structure dimensions

Particulars	UoM	1994-95	2022-23
Gross block	₹ cr	231	2,872
Sales	₹ cr	235	5,002
Businesses	No	4	9
Foreign entities	No	1	7
Operating entities	No	5	22
Non-operating entities	No	2	24

# Atul Foundation

Atul Foundation is committed to fostering sustainable socio-economic upliftment, particularly in the lives of the underprivileged through relevant programs | projects namely:



b: beneficiaries, v: villages

Spending by Foundation was ₹ 16 cr and total spending was ₹ 40 cr

# Education



Nurtured 16,280 children through quality education in 240 villages

# Empowerment



Empowered 10,980 tribal youth and women through vocational training, self-help groups and other activities in 508 villages

# Health



Helped 27,560 children, youth, men and women through various health programs in 76 villages

# Relief



Extended support to 10,596 people from 15 villages

# Infrastructure



Improved quality of life for 6,636 people through various infrastructure projects in 21 villages

# Conservation



Planted 52,190 trees and conducted conservation initiatives in 67 villages

# Institutions under Atul Foundation



Kalyani Shala



Urmi Stree Sanstha



Ulhas



Utkarsh



Atul Rural  
Development Fund



Atul Vidyalaya



Atul Club



Atul Vidyamandir



Atul Institute of  
Vocational Excellence



Industrial Training  
Institutes



Atul Foundation  
Health Center

# Recognition

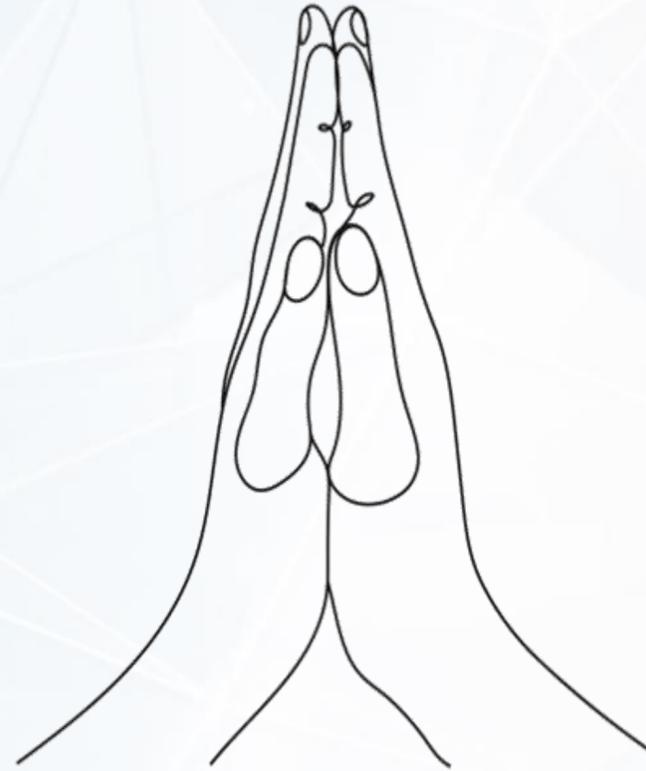


Awarded for water conservation initiatives by  
The Southern Gujarat Chamber of Commerce and Industry and Gujarat Pollution Control Board

# Independent directors



Mr Rajendra Shah  
since May 1983

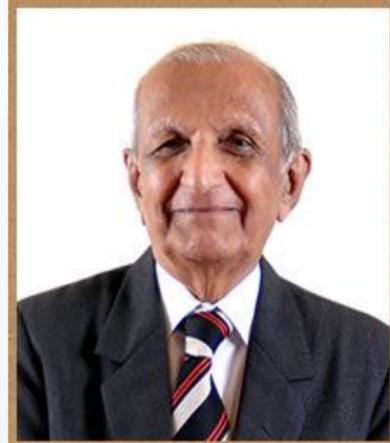


Mr Bansi Mehta  
since April 1992

## Non-executive independent Directors



Rajendra Shah



Banshi Mehta



Susim Datta



Srinivasa Rangan



Mukund Chitale



Shubhalakshmi Panse



Baldev Arora



Pradeep Banerjee



Rangaswamy Iyer

# Team Atul



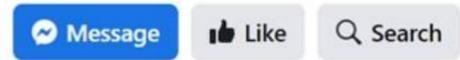


remain connected



**Atul Ltd**

225 likes • 510 followers



**Atul Ltd**

Touching lives

Chemical Manufacturing · Atul, Gujarat · 91,634 followers · 3,362 employees



contact@atul.co.in



**Dreams | Determination | Dedication**

# Shareholders queries

# Queries

No	Shareholder name	Shares held	Number of queries					Total
			Operations	Growth	People	Equity	Others	
1	Mr Manish Gupta	1,28,194	7	2	2	3	3	17
2	Mr Ravi Mehta	35,400	9	3	-	-	-	12
3	Mr Sunil Kothari	11,500	-	2	-	-	1	3
4	Mr Rupen Masalia	6,536	11	8	-	-	-	19
5	Mr Laxman Gupta	386	-	2	-	-	3	5
6	Ms Ashadevi Gupta	343	1	2	-	-	2	5
7	Mr Shashikant Marathe	124	6	-	1	2	3	12
8	Mr Nirav Jimudia	15	11	2	-	-	-	13
9	Mr Kirti Shah	1	4	1	-	15	30	50
	<b>Total</b>		<b>49</b>	<b>22</b>	<b>3</b>	<b>20</b>	<b>42</b>	<b>136</b>
	<b>Combined</b>		<b>39</b>	<b>20</b>	<b>3</b>	<b>4</b>	<b>19</b>	<b>85</b>

Thank you

# Global chemicals market 2021

Euro bn

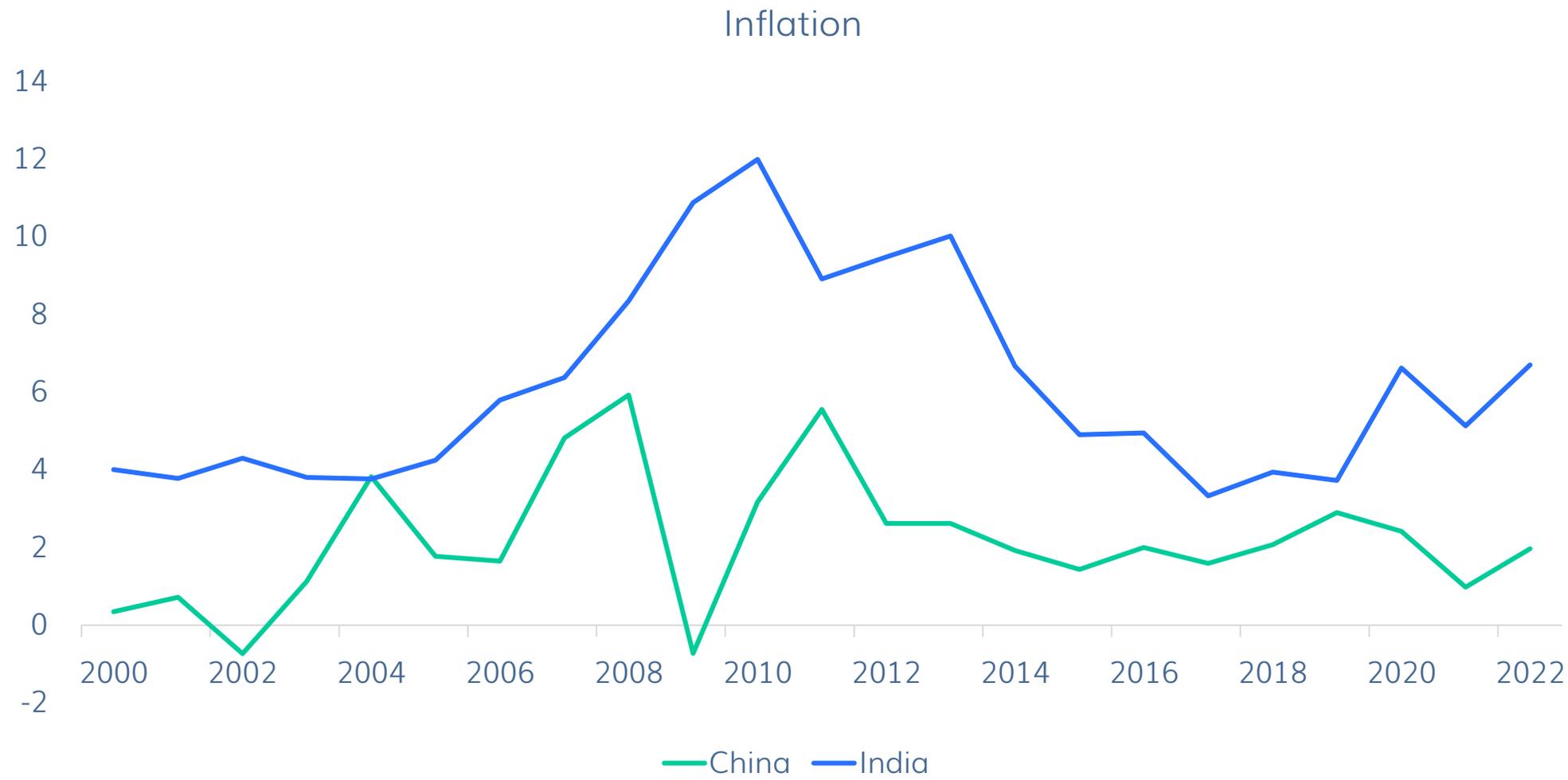
Country	Production	Imports	Exports	Consumption	Net import
Germany	171	94	128	138	-34
India	104	63	33	133	30
France	103	51	65	89	-14
USA	437	125	150	412	-25
China	1,729	188	161	1,757	28
Japan	190	39	70	159	-31
South Korea	133	43	69	107	-26
World	4,026	1,520	1,426	4,120	94

- China's share in global GDP is 19% but in chemicals is 43%
- Share of China in global production up from 25.8% in 2010 to 43% in 2021
- Share of India up marginally from 2.2% to 2.6% in the same period
- India ranked 6<sup>th</sup> in global production and 5<sup>th</sup> in consumption
- India is largest net importer of Chemicals in the world

Source: VCI – German Chemical Industry Association

<https://www.vci.de/vci-online/die-branche/zahlen-berichte/chemical-industry-in-figures-online.jsp>

# Inflation, China vs India



Indian inflation higher every year since 2000

# Global production and prices

CAGR between 2008 and 2021

Euro bn

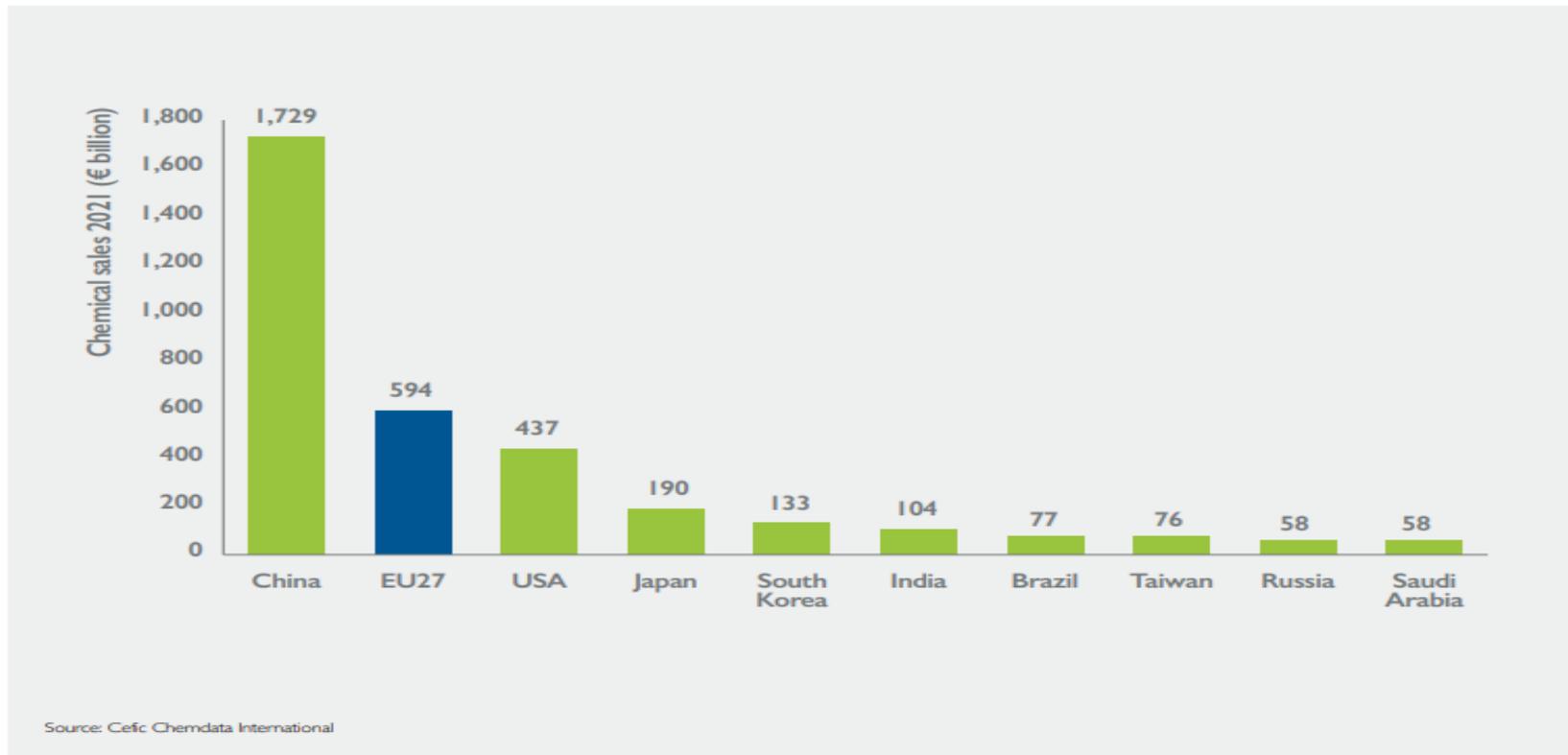
Country	Production index	Producer price index	Capital expenditure	R&D spend
Germany	(0.1)%	1.3%	7.3	4.4
India	2.7%	3.1%	5.0	1.6
France	0.9%	0.7%	4.0	2.4
USA	(1.2)%	1.9%	25.2	7.9
China	9.1%	0.0%	109.0	14.7
Japan	(0.3)%	(0.1)%	6.1	7.6
South Korea	3.1%	0.7%	6.7	2.9

- CAGR of producer price index is highest in India
- CAGR of production index 3 times higher in China compared to India
- Very high capital investment and R&D spend will support China future growth

# Role of China in Global Chemicals

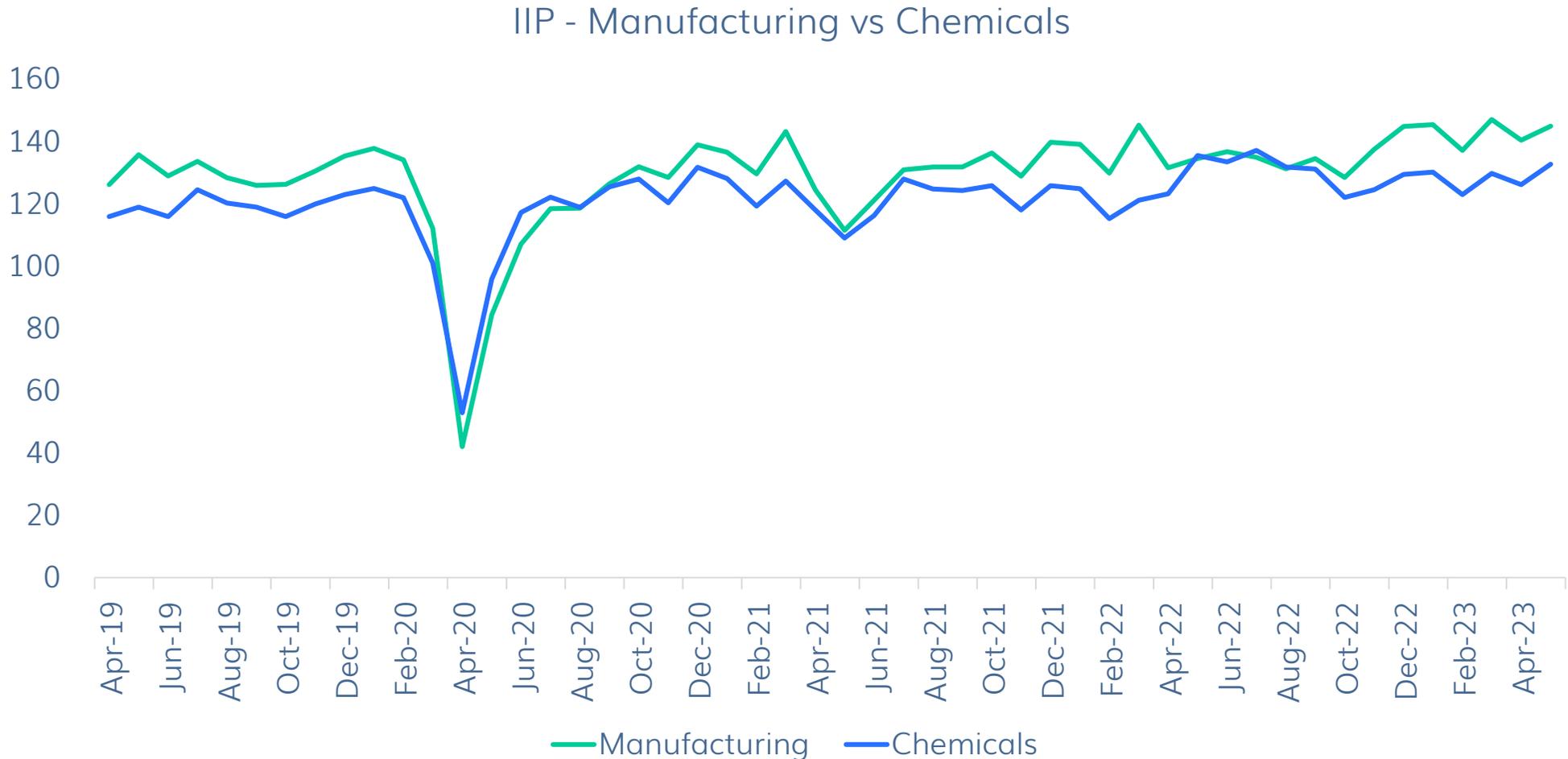
## China dominates the sales of chemicals globally

Sales of chemicals: top 10



Difficult to compete with China on commodity and must focus should be on specialty chemicals

# IIP – Manufacturing vs Chemicals (India)



CAGR of Manufacturing IIP is higher than CAGR of Chemicals IIP

# Indian Chemicals – Production vs Consumption

Euro bn

Year	Production	Exports	Imports	Consumption
2018	101.7	28.0	47.5	121.2
2019	105.2	30.3	48.7	123.6
2020	92.5	26.7	42.2	108.0
2021	103.5	32.8	62.6	133.3
CAGR	0.59%	5.42%	9.64%	3.22%

CAGR of consumption significantly higher than CAGR of production

# Chemicals – IIP vs imports

Units bn

Year	IIP for Chemicals	Import volume Chapter 29
2017-18	116	14
2018-19	119	15
2019-20	119	15
2020-21	116	15
2021-22	121	16
2023-23	129	18
CAGR	2%	5%

CAGR of import volume is much higher than CAGR of IIP for Chemicals

\* Annualised based on actuals upto Jan 2023

# Trade deficit Chapter 29

USD bn

Country	Import (USD bn)					Exports (USD bn)					Trade deficit (USD bn)				
	19-20	20-21	21-22	22-23	23-24	19-20	20-21	21-22	22-23	23-24	19-20	20-21	21-22	22-23	23-24
China	8	9	13	13	13	3	2	2	2	1	5	7	10	12	12
Others	12	11	16	16	14	15	16	20	20	18	-3	-5	-4	-4	-4
Total	20	20	29	29	26	18	18	22	21	18	2	2	7	8	8

Trade deficit with China growing very rapidly  
 Significant drop in exports in 23-24  
 Figures for 23-24 annualized base on actuals up to May 23

# Chemicals volume growth (%)

Year	Global	India	China	EU
2010	9.3			
2011	4.8			
2012	2.9			
2013	4.6			
2014	3.5			
2015	3.6			
2016	3.4			
2017	3.7			
2018	2.7			
2019	1.8			
2020	(0.4)	(5.4)	3.4	(2.1)
2021	6.1	7.0	7.7	6.0
2023	2.2	4.6	6.6	(5.8)
Cumulative growth over last 3 years	8.30%	5.90%	18.70%	(2.25)%

EU has long-term structural problems and provides better opportunity compared to China. Share of specialty chemicals much higher in EU compared to China and provides better opportunity to India

EU production expected to go down by 8% in 2023

Source: BASF AG annual reports

# Import and export prices

Imports of products falling under the purview of Chemexcil, for the year 2019-20, 2020-21 and 2021-22

Chapter number   panel	2019-20		2020-21		2021-22	
	Volume MT	Rate	Volume MT	Rate	Volume MT	Rate
<b>IMPORTS</b>						
(32) Dyes	41,513	8,053	35,652	7,593	44,027	8,724
(38) Agrochemicals	1,06,421	11,992	1,57,006	10,631	1,34,239	13,377
<b>EXPORTS</b>						
Dyes	4,94,032	5,401	4,73,042	4,959	5,44,598	5,653
Agrochemicals	4,52,805	7,354	5,33,487	6,708	6,48,994	7,546

- Import rates much higher than export rates and hence need to relook at basket of products imported and exported



SOURCE: ICIS

- Three month moving average
- Basic Chemicals & Synthetic Materials Capacity Utilisation

# IPEX – Regional and Global

