

Building *for* the future

Valiant Organics Limited
Annual Report 2021-22

Forward-looking statement

This document contains statements about expected future events and financial and operating results of Valiant organics 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 will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of 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's discussion and analysis of the Valiant Organics Limited Annual Report 2021-22.

Our performance highlights, FY 2021-22

954	103	17.88	282	522
₹ Crore, Revenues	₹ Crore, PAT	%, EBITDA margin	₹ Crore, Net debt	₹ Crore, Net worth

Contents

Part 1: What we are and what we do

- 4 Corporate snapshot
- 8 Our journey
- 11 Our financial performance

Part 2: Perspectives and insights

- 14 Managing Director's review
- 16 A financial foundation

Part 3: Valiant and value-creation

- 20 Integrated value-creation
- 26 Our products

Part 4: Growing opportunities in our business

- 30 Global perspectives
- 32 Insight

Part 5: Drivers of our excellence

- 38 Our marketing excellence
- 38 Our manufacturing excellence
- 39 Our environment compliance
- 39 Our stringent quality control
- 40 Health, safety and environment
- 44 Our esteemed Board of Directors

Part 6: Statutory reports

- 47 Corporate information
- 48 Management discussion and analysis
- 53 Director's report
- 70 Report on Corporate Governance
- 92 Business Responsibility Reporting

Part 7: Financial reports

- 98 Standalone Financial Statements
- 168 Consolidated Financial Statements
- 235 Notice of Annual General Meeting

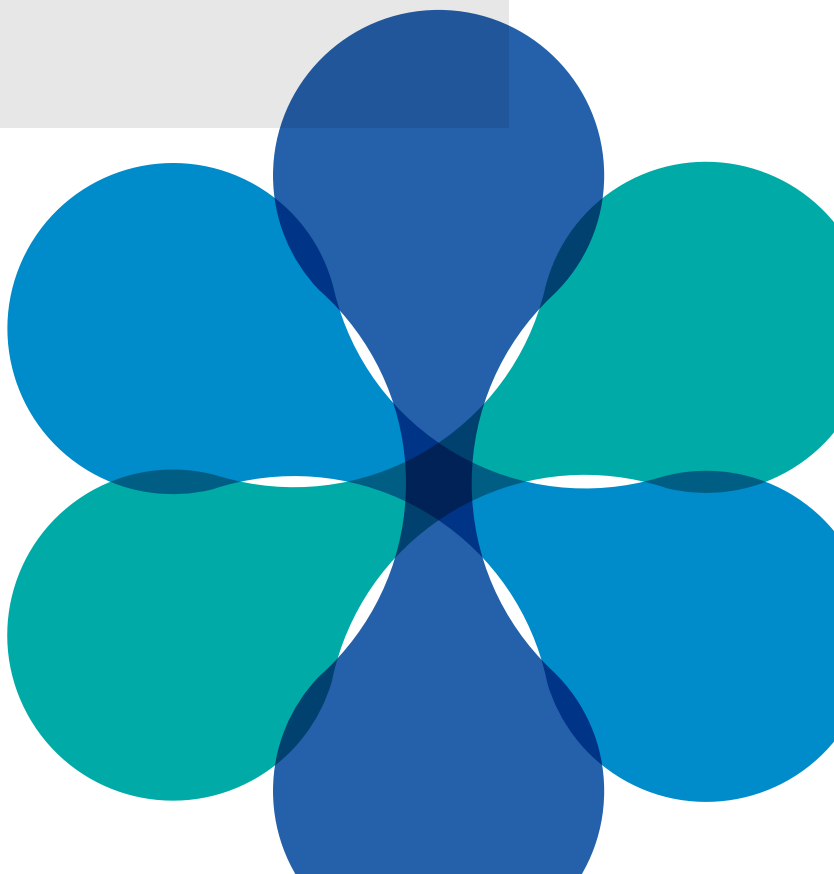
Building for the future

The world of speciality chemicals is passing through an inflection point.

A number of long-term consumers are seeking an alternative to China; besides, some downstream speciality chemicals consumption drivers are becoming increasingly relevant.

Valiant Organics is attractively placed to capitalise on this transition. The Company is investing in the manufacture of a range of value-added products, which are integrated with other products.

The combination of volume, integration and value-addition is expected to graduate the Company to the next level, enhancing value for all stakeholders.



Part 1

What we are and what we do

CORPORATE SNAPSHOT

Valiant Organics Limited has emerged as one of the larger benzene derivative manufacturers in India.

The Company services the growing demand of global and Indian customers.

The Company is now expanding and deepening its eco-system with the objective to climb into the next level.



Background

Valiant Organics Limited is a specialty chemical manufacturing company in India. The business was set up as a partnership concern (Valiant Chemical Corporation) in 1984. In 2015, the Company was converted into a public limited company.

Applications

The Company's quality products are used as intermediates across downstream sectors. The products manufactured by the Company address sectors like pharmaceuticals, dyes & pigments, agrochemicals and specialty chemicals, among others.

Manufacturing facilities

The Company's six manufacturing units in five locations - Tarapur, Sarigam, Vapi, Jhagadia and Ahmedabad – are proximate to the large ports of western India. These facilities have been invested with scale, cutting-edge technologies and effluent treatment systems, strengthening business sustainability. The Company's head office is located in Mumbai.

Portfolio

The Company is engaged in manufacturing and marketing beneze-based specialty chemicals. These products find use in a variety of industries including agrochemicals, pharmaceuticals, dyes, pigments and veterinary medications.

Customers

The Company's customers comprise brand-enhancing names like Anupam Rasayan India Ltd. and Lanxess India Private Limited, Spectrum Dyes & Chemicals Pvt. Ltd., Clariant Chemicals (India) Ltd., Colourtex, among others. The Company also exports products to countries such as US, Europe, Japan and China, among others.

Scale

The Company's integrated manufacturing units possess an installed capacity of approximately 70,000 TPA across various chemistries. The scale of operations makes the Company a dependable one-stop provider of a range of products, resulting in multi-year relationships.

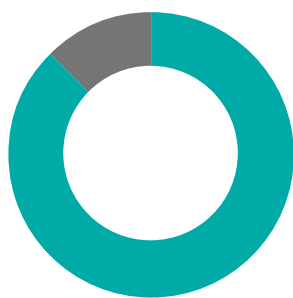
Competence

The Company is a reliable and diversified products provider. It has developed a competence in diverse process chemistries such as chlorination, ammonolysis, acetylation, hydrogenation, sulphonation and methoxylation.

Chemistry	Location	Capacity (MTPA)	Products
Chlorination	Sarigram	18,000	PCP, OCP, 2,4 DCP, 2,6 DCP, 2,4,6 TCP
Ammonolysis	Vapi	10,000	PNA, OCPNA
Ammonolysis	Tarapur	6,600	PNA
Hydrogenation and methoxylation	Jhagadia (Unit 1)	28,800	ONA/OA, PNA/PA, IPPCA, conversion products
Hydrogenation	Jhagadia (Unit 2)	12,000	PAP and pharma intermediates
Acetylation and sulphonation	Ahmedabad	1,800	6 Acetyl OAPSA, OA/PA Acetanilide, OT5SA

Revenue by geography, FY 2020-21

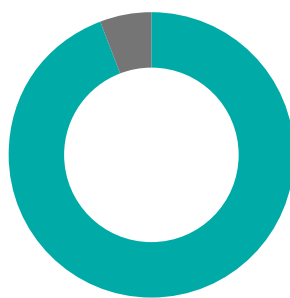
(In ₹ Crore)



■ Domestic: 503.32
■ International: 70.92

Revenue by geography, FY 2021-22

(In ₹ Crore)



■ Domestic: 894.68
■ International: 53.76

Compliance

The Company has been accredited with the OHSAS 18001:2007, ISO 14001:2015 and ISO 9001:2015 certifications, enhancing customer confidence and systemic consistency.

Listing

The Company's equity shares are listed on BSE & NSE. The Company enjoyed a market capitalisation of ₹2,498 Crore as on March 31, 2022.

Responsible

The Company is respected for its environmental standards, corporate governance, financial stability and community engagement. The Company possesses five zero liquid discharge plants.

Credit rating

The Company strengthened its credit-rating from CRISIL A-/POSITIVE in FY 2020-21 to CRISIL A/STABLE for long-term debt and CRISIL A1 (ASSIGNED) for short-term debt in FY 2021-22.

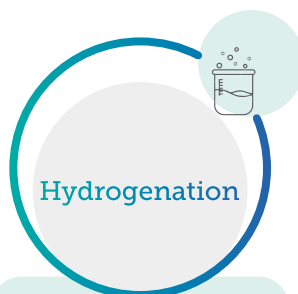
People

The Company comprised 867 permanent employees and 1,000+ contractual workers as on March 31, 2022. The Company's talent comprised specialised professionals in the area of chemistries, marketing, manufacturing, legal and finance, among others. The Company's average age was 33 in FY 2021-22.

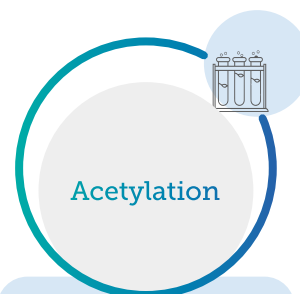
Our process and product portfolio



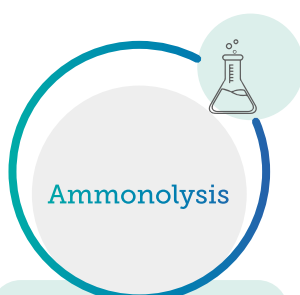
- Para Chloro Phenol
- Ortho Chloro Phenol
- 2,4 Di Chloro Phenol
- 2,6 Di Chloro Phenol
- 2,4,6 Tri Chloro Phenol



- Ortho Anisidine
- Para Anisidine
- IPPCA
- Meta Chloro Aniline
- Para Amino Phenol
- Ortho Amino Phenol



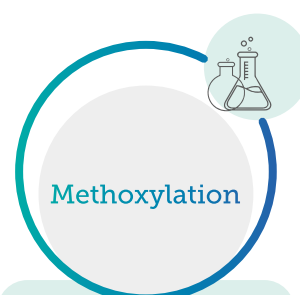
- 6 Acetyl OAPSA
- OA Acetanilide
- PA Acetanilide



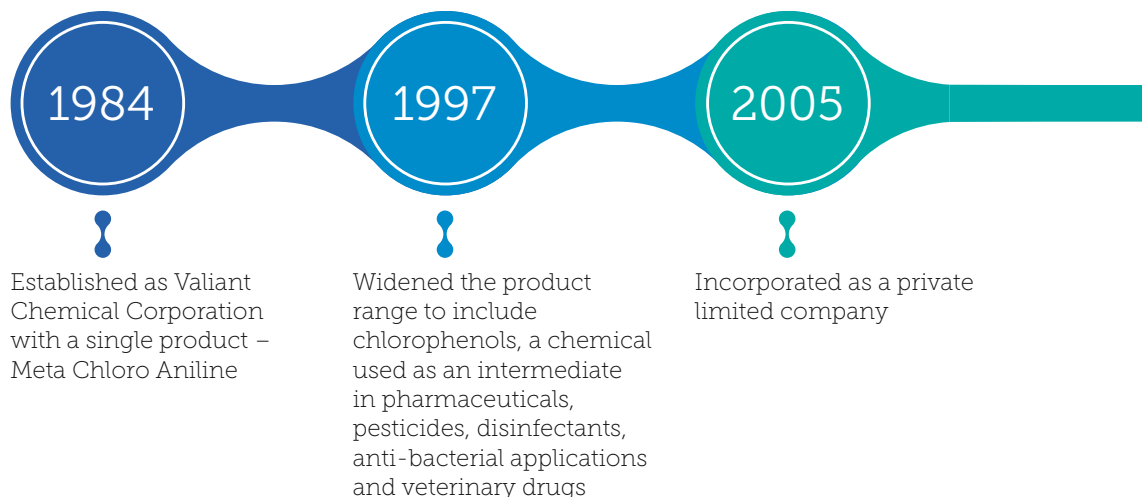
- Para Nitro Aniline
- Ortho Chloro Para Nitro Aniline



- OT5SA
- 4B Acid
- 2B Acid



- Ortho Nitro Anisole
- Para Nitro Anisole



How we have transformed

