



**Amal Ltd**

**Annual General Meeting  
2023**

**Speech  
of  
(Sunil Siddharth Lalbhai)  
Chairman**

September 08, 2023  
310 B, Veer Savarkar Marg  
Dadar (West), Mumbai 400 028, Maharashtra  
India  
[www.amal.co.in](http://www.amal.co.in)

Fellow shareholders, ladies and gentlemen,

On behalf of the Board of Directors and team Amal, I welcome you to the annual general meeting of our Company.

During 2021-22, our Company had wiped out the remaining carried forward loss of ₹ 29 lakhs of the earlier total ₹ 56 cr. My colleagues and I were almost certain that it will be possible to earn a decent profit in 2022-23 and recommend a dividend – we clearly went wrong.

Standalone profit of our Company came down to ₹ 1.4 cr from ₹ 3.3 cr or by 59% compared to 2021-22 which was already lower by 74% compared to the highest achieved in 2019-20. The lower profit was because of high price of the main raw material, Sulphur, and lower demand of finished products bringing down EBITDA to 10% from 48%, the earlier best.

Secondly, the plant to manufacture 300 MTD equivalent  $H_2SO_4$  established by the wholly-owned subsidiary of our Company, Amal Speciality Chemicals, with an investment of ₹ 81 cr although commissioned in the second quarter of 2022-23 took one year to streamline – one in terms of generation of electricity and other in terms of sale of excess steam. In doing so, the subsidiary incurred a loss of ₹ 17 cr during 2022-23 – this resulted in a consolidated loss of ₹ 16 cr for the fiscal.

Nonetheless, as I speak to you, the above-mentioned problems are substantially behind us and there are other identified improvement initiatives underway. Even as the demand of the finished products, although somewhat better, continues to be relatively low, team Amal is confident to put forward better numbers in the current quarter and for 2023-24.

As the project expenditure of Amal Speciality Chemicals had increased by ₹ 25 cr than that envisaged earlier mainly because of price of steel and given the poor performance in the first year, our Company made a rights issue of ₹ 49.9 cr to better its debt-to-equity ratio.

Since then, our Company has repaid borrowing of ₹ 37 cr. Consequent to the rights issue, shareholding of the promoter group has increased to 71% from 67%.

Our Company contributed ₹ 21 lakhs towards social responsibility; Atul Foundation, the implementation partner, took up projects on behalf of our Company, mainly under Education, Health and Infrastructure programs which are in step with national priorities.

We announced the results of our Company for the first quarter of 2023-24 on July 14, 2023. Consolidated sales at ₹ 17 cr against ₹ 11 cr were higher by 60%, but 30% lower than the potential. Our Company incurred consolidated loss of ₹ 3 cr against ₹ 2 cr compared to the same period in 2022-23 because of planned shut downs in our Company and its subsidiary entity.

Our Company is expected to deliver better consolidated performance in the current quarter and in the second half of 2023-24 – debottlenecking of capacity of  $SO_2$  to 28 MTD from 17 MTD in 2022-23, higher electricity generation, increase in sale of steam and other identified improvement initiatives in 2023-24 will help in this endeavour. Once we have streamlined the current financials, we will implement a new project to manufacture value added products.

I take this opportunity to acknowledge the commitment and hard work of team Amal; you must know that the team does not accept the poor performance in 2022-23. I thank the customers for their business. My colleagues and I value the analysis, contribution and guidance of the Independent Directors; I recognise your patience as also your support to and trust in the Management.

I am optimistic team Amal will soon wipe out the carried forward loss incurred in its subsidiary in 2022-23 and in the first quarter of 2023-24 and grow our Company in a sustainable way to create long-term value – we will not settle for anything less.