



**Bodal Chemicals Ltd.**  
COLOURS. INTEGRATION. INNOVATION.



# Winds of Change

# Scroll Down For

## CORPORATE OVERVIEW

1-12

With Challenge Comes Change	01
About Us	02
Driving Change Across the World	04
Evolution	05
Chairman's Address	06
Growth Strategies	08
Environment	10
Responding to Critical Issues	11
CSR Activities	12
Certifications and Recognitions	13

## STATUTORY REPORTS

14-96

Corporate Information	14
Board's Report	15
Annexures	28
Report on Corporate Governance	61
Management Discussion and Analysis	91

## FINANCIAL STATEMENTS

97-220

Standalone	97
Consolidated	157

### Investor information

Market Capitalisation

as on 31st March 2021 : ₹ 1,102.19 Crores

BSE Code : 524370

CIN : L24110GJ1986PLC009003

NSE Symbol : BODALCHEM

Bloomberg Code : BODL:IN

Dividend : ₹ 0.80 i.e. 40% on face value of Rs.2/- each

AGM Date : 24th September 2021

AGM Mode: : Video conferencing/other audio-visual means



An electronic version of this report is available online at:  
<https://bodal.com/annual-report-audit.php>

Scan this QR code to navigate investor related information

Disclaimer: This document contains statements about expected future events and financials of Bodal Chemicals Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

## With Challenge Comes Change!

“Winds of Change is inevitable by nature, as it has a perpetual sail in life.

For Bodal Chemicals Ltd (referred to as ‘Bodal’, ‘the Company’ or ‘we’ from hereon), embracing change and initiating it at the right time worked wonders. Since inception, we have been drawing inspiration from change and motivating ourselves to take on the challenges that come along with transformation. We believe, it is the first step towards achieving success and happiness.

FY 2020-21 hasn't been kind to economies across the globe. There were severe health crisis and widespread disruptions in operations of several businesses the world over. Organisations with the right attitude and aptitude to change have been able to tide over the crises.

Since the Winds of Change is here to stay, so why not ride the wave and face the tests from the front.

Bodal accepted the challenges of time. We invented newer ways to spark innovation and explore the opportunities that the Winds of Change brought with it. Acquisitions, expansions, diversification, and debottlenecking were some of the trending terms across our organisation, which laid the platform of driving positive change amid a defiant scenario. It is the reflection of our flexibility and resilience, which are essential qualities needed to adapt to newer situations and create opportunities to curate superior value for our stakeholders. It is we who made a windy year breezy for all our people.

### KPIs of FY 2020-21

**Consolidated Revenue**  
₹ 12,424 Million

**EBITDA\***  
₹ 1,025 Million

**PAT\*\***  
₹ 398 Million

**EBITDA Margin**  
8.4 %

**PAT Margin**  
3.2 %

\*Earnings Before Interest, Taxes, Depreciation, and Amortisation

\*\*Profit After Tax

## About Us

# Integrated Dyestuff Chemical Player Having Global Presence Across Multiple Products

 Bodal Chemicals Limited is one of India's leading integrated Dyestuff companies and is the largest domestic manufacturer of Dye Intermediates. It commenced operations in 1989 and got listed on the stock exchanges in 2006. It offers a wide range of Dyestuffs, Dye Intermediates, Basic Chemicals, and its variants to diverse customers across India and the world. Today, the Company has a strong market share in the global and domestic Dyestuff and Dye Intermediates market.

### Our Competitiveness that Drives Change

#### Three Decades of Presence:

Manufacturing in India, with deep understanding of both the domestic and global chemical markets.

#### Integrated Business Model:

Full integrated operations leading to cost competitiveness and protection against commodity cycle.

#### In-House R&D Facilities:

Well-equipped production facilities and laboratories, strict quality adherence and continuous investment in R&D.

#### Strong Relations with Marquee Clients:

Strict quality adherence allows us to build long-term association with several clients across the globe.

#### Highly Compliant:

Strict environmental compliance with in-house ETP and MEEP plants.

#### Strong and Experienced Management Team:

Long-term association of senior management team enables the Company to meet its strategic goals with their extensive knowledge experience.

Decades experience in the  
chemical space

**3**

Manufacturing facilities

**10**

Operating subsidiaries

**6**

Domestic market share  
of dyestuffs

**13 %**

Dye intermediates  
capacities

**33,000 MTPA**

No. of employees

**1,751**

Customers

**600+**

Distributors across India

**70+**

R&D facilities

**3**

Global market share of  
Dye intermediates

**6 %**

Dyestuff (including liquid  
dyes) capacities

**45,000 MTPA**

Management experience  
in years

**30+**

Products

**200+**

7 Domestic & 3 overseas depots

**10**

Domestic market share of  
Dye intermediates

**20 %**

Global market share of  
Dyestuffs

**3 %**

Basic chemicals

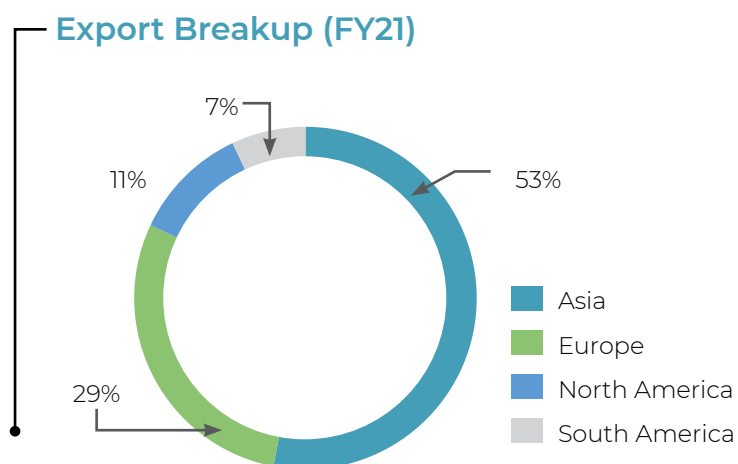
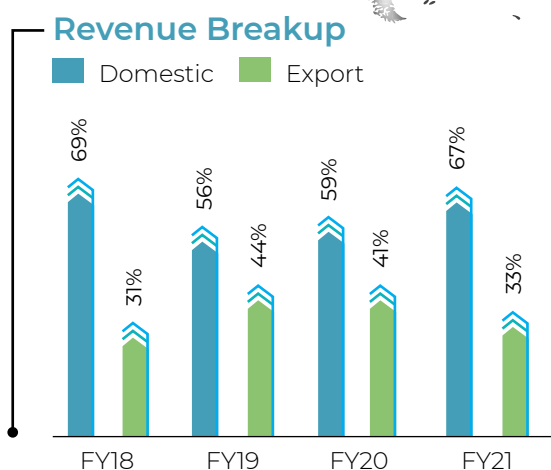
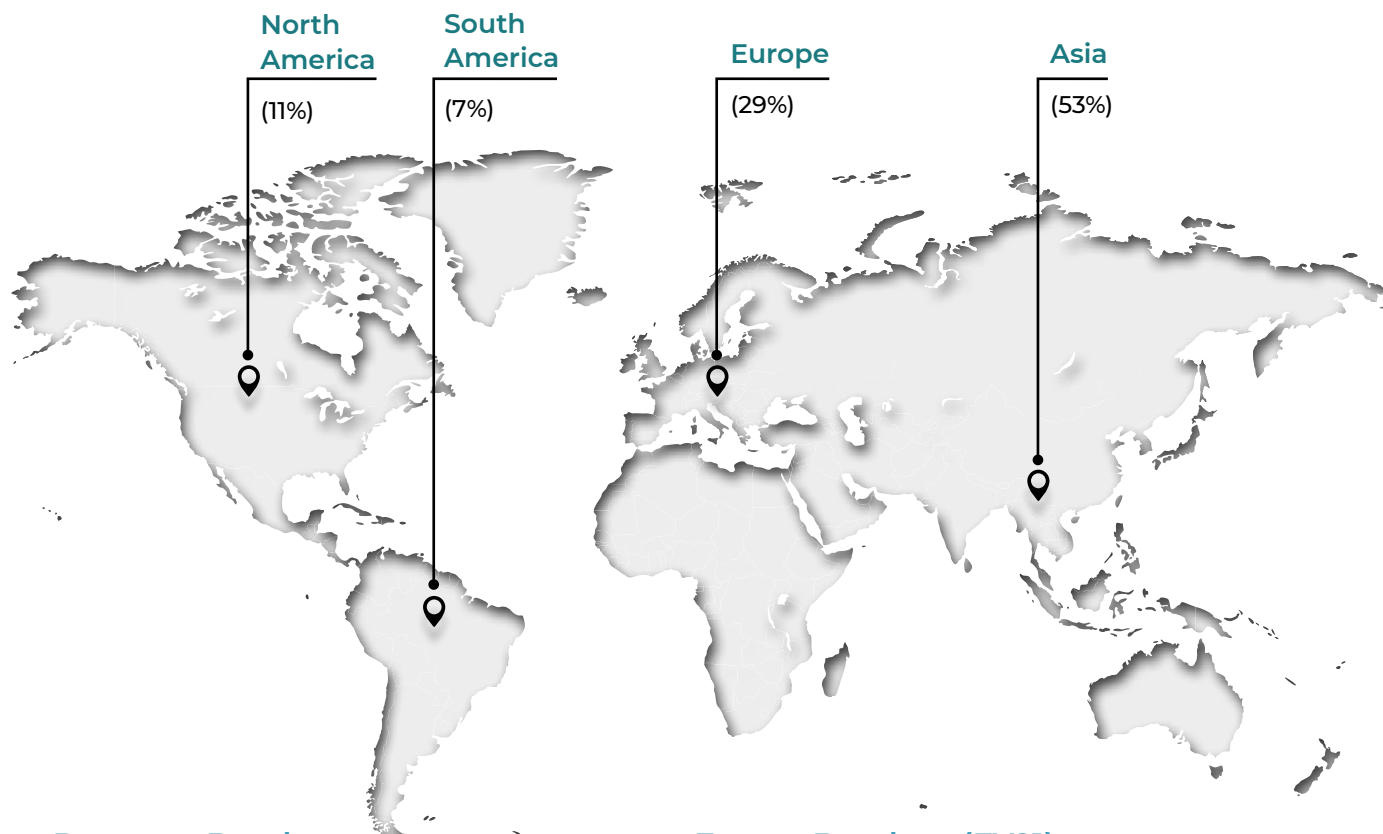
**2,26,000 MTPA**



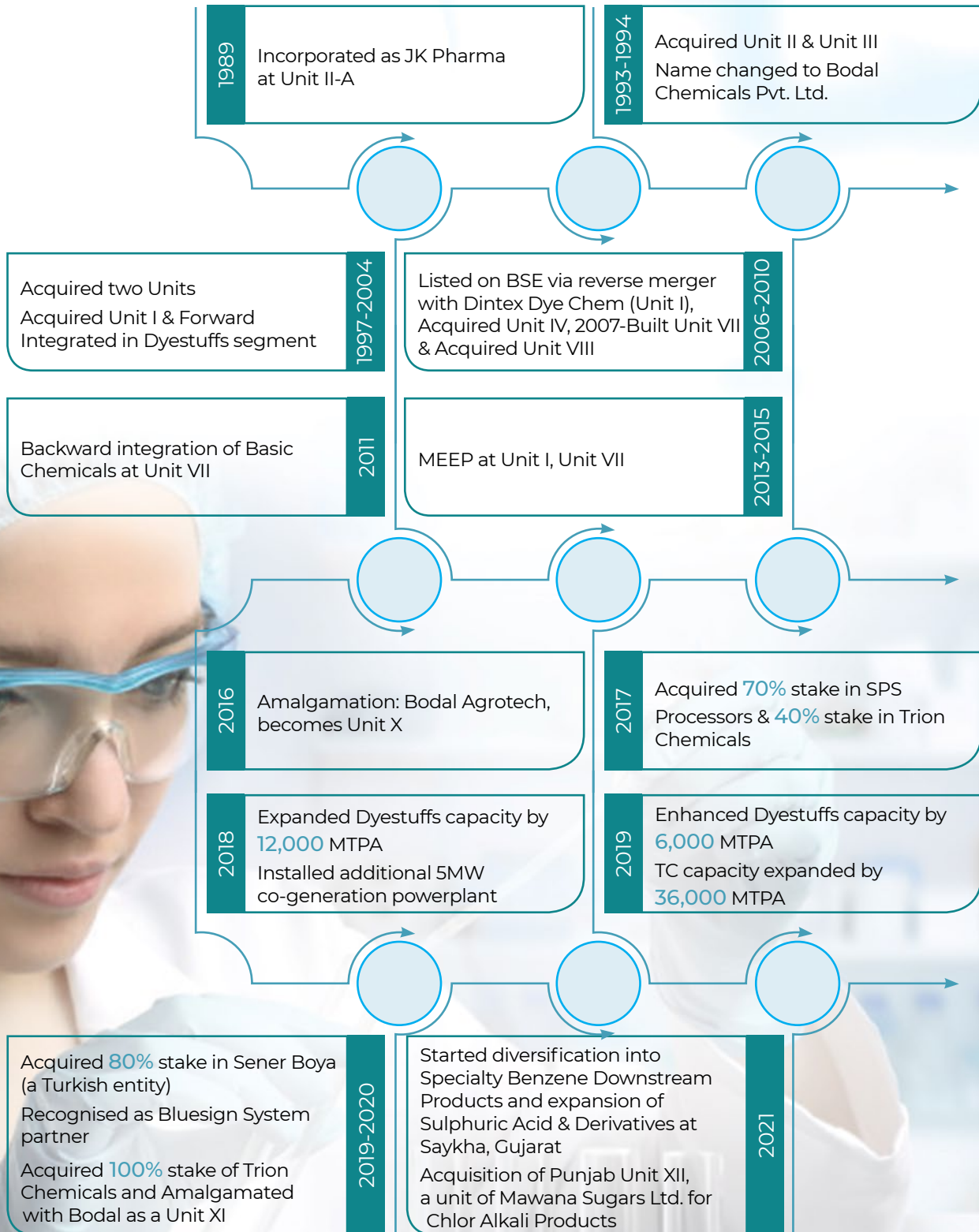


## Our Presence

# Making in India Driving Change Across the World



This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/ states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

**Our Evolution****Adapting to Changes  
Over the Years**

## Chairman's Address

# Letter to the Shareholders



“The Management and its people have risen above disruptive headwinds faced in FY 2020-21. Against the challenging backdrop, one element that remained unchanged throughout the period was our mindset to adapt to the change and stay focussed in implementation of strategies. This approach, along with our social initiatives and environmental stewardship, is what makes us sustainable for the future

### Dear Shareholders,

I hope you and your near and dear ones are safe and healthy. The Covid-19 pandemic dominated the entire 2020 and still continues to create disruptive impact on the lives and livelihood of people across the world. In our history of three decades, we have not experienced anything like this pandemic before. But as they say, challenges always give you the opportunity to revisit yourself and change the approach, we also brought about several changes to our strategy and strengthened our core, while adapting to the new normal.

### Adapting to the Winds of Change

As an event of global scale, the pandemic forced us to pause, review the emerging trends and prepare ourselves to build a future-ready organisation. This has given us greater confidence and pride

in our people and processes. As a responsible corporate citizen, we adhered to the Government guidelines that were issued during different phases of the Covid-19-induced lockdown to contain the spread of the virus. With the slow and gradual lifting of restrictions, we started opening up our facilities to resume operations. We ended the year with ₹ 12,424 Million of consolidated revenues, ₹ 1,025 Million of EBITDA and ₹ 398 Million of PAT. The results were impacted owing to the extreme external scenario as mentioned above.

### Industry Megatrends

While the pandemic did disrupt businesses all across, it also brought in several industrial opportunities. The Indian Chemical Industry is poised for an exponential growth over the next few years owing to several favourable factors such as:

1. Increasing preference of global players towards considering India as an alternate source of supplies
2. Stringent measures and environment norms have eliminated small companies in China, which is further diverting the demand to India
3. Textiles constitute ~80% of the total Dyestuffs demand and is expected to recover gradually with the improvement in the end industry
4. The share of the unorganised players in the Dye Intermediates and Dyestuffs Industry has been consistently declining, further favouring established organised players like us
5. The Government's constant endeavours towards reducing India's dependency on chemical imports and launch of ambitious initiatives such as Atmanirbhar Bharat (Self-reliant India) is further helping the domestic players

At Bodal, we are fully prepared with our highly compliant and integrated manufacturing set up that meets the needs and specifications of the global players with most of raw materials being sourced from India. Our scale allows us to lower our cost of production and ensures quality supplies to our customers all across the globe. Besides, our strategically located facilities on the western belt of India with proximity to nearby seaport at Mundra, Pipavav, Hazira and Nhava Sheva further give us an added advantage.

### Responding to the Winds of Change

Over the past three years we have made several strategic acquisitions that have strengthened our business



ecosystem and derived synergic benefits. Our expansion of business is not only limited to India but also at a global level in countries such as China, Turkey, Europe and Indonesia. We are investing ~ ₹ 4,000 million in a greenfield project at Saykha, Gujarat. In FY21, we strategically acquired Siel Chemical Complex (SCC) at a capex of ₹ 1,520 Million which was a unit of Mawana Sugars Ltd, located at Rajpura, Punjab. Further, we will spend about ₹ 1,200 Million for technology upgradation of that plant. The synergy benefits of this acquisition and expansion includes strategic locations, product diversifications, integration benefits from captive consumption, better margins, diversifying client portfolio, cost efficiency and most importantly long-term sustainability. We are evolving from an integrated Dyestuffs player to niche value-added solutions provider through new product additions under benzene derivatives, sulphuric acids and chlor alkali that find its applications across several segments such as pharmaceuticals, agro-chemicals, paper, textile and home care.

Our innovation-driven growth model will result in consistent financial results by leveraging the Company's proven technology capabilities to improve product mix, increasing emphasis on value-added speciality chemical businesses, and sustaining and expanding leadership in attractive niche markets. We are further enhancing the capacities of our dedicated R&D labs aligned to the Company's growth agenda.

### Embracing Sustainability to Bring in Change

Sustainability is placed at the core of all our activities, and it greatly influences the way we conduct our

business. We understand that we have a responsibility towards all our stakeholders by successfully balancing environmental stewardship, social progress, ethical business conduct and economic success. We have installed the world's most-advanced technology under the tie up with Advent Envirocare, as a response to environment conservation. We have restructured our safety functions and enlarged their role as Environment, Health, Safety & Sustainability (EHSS) function.

We are also participating in different certification programmes and acquainted with ECO certifications such as ISO, Bluesign, ZDHC and GOTS. As an organisation, Bodal Chemicals believes in everyone's growth and success. During the pandemic period, we engaged in lots of activities such as distributing food to the needy, providing shelter to the migrants, extending and driving special support to the front-runners such as police and medical staff, among others. Besides we have also been positively benefitting lives of the communities through our contribution to renowned NGOs such as YUVA and other various Trusts.

### Closing Thoughts

The Company's fundamentals are intact to support the strong growth prospects. Over the years, we have built a highly resilient and diverse business with a strong foundation. The broadness of our portfolio further allows us to serve a wide range of markets and application areas. As a leading global player, we have also developed the flexibility and agility needed to compete in today's demanding markets as well as the ability to respond swiftly and effectively to fluctuations in demand.

Today, when I look back on the path we travelled, it gives me a sense of

pride and confidence in our strong and diverse team, which is capable of handling any challenges. It is this pride of working with such an illustrious team that drives us every day as we work to honour our stakeholders' faith and investment in us. I would like to thank our customers, suppliers and other partners for their continued faith in our capability and helping us in improving our processes and in developing ourselves into a world-class company. I would like to thank my fellow Directors, our senior leadership team and stakeholders for their continued support and faith in our vision and helping us drive the Winds of Change towards success. Be safe and healthy!

### Suresh J. Patel

Chief Executive Officer,  
Chairman & Managing Director

#### Total Proposed Capex:

~ ₹ 6,700 Million

#### Revenue Expected:

~ ₹ 8,500 Million PA

#### Proposed Capacity: Benzene Downstream

~ 78,960 MTPA

#### Sulphuric Acid

~ 3,40,000 MTPA

#### Chlor Alkali Products, including Caustic Soda

~ 99,000 MTPA

## Growth Strategies in Action

# The Change Agents

### Strategy 1:

#### Dyestuff Expansion

Capacity expansion of Dyestuffs by **18,000** MTPA will be ramped up gradually

**Outcome:** Increase in revenues by 30-35% in Dyestuffs segment

### Strategy 3:

#### Vinyl Sulphone at SPS

Additional Vinyl Sulphone plant of **6,000** MTPA capacity at SPS is expected to commercialise in Q2 FY22.

**Outcome:** Expected addition to annual revenues by ~₹ 1,200 Million

### Strategy 2:

#### TCCA Division

Acquired **100%** stake in Trion Chemicals and amalgamated with Bodal. Production has been stabilised and made profitable.

**Outcome:** Improved profitability

### Strategy 4:

#### Turkish Entity Sener Boya

Acquired ~ **80%** stake to strengthen the global presence.

**Outcome:** Established presence in Turkey and nearby market