



60 years of service through business

RENEWAL

Dreams Outweigh Memories



Diamond on the cover page signifies our determination to endure difficult situations, our desire to reach our full potential and our *dharma* to create value for all our Stakeholders. With every passing year, we will continually better our processes and portfolio of products for success calls for a constant focus on renewal. We cherish our past, but our determination to pursue our dreams remains strong at 60.

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Diamond cannot be polished without friction, nor man perfected without trials.
– Kong Qiu

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Forward Looking Statements

In this Annual Report, 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. Such and other statements - written and oral - that we may periodically make are based on our assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'intend', 'plan', 'project' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised although we believe we have been prudent in our assumptions. The achievement of results is subject to uncertainties, risks and even inaccurate assumptions. If uncertainties or known or unknown risks materialise or if underlying assumptions prove inaccurate, actual results can vary materially from those anticipated, estimated, intended, planned or projected. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

2011-12 in Retrospect

Macro-economic environment remained tumultuous ...

- World output grew at 2.7% against 3.9% in 2010
- Crude oil fluctuated between US\$ 75 and US\$ 114 per barrel
- Indian ₹ vacillated between 43.95 and 54.24 against the US\$

Profitability of Atul dampened, but not its resolve ...

- Sales grew by 17% to ₹ 1761 cr
- EBITDA margin came down from 13% to 12%
- PBT before exceptional items declined from ₹ 129 cr to ₹ 116 cr

... and the Company built new foundations to grow better and faster

- converted a major liquid effluent stream into a saleable product
- introduced a process to significantly improve recovery of solvents
- enhanced ERP for better decision making
- completed or is in the process of completing capex of about ₹ 160 cr
- first time acquired a majority stake in an operating company abroad
- established two joint ventures in India with foreign companies



Acquired 88% stake in DPD Ltd, one of the oldest companies engaged in micro propagation of tissue cultured date palms

RUDOLF
GROUP

Formed Rudolf Atul Chemicals Ltd, a 50-50 JV with Rudolf GmbH, to manufacture and market textile chemicals in India



Formed Atul Elkay Polymers Ltd, a 51-49 JV with Elkay Kimyasal Maddeler San ve Tic A.S., to market stone care chemicals (to be manufactured by Atul)

Corporate Identity



We are a diversified Indian company meeting the needs of varied industries such as Adhesives, Aerospace, Agriculture, Animal Feed, Automobile, Chemical, Composites, Construction, Cosmetic, Defence, Dyestuff, Electrical & Electronics, Flavour & Fragrance, Glass, Home Care, Paint & Coatings, Paper, Personal Care, Pharmaceutical, Plastic, Polymer, Rubber, Soap & Detergent, Textile and Tyre across the world. We manage complex chemical processes in a responsible way.

In order to enhance focus, we have placed the products belonging to the two Reporting Segments, namely Life Science Chemicals and Performance & Other Chemicals under 7 Businesses, namely, Aromatics, Bulk Chemicals, Colors, Crop Protection, Floras, Pharmaceuticals and Polymers. These Businesses are managed through a matrix organisation structure consisting of Divisions and Units for achieving all-round excellence.

Parentage

- Founded by one of the legendary Indians, Mr Kasturbhai Lalbhai, on September 15, 1947, a month after independence
- ...
- Part of Lalbhai Group, one of the oldest and the most reputed business houses of India

People

- 2737 committed and competent people working as one team, 517 of which in Marketing and Research functions
- Employees with diverse background, based in 385 villages, towns and cities of India and 3 continents

Potential

- Operating in Life Science Chemicals and Performance & Other Chemicals Segments with infinite possibilities
- Having depth in science and technology and integrated manufacturing facilities

Shareholding of Promoter group 50.1% (March 31, 2012)

Share capital of ₹ 29.68 cr

Dividend since 1952 except in 1999-00



Serving Diverse Industries



Aerospace



Agriculture



Automobile



Defence



Electrical & Electronics



Flavour & Fragrance



Paper



Paint & Coatings



Personal Care



Pharmaceutical



Textile



Tyre

- Manufacturing facilities in Gujarat (Ankleshwar and Valsad) and Maharashtra (Tarapur)
- Subsidiary operating company in the UK (Bristol)
- JV companies with manufacturing facilities in Rajasthan (Jodhpur), Germany (Düsseldorf), South Korea (Onsan) and Switzerland (Lugano)
- Distribution network across India
- Subsidiary marketing companies in Brazil, China, Germany, the UK and the USA

...

- Manufactures 850 products divided into Life Science Chemicals (90) and Performance & Other Chemicals (760) Segments
- Serves 4100 customers world-wide
- Owns 63 brands in Crop Protection and Polymers

LAPOX[®]

Bristlebond

Clearset

Crafto

Duratite

FILLO

LAPOGRIP

LAPOBOND

Metalam

polygrip

StoneTreat

ALBIS

AMSAC

CONVO

Cyno

Loxo

Rhyzo

Salix

Vitis

XANTHO

XyLo5

Zura

United by Purpose



Mr Kasturbhai Lalbhai

(1894-1980)

Our Founder was one of the foremost Indians of his times. He lived his life with larger purpose and considered business enterprises as means to serve the society. He led an exemplary life that was characterised by trusteeship, simplicity, humility, integrity and excellence. We are proud of this legacy and will endeavour to live up to it.

We are a conglomerate committed to significantly enhancing value for all our Stakeholders by:

- fostering a spirit of continuous learning and innovation,
- using science and technology in a responsible way,
- providing high quality products and services, and becoming the most preferred partner,
- having people who practice Values and high standards of behaviour,
- seeking sustained, dynamic growth and securing long-term success,
- taking responsible care of the surrounding environment and
- improving the quality of life of the communities we operate in.

Aligned by Values

The name Atul is a unique asset, which amongst others, connotes a rich heritage of Values. In an environment where change is a way of life, continuity of Values is fundamental to us. We have therefore formalised key Values and are committed to institutionalise them.

We will seek to create an environment wherein these Values are consistently practised and nurtured and ensure that they are not compromised to realise short-term gains.



Integrity

The foundation of every relationship is trust, and trust is based on Integrity. Integrity means working with honesty, following the highest standards of professionalism. Integrity is when our decisions and actions remain consistent with our thoughts and words, written or spoken.



Understanding

How well one works with others depends on his (her) ways to connect, and this in turn is based on his (her) level of Understanding of human relationships. Understanding does not mean accepting poor performance, but it means doing it the right way. Understanding is not only an external manifestation, but also an internal realisation.



Unity

Living in a state of oneness brings Unity. Unity means working together and taking advantage of synergy while harnessing unique abilities of each individual to achieve a larger goal. Unity is the realisation that though we may work in different areas, we are finally interconnected and that interdependence is a higher order of living than independence; though we may be many, we share a common destiny.



Responsibility

Responsibility implies doing whatever it takes to deliver value and taking ownership of our actions. Responsibility must also give rise to the realisation that what is good for the business must be in the overall good; in other words, working in the spirit of trusteeship not only for the shareholders, but also for other stakeholders such that ultimately what comes from the society goes back to it many times over.



Excellence

Excellence is a drive that is more from inside than outside; it is about one seeking to continuously improve and better performance. Excellence means endeavouring to achieve the highest possible standards in our day to day work; it means to develop an inspiring Vision and realise it. In many ways, Excellence is also a journey, not simply a destination in itself.



Balwantrao Mazumdar
(1902 to 1981)

Educated at London School of Economics, Balwantrao Mazumdar was a professor at Banaras Hindu University. He met Kasturbhai in 1933 who initiated him into Arvind Ltd and later Atul. A voracious reader, sound thinker, patient listener and farsighted professional, he created an atmosphere of camaraderie that brought out the collective best of the employees. He was the moving force behind making Atul one of the largest eco-friendly chemical sites. He remained with the Group till the end of his life as did most of the people who directly worked with the Founder.



Kasturbhai Lalbhai
(1894 to 1980)

Our Founder, an institution builder par excellence, made seminal contributions, particularly in the fields of industry, education, culture and religion. His pioneering efforts helped in the process of transformation of a colonised and impoverished India to a land of emerging hopes and opportunities. He led a purposeful life imbued with trusteeship, simplicity, perseverance, integrity, humility, excellence and discipline.



Siddharth Kasturbhai
(1923 to 1998)

Siddharth Kasturbhai, a chemical engineer by education, shifted his base to Atul in 1952 and made it his *karmabhumi*. He was deeply aware of his purpose and actualised the vision of his father with foresight and thoroughness. An austere, low profile leader, he promoted ethics in business and trusteeship in governance. In his own determined way, he embedded humaneness into commerce as he helped build one of the finest chemical sites of its kind and developed Atul as a well diversified conglomerate.

The tryst with destiny had occurred, and India became independent in 1947; yet the problems for its teeming millions remained and hit hard at the faces of its new polity.

Infused by the new found freedom, Kasturbhai Lalbhai, then 53, took a big leap forward. He founded Atul on September 15, 1947, exactly a month after formal independence, and the nationalist Indian in him fully imbibed the clarion call for self-reliance, employment generation and wealth creation in rural areas.

Along with his confidant, Balwantrao Mazumdar and son, Siddharth, Kasturbhai set out in a bullock cart in the scorching heat of May and arrived at the banks of the river Par. Here, a barren land stretching upto the foothills of Parnera was quietly awaiting. The deep intuition resulted in the decision to acquire the vast span of about 1,000 acres of land, now called Atul, in less than a minute.