



RACL – Successful JV completes 5 years

Rudolf Atul Chemicals Ltd (RACL) -- the partnership of Rudolf Group and Atul Ltd celebrated its 5th anniversary on November 18, 2016. Atul Ltd is one of the largest integrated chemical companies of India catering to the needs of more than 31 varied industries ranging from soaps to aerospace with 5 subsidiaries across the globe. Its first site, Atul Complex, is amongst the greenest chemical complexes in the world. Its Colors Business is the oldest business offering a wide gamut of dyes and pigments for various industries. Incorporated in 1922 and headquartered in Germany, RUDOLF GmbH has more than 50 service locations across the world. The Company is engaged in the business of specialty textile chemicals, offering a wide range of technically proven products- its motto is 'quality makes friends'. It has an excellent brand image in international markets for its extraordinary functional finishes. Colourage took this opportunity to delve deep into the secret of their success and here is the interview with Mr Venugopala Rao and Dr Wolfgang Schumann



Dr. Venugopala Rao

Dr Venugopala Rao is the Managing Director since 2011. In addition, Dr Rao is working with Atul since 2007 and is currently the President of its Colors Business. He holds MSc Tech degree in Textile Technology from University Institute of Chemical Technology and PhD degree in Fibre Science from the University of Leeds.

Dr Wolfgang Anton Schumann, Chairman

Dr Wolfgang Schumann is the Owner & Managing Director Rudolf Group.



With both RUDOLF and Atul being established players, and RACL being a partnership of equals, what were the envisaged synergies with which this partnership was established?

Dr. Venugopala Rao: Atul Ltd has been a pioneer in manufacturing of textile dyes in India. RACL- a joint venture company was formed in partnership with RUDOLF in the year 2011, with the aim to provide a complete package of dyes along with textile chemicals and thereby become a total solution provider

Dr Wolfgang Schumann: India has the second largest textile manufacturing infrastructure in Asia after China.

We always wanted to create more space in this competitive market. The JV with Atul has paved a way for penetrating this market in terms of sales and distribution as well as for

developing the reputation of being a trusted supplier in India. Overall, the response to this JV has been phenomenal and we have gained a significant market share in the past 5 years.

What is the single biggest strength that Atul brings to this partnership?

VR: Atul brings a state of the art manufacturing facility and wide spread marketing network in India.

What is the single biggest strength that RUDOLF brings to this partnership?

WS: RUDOLF Group brings a global brand with a world class technology and a comprehensive product portfolio.

What is the geographical scope of this partnership? Does it allow both partners to penetrate into uncharted

Queries and Responses: author.colourage@gmail.com

territories and establish a larger footprint?

VR: At present, our prime focus is the growing Indian textile market. We look forward to explore more opportunities for co-operation in future.

WS: At present, the JV operates exclusively in India, However we will consider to explore new geographies with Atul in near future

How important are HSE and legislative considerations for RACL during its product development and market roll-outs?

VR: We always prioritized HSE in our premises being a chemical company and have a dedicated team for its rigorous implementation at the workplace. Atul has a well-established framework to review and monitor the health, safety and environment issues.

WS: Having operations worldwide, we need to have a 'hawk-eye' at every part of the world about the legislative developments. Our Product safety team provides guidelines for all our subsidiaries and JV companies. Additionally we have a separate team which works exclusively with Brands to understand their product safety requirements and ensures that

all our products comply with them

How would you look back at this journey of 5 years of partnership? Where do you see the next 5 years taking you?

VR: Looking back, we seem to have had a good start, but clearly we have a long way to go. There is a considerable scope for improvement, particularly in a situation where the customer expectations are rising steeply. We plan to strengthen our capacities further, develop more eco-concepts and build service driven teams to meet the market requirements.

WS: These 5 years we can term as a 'one of the milestones' and there is a long way ahead. India occupies a special place in our future growth plans, we will continue to invest in establishing synthesis and R&D facilities to have a cutting edge in this market. RACL is endeavoring to grow both organically and through acquisition. In the next 5 years we aim to be among the top 3 companies in the Indian textile chemicals market.

Technical Textiles and Digital Printing are two

What are your views on the Indian Textile/Garment Industry in terms of its strengths, weaknesses, opportunities and threats?

VR and WS:

Strengths

- The economy is growing rapidly and one can observe a potential international and domestic market
- Raw material is easily accessible - this acts as a major contributing factor in controlling the costs and minimizes the operational effort
- India is one of the largest exporters in the international market. India accounts for around 25% share of the global trade in cotton yarn
- The apparel industry holds about 12% of the total export across the globe
- The industry has an added advantage of having numerous segments which help in the provision of a huge variety of products
- Ease of availability of cost-effective and proficient manpower that contributes extensively in the growth of the industry

Weaknesses

- There is a huge dependency of the industry on cotton (56-58%)
- Rigid Labor laws
- High cost of electricity
- High interest rates and indirect taxes.
- Inadequacy of technological development which in turn affects productivity
- Lack of economies of scale

Opportunities

- The textile industry records an annual growth of around 6-8%
- A shift towards the market of branded ready-made garment is being observed
- More number of emerging malls and retail industries are providing opportunities to industry's segments like handicrafts and apparels
- An upsurge in the purchasing power and disposable income of Indian customers has opened room for new market development
- There is a provision of more FDI and investment opportunities

Threats

- Competing with other progressive countries like China/Bangladesh/Vietnam/Indonesia
- Striking a balance between the quality and price of products
- Satisfying the demands of people across the globe and at the same time, steadily improving the quality of the products
- Striking a balance between demand and supply
- Environmental and international labor laws
- International trade treaties (TPP, ASEAN) between countries may have effect on exports as well as domestic market

RACL ADVT

important areas of growth. What offerings and strategies does RACL have for these 2 segments?

VR: As a dyes manufacturer and globally amongst the largest manufacturer of Vat dyes, Technical textile is surely a focus area for us. Key segments include work-wear and automotive textiles where we have a substantial share. We have evaluated and screened our products mainly to serve this sectors and comply with all their performance requirements.

WS: Technical Textiles segment is surely close to our hearts.

We have developed PFC free Water Repellent concept BIONIC FINISH ECO, which has given us good success worldwide.

We also offer C-6 fluorocarbon based products for oil and water repellency, HYDROCOOL- moisture management concept, RUCOTHERM- thermoregulation concepts, SILVERPLUS- antibacterial agents, etc. All these products and concepts are ahead of their times and we are prepared with the right products for a sustainable future.

RACL Celebrates 5th Anniversary – Inaugurates state-of-the-art laboratory.

Rudolf Atul Chemicals Ltd (RACL) celebrated its 5th anniversary on November 18, 2016 in the presence of Mr Wolfgang Schumann, Managing Director – Rudolf Group as their special guest along with Dr W A Schumann, Chairman - RACL, Mr Sunil Lalbhai, Chairman and Managing Director - Atul Ltd, Dr GVG Rao, Managing Director - RACL and the Board of Directors. The Company commemorated the occasion with stakeholders and distributors to acknowledge their efforts and contributions towards its consistent growth. At this very special occasion, RACL inaugurated its ultra-modern Application Development Centre to provide enhanced technical support to its customers in India

Dr W A Schumann, Chairman - RACL while addressing the stakeholders said, 'exactly five years ago Rudolf and Atul signed an agreement which began our partnership that was in reality a fusion of the better of our own two companies. The idea was to ensure that our synergy gave us a competitive edge in the challenging market environment. Five years is a short time and we are still growing but in a sector that is constantly and rapidly changing; it means we have managed to create a niche for ourselves. I am convinced that together we will achieve much more because we have the best team with a single goal - to make RACL one of the key player in Indian market.'

Mr Sunil Lalbhai, Chairman and Managing Director - Atul Ltd in his address mentioned, 'at Atul, we have always valued partnership and have understood the importance of synergies. The partnership of Rudolf and Atul has involved harnessing unique abilities of each one of us to achieve a larger goal. Looking ahead, we are focused on accelerating the execution of our growth strategy while continuing to build on the strengths of our brands. I am excited about this journey and look forward to creating many milestones over years. I truly believe the best is yet to come.'

Dr GVG Rao, Managing Director – RACL, on this occasion presented 'Vision 2020' and said, 'Our success is an outcome of the amazing team spirit of our people who work relentlessly to promote our image. We thought it would be apt to dedicate this celebration to our TEAM and acknowledge that "Together Everybody Achieves More". The journey has just begun and we are committed to accelerate our growth and reach new heights of excellence together.'

The ceremony concluded with "Releasing of the Souvenir" which manifested the 5 year journey of RACL and messages from the Directors.

Rudolf Atul Chemicals Ltd (RACL) started its operations in 2011 at Atul, Valsad in Gujarat. The Company is a 50-50 joint venture of Rudolf GmbH and Atul Ltd and is able to leverage the strengths of its two promoters, helping them to participate in the growing Indian Textile market.



[L-R] Dr GVG Rao, Mr Sunil Lalbhai, Dr W A Schumann, Mr Wolfgang Schumann and Mr Shekhar Singh releasing the Souvenir.



Mr Wolfgang Schumann inaugurating RACL Application Development Centre