

24th January , 2024

To,

The Manager,
Department of Corporate Services,
BSE Limited,
Pheeroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400 001

Scrip Code: 530627

Dear Sir/Madam,

Subject: Press Release - Vipul Organics Limited and its Whole Time Director and CFO, Mr. Mihir V Shah have been featured in Indian Textile Journal.

Pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Press Release titled as follows -

We are happy to announce that your company Vipul Organics and its Whole Time Director and CFO, Mr. Mihir V Shah, have been featured in Indian Textile Journal, the leading textile industry publication.

Please find below the article for your reference.

<https://indiantextilejournal.com/we-are-operating-at-zero-liquid-discharge-in-most-of-our-manufacturing/>



Vipul Organics Limited

Corporate Office : B-603A, Kaledonia Bldg., Sahar Road, Off W. E. Highway, Andheri (East), Mumbai - 400 069, India.

Regd. Office : 102, Andheri Industrial Estate, Off Veera Desai Road, Andheri (West), Mumbai - 400 053, India.

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info@vipulorganics.com

www.vipulorganics.com

The copy of Press Release shall be uploaded on the website of the Company viz.,
www.vipulorganics.com

You are requested to take the same on record.

Thanking You,

Yours Faithfully,
For Vipul Organics Limited

PRIYA
GYANCHAND SHADIJA
SHADIJA

Digitally signed by PRIYA
GYANCHAND SHADIJA
Date: 2024.01.24 16:44:14
+05'30'



Priya Shadija
Company Secretary & Compliance Officer
Membership No. A72549

Encl: As above

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We are operating at zero liquid discharge in most of our manufacturing

@ admin January 22, 2024 11:48 am

Vipul Organics specialty chemicals company in the pigments and dyes segment. Today, it is amongst the foremost manufacturers of pigments, dyestuff, lake colours and pigment intermediaries / fast salts in the country. It has 3 manufacturing facilities spread across Maharashtra and has global footprint in over 50 countries. Mihir Shah, Executive Director at Vipul Organics, in an interview with Divya Shetty, discusses the present state of the textile chemical industry and outlines the company's upcoming expansion initiatives.

What was your company's performance in the year 2023?

The chemical sector, particularly the colour industry, faced challenges in the past year. Despite a strong start, a slowdown was observed in the third quarter, marked by the lowest manufacturing activity in India in the last 18 months. However, we maintain a positive outlook, expecting increased demand post the fourth quarter, with strategic focus on export markets. Challenges exist, notably in Europe, but we are selectively

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We are operating at zero liquid discharge in most of our manufacturing

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targeting regions such as Vietnam, Indonesia, and Bangladesh in the textile sector. While challenges persist, we discern opportunities both domestically and internationally, with a continued focus on India and an expanding interest in resurging global textile markets.

What challenges does the textile chemical industry face today, both in India and on a global scale?

In India, the foremost challenge lies in boosting domestic demand, necessitating a strategic plan or incentives to stimulate consumption. The current decline in demand requires addressing through the implementation of incentives that can spur increased consumption.

Additionally, the chemical sector requires substantial government support to achieve economies of scale. To compete with larger entities, such as China, we must focus on generating higher volumes. Government assistance is crucial, particularly in establishing textile or chemical parks, considering the water-intensive nature of the industry. Softening government norms related to water discharge is essential to increase production and enhance global competitiveness.

By facilitating a more favourable regulatory environment, we can significantly reduce operational costs. Currently, China operates on thin profit margins, with their selling price potentially lower than the raw material cost for most Indian companies. To attain the required volume and compete globally, the government should provide incentives, particularly in areas of power, land, and water, which are vital for any chemical plant.

Has government policies/schemes of the last few years helped in increasing exports? What else can the government do to achieve the \$100 billion export target?

The PLI scheme has not specifically been implemented for the chemical industry. A crucial area that requires attention is the colour segment, given its ubiquitous use across various

industries. Colour production is indispensable and intricately linked to diverse sectors, making it a necessity rather than a luxury.

Drawing inspiration from China's successful model, where the government intervened to streamline industries, it is imperative to focus on restructuring. China consolidated industries, relocating them to specific regions with improved land and infrastructure, creating a strategic advantage. A similar approach is needed to enhance efficiency and competitiveness within our chemical sector.

Apart from China and India, which countries are emerging in the field of chemicals?

Japan and Taiwan are noteworthy players in the chemical industry. Japan demonstrates steady growth and remains a robust market. In the textile sector, Bangladesh and Vietnam exhibit strong performance. While Turkey faces some current challenges, it still holds its status as a favourable market.

How is Vipul Organics embracing sustainable solutions at its manufacturing process?

We have the largest pigment ZLD plant in Maharashtra where we recycle and reuse 98 per cent of water. But this recycling comes at a cost which the customers don't absorb or don't give. We have to cut down on our margins. But this you can do up to a certain stage when you want to compete to the global players, then the output needs to increase to that magnitude. So the exponentially even the water would increase. So, at that level, it is not possible to do 100 per cent recycling. So, you can do partial recycling reuse that water, but the rest of the water needs to go to the general discharge, which is not happening right now. But whatever we are doing, it's completely sustainable. So, we are operating at zero liquid discharge in most of our manufacturing.

From which textile segment are you witnessing the highest demand?

We have notable presence in home furnishing, particularly in

Rajasthan, and contribute to screen printing in Vietnam and Bangladesh. There is a growing demand for daily wears, primarily in cotton, driven by aspirational buying. Currently, our primary focus is on enhancing both backward and forward integration to encompass all facets of textiles, technical textiles, home furnishing, and fast-growing fashion.

To compete globally and address current challenges, we are optimizing operations. This involves backward integration to manufacture cost-effective raw materials, reducing reliance on imports. Simultaneously, we are advancing forward integration of pigments for in-house colour application, such as digital inks and pigment dispersions, catering to various textile needs.

What are the company's expansion plans, and how do you anticipate the performance of the Indian textile industry in 2024?

We are currently in a growth phase. Our immediate expansion involves doubling the capacity of pigment dispersions at our Ambernath plant, set to be completed by end February 2024. Additionally, a significant expansion is underway at our Sayakha plant in Gujarat, marking our first facility outside Maharashtra. This expansion aims to triple pigment production, including intermediates for self-sustainability and margin improvement.

Our third expansion front involves establishing sales depots in countries outside India under our registered company. We are exploring options in two to three countries, concurrently reinforcing our distributor network to facilitate direct penetration to end customers. This strategic approach ensures faster lead times and delivery, while having our international base enhances credibility with prominent companies.

In navigating the current industry phase, we prioritise agility and cautious spending, avoiding unnecessary risks in our expansion strategy. Despite temporary challenges in global demand due to conflicts, we foresee positive reconstruction impacting future demand.

India's position as a prominent global consumer remains strong, even with recent fluctuations in demand. Our focus remains bullish on India, with on-going expansion plans and a robust manufacturing base to address challenges effectively.

Emphasizing ecology and regulation, we are the largest Indian company with ZDHC level three certification for over 170 pigment products. This certification assures brands like H&M and Inditex of the safety of our colours for textile applications, showcasing our commitment to environmentally safe practices.

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