



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

By Online Submission

Sec/17-18/216  
Date: 11/01/2018

To,  
The General Manager,  
**BSE Ltd.**  
1st Floor, New Trading Ring,  
Rotunda Building, P.J. Tower,  
Dalal Street, Fort  
Mumbai- 400 001  
BSE Code: 524370

To,  
The General Manager,  
**National Stock Exchange of India Ltd.**  
Exchange Plaza,  
Plot no. C/1, G Block,  
Bandra-Kurla Complex  
Bandra (E), Mumbai - 400 051.  
NSE CODE: BODALCHEM

Dear Sir/Madam,


**SUB: INVESTOR PRESENTATION FOR JANUARY 2018 FOR INVESTOR.**

**Ref:** Regulation 30, Schedule III Part A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With reference to the above captioned subject, we herewith enclosed Investor Presentation for January 2018.

This is for your information and record please.

Thanking You,  
**For, BODAL CHEMICALS LTD.**

  
Ashutosh B. Bhatt.  
Company Secretary



Encl: As Above.

**HEAD OFFICE:**

Plot No. 123-124, Phase-1,  
G.I.D.C, Vatva, Ahmedabad- 382 445.,  
Gujarat, India.

[www.bodal.com](http://www.bodal.com)

CIN No. : L24110GJ1986PLC009003

**Tel:** +91 79 2583 5437

2583 4223, 25831684

**Fax:** +91 2583 5245, 25836052

**E-mail:** bodal@bodal.com



Coming out with  
flying colours



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

Investor Presentation  
January 2018

# Forward Looking Statements

*This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Bodal Chemicals’ future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Bodal Chemicals undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.*

# Index

<b>No.</b>	<b>Subject</b>	<b>Page</b>
1.	Executive Summary	4
2.	Journey	5
3.	Dyestuff Industry Overview	6
4.	Global Revenues	7
5.	Customer Relationships	8
6.	Manufacturing Facilities	9-11
7.	Environmental Facilities	12-15
8.	CAPEX	16
9.	Key Growth Drivers	17-18
10.	Board of Directors	19
11.	Key Management Persons	20
12.	Financials	21

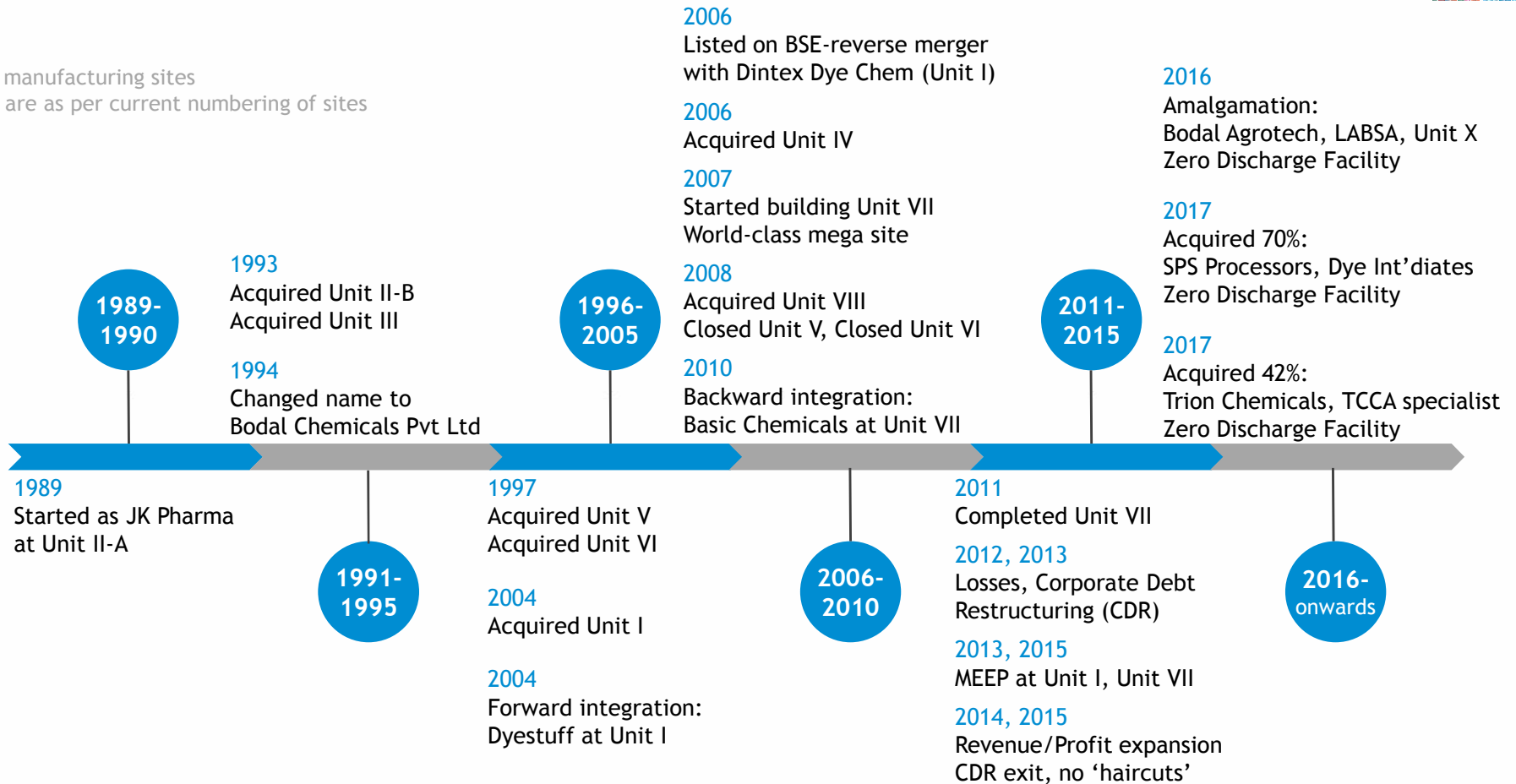
# Executive Summary

- Bodal was incorporated in 1989 by Mr. Suresh Patel, a first generation entrepreneur
- Bodal is today one of the globally leading, integrated Dyestuff companies from India
- The Company's FY2017 Consolidated Financials are:
  - Revenues : Rs. 12,431 million
  - EBITDA : Rs. 2,326 million
  - PAT : Rs. 1,286 million
  - ROCE : 48.0%
  - RONW : 35.8%
  - D/E : 0.4
- Over the past 10 years, Bodal's business has expanded rapidly:
  - Revenues : 4.8 x
  - EBITDA : 11.5 x
  - PAT : 11.5 x
- Market capitalization is Rs. 20.0 billion (08-01-18). Promoters own 54.9%

As a globally competitive Dyestuff company, Bodal is keenly investing in its future

# Journey

Notes:  
Units are manufacturing sites  
Unit Nos. are as per current numbering of sites



Bodal has built over 28 years with a healthy mix of organic + inorganic growth

Coming out with flying colours

# Dyestuff Industry Overview

16% India's share in global Dyestuffs production

85% Gujarat and Maharashtra's share in Indian Dyestuff production

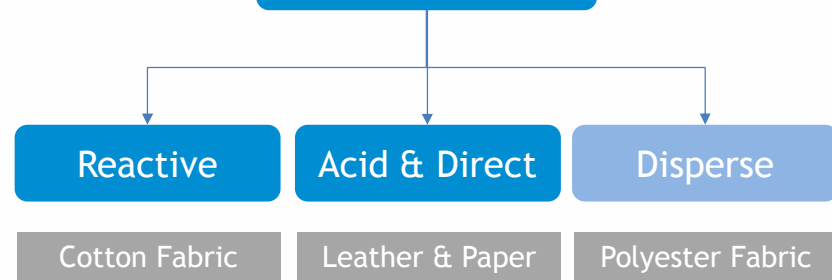
50% Organized sector's share in Indian Dyestuff production

Source: IBEF January 2016; Industry

## Industries that use Dyes

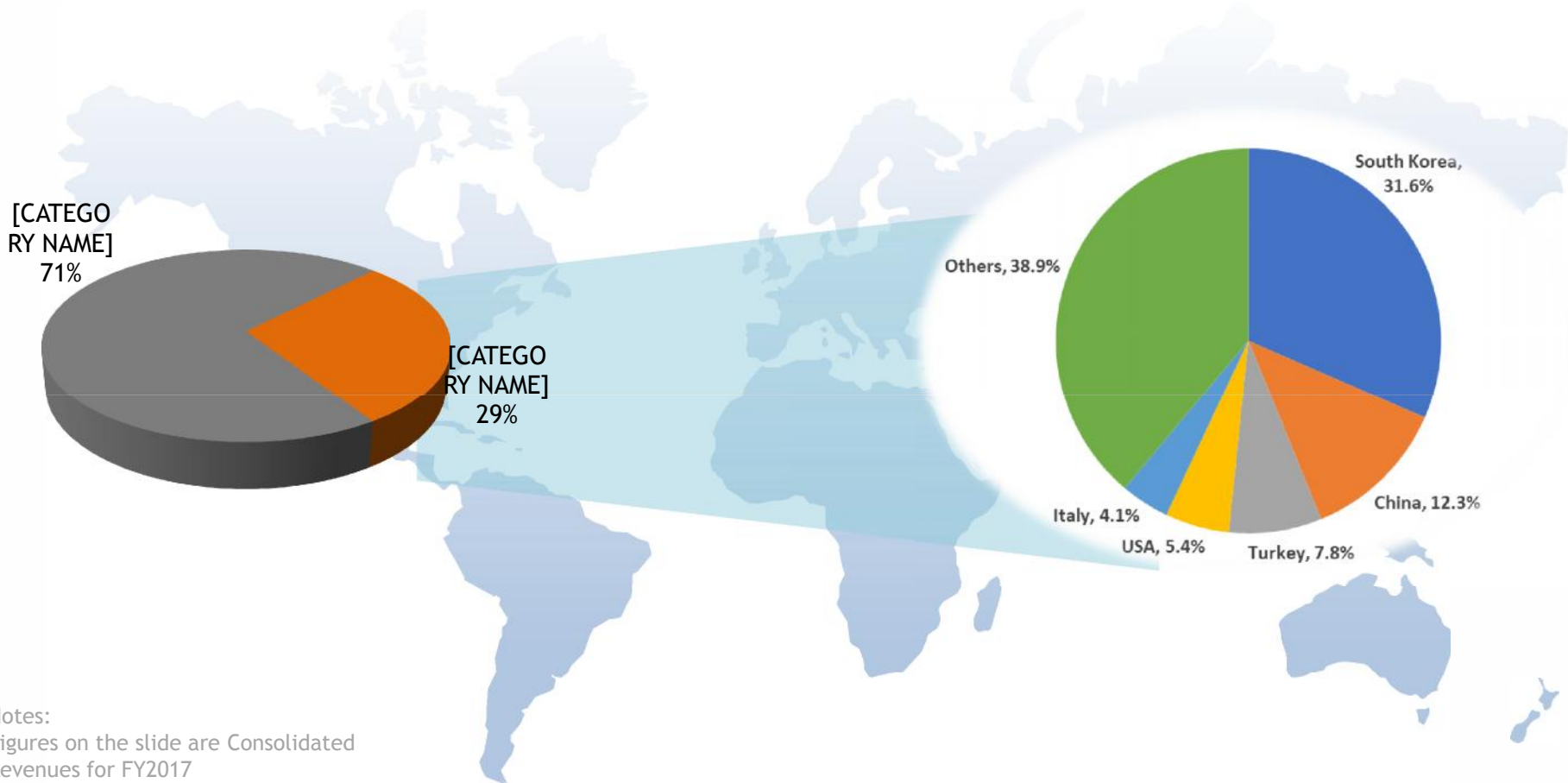
Textiles	Paper	Cosmetics
Leather	Plastics	Food Products

## Types of Dyes



Bodal's facilities are mostly in Gujarat. It produces Reactive, Acid & Direct Dyes

# Global Revenues



Notes:  
Figures on the slide are Consolidated Revenues for FY2017

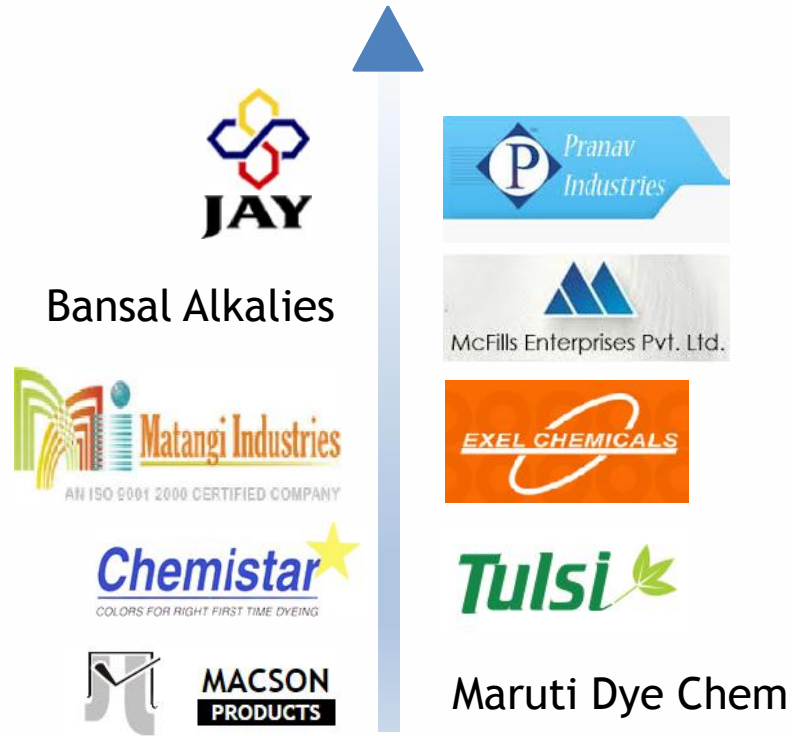
**FY2017 Revenues Rs.12.4 billion with Exports to 151 customers from 41 countries**

*Coming out with flying colours*



# Customer Relationships

## Top Domestic Customers



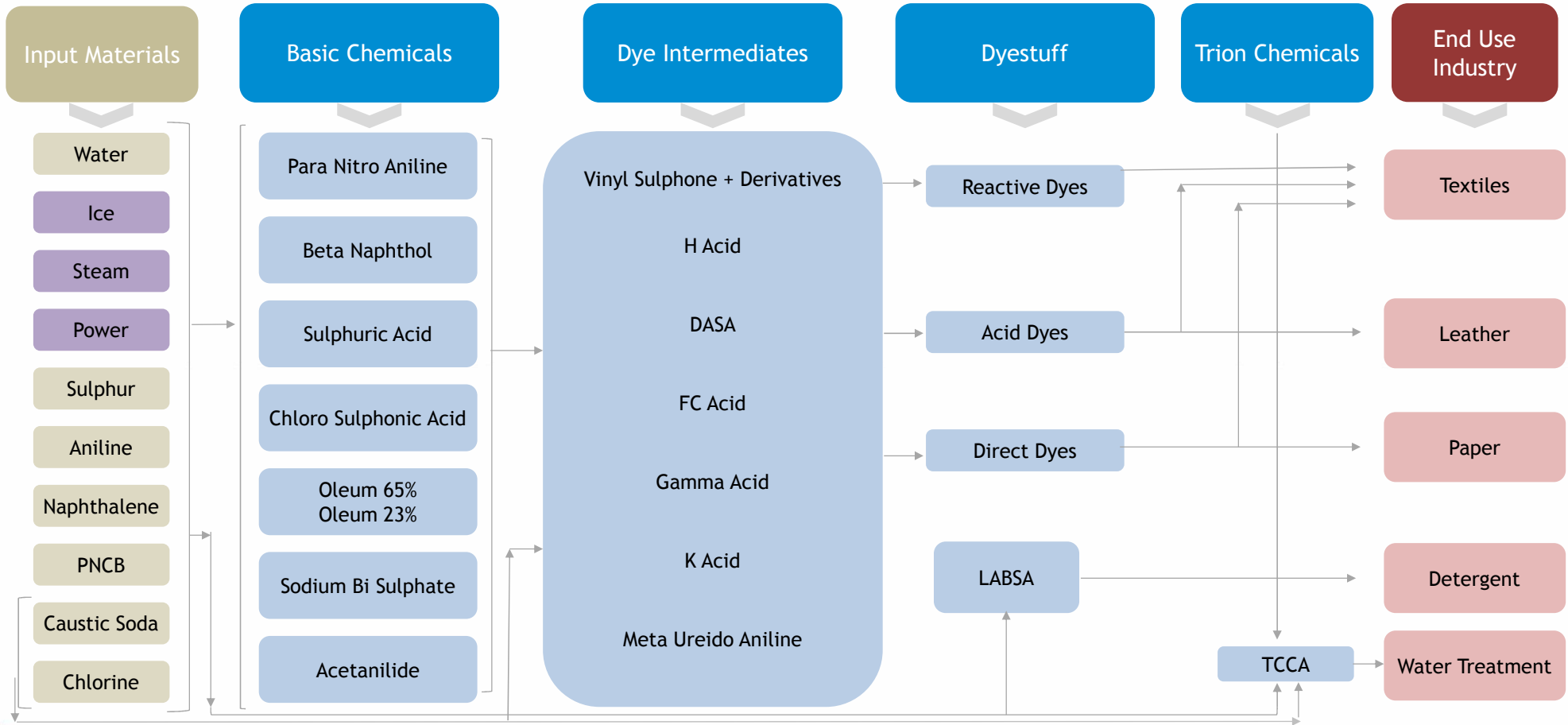
## Top International Customers



Relationships with top Domestic and International Customers

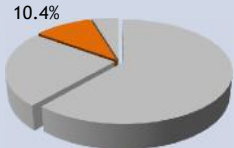
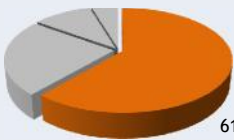
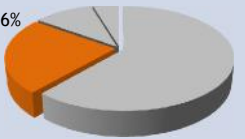
# Manufacturing Value Chain

- Input Materials - part/full in-house
- Input Materials - external
- Bodal Chemicals Products
- End use industries



Basic Chemicals and Dye Intermediates in-house use is about 45% and 40% rspy

# Manufacturing Capacities

	Contribution	Annual Capacity	Highlights
Basic Chemicals	 <p>10.4%</p>	190,000 MT	<ul style="list-style-type: none"> <li>Captive Power Plant and Steam generation</li> <li>Centrally located, latest upgraded manufacturing facilities</li> </ul>
Dye Intermediates	 <p>61.4%</p>	* 33,000 MT	<ul style="list-style-type: none"> <li>Permission for treated effluent disposal of 1 million liters/day</li> <li>Produces about 25 variants</li> </ul>
Dyestuff	 <p>23.6%</p>	27,000 MT	<ul style="list-style-type: none"> <li>Captive Ice Plant of 300 MTs/day</li> <li>Produces about 150 variants</li> <li>Liquid Dyestuff capacity 10,000 MTPA</li> </ul>

## Notes:

- Contribution mentioned above is % of Consolidated FY2017 Revenues
- \*Above mentioned capacity includes SPS H Acid capacity of 3,000 MTPA
- In addition to above capacity, the following capacities are planned to be added:

- SPS Vinyl Sulphone Mar-18: 6,000 MTPA
- Bodal Dyestuff expansion Mar-18: 12,000 MTPA
- Bodal Thionyl Chloride Sep-18: 36,000 MTPA

**Of Bodal Total: Basic Chemicals, Dye Intermediates & Dyestuff is 250,000 MTPA**

# Manufacturing Facilities

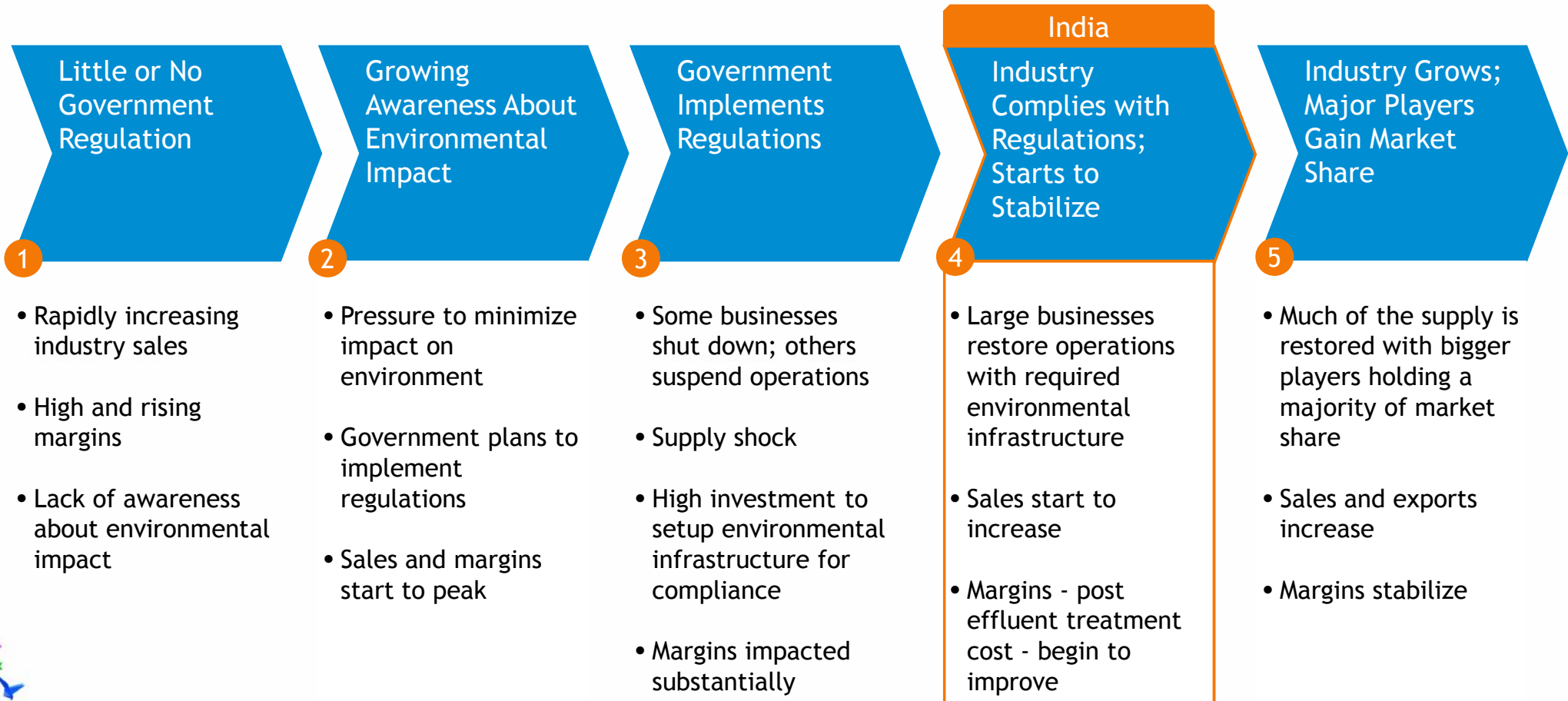
Plant	Location	Basic Chemicals	Dye Intermediates	Dyestuff	LABSA	TCCA
Capacity (MTPA)		190,000	33,000	27,000	18,000	12,000
Unit I	Ahmedabad	P	P	P	.	.
Unit II	Ahmedabad	P	P	.	.	.
Unit III	Ahmedabad	.	P	.	.	.
Unit IV	Ahmedabad	.	.	P	.	.
Unit VII	Vadodara	P	P	P	.	.
Unit VIII	Vadodara	.	P	.	.	.
Unit IX	Bharuch	P	.	.	.	.
Unit X	Vadodara	.	.	.	P	.
SPS Processors	Kosi	.	P	.	.	.
Trion Chemicals	Khambhat	.	.	.	.	P

**Notes:**

1. Unit V closed in FY2009, sold in FY2017
2. Unit VI closed in FY2009
3. Unit VII is one of Industry's leading integrated Plants in India; it produces about 70% of Bodal production

**Basic Chemicals + Dye Intermediates + Dyestuff + LABSA + TCCA capacity is 280,000 MTPA**

# Environment Facilities - India's evolution & competitiveness



Indian Dyestuff industry is globally well placed for sustainable growth

# Environmental Facilities

## Safety, Health & Environment at Bodal

### Safety

- Safety Representative for each Plant
- Fire Hydrant for each Plant
- Safety training
  - Safety induction
  - Class room training
  - On the job training
  - Mock drill

SHE: Safety, Health and Environment

### Health

- In-house Occupational Health Center
  - Full time doctors
  - Medical representatives
  - 24 hour company ambulance
- Pre medical checkup
- Annual medical checkup
- Special camps

### Environment

- Air Pollution Management
  - In-house facilities
  - Recover & re-use
- Solid Waste Management
  - Sludge & Gypsum
- Waste Water Management
  - External Association Membership
  - In-house Facilities

Bodal's focus on safety, health and environment is key to sustainable growth

## In-house Facilities at Bodal

### Effluent Treatment Plant (ETP)

- Treats low load waste water
- Compliant with GPCB, CPCB norms
- Capacity 500,000 liters/day
- Chemical oxidation
- Flocculation
- Clarification
- Bio-degradation by AIS \*
- Tertiary Poly system
- Online monitoring system

\*AIS: Advent Integrated System, Advent Corporation, USA

### Multiple Effect Evaporator Plant (MEEP)

- Treats high load waste water
- Recovers salts - captively used/sold
- Capacity 500,000 liters/day
- Investment of Rs. 350 million
- Benefits:
  - Needs low steam, power
  - Re-use of condensed water
  - Integrated Zero Discharge System

### Effluent Spray Dryer Plant (ESDP)

- Treats high load waste water beyond MEEP
- Minimizes treatment cost
- Spray Dryers: 3x100,000 liters/day
- Incinerators : 3x125,000 liters/day

Bodal's focus on safety, health and environment is key to sustainable growth

# Environmental Facilities

Plant	Location	Zero Waste Discharge Site (Solid+Liquid+Air)	Effluent Treatment Plant (ETP)	Common Effluent Treatment Plant, (CETP, at GIDC)	Multiple Effect Evaporator (MEEP)	Effluent Spray Dryer Plant (ESDP)	Solid Waste Incinerator Plant	Treated Effluent Discharge Access VECL Canal Lit./Day
Unit I	Ahmedabad	.	P	P	P	P	P	.
Unit II	Ahmedabad	.	P	P	.	.	.	.
Unit III	Ahmedabad	.	P	P	.	.	.	.
Unit IV	Ahmedabad	.	P	P	.	.	.	.
Unit VII	Vadodara	.	P	.	P	P	P	949,000
Unit VIII	Vadodara	.	P	.	P	P	P	23,800
Unit IX	Vadodara	P	P	.	.	.	.	.
Unit X	Vadodara	P	P	.	.	.	.	.
SPS Processors	Kosi	P	P	.	.	.	.	.
Trion Chemicals	Khambhat	P	P	.	.	.	.	.

Note: VECL- Vadodara Enviro Channel Limited

**Bodal's Environmental Facilities Grid - latest 4 sites are Zero Waste Discharge Sites**

Coming out with flying colours



# CAPEX

- **CAPEX**
  - In FY2017 was Rs. 482 million
  - In FY2016 was Rs. 251 million
- **Bodal's emphasis is continually on**
  - Embracing better technologies
  - New laboratory equipment
  - Expansion of production facilities
  - Betterment of ETP facilities
- **CAPEX plans ahead are about Rs. 2,685 million**
  - Dyes capacity expansion + Ice Plant + MEEP
  - Cogeneration Power Plant + Utility section upgrade
  - Thionyl Chloride Plant (forward-backward integration)
  - Vinyl Sulphone Plant at SPS Processors
  - Maintenance CAPEX

**Bodal is keenly investing for sustained high growth over next 3 years**

*Coming out with flying colours*

# Key Growth Drivers

- **Dyes Capacity Expansion plus Ice Plant and MEEP**

Capacity expansion by 12,000 MTPA. Bodal has strong presence in Acid base black. With the new capacity, Bodal will increase high value dyes such as Acid brown, Acid red, Direct yellow, Direct red, Reactive blue, Reactive orange, Reactive printing dyes, and Red yellow

- **Cogeneration Power Plant + Utility section upgrade**

Upgrade existing major Utility facilities at Unit VII. With a Cogeneration Power Plant, Bodal wishes to achieve substantial saving in energy cost. Project will generate Power of 5MW along with Steam. It will also enable uninterrupted production

- **Thionyl Chloride Plant (TC)**

TC sits very interestingly between Sulphuric Acid and Vinyl Sulphone. Therefore, TC is a forward+backward integration project. Bodal will build a TC Plant of 36,000 MTPA at Unit VII. SO<sub>3</sub> from Sulphuric Acid Plant will be used to make TC. Then, TC will be used to make Vinyl Sulphone. About 30% TC will be used in-house. Bodal will benefit from scale, low inventory, quality supply and no logistics cost. Balance 70% TC will be sold to pharma, agro and chemical industries in the vicinity. Presently, there are only three major TC producers

- **Vinyl Sulphone Plant at SPS Processors**

New Vinyl Sulphone Plant of 6,000 MTPA. By producing both H Acid and Vinyl Sulphone, SPS will utilize effluents of the two Plants into a single effluent stream. This will result in additional revenue and reduce cost of managing effluent

**Bodal is keenly investing for sustained high growth over next 3 years**

# Key Growth Drivers

- **Liquid Dyes**

Bodal has recently built liquid dyes capacity of 10,000 MTPA. These dyes are used by Paper industry, which orders in yearly contracts. As Bodal becomes a vendor to new clients, capacity utilization will increase giving a new growth avenue

- **Trion Chemicals**

Trion has recently set up TCCA capacity of 12,000 MTPA. There is significant demand for TCCA in US and other international markets, and the domestic market. As the Company increases its market coverage, this product will present a new growth avenue

- **Inorganic growth**

Bodal continually seeks to pursue both organic and inorganic growth opportunities. We continue to look at acquisition of distressed assets that can be turned into productive manufacturing assets. Acquisitions could also be a means to improve integration of our businesses, gain technology, grow market share in existing geographies or to expand operations into new geographies



**Bodal is keenly investing for sustained high growth over next 3 years**

*Coming out with flying colours*

# Board of Directors



**Suresh J. Patel**  
Chairman & Managing Director

Founded Bodal in 1989 as a young, first generation entrepreneur, relocating to Ahmedabad from his farming village - Bodal, district Anand, Gujarat.

Built Bodal Chemicals over nearly three decades. Has played a number of senior industry roles over the years. As Chairman, continues to inspire the senior management team to growth and excellence

**Bhavin S. Patel**  
Executive Director

14 years with Bodal Chemicals. Heads the Dyestuff Division. He also leads the Liquid Dyestuff, Trion Chemicals initiatives. He holds a Bachelors Degree in Science

**Ankit S. Patel**  
Executive Director

10 years with Bodal Chemicals. Heads the Basic Chemicals Division. He also leads the LABSA initiative. He holds a Masters Degree in Business Administration from USA

**Bipin R. Patel**  
Independent Director

35 years experience in the dyes and pigments industry. Independent Director since 2007. He holds BA and LLB Degrees

**Sunil K Mehta**  
Independent Director

30 years experience in Accounting, Finance and Taxation matters. He holds a Master's degree of Commerce and a degree in law from Gujarat University and holds degree of FCA from ICAI.

**Nalin Kumar**  
Independent Director

24 years experience in international financial services. Presently, CIO, SREI Alternate Investments. Independent Director since February, 2017. Mr. Kumar is BTech, IIT-Kharagpur, MBA, IIM-Calcutta

**Neha Huddar**  
Independent Director

34 years experience in Finance & Accounts, M&A, HR, and CSR. Ex-Group CFO, Thirumalai Chemicals. Independent Director since May, 2017. Ms. Huddar is BCom, Mumbai University, and a C.A.

**Bodal's Board has rich and diversified experience in industry & governance**

*Coming out with flying colours*

## Key Management Persons



**Prasad H. Pujari**  
Head - Sulphur Products Division

29 years experience, 9 years with Bodal Chemicals. Heads Sulphur Products Division. He also heads expansion projects. He holds a Masters degree in Chemical Engineering, UDCT, Mumbai

**Mayur B. Padhya**  
Chief Financial Officer

22 years experience, 17 years with Bodal Chemicals. Heads Finance, Accounts, Internal Audit, Exports, Secretarial and Corporate Affairs. He is a Chartered Accountant and a Cost & Management Accountant

**V. K. Shashidharan**  
Vice President - Technical

36 years experience, 8 years with Bodal Chemicals. Oversees process innovation, and efficiency initiatives in production & maintenance. He holds a Bachelor's degree in Metallurgy, NIT, Warangal

**Bansibhai Patel**  
President - Production & Technical

30 years experience, 27 years with Bodal Chemicals. Oversees Units 1, 2, 3 and 4. He holds a Masters degree in Science

**Rakeshbhai R. Patel**  
President - Production & Technical

22 years with Bodal Chemicals. Oversees Units 7 and 8. He holds a Bachelors degree in Science

**Ashutosh B. Bhatt**  
CS & Compliance Officer

5 years with Bodal Chemicals. He holds a graduate degree in commerce from Hemchandracharya North Gujarat University, Patan

Committed senior management team - long experience of growth & excellence

*Coming out with flying colours*

## Financials

# Consolidated Balance Sheet

For the year ended 31 March

	FY2016-17	FY2015-16	FY2014-15
	Rs. million	Rs. million	Rs. million
Shareholders Funds	3,592	2,345	1,814
Equity Share Capital	218	218	218
Preference Share Capital	-	-	250
Reserves & Surplus	3,374	2,127	1,346
Minority Interest	17	-	-
Long-term Loans	78	6	862
Long-term borrowings	78	6	862
Current Liabilities			
Short term borrowings	1,411	1,422	1,224
Other Current Liabilities (including DTL)	1,877	1,325	1,442
Total Liabilities	6,975	5,098	5,342
Non-current Assets	2,910	2,024	2,114
Fixed Assets	2,306	1,922	1,930
Investments	125	16	17
Other Non-Current Assets	479	86	167
Current Assets	4,065	3,074	3,228
Sundry Debtors	2,305	1,667	1,972
Inventory	1,308	898	779
Other Current Assets	452	509	477
Total Assets	6,975	5,098	5,342

**Bodal seeks to maintain D/E <0.5 while investing in growth & profitability**

# Consolidated Profit & Loss Account

For the year ended 31 March	FY2016-17 Rs. million	FY2015-16 Rs. million	FY2014-15 Rs. million
Revenues	12,431	9,218	10,500
Cost of Goods Sold	7,973	5,706	6,579
Gross Profit	4,458	3,512	3,921
Personnel Expenses	429	368	453
Other Expenses	1,703	1,528	1,580
Total	10,105	7,602	8,612
EBITDA	2,326	1,616	1,888
Finance Cost	87	122	273
Depreciation	289	258	223
Exceptional Expenses/ (Income)	(49)	(68)	-
Profit Before Tax	1,999	1,304	1,392
Tax	712	445	474
Profit After Tax	1,286	859	918
Gross Contribution (%)	35.9%	38.1%	37.3%
EBITDA Margin (%)	18.7%	17.5%	18.0%
PAT Margin (%)	10.3%	9.3%	8.7%
Tax Rate (%)	35.6%	34.1%	34.1%

Note: There are regroupings done between Personnel & Other expenses during FY15 for comparison purpose

**Bodal has worked on expanding profitability along with Revenue growth**



## FY2007-17: Financial Performance

Financial Year	Revenues	EBITDA	PAT	* EPS	EBITDA	PAT	Power+Fuel
Consolidated	Rs. million	Rs. million	Rs. million	Rs.	%	%	%
FY2006-07	2,581	202	112	10.3	7.8%	4.3%	3.9%
FY2007-08	4,160	420	175	16.2	10.1%	4.2%	4.8%
FY2008-09	4,051	44	(111)	(7.1)	1.1%	(2.7)%	7.4%
FY2009-10	4,866	527	135	6.8	10.8%	2.8%	9.2%
FY2010-11	5,738	617	166	1.7	10.8%	2.9%	9.0%
FY2011-12	6,152	49	(298)	(2.9)	0.8%	(4.8)%	7.7%
FY2012-13	5,335	239	(232)	(2.1)	4.5%	(4.4)%	7.9%
FY2013-14	9,632	1,925	302	2.8	20.0%	3.1%	4.6%
FY2014-15	10,500	1,888	918	8.4	18.0%	8.7%	4.9%
FY2015-16	9,218	1,616	859	7.9	17.5%	9.3%	5.4%
FY2016-17	12,431	2,326	1,286	11.8	18.7%	10.3%	4.4%
CAGR 3 years	8.9%	6.5%	62.1%	62.1%			
CAGR 5 years	15.1%	116.5%	-	-			
CAGR 7 years	14.3%	23.6%	38.0%	36.2%			
CAGR 10 years	17.0%	27.7%	27.7%	* 18.6%			

\* EPS is reported EPS. It is calculated after any bonus, rights, mergers, amalgamations, warrants and stock splits

EPS CAGR% is calculated after adjustment for 5:1 stock split in FY2010-11

Revenues, Profits and Earnings 10-year CAGR is 17.0%, 27.7% and 18.6% respectively

## FY2007-17: Financial Performance

Financial Year	Revenues	EBITDA	PAT	Interest	Net Debt	Networth	Net D/E	ND/EBITDA
Consolidated	Rs. million	Rs. million	Rs. million	Rs. million	Rs. million	Rs. million	X	X
FY2006-07	2,581	202	112	34	740	357	2.1	3.7
FY2007-08	4,160	420	175	90	1,365	473	2.9	3.3
FY2008-09	4,051	44	(111)	130	1,835	507	3.6	41.7
FY2009-10	4,866	527	135	202	2,594	579	4.5	4.9
FY2010-11	5,738	617	166	228	2,853	789	3.6	4.6
FY2011-12	6,152	49	(298)	346	3,398	582	5.8	69.3
FY2012-13	5,335	239	(232)	404	3,467	502	6.9	14.6
FY2013-14	9,632	1,925	302	469	3,682	905	4.1	1.8
FY2014-15	10,500	1,888	918	273	2,057	1,815	1.1	1.1
FY2015-16	9,218	1,616	859	122	1,391	2,346	0.6	0.9
FY2016-17	12,431	2,326	1,286	87	1,342	3,593	0.4	0.6

Bodal majorly grew assets between 2006-10. D/E and Debt/EBITDA went up to 4.5x and 4.9x respectively in FY2010

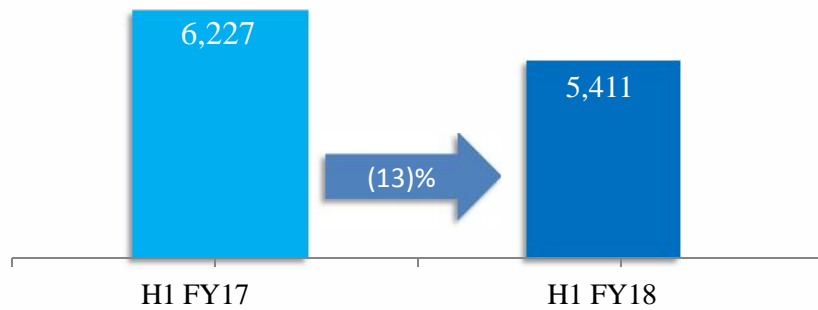
High Interest and Forex losses caused Net Loss in FY2009, FY2012 and FY2013

As benefits of expansion came – global competitiveness, higher realization and profitability – Bodal pared down Debt

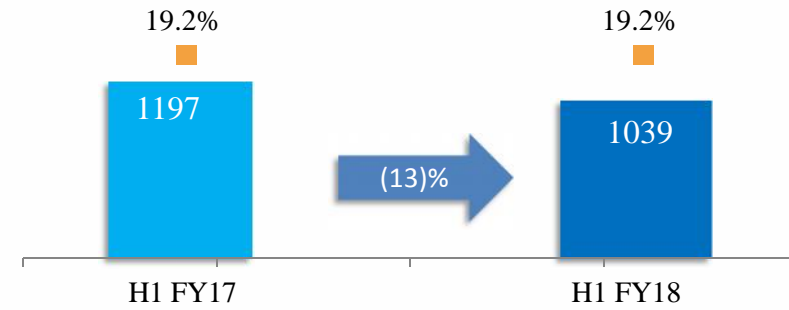
**Bodal now follows conservative practices of D/E < 0.5 and no open Forex exposure**

# H1-FY2018

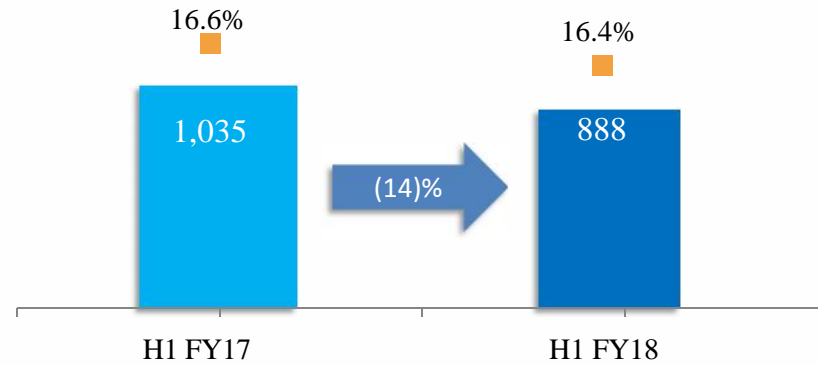
## Net Revenue (Rs. Million)



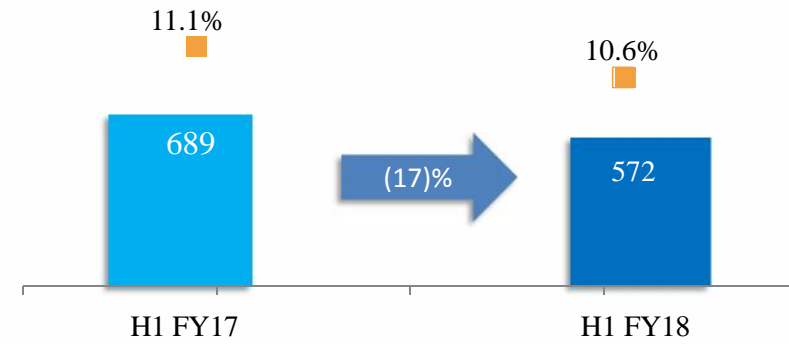
## EBITDA (Rs. Million) and Margin (%)



## Profit Before Tax (Rs. Million) and Margin (%)



## Profit After Tax (Rs. Million) and Margin (%)



Higher EBITDA margin maintained, revenue de-growth from GST & lower prices

## CSR Initiatives

- Bodal seeks to be a responsible corporate citizen. It works through Trusts and YUVA – a renowned NGO
- Bodal's focus area is enhancement of rural infrastructure and healthcare
  - Providing funds for construction for drinking water pipelines
  - Conducting regular health check-up camps
- Bodal also promotes sports, with contributions to
  - Sports Council of the Deaf Basketball Club
  - Promoting individual talent to represent the country in sporting events
- Bodal's CSR contribution was Rs. 21.5 million in FY2017

Bodal's areas of work are rural infra & healthcare and sports



Thank you

Mayur Padhya  
CFO, Bodal Chemicals Ltd.  
+91 79 2583 5437  
mayur@bodal.com



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

CIN : L24110GJ1986PLC009003

Plot No. 123-124, Phase - I, G.I.D.C.,  
Vatva, Ahmedabad - 382 445, Gujarat  
[www.bodal.com](http://www.bodal.com)