



Presentation to Analysts

April 30, 2015

**No of main slides: 68
Time: 30 minutes**



Disclaimer



We have shared information and made forward looking statements to enable investors to know our product portfolio, business logic and direction and thereby comprehend our prospects. We cannot guarantee that this forward looking statements will realize although we believe we have been prudent in our assumptions. The actual results may be affected because of uncertainties, risks and even inaccurate assumptions. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.



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Values



Excellence

Integrity

Responsibility

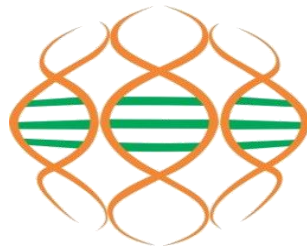
Understanding

Unity

Organizations

**built on sense of
purpose and core
values last long.**

- Jim Collins





Pioneering efforts

1st company of India to

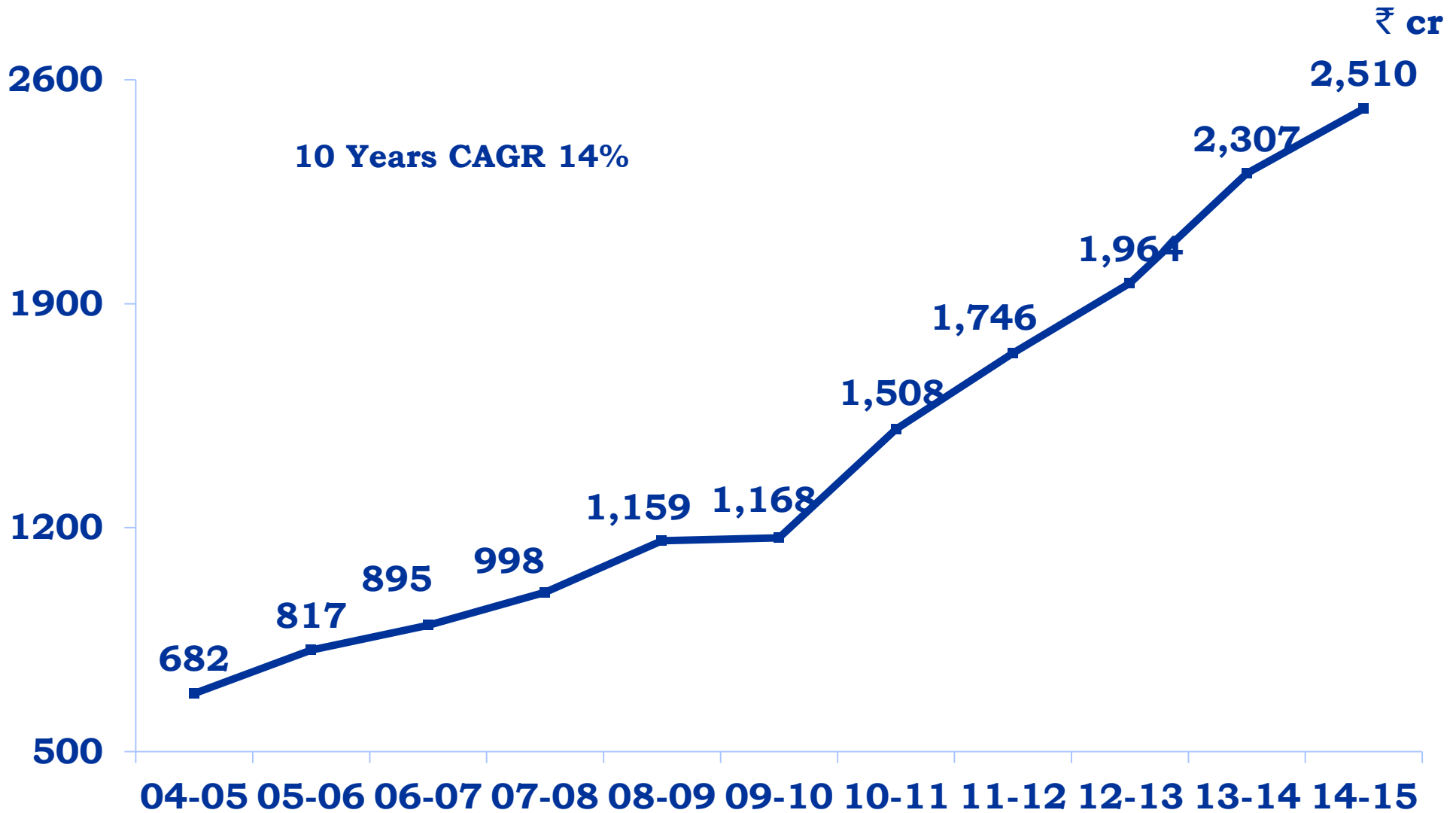
- **manufacture *p*-Cresol**
- **manufacture *p*-Anisic Aldehyde**
- **manufacture Resorcinol**
- **manufacture dyes and dye-intermediaries on a large scale**
- **manufacture Phosgene**
- **manufacture 2,4-D Acid and its derivatives**
- **manufacture Sulphonylureas**
- **propagate tissue cultured date palms (in collaboration with the Government of Rajasthan)**
- **manufacture Dapsone**
- **manufacture Epoxy hardeners and resins**



Performance trend



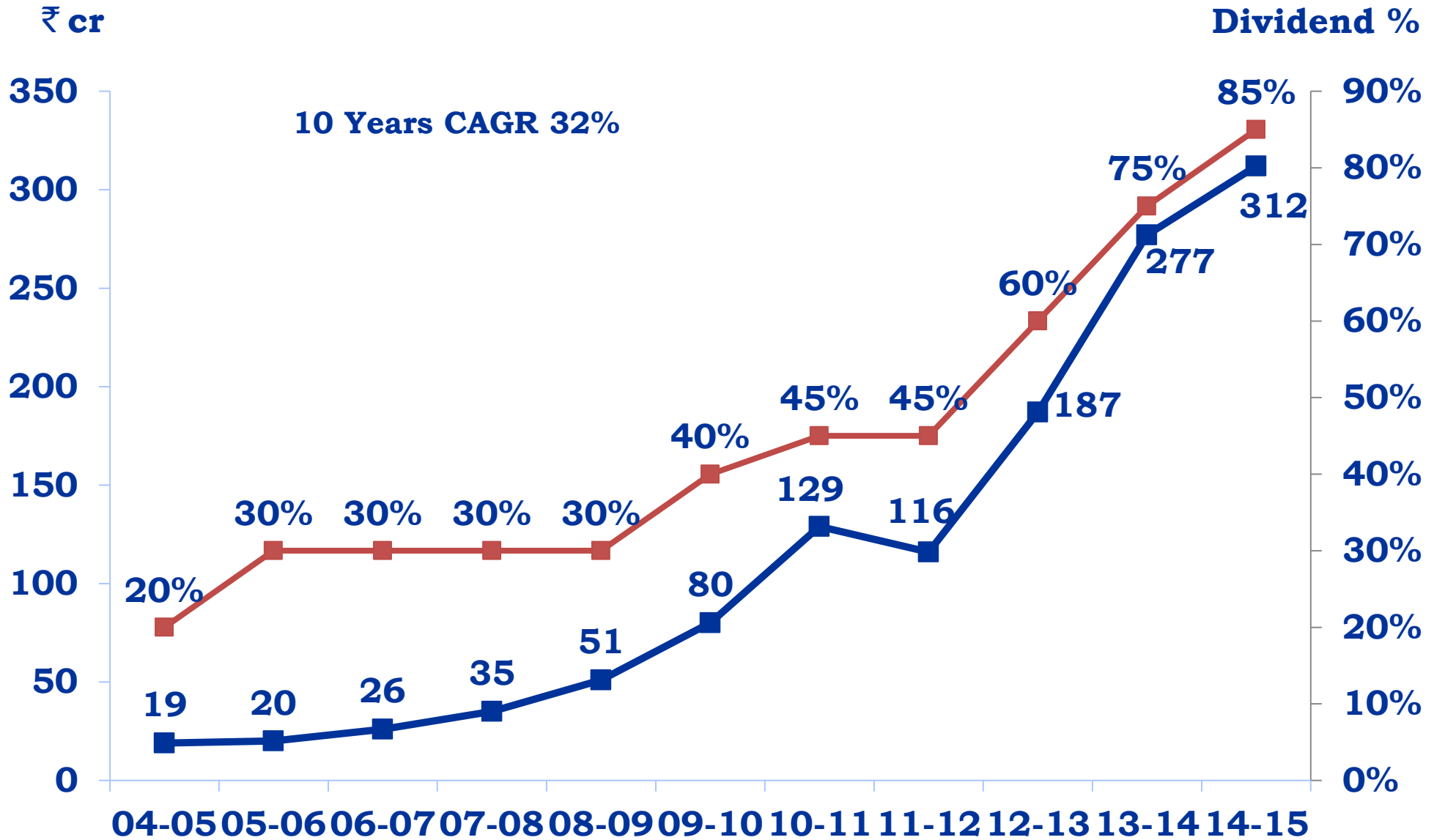
Sales





Performance trend

Profit Before Tax (from operations) and Dividend

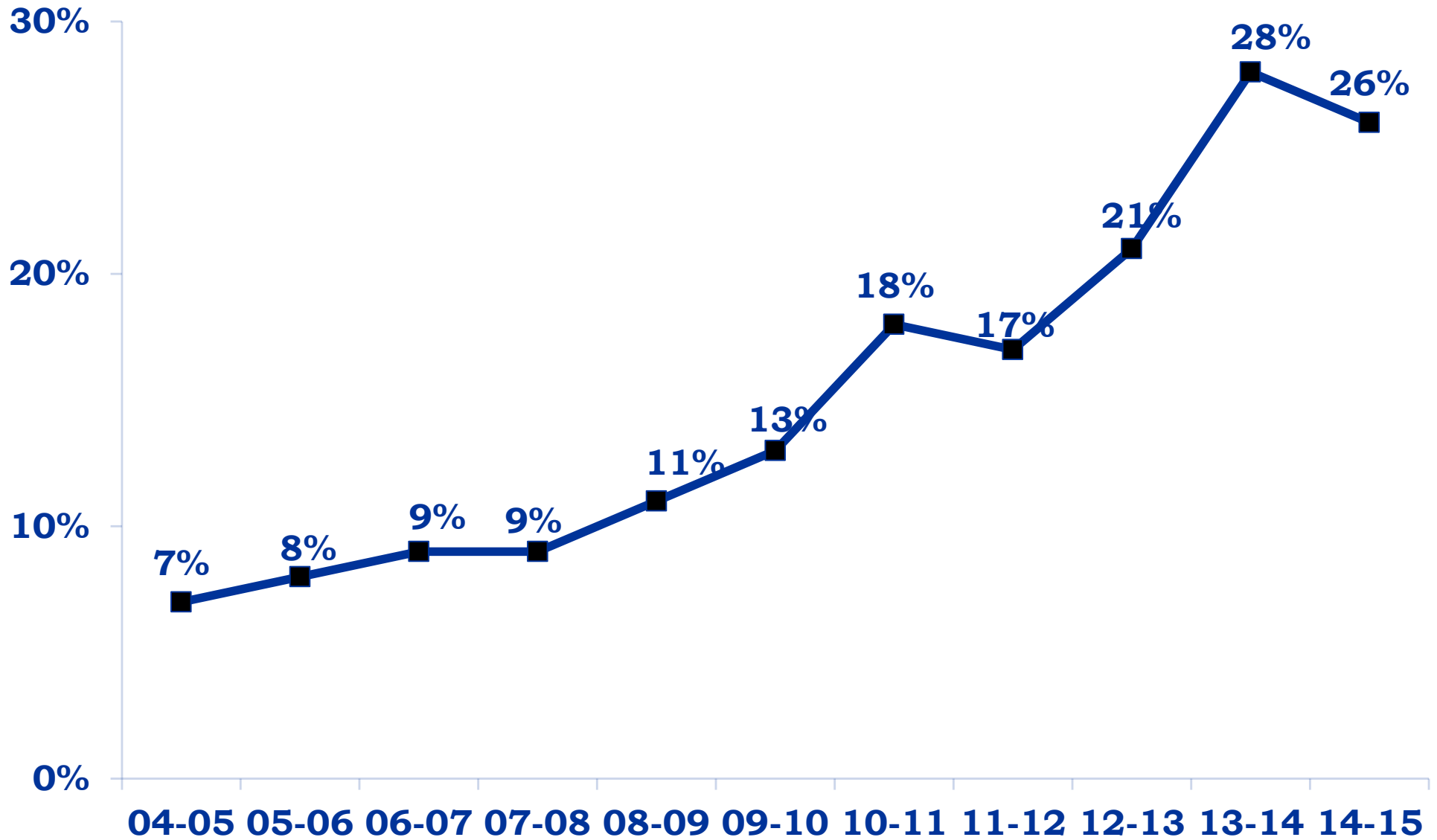




Performance trend



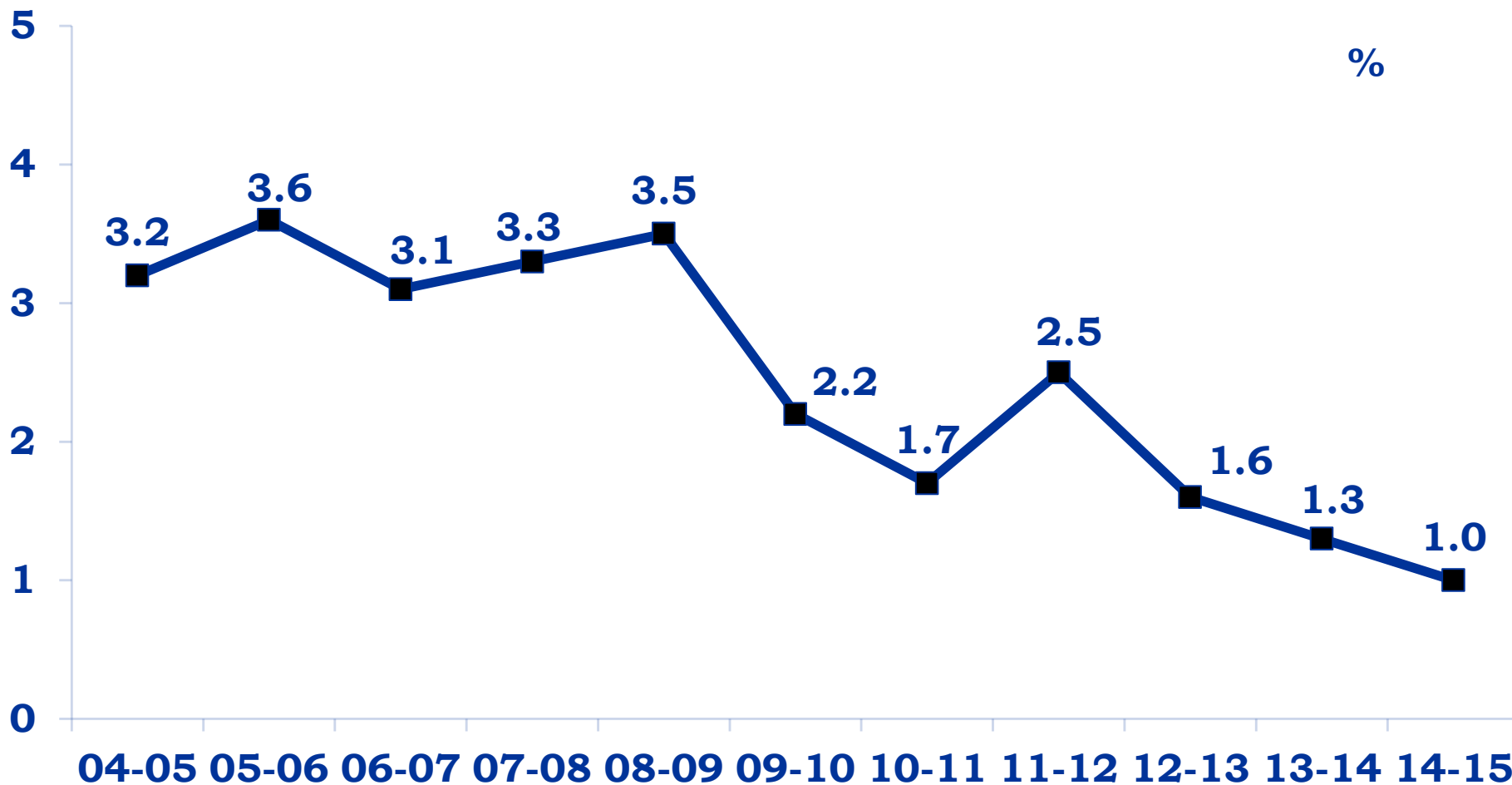
RoCE %





Performance trend

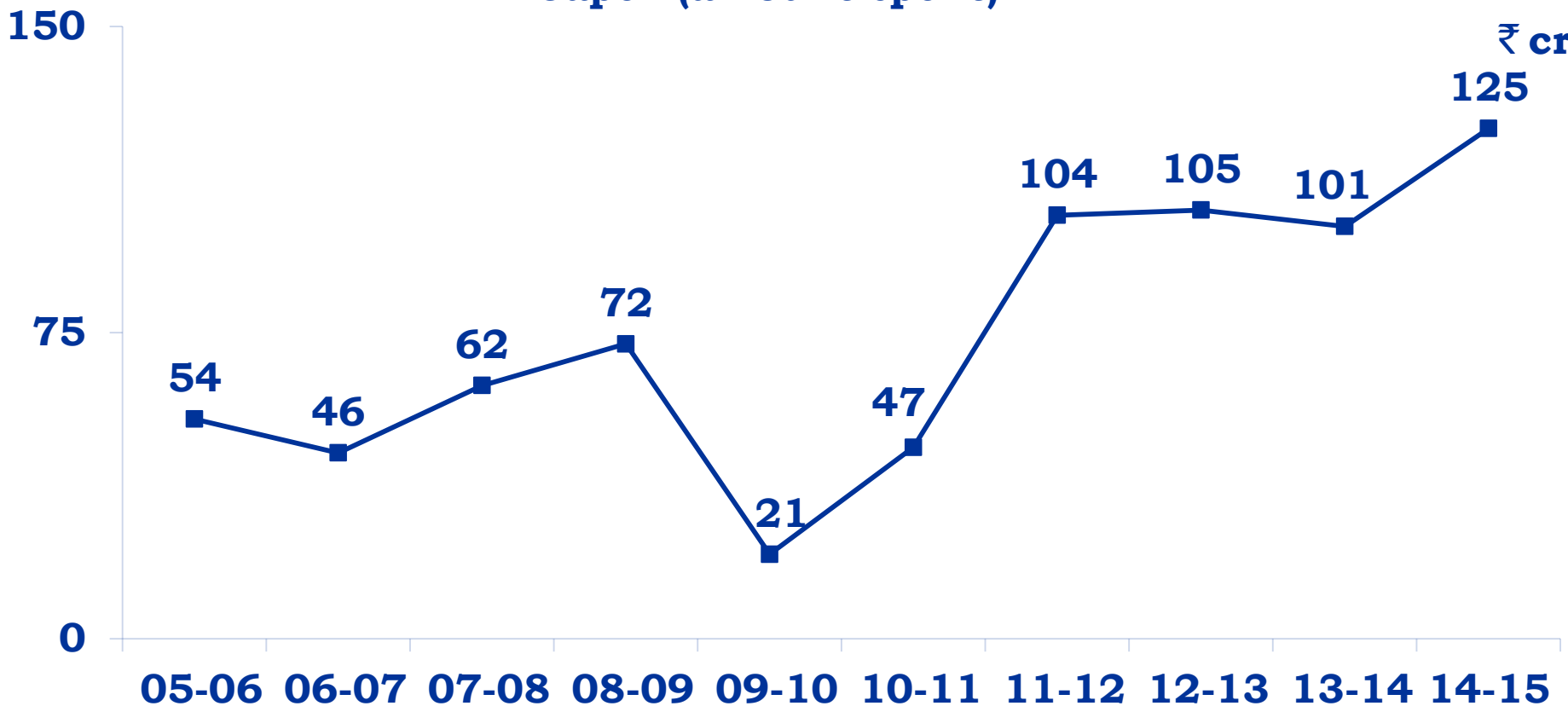
Interest to Sales





Preparing for tomorrow

Capex (amount spent)



8 RoI projects ~ ₹330 cr under execution expected generate sales of ~ ₹770* cr

* at full capacity utilisation

Expansion is Life, Contraction is Death.

- Swami Vivekananda



Caring

Growing

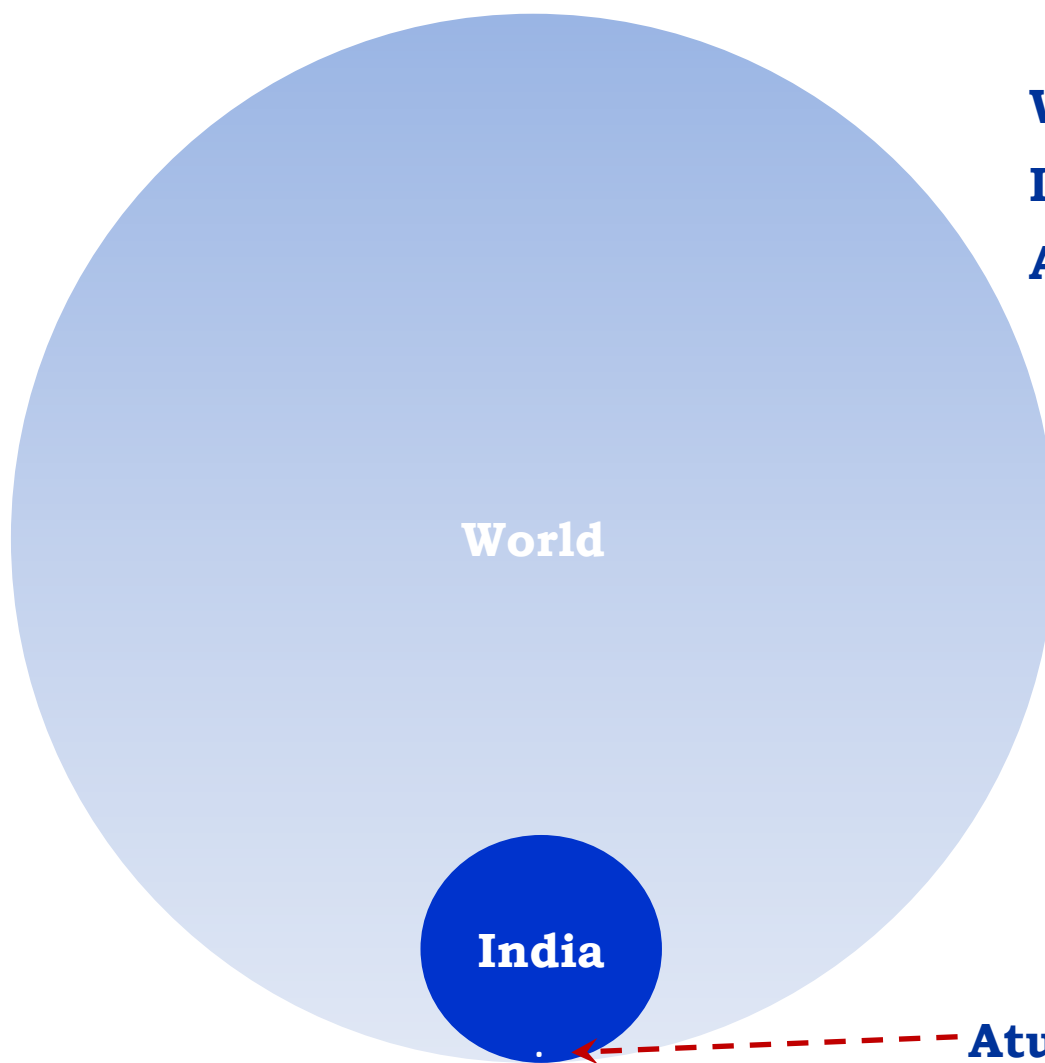
Sharing

**Inclusion is the key that unlocks the door to acceptance.
- Carole Fraser**



Potential

(Chemicals including pharmaceuticals)



	US\$ bn
World	5,350
India	140
Atul	0.4



Industries served



Agriculture



Automobile



Electrical and Electronics



Flavour and Fragrance



Paper



Paint and Coatings



Personal Care



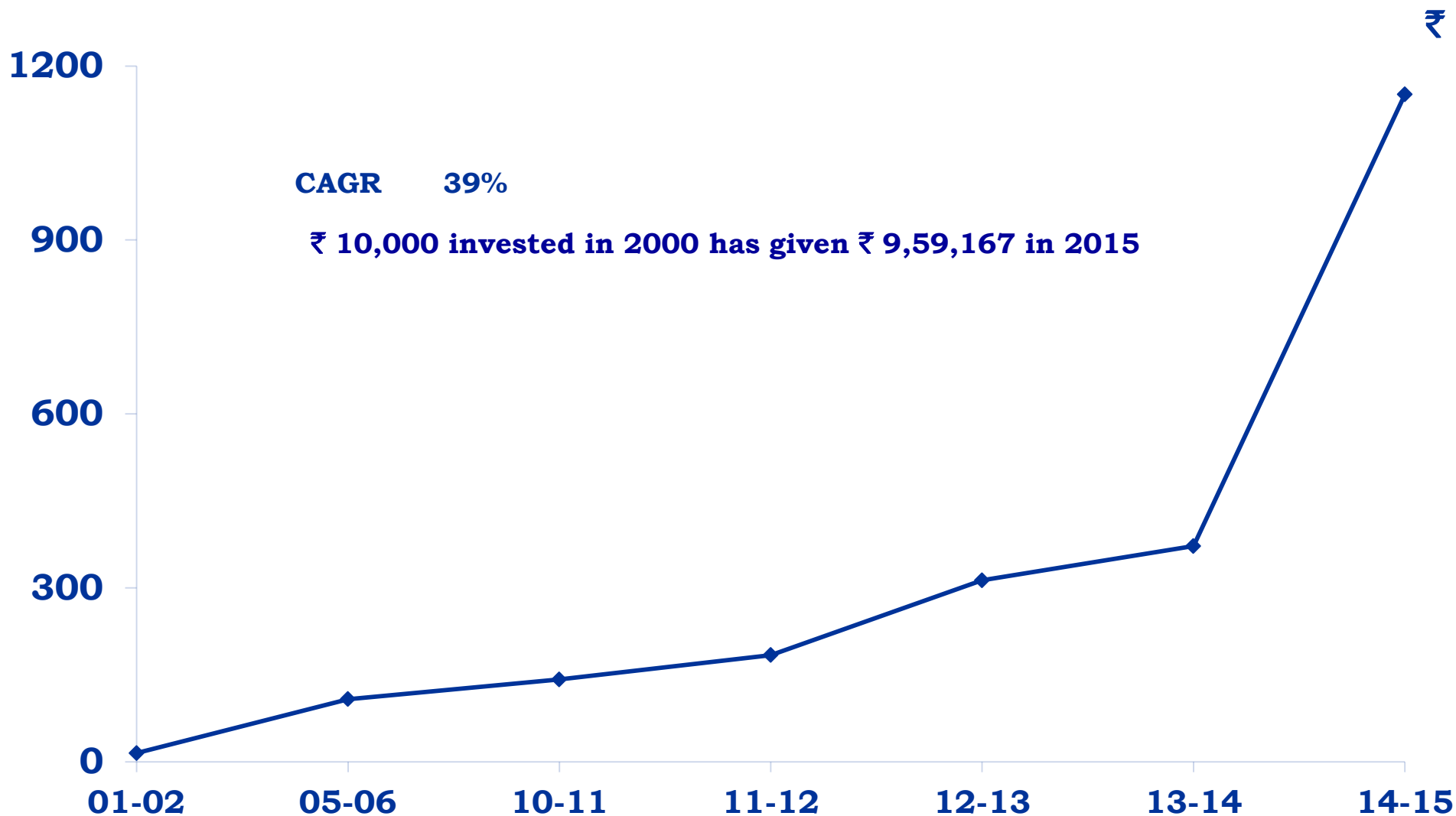
Pharmaceutical



Textile



Share price movement



Atul share price has grown by 7,573% over past 14 years



Financial Performance



Financials 2014-15



₹ cr

	14-15 A	13-14 A	Inc (dec) % CY vs PY
Sales	2,510	2,307	9
Operating and other income	61	78	(22)
Total revenue	2,571	2,385	8
Material consumed	1377	1,282	7
Employee benefit expenses	154	140	10
Other expenses	649	601	8
EBIDTA	391	362	8
<i>EBIDTA %</i>	<i>16</i>	<i>16</i>	-
Interest	24	31	(23)
PBDT	367	331	11
Depreciation	55	54	2
PBT before non recurring income	312	277	13
Non recurring income	-	20	-
P B T	312	297	5
P A T	217	213	2
RoCE %	26	28	-



Working Capital



NoDs

Particulars	Mar 15	Mar 14	Inc (dec)
Inventories	51	59	8
Debtors	59	65	6
Other current assets	21	23	2
Gross Working Capital	136	153	17
Current liabilities	52	62	10
Net Working Capital	84	91	7



Fund flow

Particulars

2014-15

2013-14

Sources

EBIDTA

391

362

Non recurring income

-

20

Total

391

382

Uses

Interest and finance charges (net)

24

31

Purchase of fixed assets and capital advances

190

101

Working capital increase | (decrease)

(1)

123

Dividend paid

26

21

Direct taxes

95

84

Loans repaid (net)

70

4

Changes in non-current assets

(13)

18

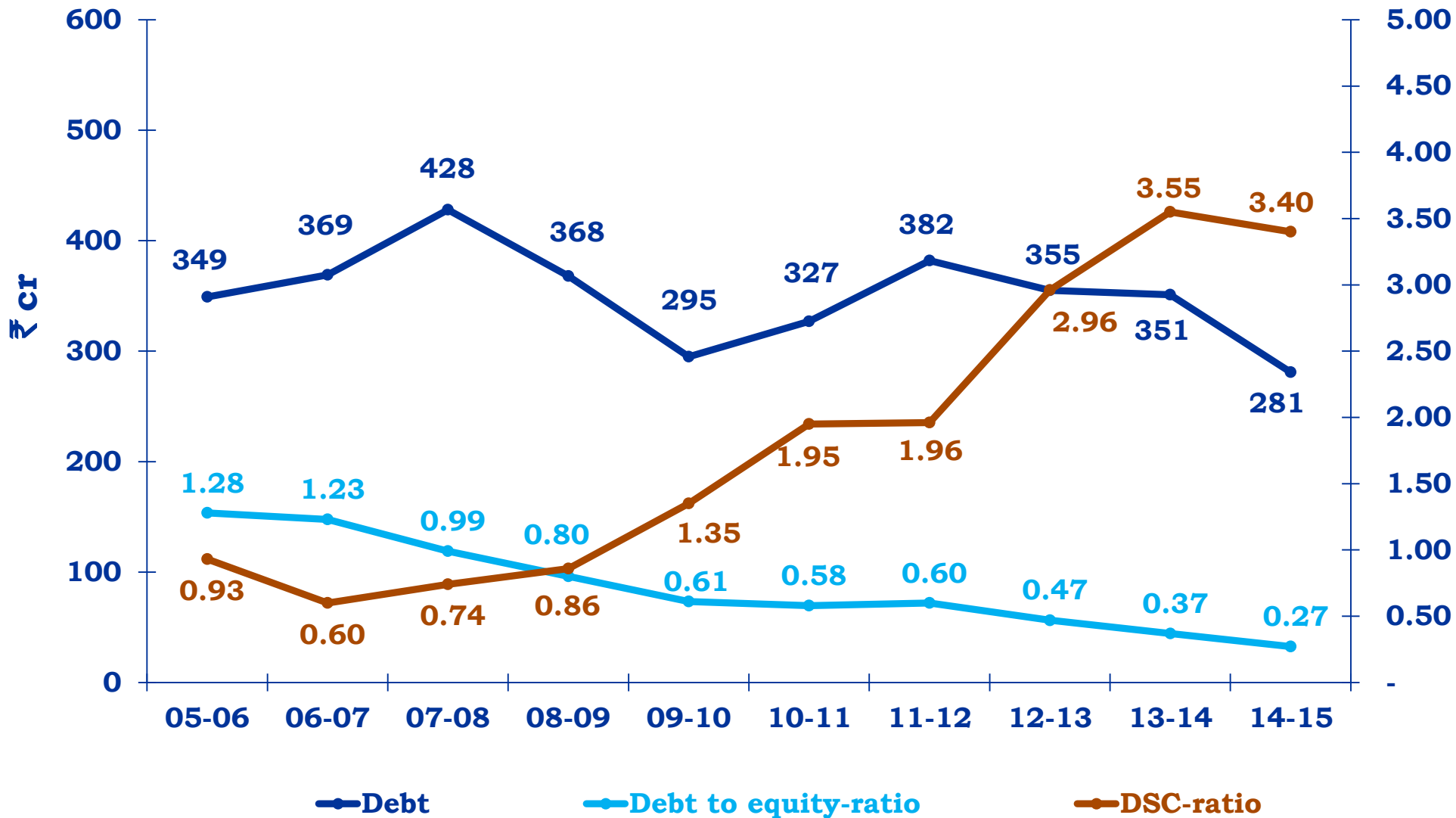
Total

391

382



Borrowings



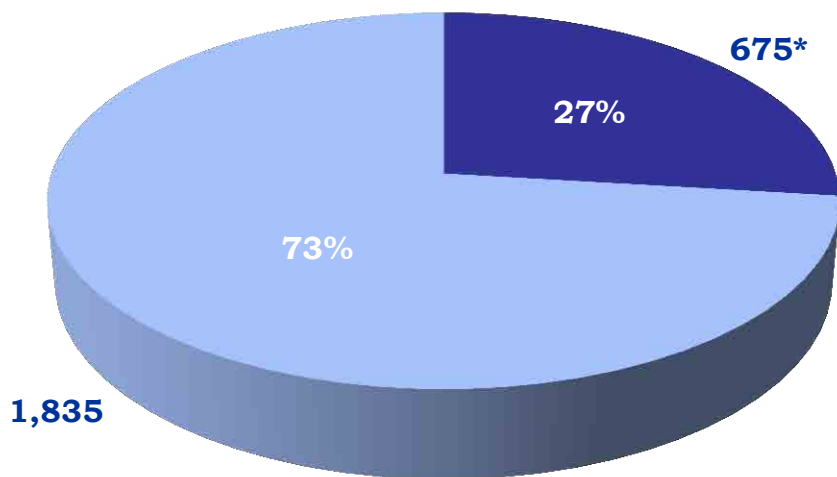


Segment-wise sales



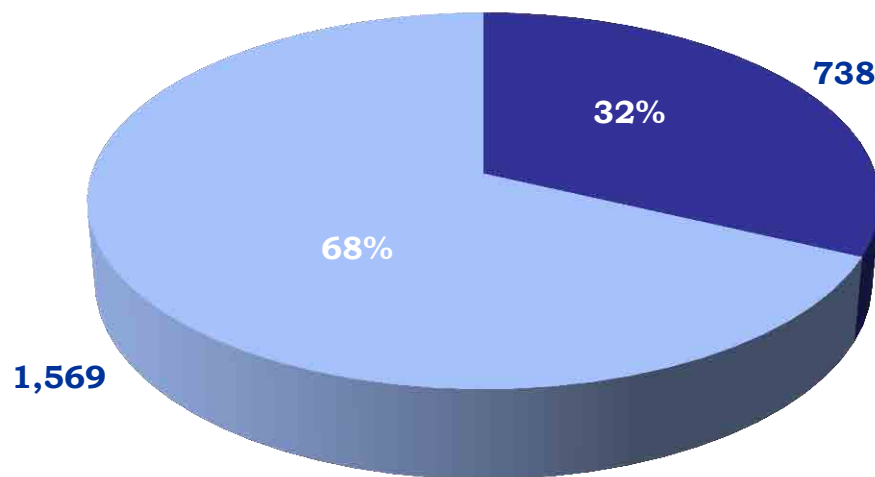
₹ cr

2014-15



■ Life Science Chemicals
■ Performance and Other Chemicals

2013-14



■ Life Science Chemicals
■ Performance and Other Chemicals

* Lower sales of Crop Protection products



Human Resources



Always treat your employees exactly as you want them to treat your best customers.

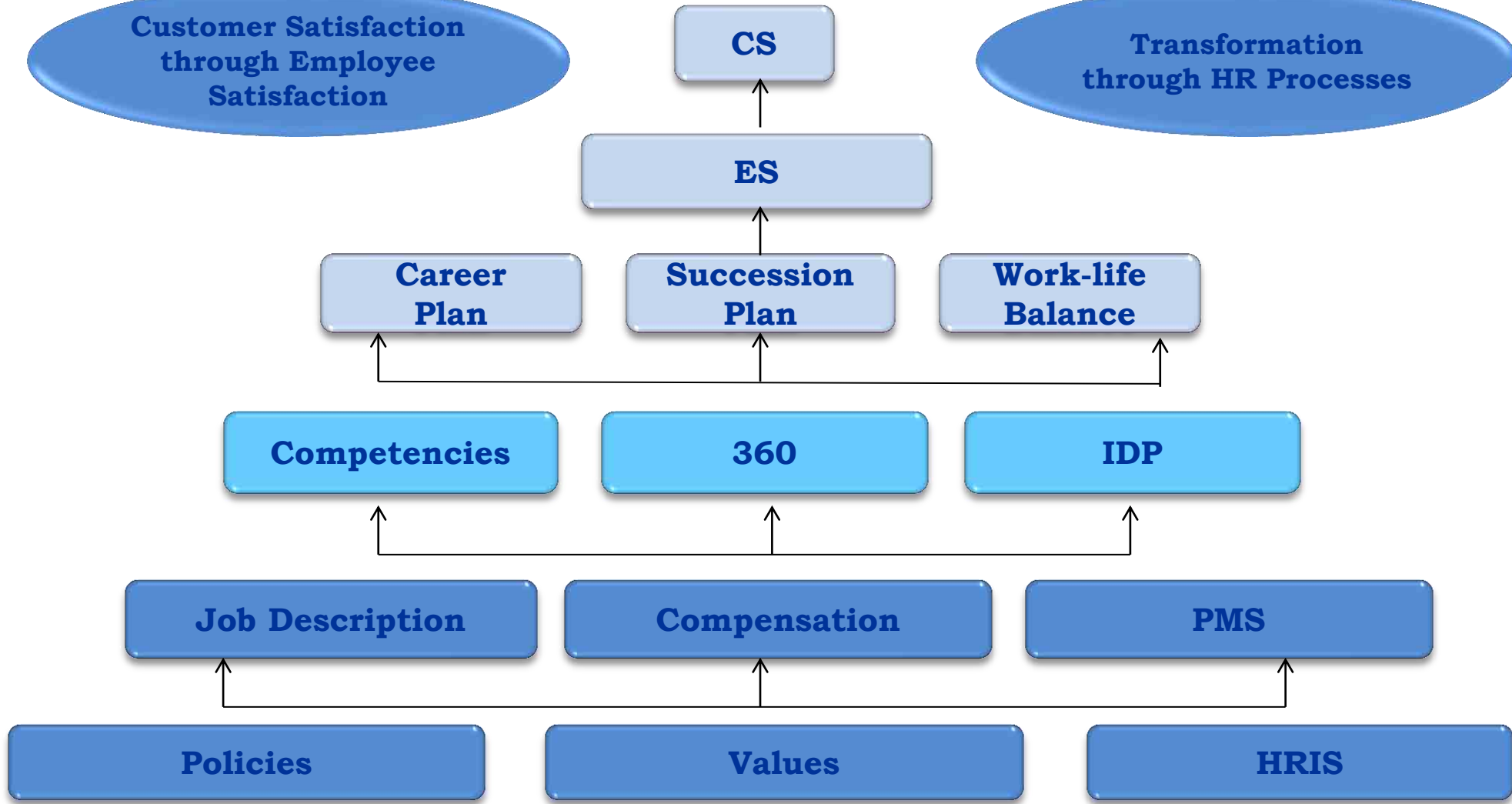
- Stephen Covey



Approach

Customer Satisfaction through Employee Satisfaction

Transformation through HR Processes



A lot of people have gone further than they thought they could because someone else thought they could
- Zig Ziglar



Employee Profile



Total Employees	2760
------------------------	-------------

Profile - Managers	%
PhD	5%
ME MTech BE BTech	19%
CA ICWA CS	3%
MBA	6%
MSc Post Graduates	23%
BSc Graduates	26%
Diploma	12%
Under Graduates	5%
Total	100%

Profile – Workmen	%
Technicians (ITI)	68%
Helpers	32%
Total	100%



Integrated Development Plan (IDP)



**Developmental inputs through PMS |
360 Feedback | Individual Development Plan**



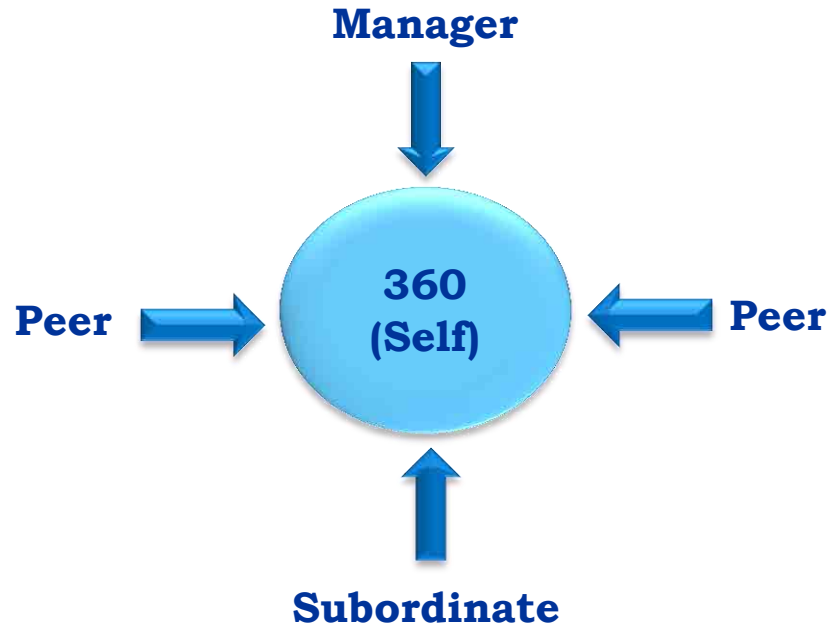
On-the-job | Cross-functional projects | Workshops



Career Planning | Succession Planning | Job Rotation



360 Degree Feedback



Competencies
Strategic Orientation
Customer Orientation
Functional Excellence
Interpersonal Effectiveness
Team Building
People Development
Achievement Orientation

Feedback is the breakfast of champions.

- Ken Blanchard



Performance Culture



Perspectives	Key Result Areas
Financial	Profitability
	Working Capital
Customer	Satisfaction
Internal Processes	Operations
	Growth
	System
Learning & Growth	People Development

If you want to know why your people are not performing well, step up to the mirror and take a peek - Ken Blanchard



Work-life Balance



Spring Festival



Water Polo



Atul Day Celebrations



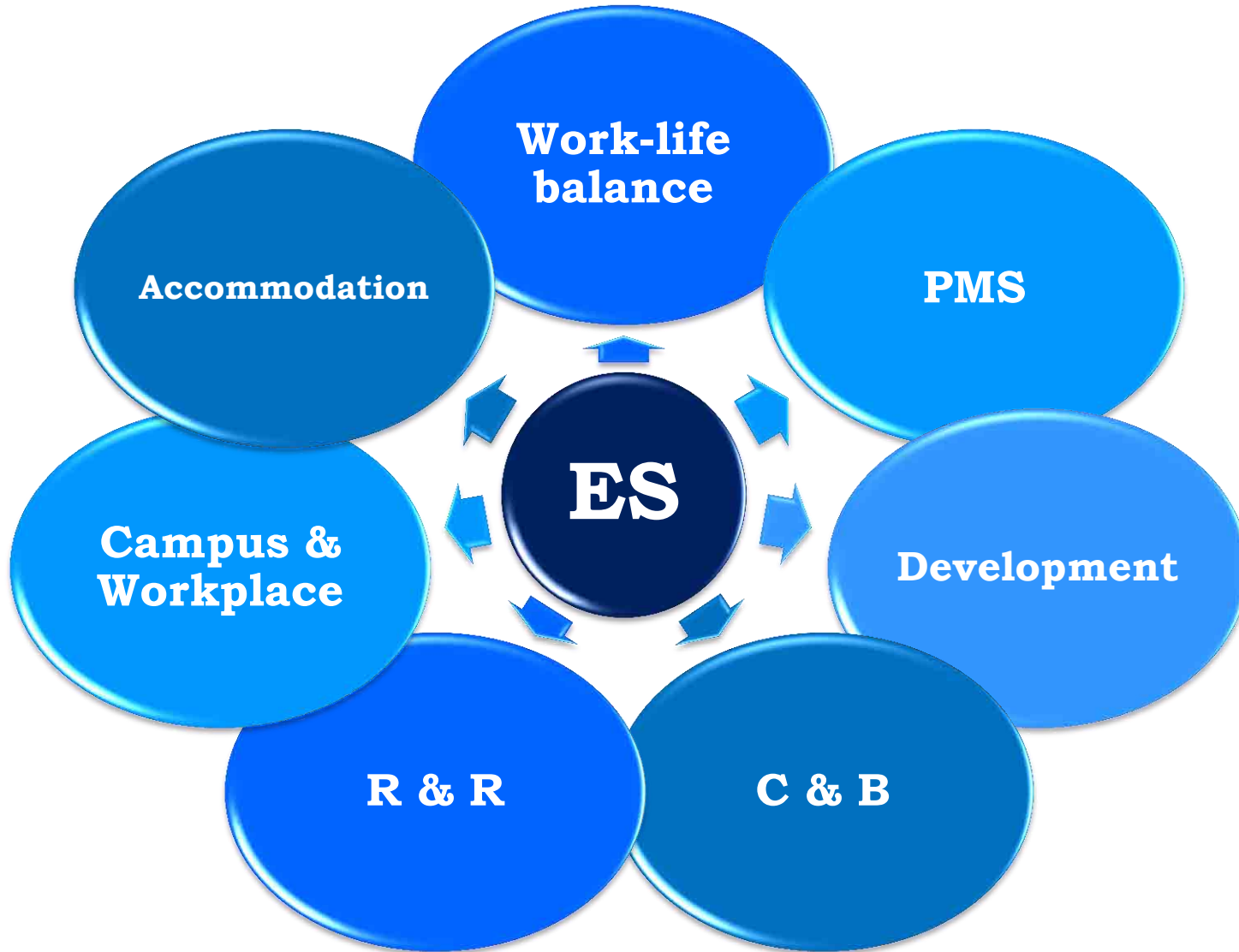
Atul Premier League

Choose a job you like and you will never have to work a day in your life.

- Confucious



Employee Satisfaction



Think about educating people to be owners of businesses, not employees of business.

- Peter F Drucker



Challenges

- **Talent retention**
- **Leadership pipeline**
- **Skill development**



How come whenever I ask for a pair of hands I get a whole person instead?

- Henry Ford



Aromatics

Serving
Performance and Other Chemicals Segment
Life Science Chemicals Segment

User industries

- **Dyestuff**
- **Flavours and Fragrance**
- **Paper**
- **Personal Care**
- **Pharmaceutical**

No of products: 29



Key products



Product	Market share (2014-15)	Competition
<i>p</i>-Cresol	Significant (World)	Asia, North America
<i>p</i>-AA	Significant (World)	Asia, Europe
<i>p</i>-AAI	Significant (World)	Asia
<i>p</i>-Cd	Significant (World)	Asia

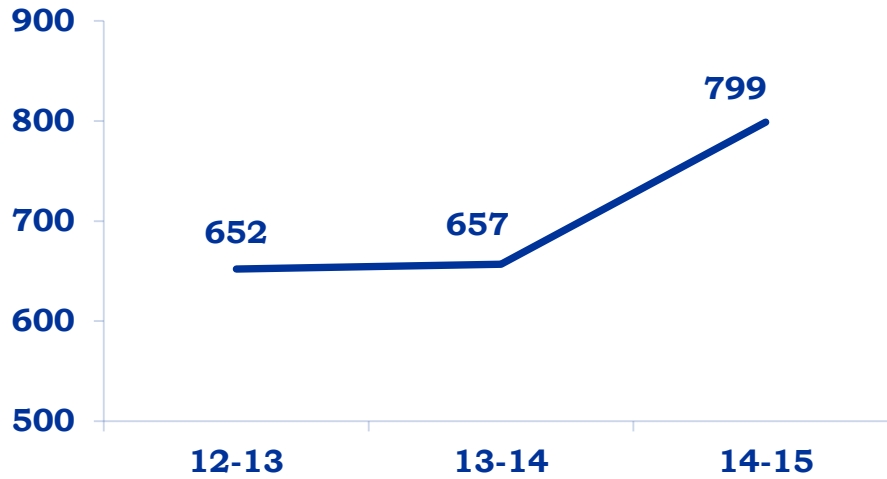


Dimensions



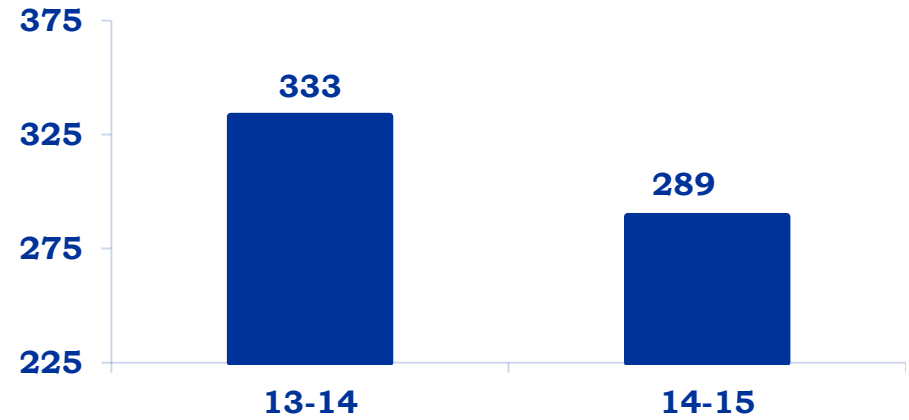
Sales

₹ cr



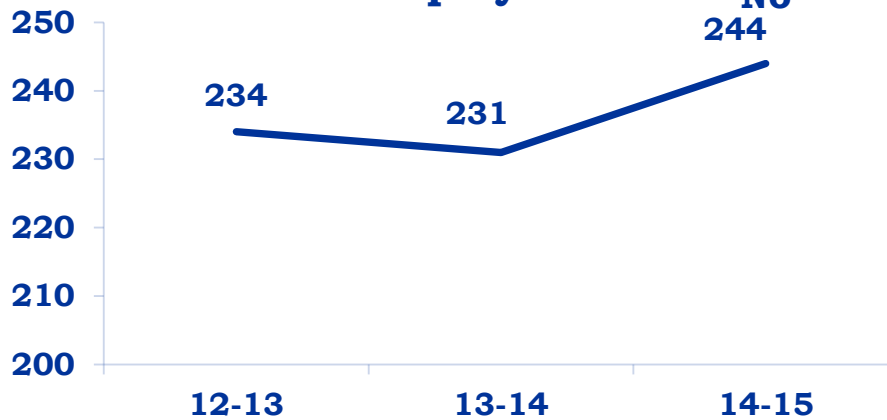
Customers

No



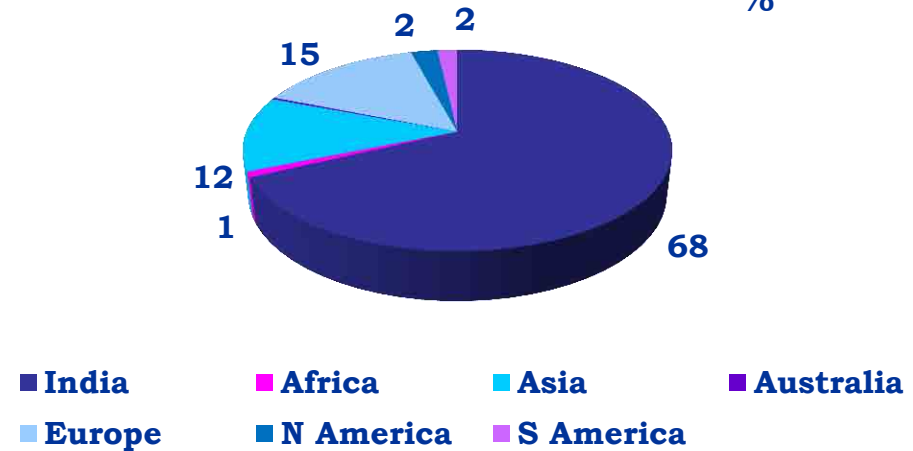
Employees

No



Customers

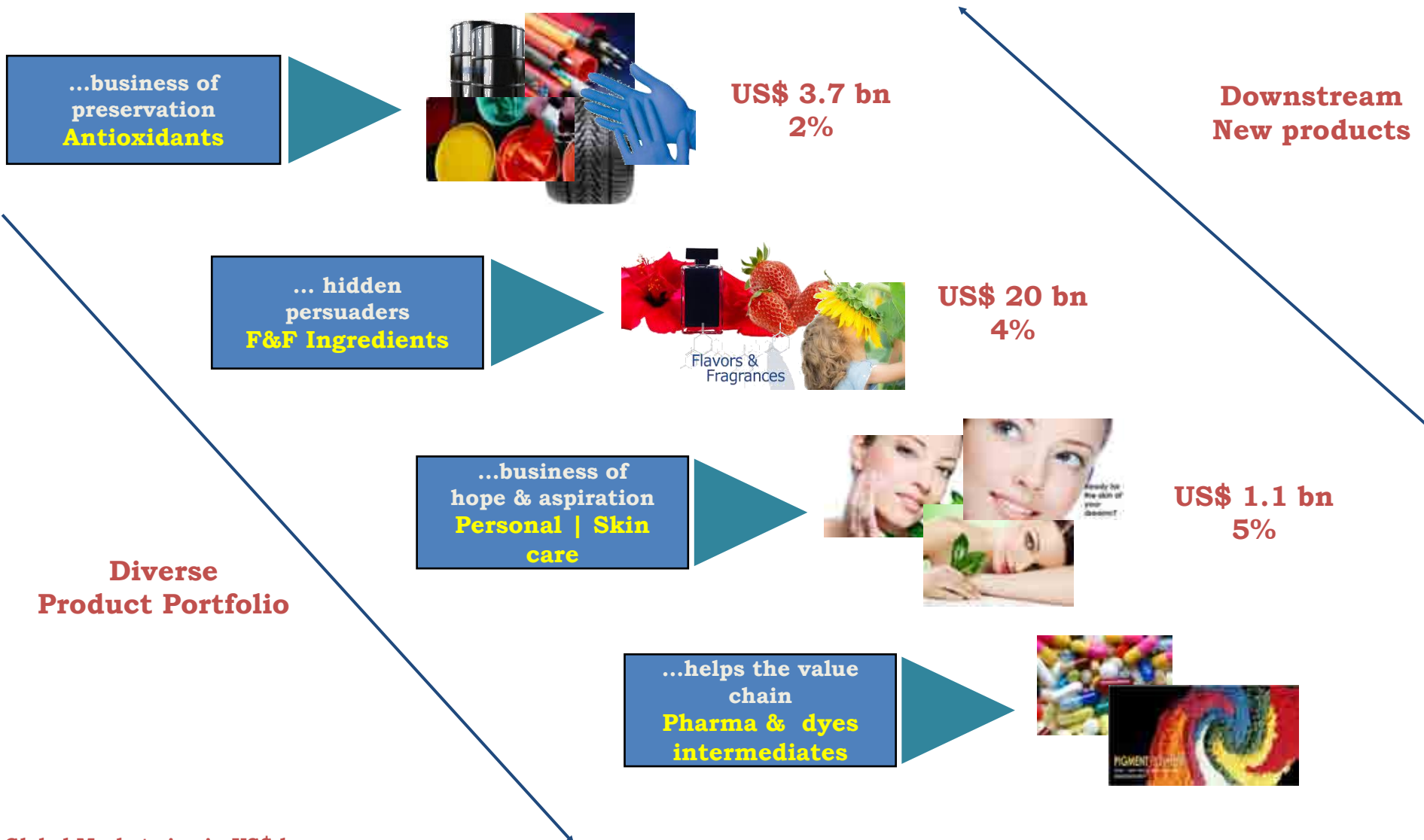
%





Opportunity landscape

A differentiating competitive advantage



Diverse Product Portfolio

Global Market size in US\$ bn
% Growth rate

Source: Internal Market Intelligence



Forward path



- **Commissioned 66 KVA substation in 2014-15**
- **Introduce value added downstream products**
- **Expand portfolio of products used by Personal Care and F&F industries**
- **Complete expansion of a key product**



Risks



- **Chinese competition**
- **Volatility in raw material prices**



Serving Performance and Other Chemicals Segment

User Industries

- **Crop Protection**
- **Dyestuff**
- **Paper**
- **Pharmaceutical**
- **Rubber**
- **Tyre**

No of Products: 26



Key products



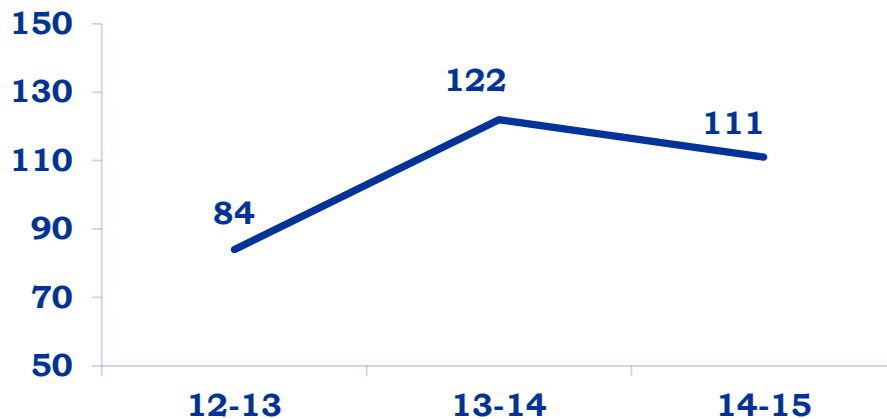
Product	Market share (2014-15)	Competition
Resorcinol	Significant (India) Insignificant (World)	Asia, North America
CSA	Significant (India)	India
1,3 CHD	Significant (India) Significant (World)	Asia, Europe
Anisole	Insignificant (World)	Asia, Europe
SO₃, Caustic Soda	Captive consumption	



Dimensions

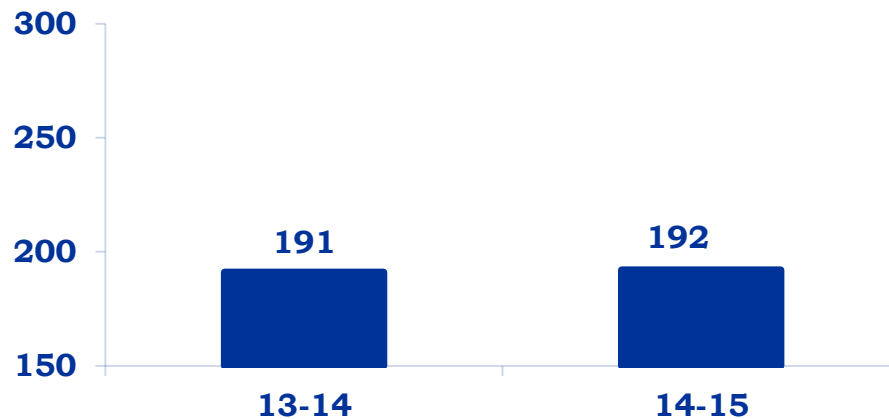
Sales

₹ cr



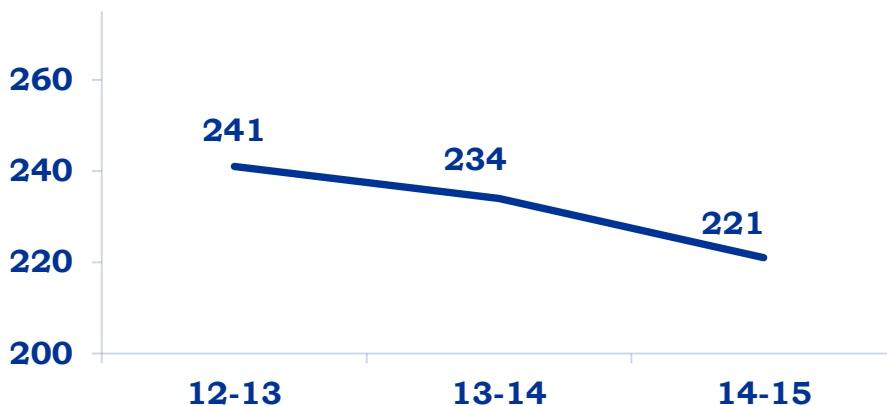
Customers

No



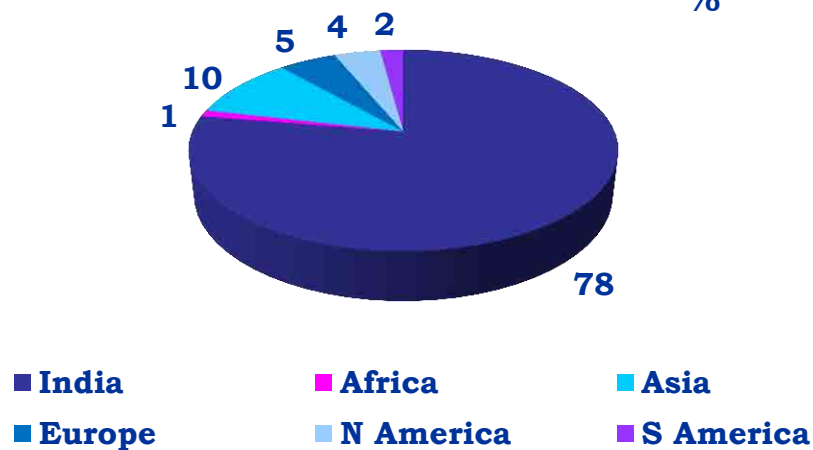
Employees

No



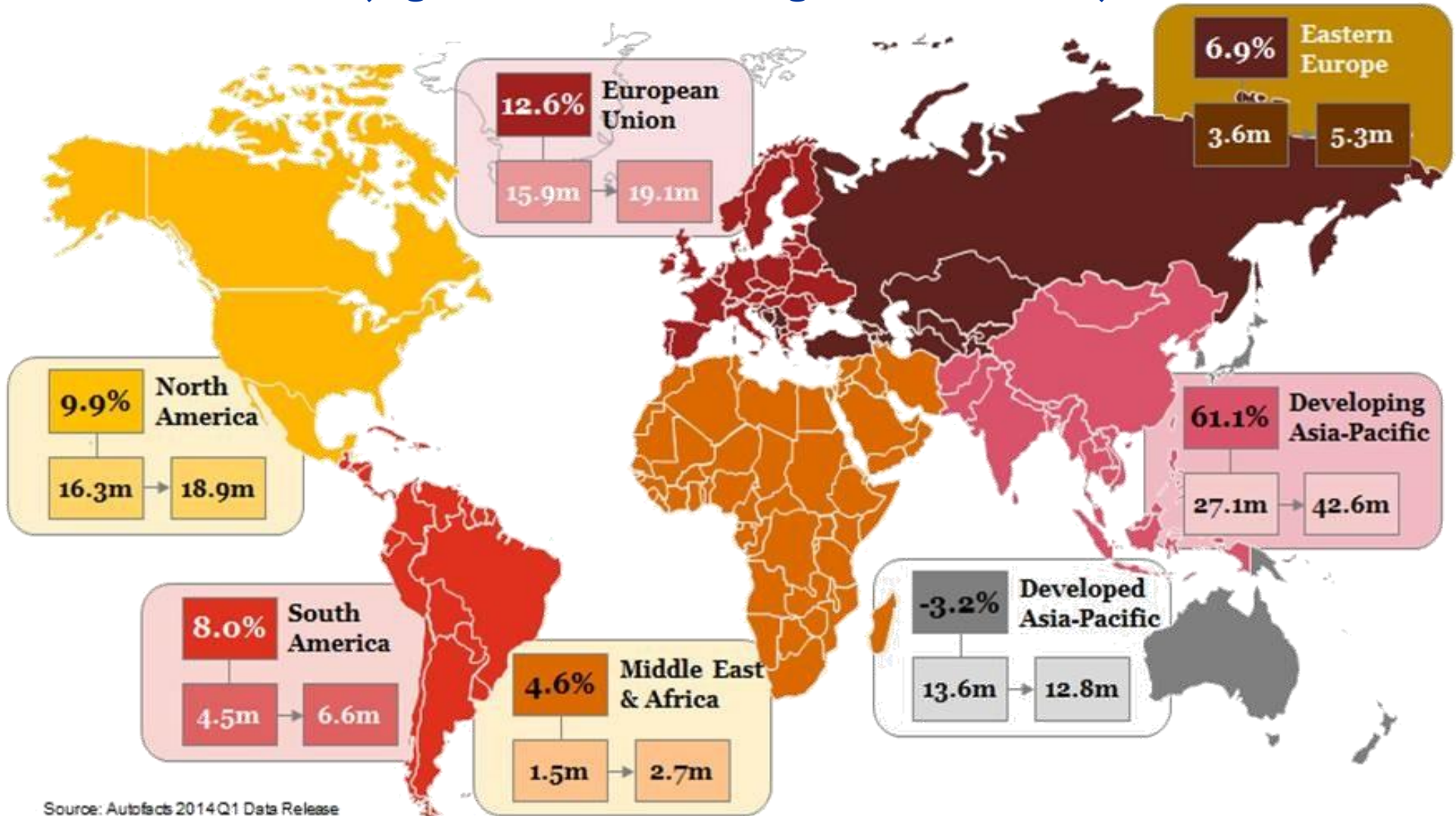
Customers

%



Opportunity landscape

**Automobile industry
(regional contribution to growth 2013-2020)**



Source: Autofacts 2014Q1 Data Release

Developing markets, particularly those in Asia-Pacific region, expected to drive volume as both local market demand and export opportunities increase



Forward path



- **Commissioned RF resins in 2014-15**
- **Commercialise RF resins**
- **Introduce 2 downstream products**
- **Complete modernisation | expansion of Caustic | Chlorine plant**



Risks



- **30% of business commodity based**
- **Downstream herbicides of key product going off-patent with shift of manufacturing to China**



Colors



Serving Performance and Other Chemicals Segment

Product group	User industries
Textile dyes	Textile
Paper dyes	Paper
HP pigments	Paint and Coatings

No of Products: 572



Key product groups



Product group	Market share (2014-15)	Competition
Vat dyes	Significant (World)	Asia, Europe
Reactive dyes	Insignificant (World)	Asia, Europe
Sulphur Black	Significant (World)	Asia
HP pigments	Insignificant (World)	Asia, Europe

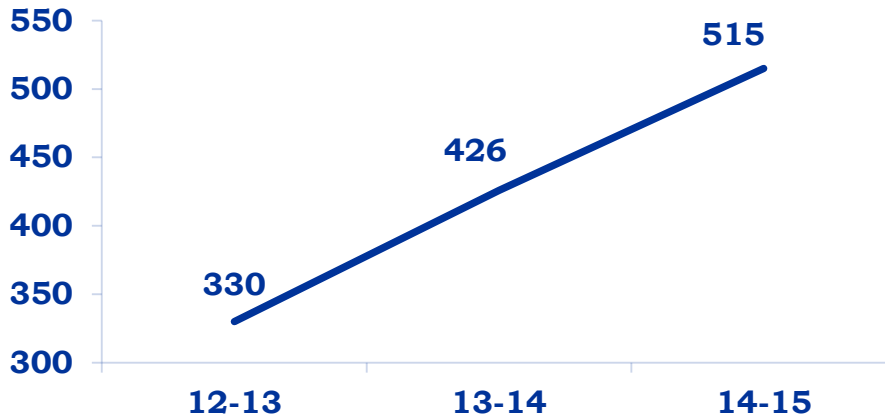


Dimensions



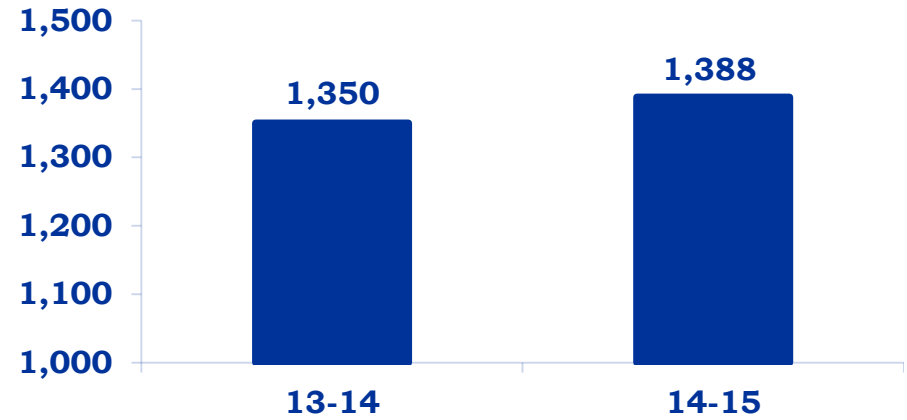
Sales

₹ cr



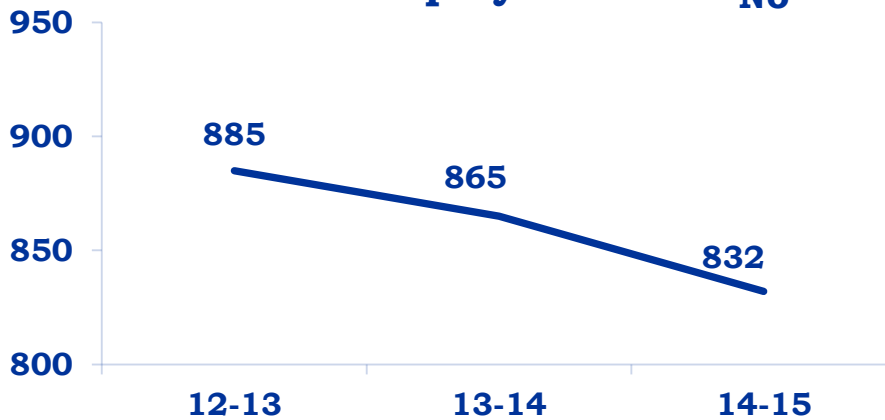
Customers

No



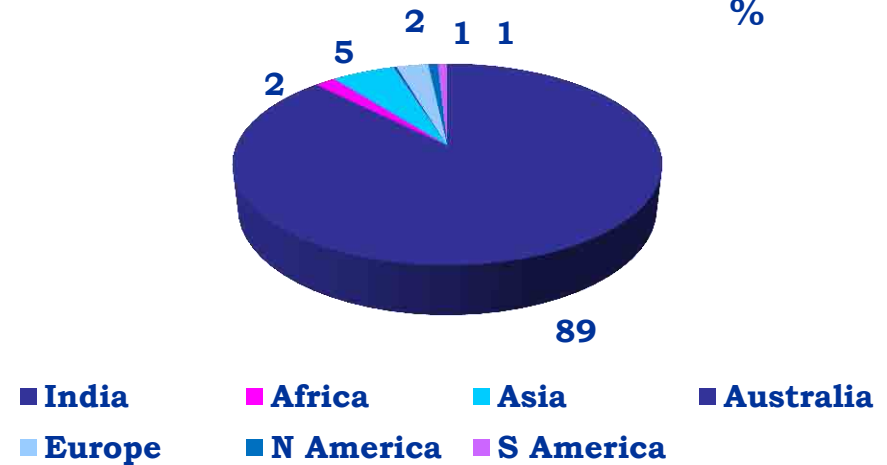
Employees

No



Customers

%





Opportunity landscape



Speciality Intermediate

Food Colors

Hair Colors

Solvent Colors

Natural Colors

Personal Care

\$1.2-1.4 bn

\$1.4-1.5 bn

\$1.0-1.2 bn

\$0.4-0.5 bn

55% of Food colors

\$0.4-0.5 bn

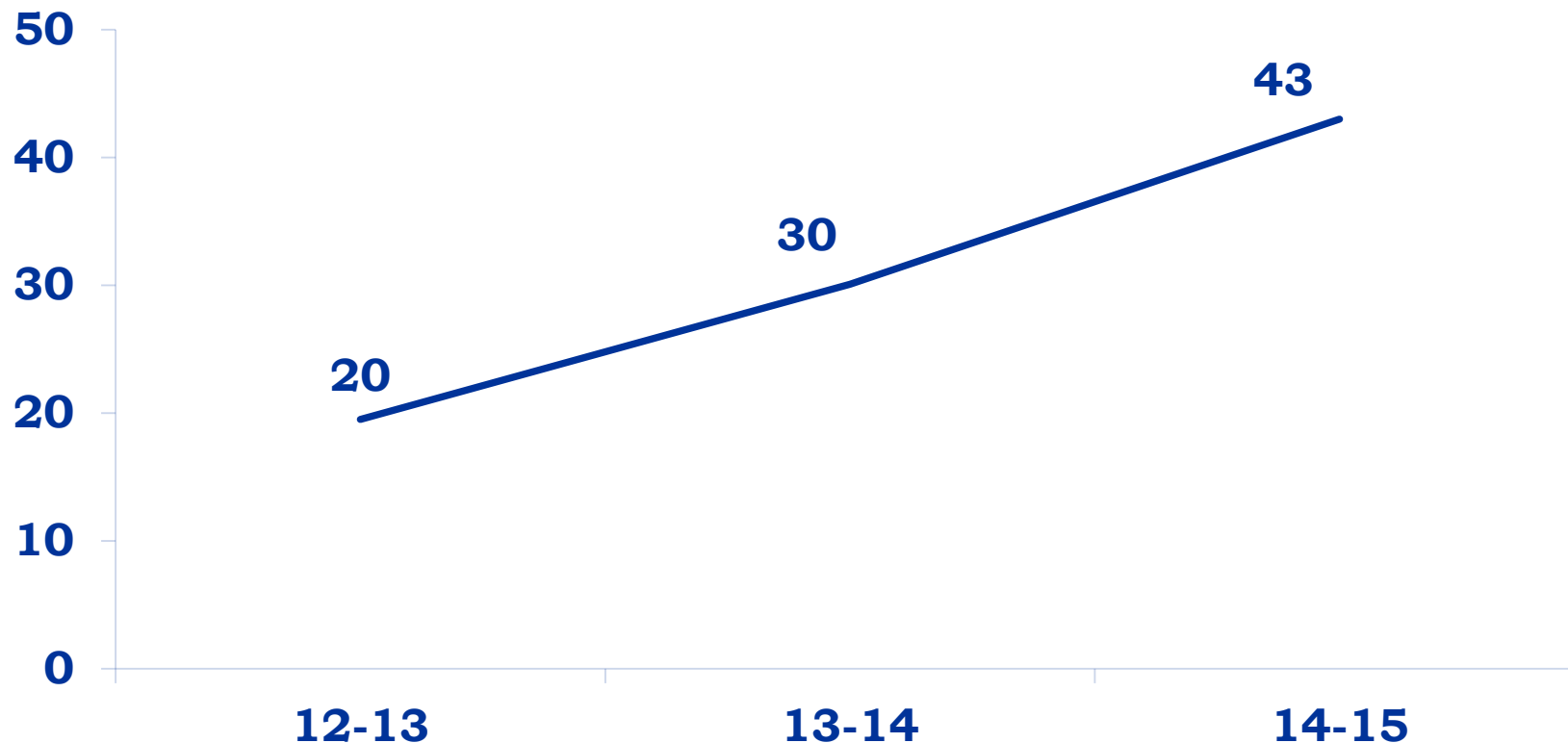


Forward path

- **Commissioned in 2014-15**
 - **Solvent recovery**
 - **Formulation facility for Digital Inks**
 - **Pilot plant for HPPs**

- **Increase market share in Vat, Sulphur and Reactive dyes**
- **Debottleneck capacities of Vat dyes and intermediates**
- **Grow in High Performance Pigments and Digital Printing Inks**
- **Grow in Textile Chemicals through Rudolf Atul Chemicals Ltd**
- **Complete**
 - **Intermediate capacity expansion**
 - **Value added products from waste stream**

₹ cr



Atul Shareholding: 50%

JV Partner: Rudolf GmbH, Germany





Risks



- **Reduced demand for niche Vat dyes**
- **Volatility in prices and non-availability of intermediates**
- **Limited product portfolio in High Performance Pigments**



Crop Protection

**Serving
Life Science Chemicals Segment**

Product group

User industries

Fungicides

Herbicides

Insecticides

Agriculture

No of products: 63

CP brands are available across >30,000 retail outlets



Key products



Product	Market share (2014-15)	Competition
----------------	-----------------------------------	--------------------

**2,4-D and
downstream
products**

Significant (World)

**Asia, Australia, North America, South
America, Europe**

Indoxacarb

Significant (World)

Asia, North America

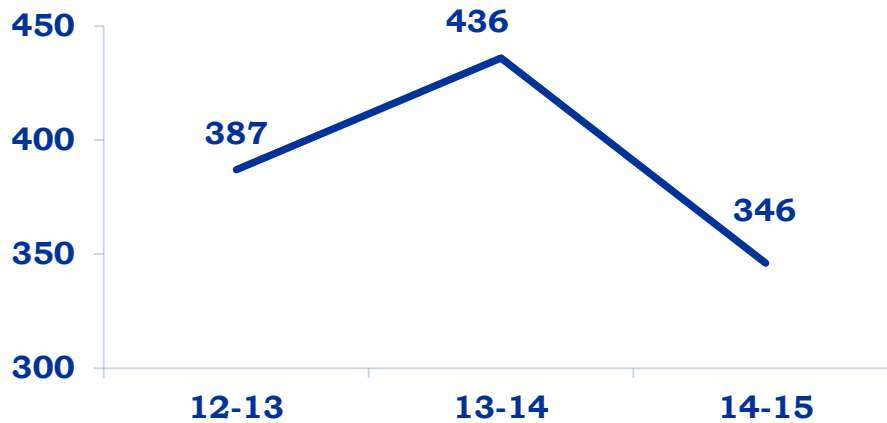


Dimensions



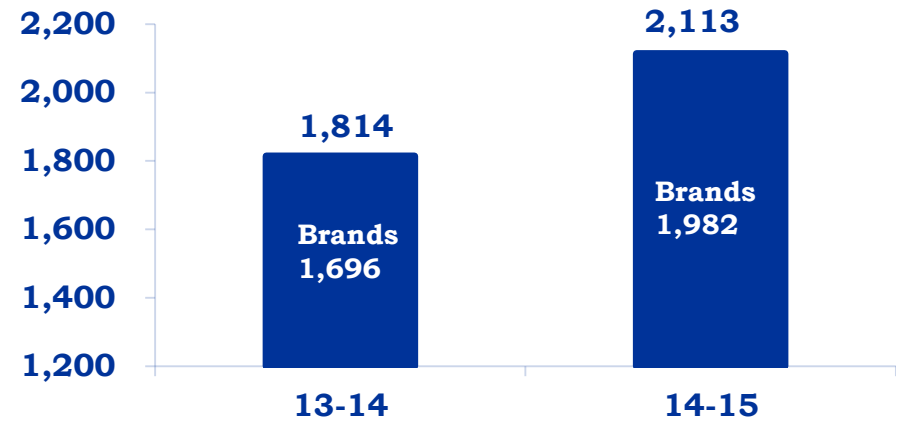
Sales

₹ cr



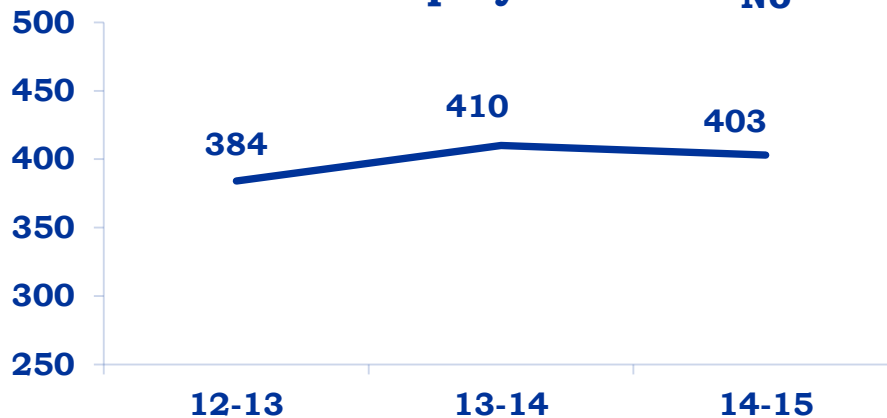
Customers

No



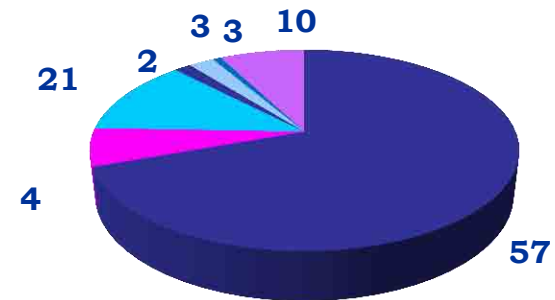
Employees

No



Customers - Bulk

%



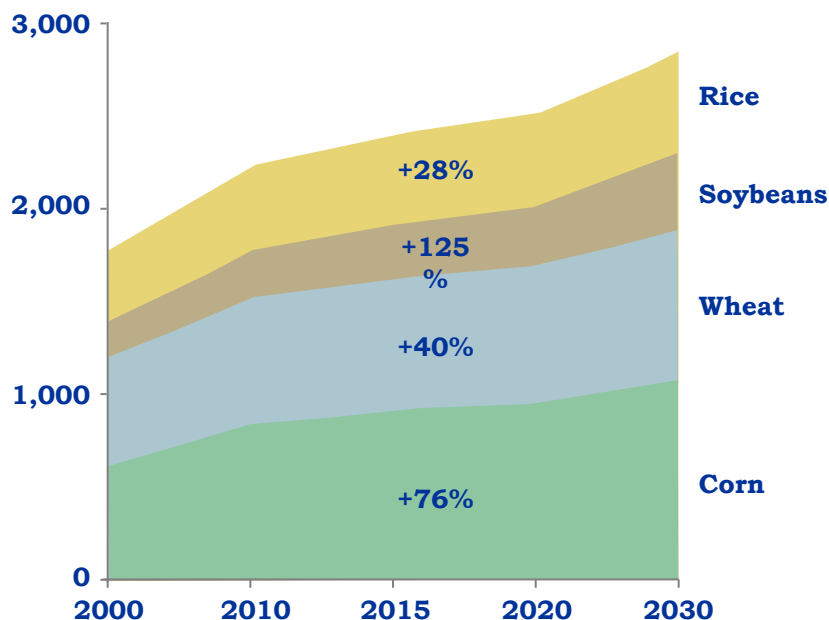
- India
- Africa
- Asia
- Australia
- Europe
- N America
- S America



Opportunity landscape

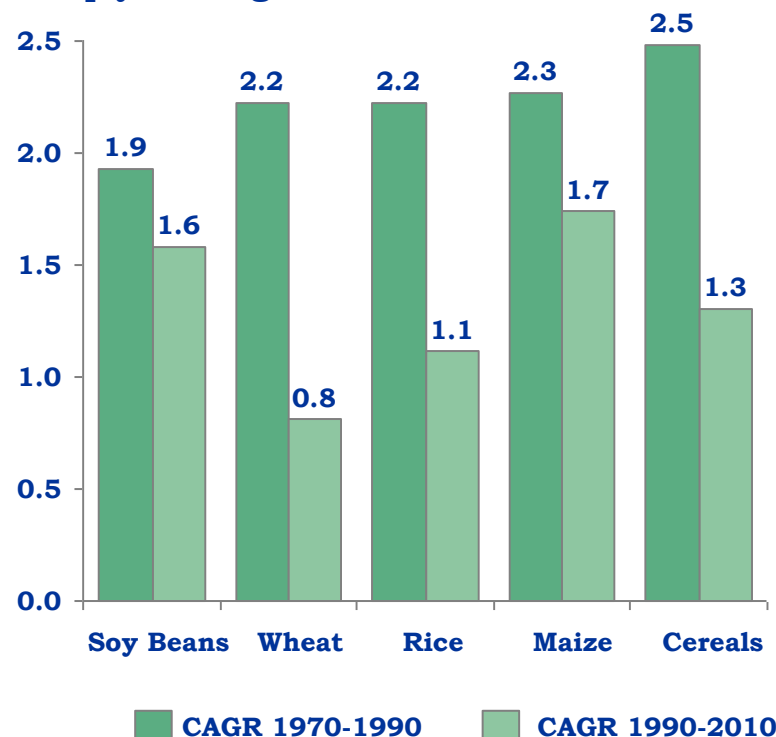
Population growth and rising incomes drive growth in major crops

Demand in metric tons (M)



Growth in yields in major crops is rapidly slowing down

Crop yields Hg/Ha



- **Global crop protection market size - US\$62 bn; grown by ~ 3.3% in 2014**
- **Indian crop protection market size - US\$4 bn; grown by <10% in 2014**



Forward path

- **Commissioned in 2014-15**
 - **multi purpose plant for bulk actives**
 - **intermediate expansion project for contract manufacturing**

- **Expand brand business across India**
- **Introduce new products coming off-patent**
- **Increase business through CRAMS**
- **Enter into new business segments**
 - **Plant growth regulators**
 - **Seeds**

- **Complete expansion of herbicide formulations capacity**



Risks

- **Business dependent on weather and pest attack**
- **Dependence on China for key intermediates**
- **Entry of international generics companies in India**
- **Increased usage of GM crops**



Brands

Atul
touching lives...

अतुल जहाँ खुशहाली वहाँ



लालभाई ग्रुप के सदस्य



Pharmaceuticals and Intermediates



and

Atul Bioscience Ltd

Serving
Life Science Chemicals Segment
Performance and Other Chemicals Segment

Product group	User industries
Pharmaceutical intermediates and APIs	Pharmaceuticals
	Pharmaceuticals
Phosgenated chemicals	Polymer
	Electronics
	Crop Protection

No of products: 50



Key products



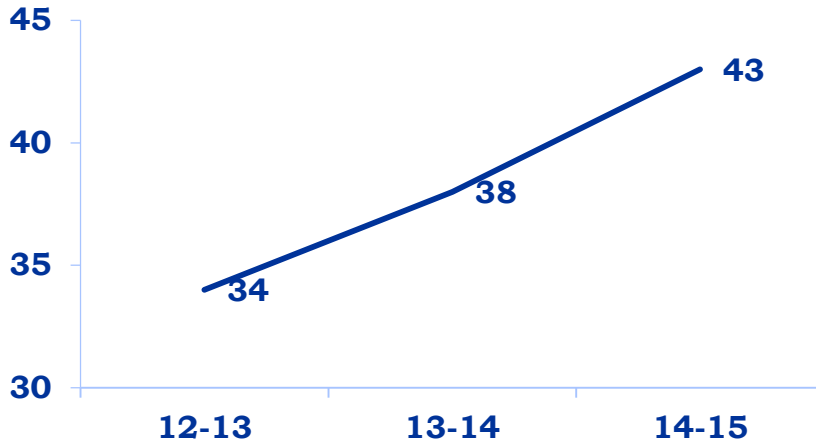
Product group	Market share (2014-15)	Competition
Pharmaceutical intermediates and APIs	Insignificant (World)	Asia, Europe, North America
Phosgenated chemicals	Insignificant (World)	Asia, Europe, North America



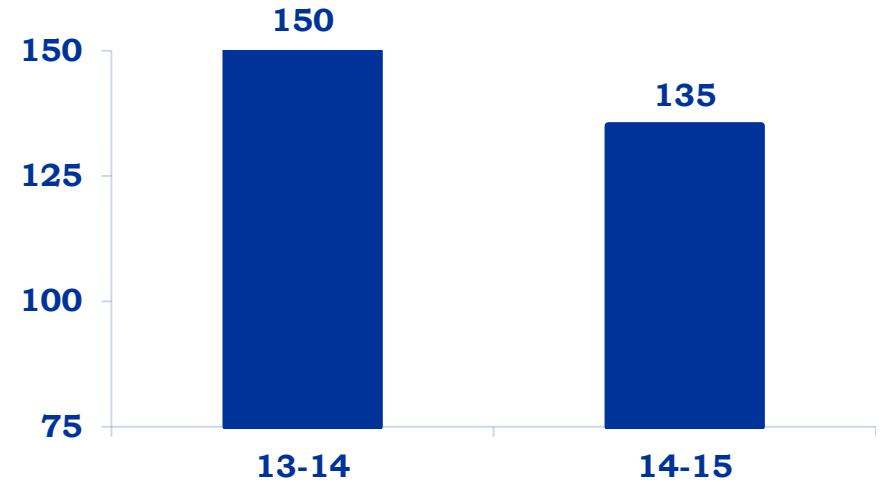
Dimensions



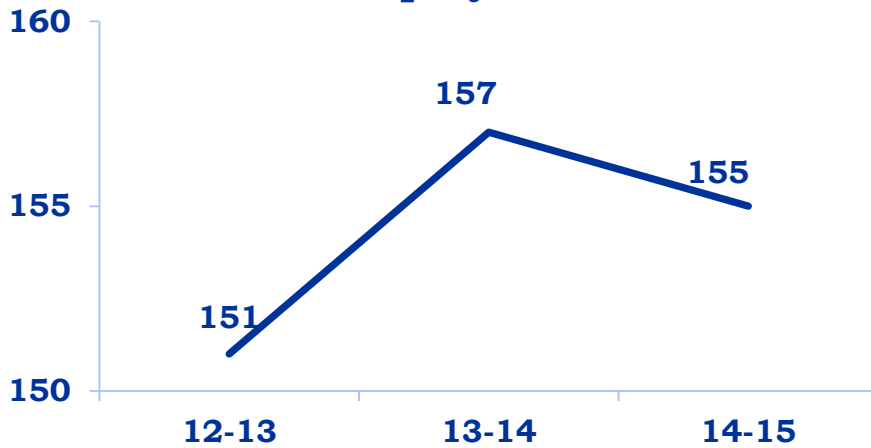
Sales ₹ cr



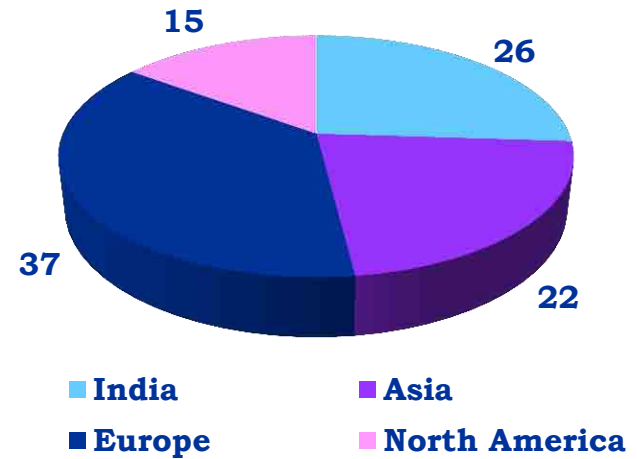
Customers Nos



Employees Nos



Customers %





- **Grow sales in “Pharmerging Markets”:** To drive ~65% of Global Pharma Growth in the next 5 years (Brazil, Russia, India, China, Mexico, Turkey, Poland, Argentina)



Forward path

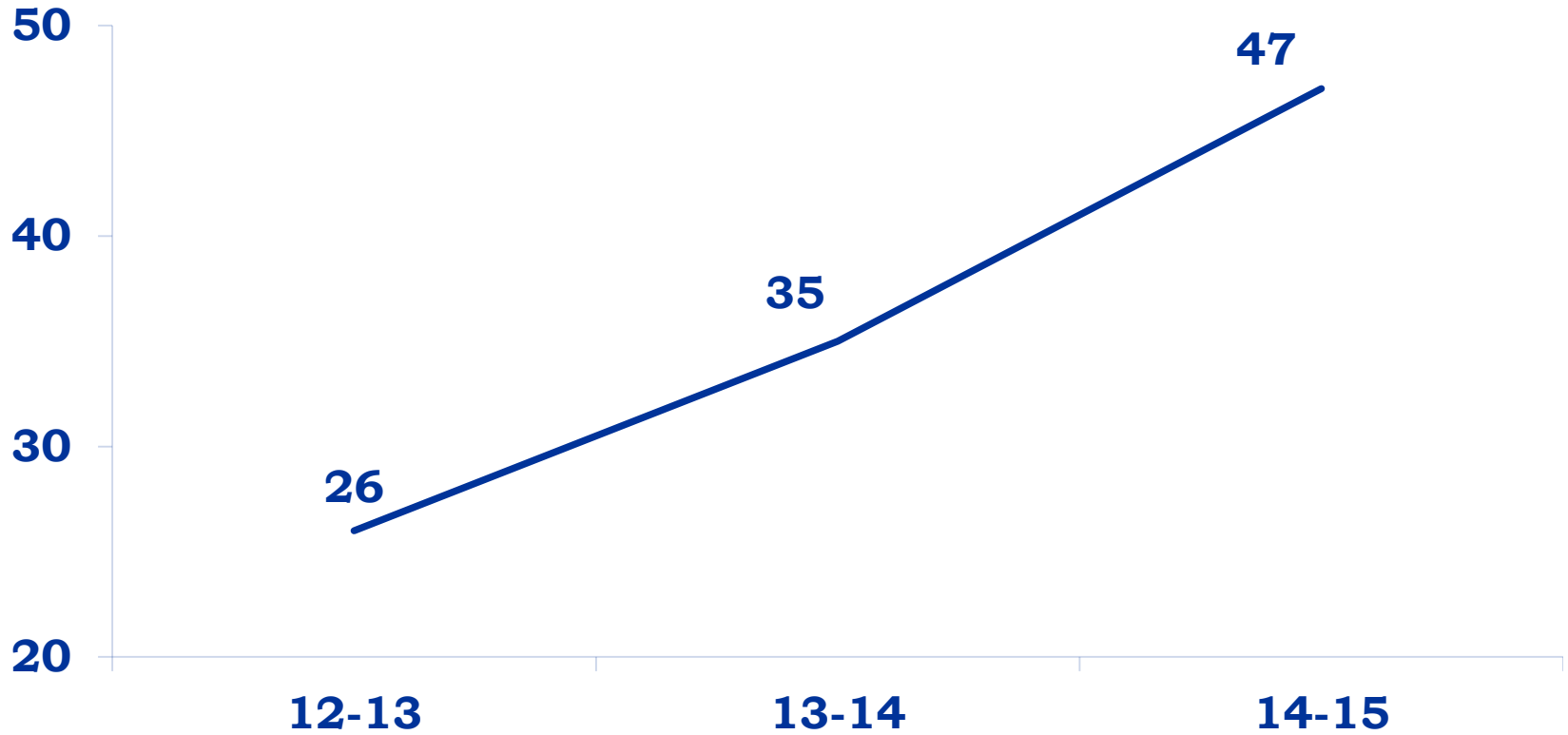


- **Obtained first US FDA approval for Dapsone API Plant in January 2015**
- **Debottleneck and expand capacities**
- **Grow sales in Japan and selected countries in Europe**
- **Enter new markets like Russia, Iran, Korea**
- **Increase CRAMS business with strategic customers**
- **Grow via acquisitions**
- **Complete expansion of**
 - **API and intermediates**
 - **Kilo lab expansion**



Sales

₹ cr



Atul Shareholding: 100%



Risks



- **Forex fluctuations**
- **New regulatory requirements in Europe | North America**



Polymers

(Bulk business)

Serving
Performance and Other Chemicals Segment

Product group	User industries
Epoxy resins	Adhesive
Epoxy hardeners	Aerospace
Sulphones	Automobile
	Composites
	Construction
	Defence
	Electrical and Electronics
	Paint and Coatings

No of products: 308



Polymers

(Brand business)

Serving
Performance and Other Chemicals Segment

Product group	User industries
Polyurethanes	Automobile
Synthetic Rubber	Construction
Epoxy	Footwear
PVA Emulsion	Furniture
Cyanoacrylate	Handicrafts
PVC Solvent Cement	Jewellery
	Irrigation

No of products: 32



Key products



Product group	Market share (2014-15) Domestic	Competition
Epoxy resins Epoxy hardeners	Significant (India)	Asia, Europe, North America
Sulphones	Significant (World)	Asia, Europe, North America
Polyurethane primers Polyurethane hardeners Rubber formulations	Significant (India)	India

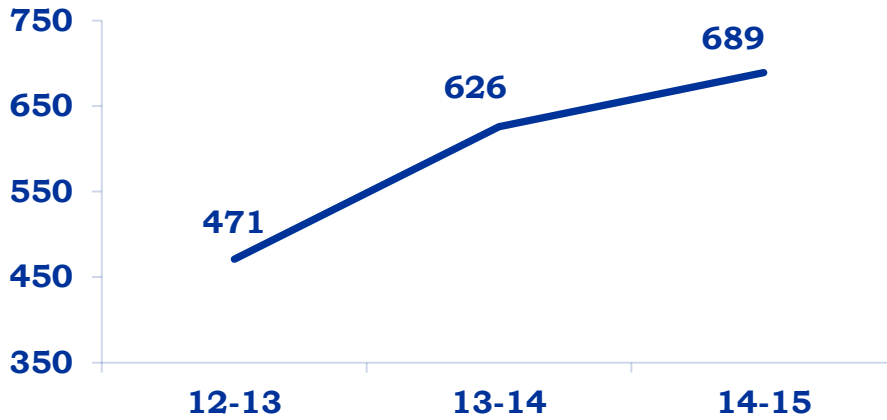


Dimensions



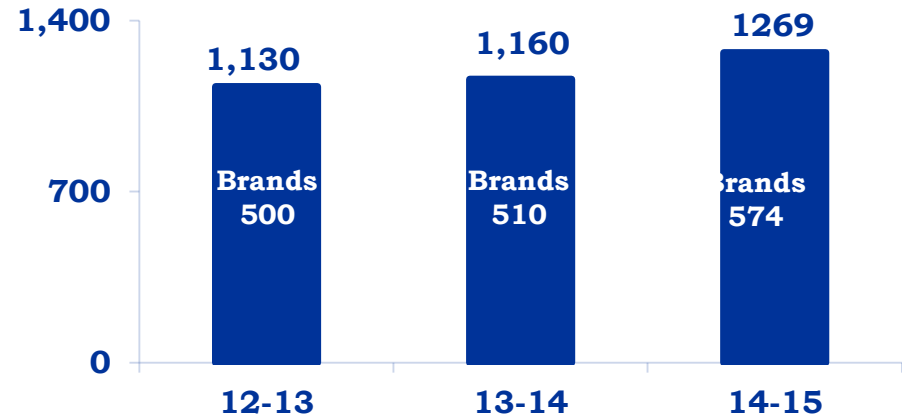
Sales

₹ cr



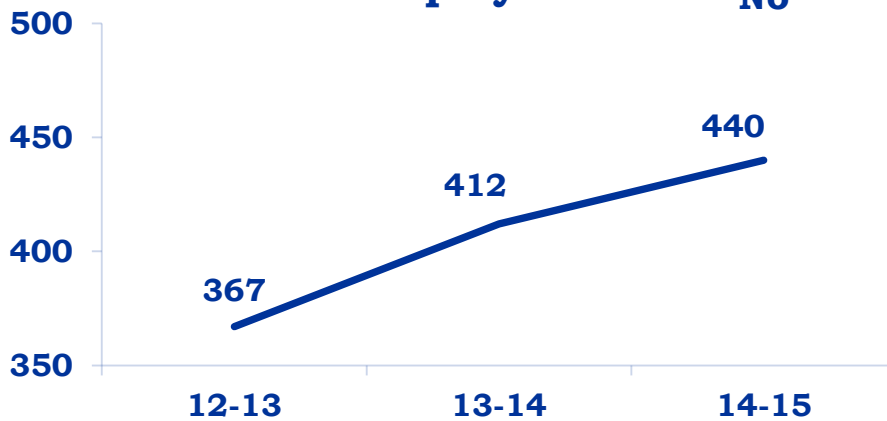
Customers

No



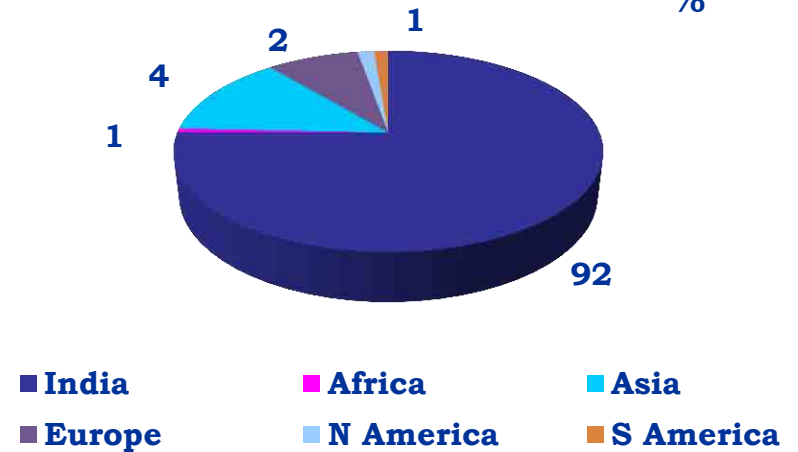
Employees

No



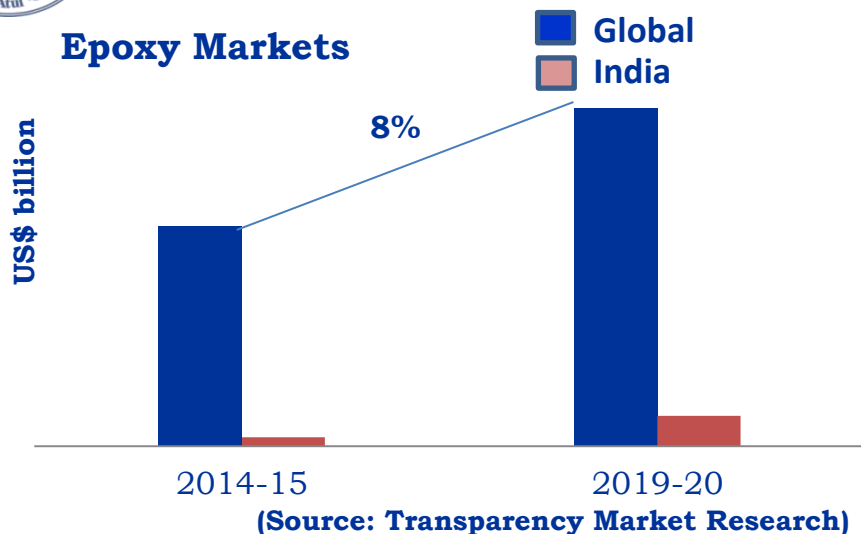
Customers - Bulk

%

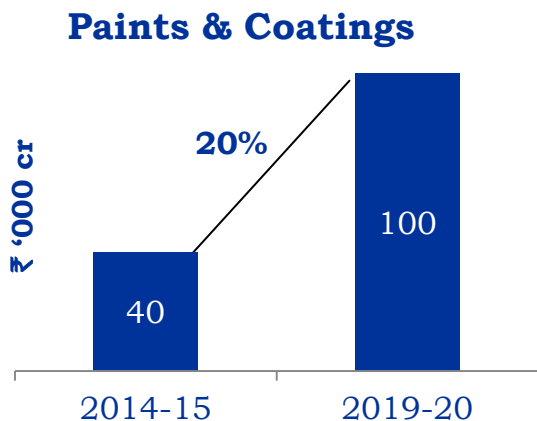




Opportunity landscape

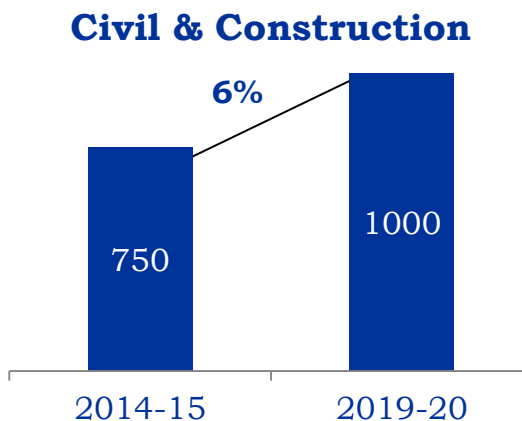


- Paint and Coatings account for ~ 40% of epoxy applications
- India is 4% of global epoxy market, expected to grow to 8%-9% by 2020
- Growth drivers (India), emerging segments such as defense, wind and recreation



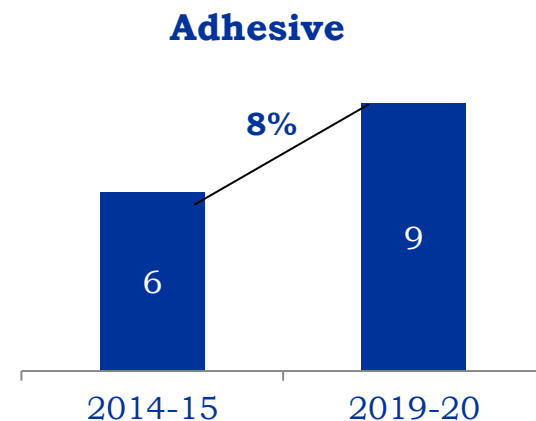
- Applications**
- Protective coatings
 - Can and coil coatings
 - Powder coatings
 - Pipe coatings

(Source: ASSOCHAM, Business Standard)



- Applications**
- Grouting
 - Flooring & self-leveling
 - Screed and mortar
 - Crack filling & repair

(Source: www.makeinindia.com)



- Applications**
- Tile joints
 - Foundry
 - Auto ancillaries
 - Stone bonding

(Source: Economic Times, Business Standard)



Forward path



- **Commissioned BLR expansion project in 2014-15**

- **Increase sale of high margin products**
- **Grow market share of selected epoxy hardeners**
- **Complete expansion of**
 - **Epoxy resins and formulations**
 - **Epoxy hardeners and intermediates**
 - **Reactive diluents**



Risks



- **Price and margin sensitive business**
- **Volatile forex**
- **Lengthy product approval process**



Brands

Atul
touching lives...

Epoxy Systems
LAPOX[®]
जोड बेजोड





Polygrip

Atul
touching lives...





WD-40

Atul
touching lives...





StoneTreat

Atul
touching lives...





Floras

Serving

Life Science Chemicals Segment



Floras green initiatives

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Greening the deserts

a journey ...



A journey that began in 2008 endeavours to improve the economy and ecology of the arid regions of the world which started with India



Purpose

- **Creation of wealth in desert areas**
- **Development of sustainable green ecology in arid regions**
- **Empowerment of rural marginalized farmer, particularly women**
- **Generation of rural employment**
- **Development of downstream fruit processing industry**
- **Restricting advancement of deserts**
- **Improvement of soil health through root & microbial actions**
- **Saving of foreign exchange through import substitution**
- **Creation of food and nutrition security**



Demonstration farms

(Jaisalmer and Bikaner)

Atul
touching lives...



Plantation



4 years old



Flowering



Fruiting



Demonstration farm

(Khara, Bikaner)

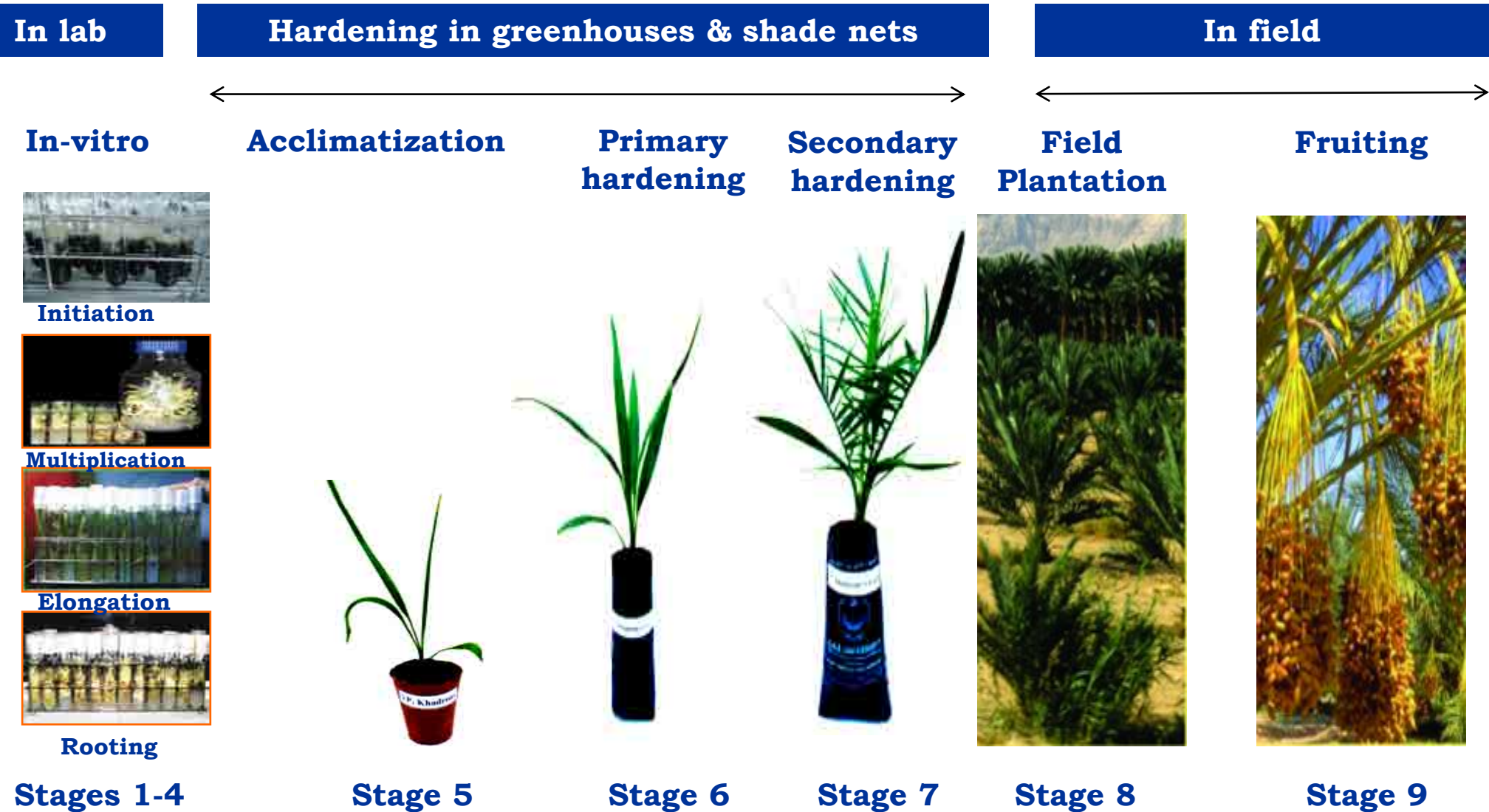
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Mr Prabhulal Saini, Honorable Minister – Agriculture, Government of Rajasthan



Growth stages





Technology Transfer agreement with the UAE University



United Arab Emirates

सत्यमेव जयते



Date Palm Tissue Culture lab

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ARDP TC lab



Water Purification System



Sterilization



Production



Quality Control





Production at ARDP



Bud Proliferation



Multi-cultures in Growthroom



Shooting



Rooting





Hardening nursery

(Jodhpur and Atul)



Greenhouse



Shade-net house



DPD Ltd, UK





Date Palm farm of Atul

Jaisalmer

Atul
touching lives...





Global presence

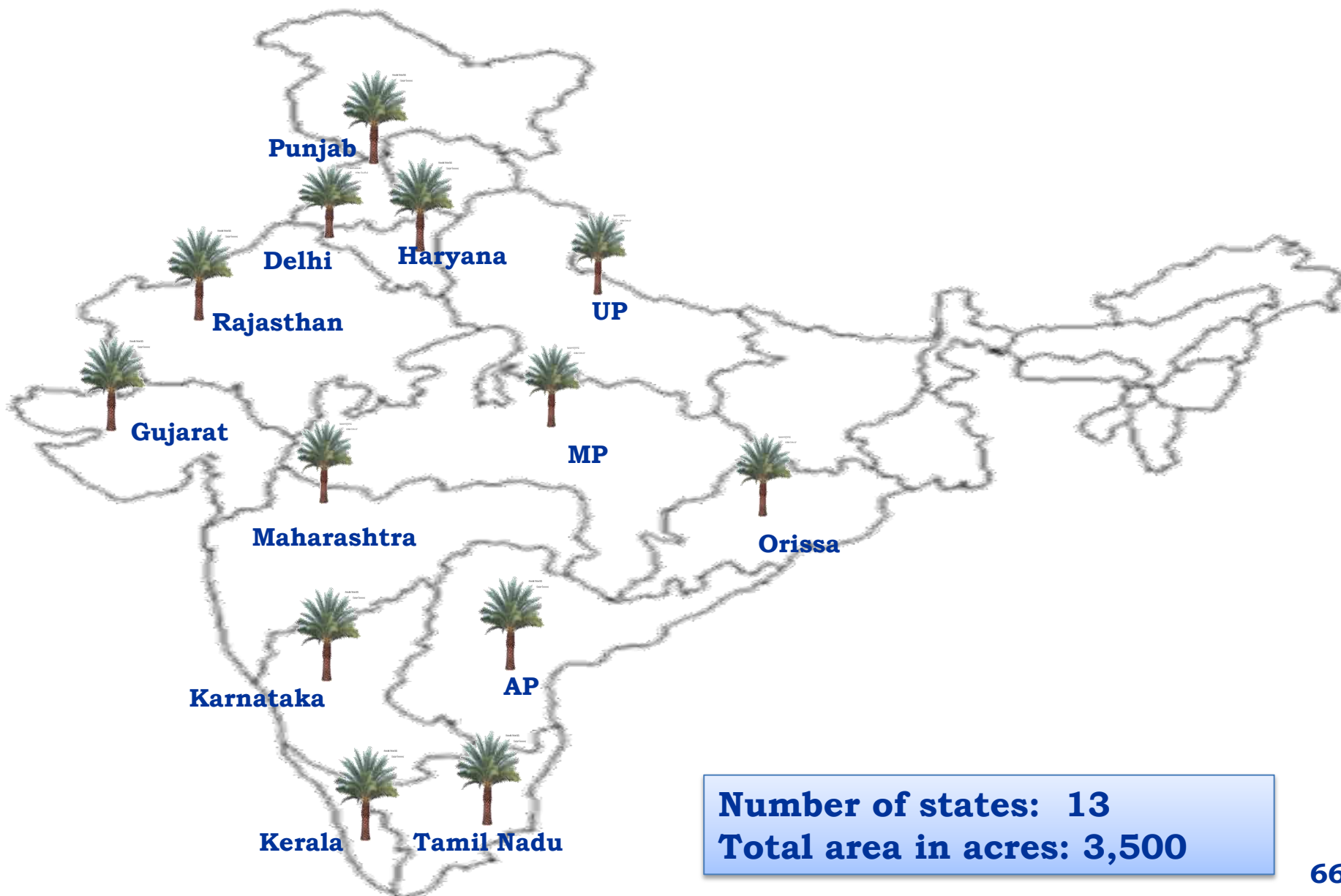
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Number of countries: 33

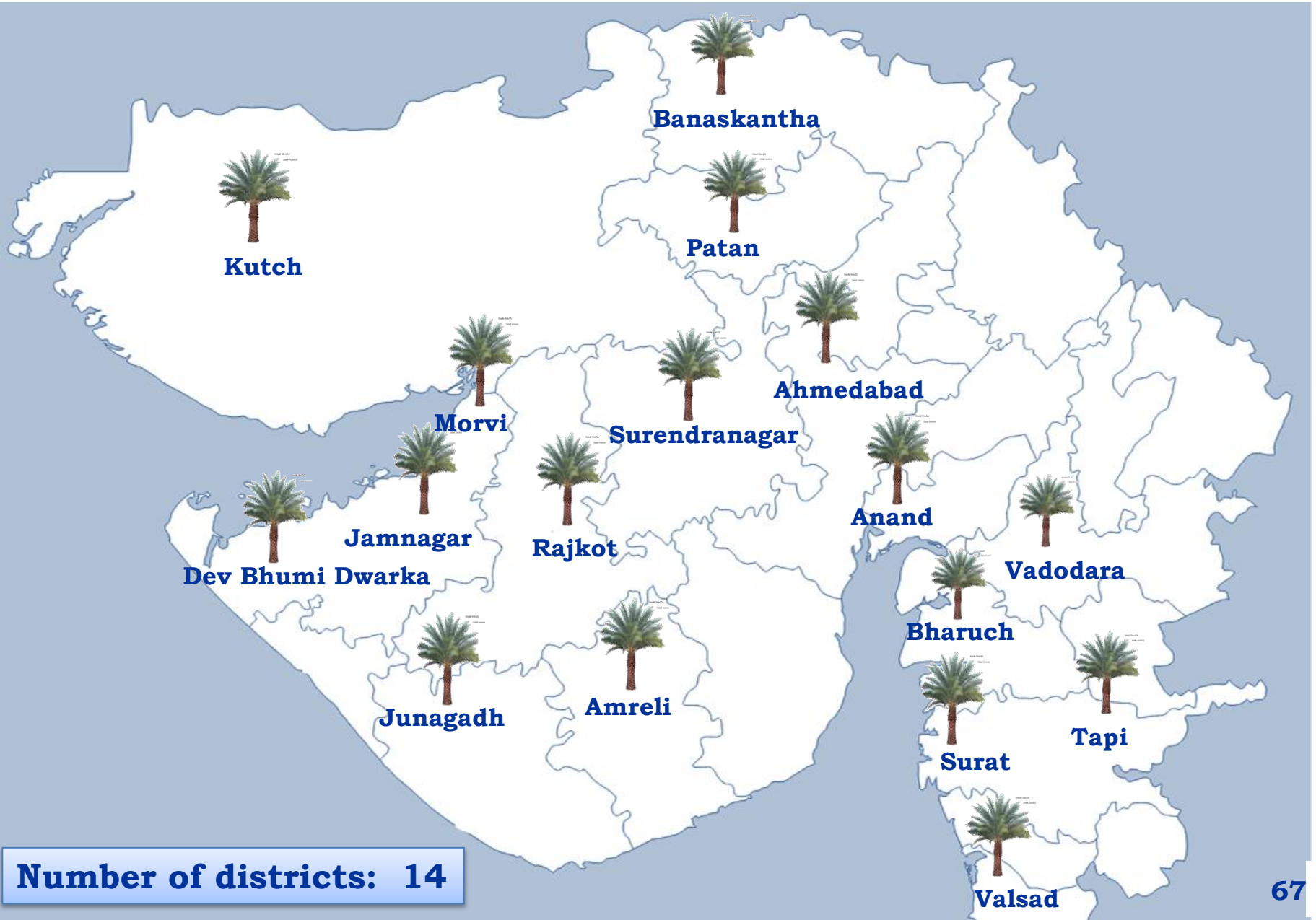


Plantation by Atul in India





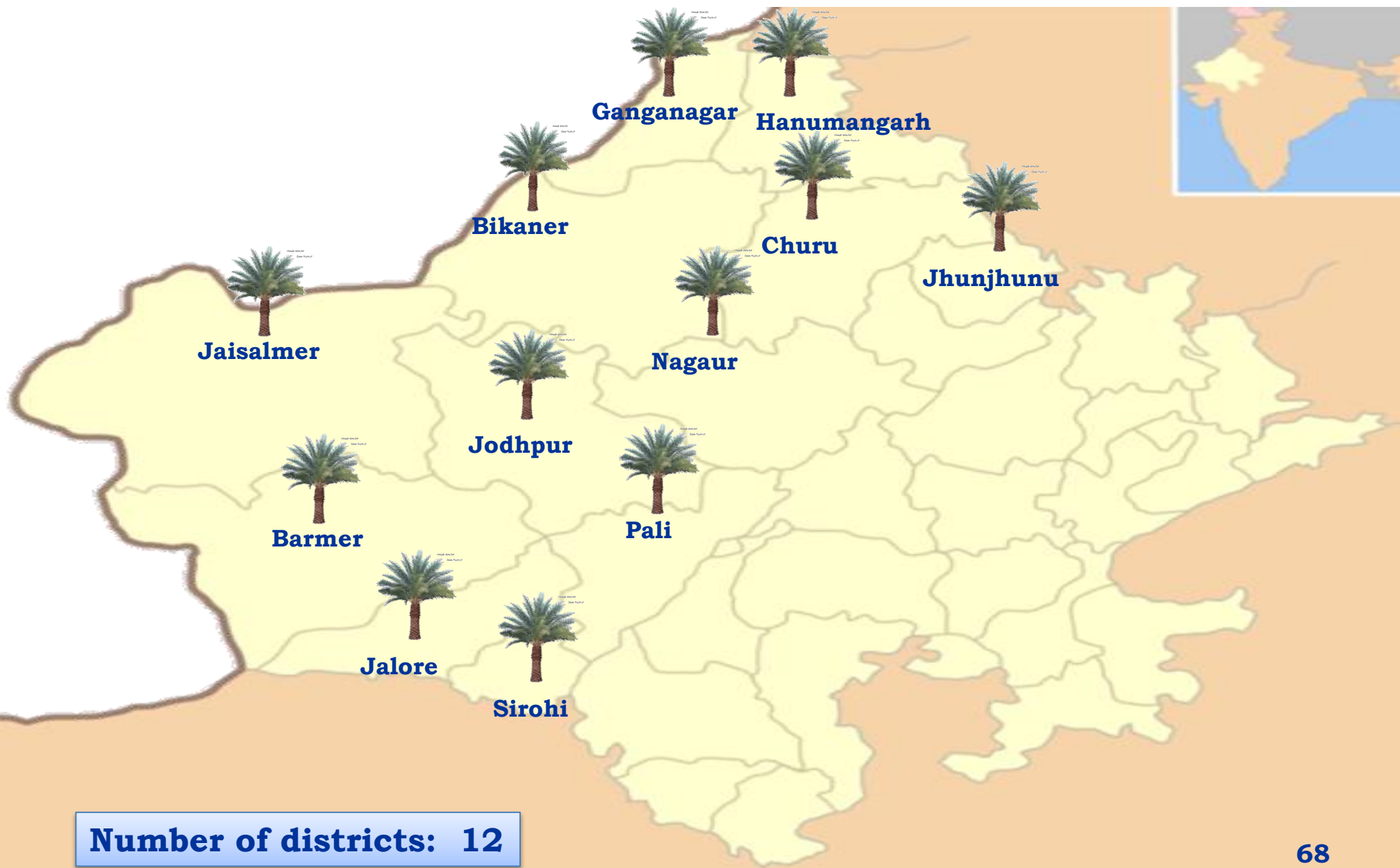
Plantation by Atul in Gujarat



Number of districts: 14



Plantation by Atul in Rajasthan



Number of districts: 12



Atul's Oil Palm farm

Atul





Fruiting in Oil Palms

Atul

Atul
touching lives...



Fresh fruit bunches (FFBs)





New TC lab (coming up) at Panoli





Thank You