



Chembond Chemicals Limited

About us and our activities

2017-18



Welcome

- Chembond Chemicals Limited is in its 43rd year of operations
- Consistent performer; dividend paying since inception
- Pan-India manufacturing, sales and service footprint
- R&D and Head Office in Navi Mumbai, Maharashtra
- Diversified specialty performance chemicals portfolio

- Core segments we operate in:
 - Water
 - Animal Nutrition
 - Construction
 - Industrial Technologies
- Family driven, professionally managed agile organization
- Senior leadership and field team work along with customers
- Fair risk appetite as new business lines are evaluated and incubated continuously

- Slides following this would walk you through:
 - Water treatment chemicals business
 - Animal health and nutrition business
 - Construction chemicals business
 - Industrial technologies business
 - Financial performance



Water Treatment

Chembond Chemicals Limited

2017-18

Water

- Water is extensively used by industries
- Different areas / applications of water:
 - Raw Water, Boiler Water, Cooling Water, Waste Water, RO membrane
- Raw water quality and availability varies across the country / world
- Treatment of raw water for any further use thus becomes critical
- Inadequate / improper treatment becomes detrimental to plant performance and longevity

What We Do

- Specialty Water Treatment chemicals
 - Raw water treatment coagulants
 - Boiler water treatment formulations
 - Cooling water treatment products
 - Waste water treatment flocculants
 - Reverse Osmosis (RO) membrane treatment chemicals
- Water treatment equipment
 - Filtration systems for suspended solids removal
 - RO and Resin based solutions for dissolved solids removal
 - Waste water treatment systems for treating and recycling water
 - Special solutions for process water treatment and recovery
- Bio-remediation of industrial waste water using microorganisms

WITH YOU FOR YOUR WATER TREATMENT NEEDS



	1 Raw Water Tank	2 Clarifier	3 Treated Water Tank	4 Cooling Tower	5 Boiler	6 Process Water	7 Effluent Tank	8 Secondary Clarifier	9 Treated Water Tank
We Offer	<ul style="list-style-type: none"> Coagulants 	<ul style="list-style-type: none"> Flocculants Scraper Media Filters 	<ul style="list-style-type: none"> Disinfectants 	<ul style="list-style-type: none"> Corrosion Inhibitors Scale Inhibitors Dispersants Biocides Chemical Dosing Skid Blow down water filters 	<ul style="list-style-type: none"> Sludge Conditioners Oxygen Scavengers Condensate Corrosion control DM Plant Condensate Polisher 	<ul style="list-style-type: none"> DM Plant UF Plant RO Plant RO Membrane treatment 	<ul style="list-style-type: none"> Coagulants Microbial cultures Aeration system 	<ul style="list-style-type: none"> Flocculants Odor control Enzymes Filtration equipment 	<ul style="list-style-type: none"> Disinfectants
Purpose	Once coagulants are added and mixed, heavy particles in the water begin to stick together and form large and heavy flocs.	Flocculants are added to accelerate settling of the flocs. These large particles are removed by scrapers. The water passes through media based filters for further turbidity reduction.	Chlorine Dioxide and/or Chlorine are added to treated water to control microbiological growth. Untreated water with microbial load can cause various problems.	Chemicals are added to control corrosion, scale, deposition and biological fouling in heat transfer equipment. Chemical dosing is automated by dosing skids. Blow down water is passed through filters for re-use in cooling towers.	Improved efficiency is achieved through use of corrosion and scale control chemicals in boilers. Feed water quality of high purity is obtained through DM plants. Condensate polishers enable water re-use.	Process side water generally needs to be of a particular quality. This quality is obtained by treating the water through equipment. RO membranes need to be clean and scale free to maintain throughput.	Microbial cultures help break down complex chemical pollutants and reduce pollution load. Aeration is very important to provide oxygen for break down activity. Coagulants help form large flocs.	Foul odor is an often neglected problem in ETP's. Enzymes are safe to use odor control products. Flocculants accelerate settlement of flocs and their transfer to sludge tank. Filters further reduce turbidity.	Chlorine Dioxide and/or Chlorine are added to treated water to control microbiological growth. Untreated water with microbial load can cause various problems.

Application Areas

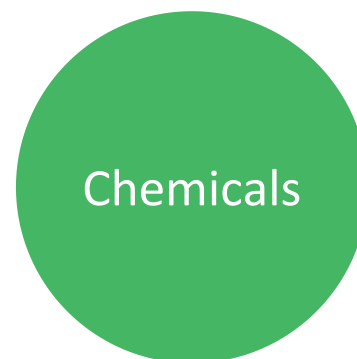


Complete Water Treatment solutions

Chembond Clean Water Technologies Ltd



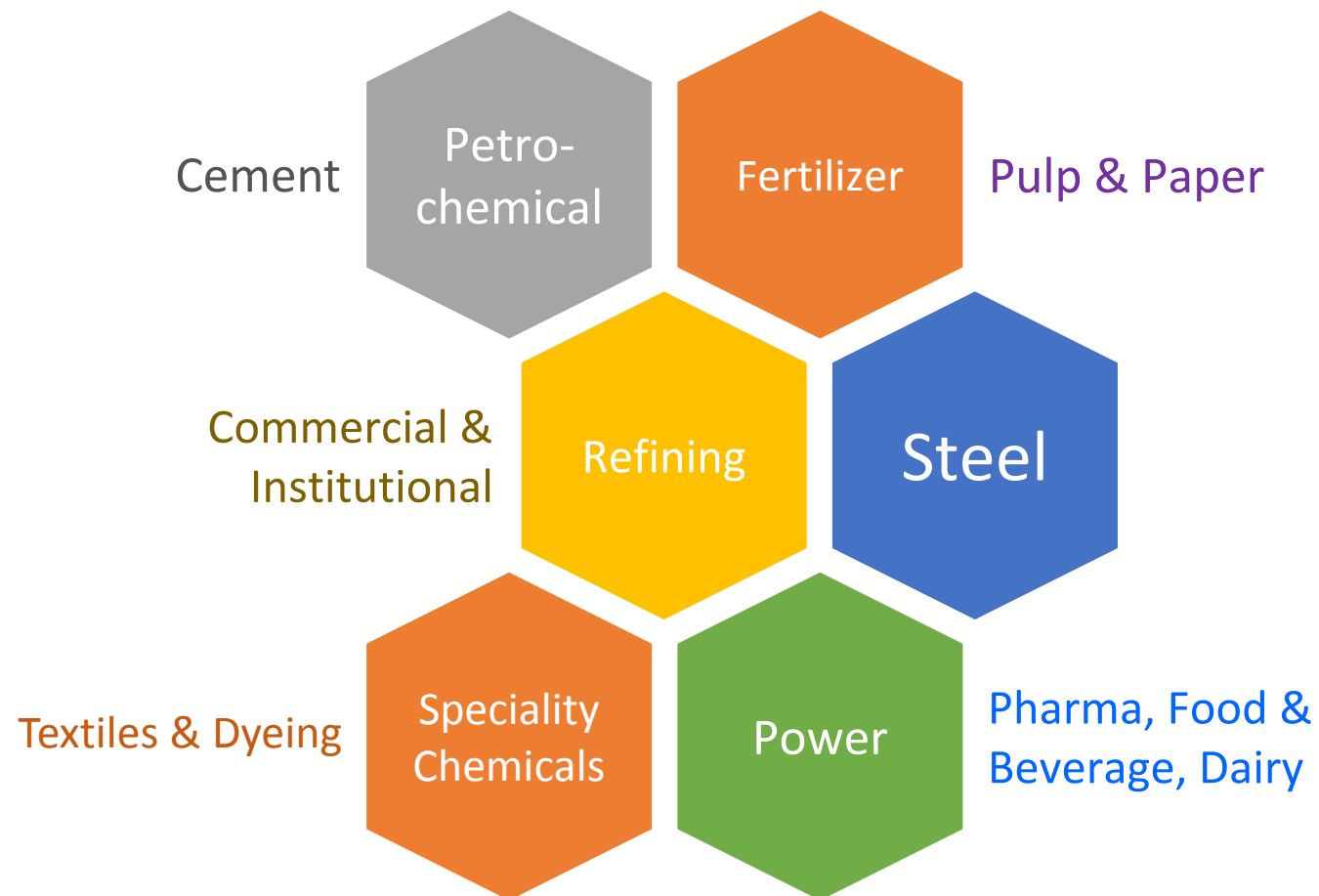
Chembond Water Technologies Ltd



Superior Performance = Customer Satisfaction



Customer Segments



Our Silver Bullets

- Integrated solutions – equipment, bio-remediation and chemicals
- Trained, Empowered and Dedicated services team
- Pioneer in India for leading edge technology introductions:
 - Glassy Zinc Polyphosphate corrosion inhibitor
 - Chlorine Dioxide based oxidizing biocide
 - Multicomponent, concentrated product tablets for mid-sized water systems
 - Performance Based, self learning monitoring and control automation
- Excellent track record since 1982



Animal Health & Nutrition

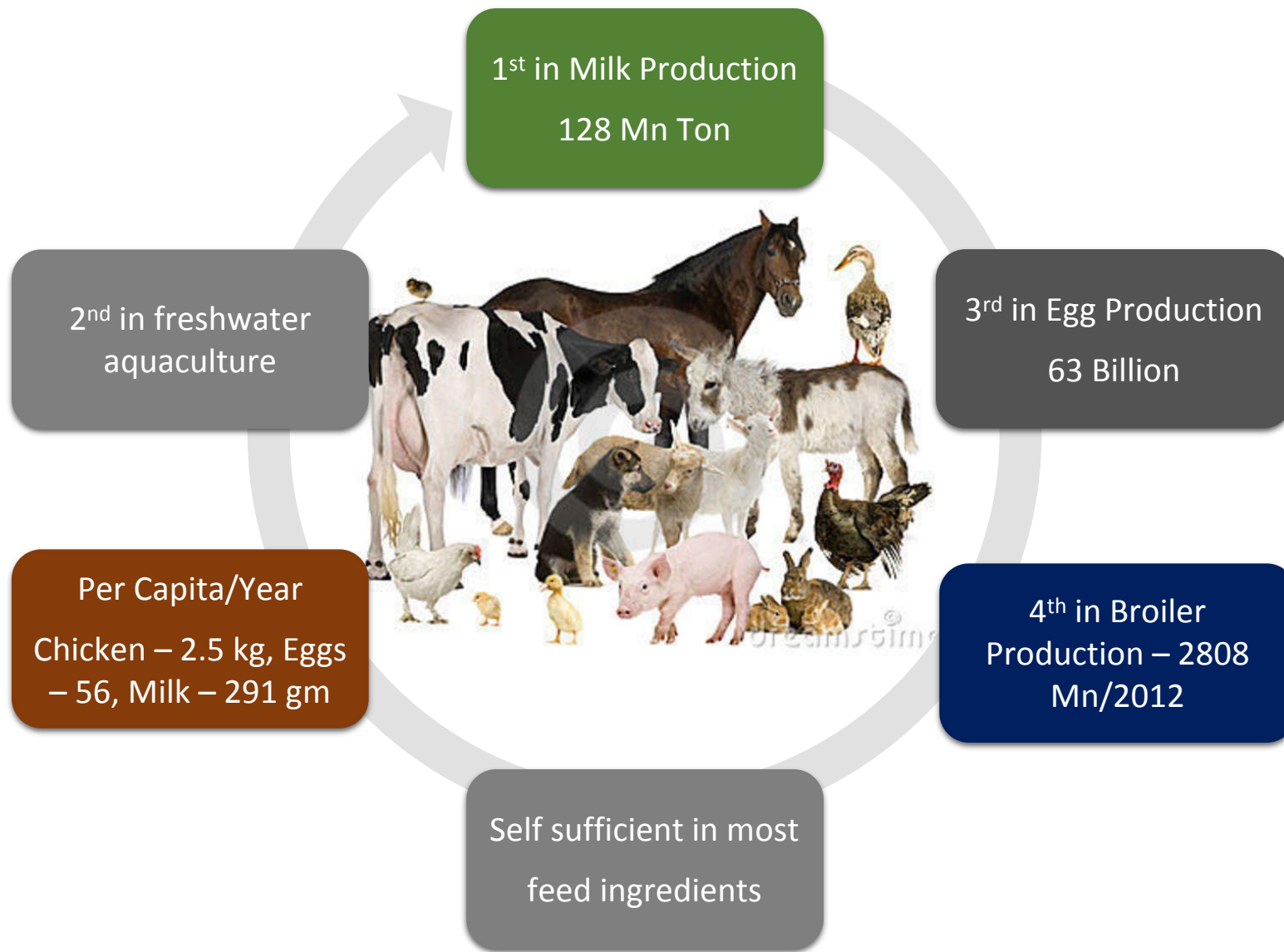
Chembond Chemicals Limited

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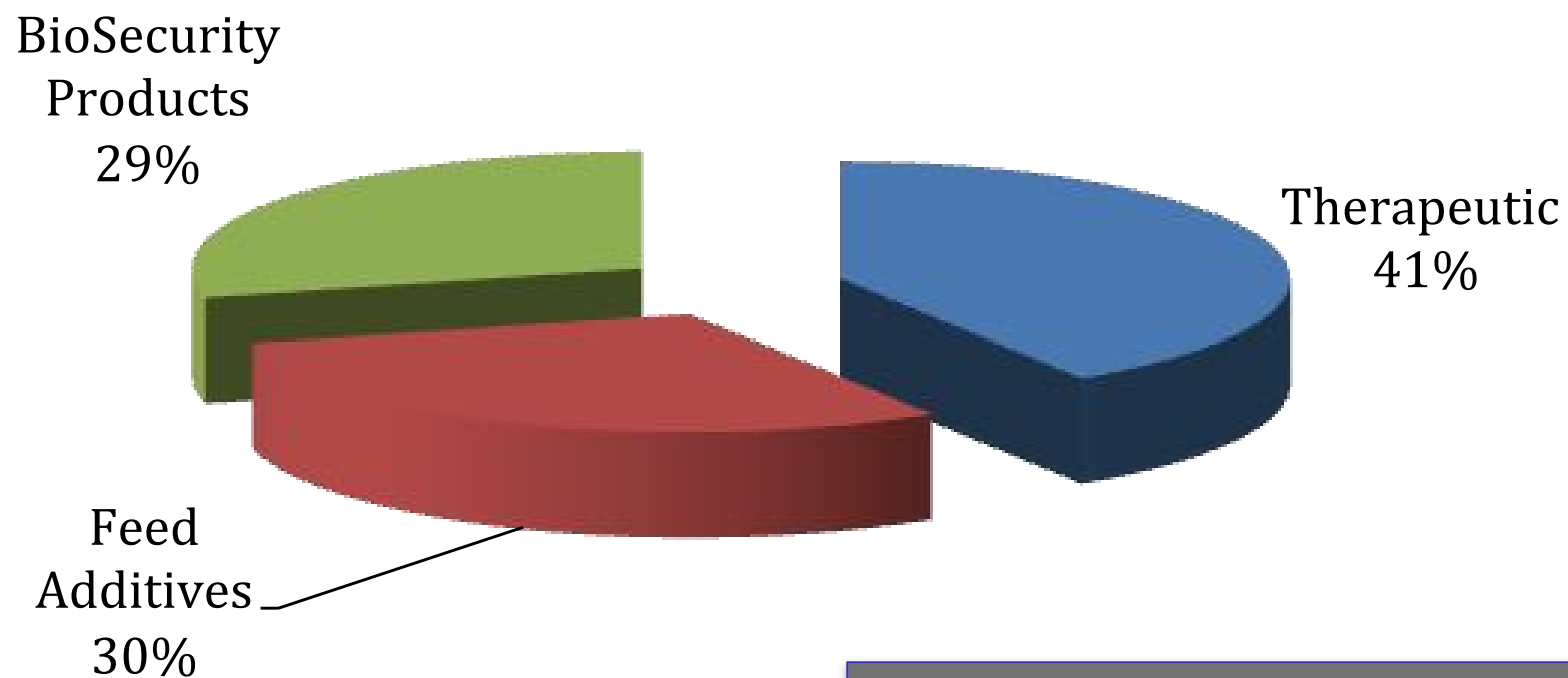
About

- Chembond entered this segment in 2010
- Produce nutritional supplements for animal health industry
- Catering mainly to the poultry and dairy industry
- Presence across India with manufacturing and storage locations at Tarapur, Baddi, Ranipet, Jamshedpur
- We offer quality products at excellent value
- Experienced yet young team

Livestock in India

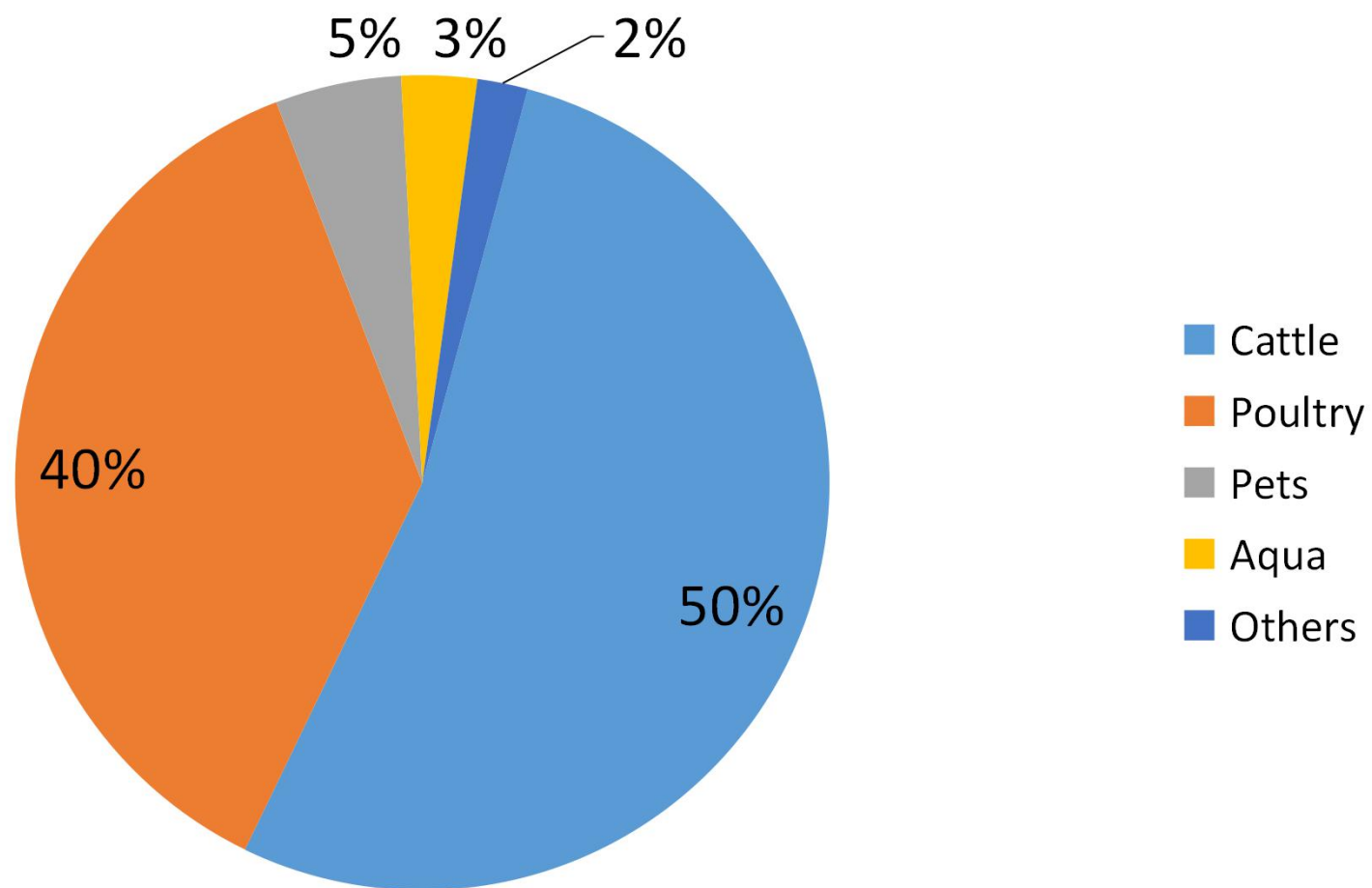


Indian Market by Segment



Market Size (2014) - Rs. 4,200 cr
Est. in 2018 – Rs. 6,000 cr

Indian Market by Species



Product Range

Enzymes, Probiotics, Prebiotics	α D₃ and other Vitamin Concentrates, Premixes
Minerals, incl. Chelated Minerals	Disinfectants, Water Purification, Sanitizers

products that enhance nutrition, reduce waste, improve mortality rates



Construction Chemicals

Chembond Chemicals Limited

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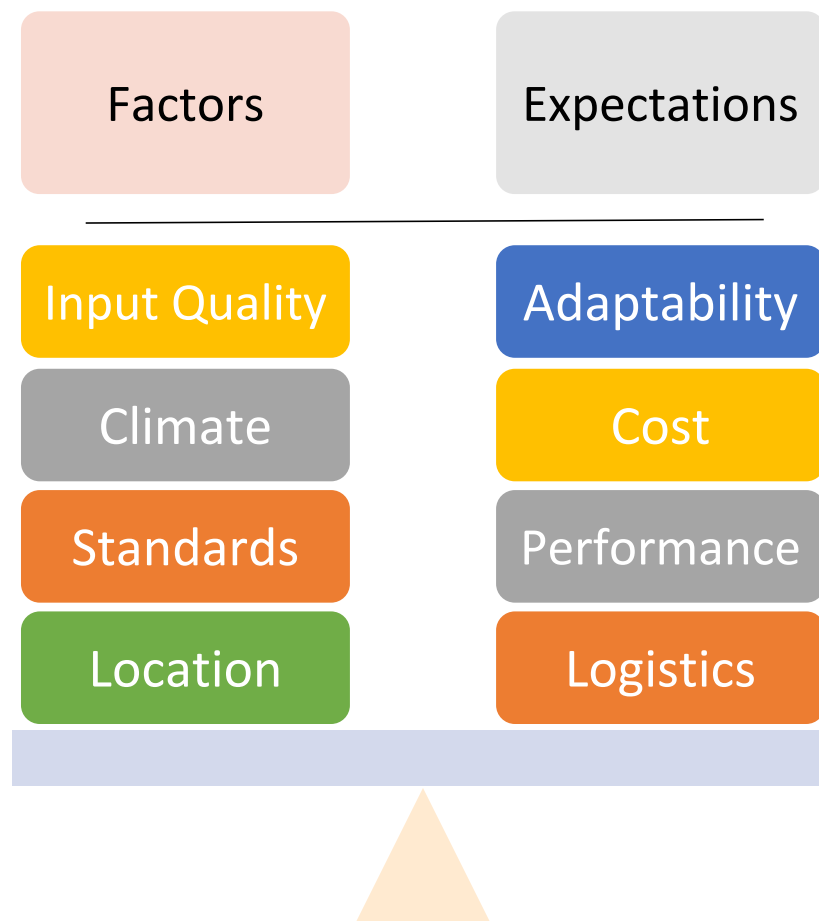
Construction

- Largest organized industry in the economy
- Different segments:
 - Infrastructure, Industrial, Residential, Repairs and Renovation
- Cement and aggregate quality, seasonal changes, geography and project requirements are dominant factors
- Quality control at usage point is crucial but least paid attention to
- Products designed with above factors in perspective needed

What We Do

- Chemicals for a wide range of applications
 - Admixtures for concrete modification
 - Waterproofing solutions for under-construction and built-up structures
 - Polysulphide, PU and Acrylic based sealants
 - Floor treatment and repair
 - Cementitious and epoxy based concrete repair mortars
 - Concrete curing compounds
 - High-strength industrial grouts
 - Tile adhesives and joint fillers

Balancing Expectations with Factors



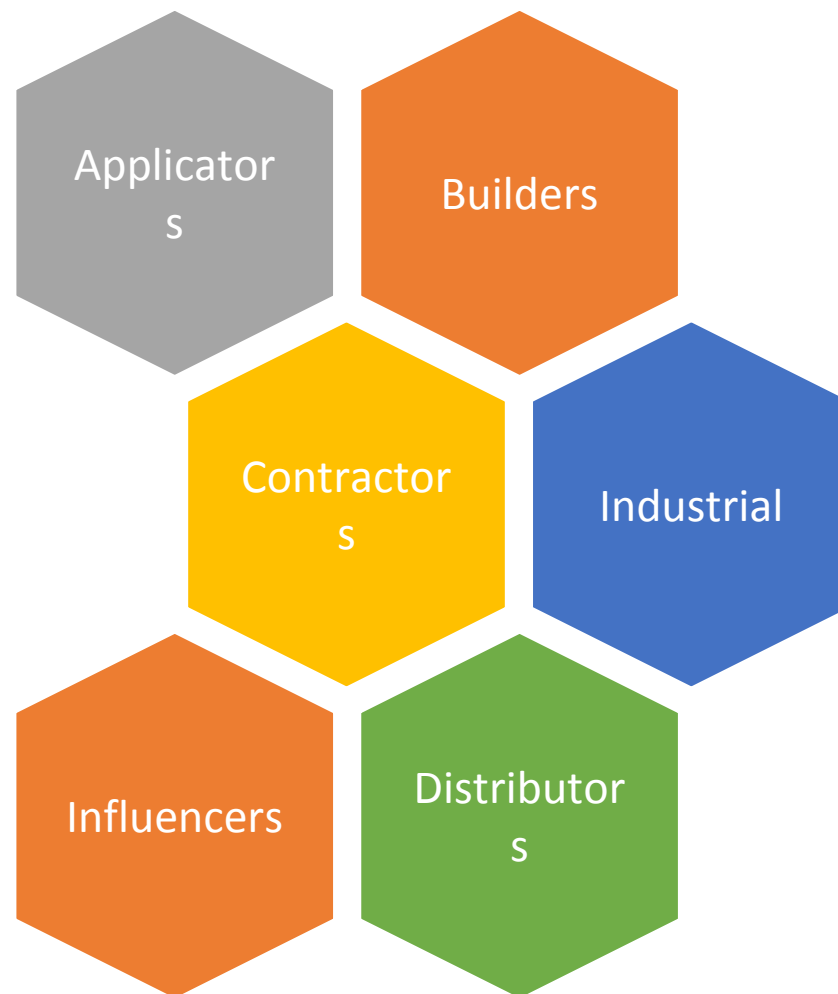
Localize and Adapt!

Customer Segments - Infrastructure





Customer Segments - Other





Advantage Chembond

- + Multi location manufacturing and logistics
- + Localization and refinement ability
- + Better than industry product margins
- + Regular new product introductions
- + Maintaining differentiation in a competitive and fragmented market



Industrial Technologies

Chembond Chemicals Limited

2017-18

About Industrial Technologies

- Products for use by industry,
 - by OEM's – application on parts to improve quality, reduce costs, & improve productivity
 - for maintenance, repair, and overhaul (MRO) of equipment and machinery
- Strong reputation and relationships with automotive, steel, engineering, appliance, electrical, chemical, cement, power, fertiliser, petrochem, and other industries
- Agreement with ND Industries, USA to offer their Vibra-TITE range of adhesives in India and the region

The Industrial Technologies division manufactures and supplies a wide range of products...

High Performance Coatings

epoxy, pu, & other performance resin based coatings for corrosion protection and industrial / commercial floor coatings

Adhesives & Sealants

thread lockers, retaining compounds, thread sealants, liquid gasketing, cyanoacrylates, PU adhesives & more

Industrial Coatings

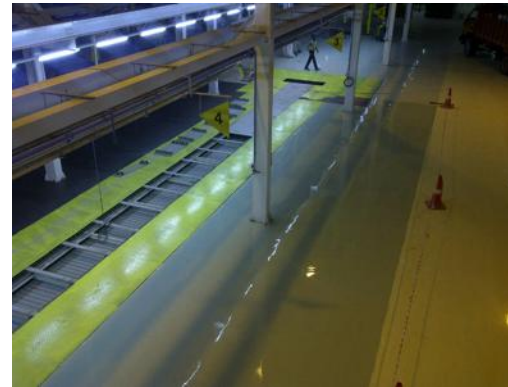
waterborne and solvent based coatings for automotive & industrial parts, agcon equipment, engineering goods

Maintenance, Repair, & Overhaul (MRO)

lubricants, penetrants, anti-seize compounds, spray paint, cold galvanizing compounds, contact cleaners, etc.

High Performance Coatings

for Corrosion Protection



for Industrial & Commercial Floors

Industrial Coatings

- Waterborne and solvent based coatings for industrial parts like engines, chassis, structures, transformers, automobile parts, agricultural equipment, construction equipment, and many more applications
- Leaders in water based paints in India, which eliminate solvent emissions thereby reducing pollution and improving plant and employee safety, without requiring plant refit
- A wide range of technologies – acrylics, water based epoxies, polyurethane dispersions, as well as conventional solvent based paints



Adhesives & Sealants



Retaining Compound



Kem® Vibra-TITE®



Thread Sealant



Thread Locker



Gasketing Compound

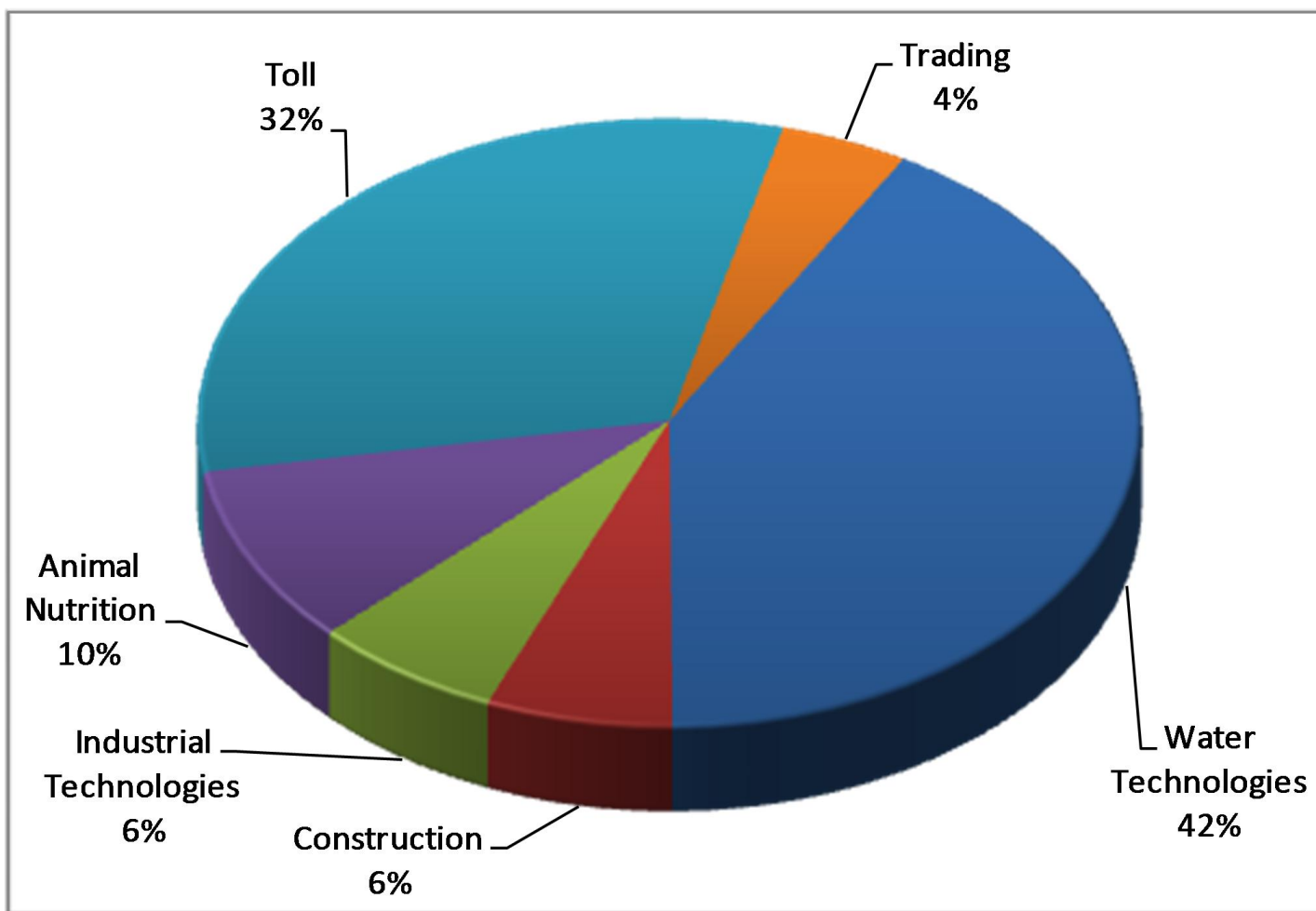


Financial Information

Chembond Chemicals Limited

2017-18

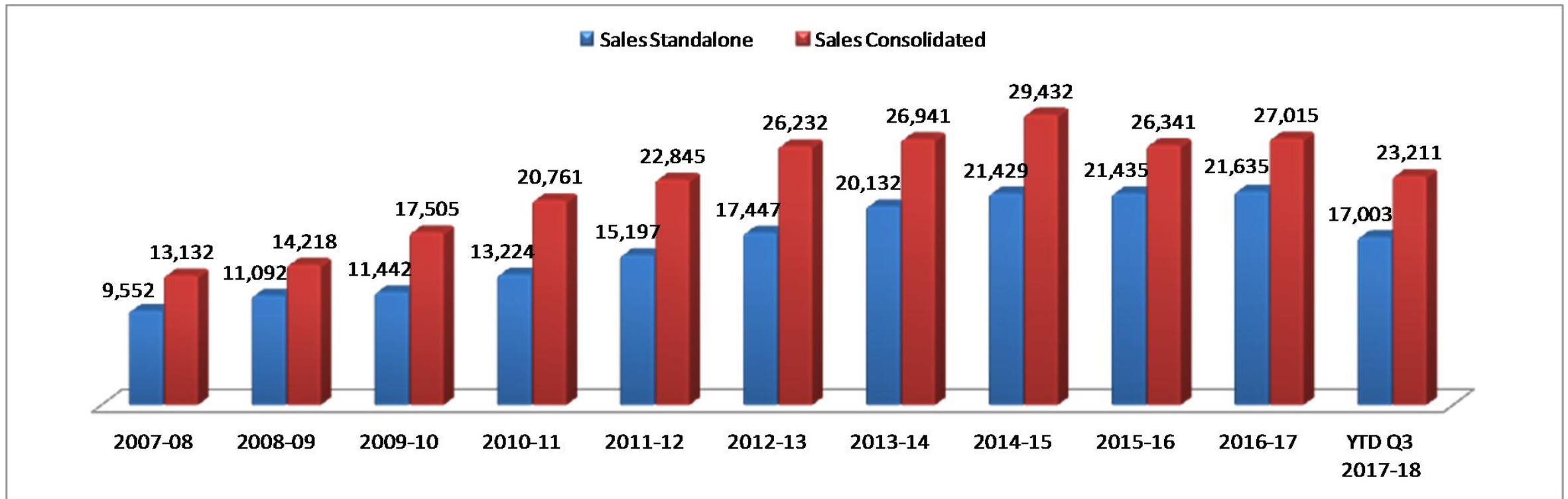
Share of Revenue by Segment



Net Sales

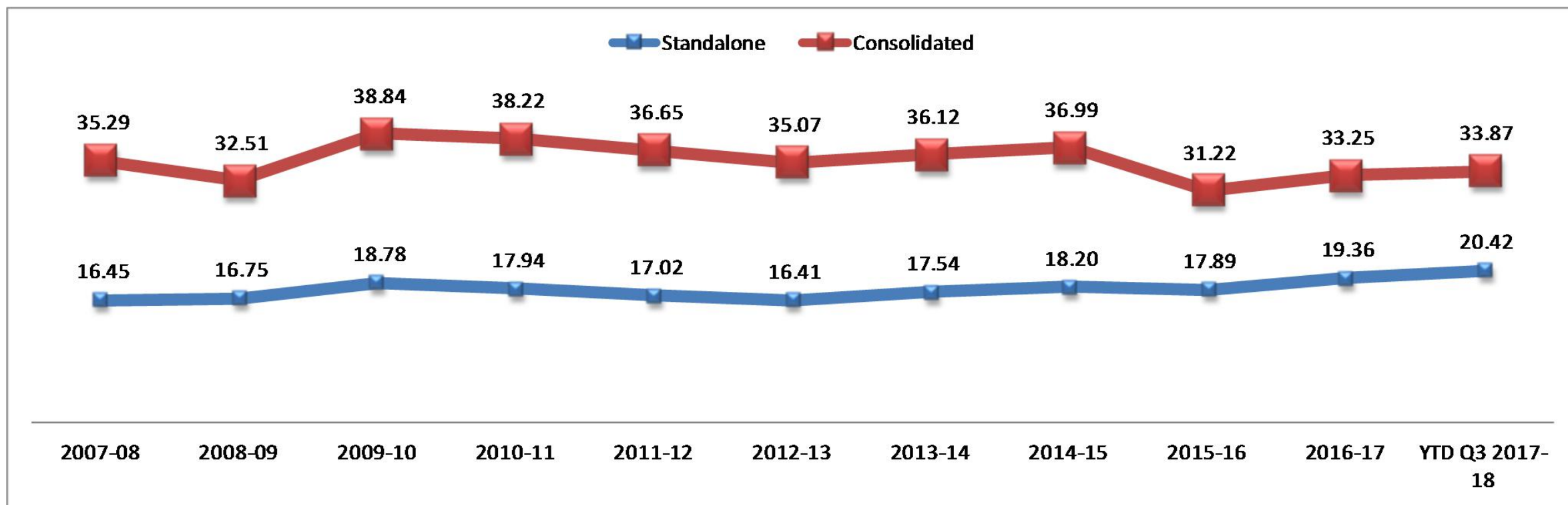


Rs. In Lakhs



*YTD- Year to date

Product Margin %

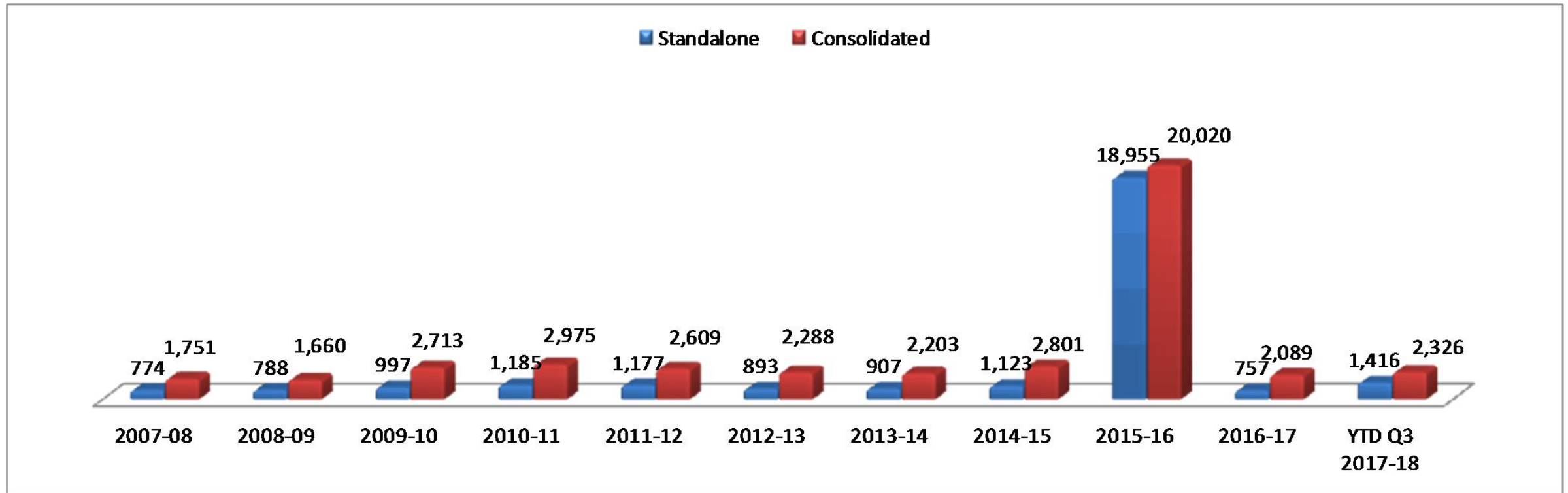


*YTD- Year to date

EBITDA



Rs. In Lakhs

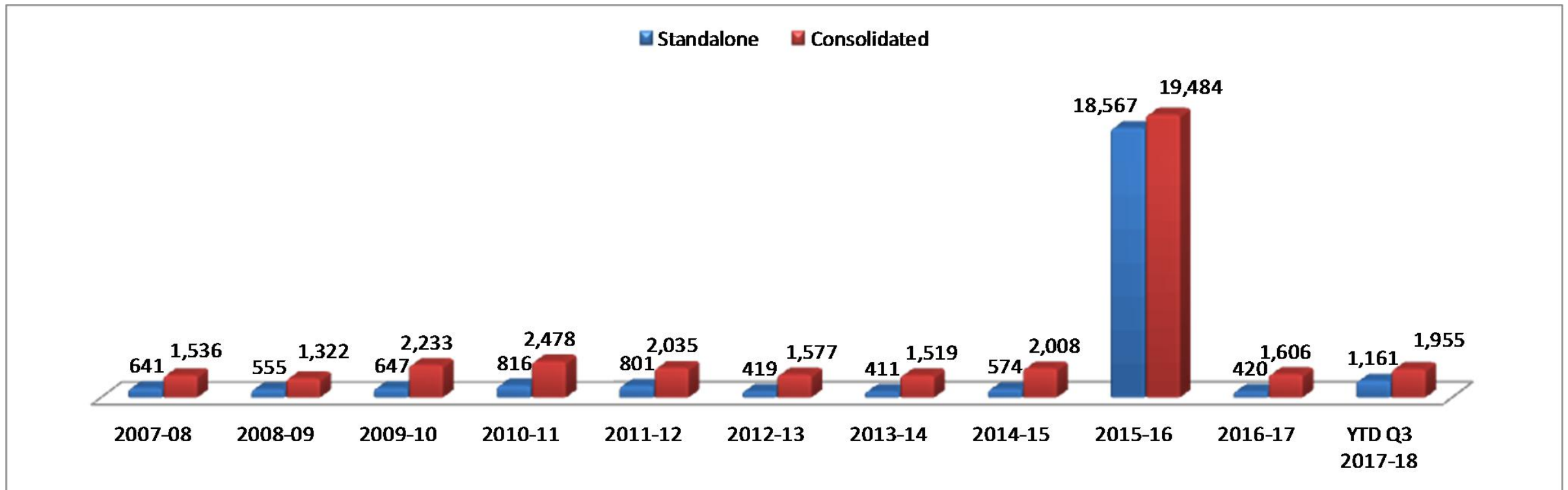


*YTD- Year to date

PBT



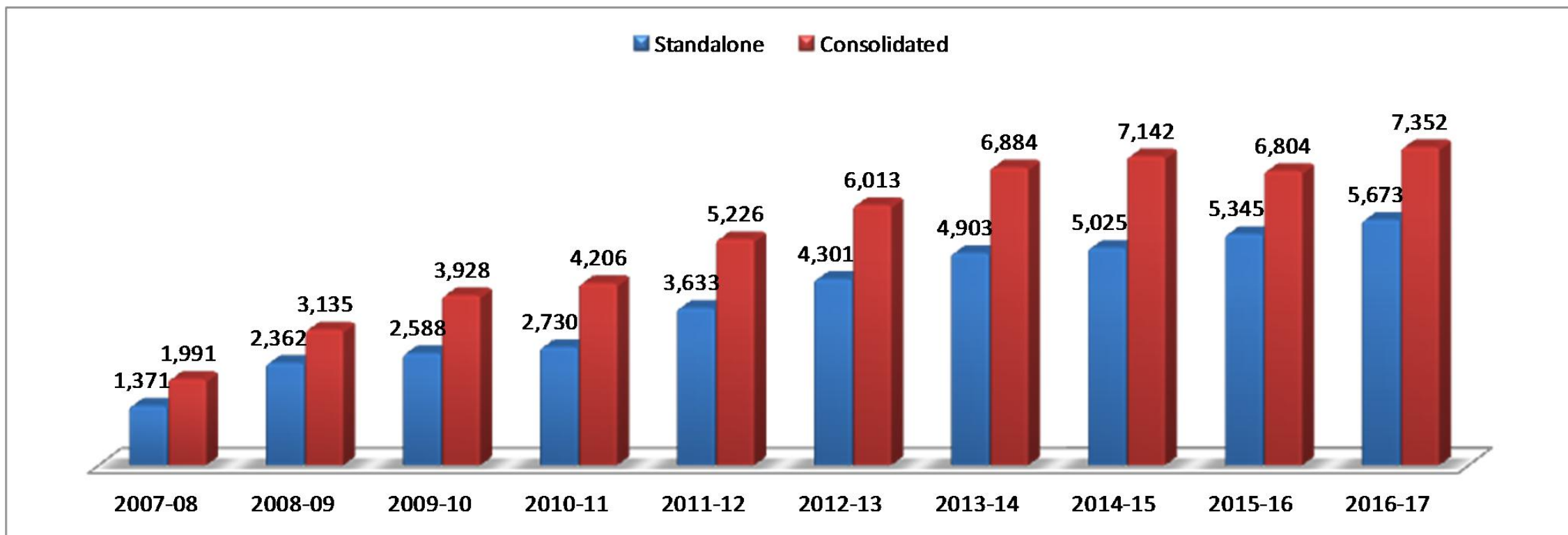
Rs. In Lakhs



*YTD- Year to date

Fixed Assets - Gross

Rs. In Lakhs



5 Year Financial Performance - Standalone



Highlights	2016-17	2015-16	2014-15	2013-14	2012-13
Operating Result					
Revenue From Operations	21,682	21,564	21,675	20,356	17,690
Other Income	549	3,459	330	288	424
Finance Cost	64	119	274	304	292
Depreciation	273	269	276	192	182
PBT	420	18,567	574	411	419
PAT	332	15,123	558	392	348
Dividend on Equity Shares	222	602	200	200	190
Financial Position					
Equity Share Capital	672	670	666	666	666
Reserves (Less Revaluation Reserve & Misc exp)	19,143	19,011	4,530	4,176	3,975
Net Worth	19,816	19,680	5,196	4,842	4,641
Borrowings	732	820	2,177	2,481	2,298
Net Block (Asset)	3,767	3,681	3,618	3,821	3,403
Ratios					
Return on Average Networth %(RONW) (PAT divided by Average Networth)	1.68%	121.58%	11.12%	8.28%	8.00%
Return on Average Capital Employed % (ROCE) (PBIT divided by Average Fund Employed Excluding Def tax liab)	2.36%	133.97%	11.47%	9.96%	10.74%
Gross Gearing % (Debt as a percentage of Debt plus Equity)	3.56%	4.00%	29.53%	33.64%	32.85%
Current Ratio (Current Assets divided by Current Liabilities**)	2.86	2.97	1.37	1.31	1.46
Asset Turnover Ratio (Net Sales divided by Total Assets)	0.84	0.86	1.76	1.58	1.57
Earning Per Share (Basic)*	2.47	113.23	4.19	2.95	2.73
Dividend Per Share	1.65	9.00	3.00	3.00	2.85
Book Value per Share	147.35	146.94	39.01	36.35	34.84

Rs. In Lakhs

* Adjusted for issue of Bonus Shares in March 2010 in the ratio of 1 : 1

** Current Liabilities excludes Short Term Borrowing and Current maturities of Long term Debt

5 Year Financial Performance - Consolidated



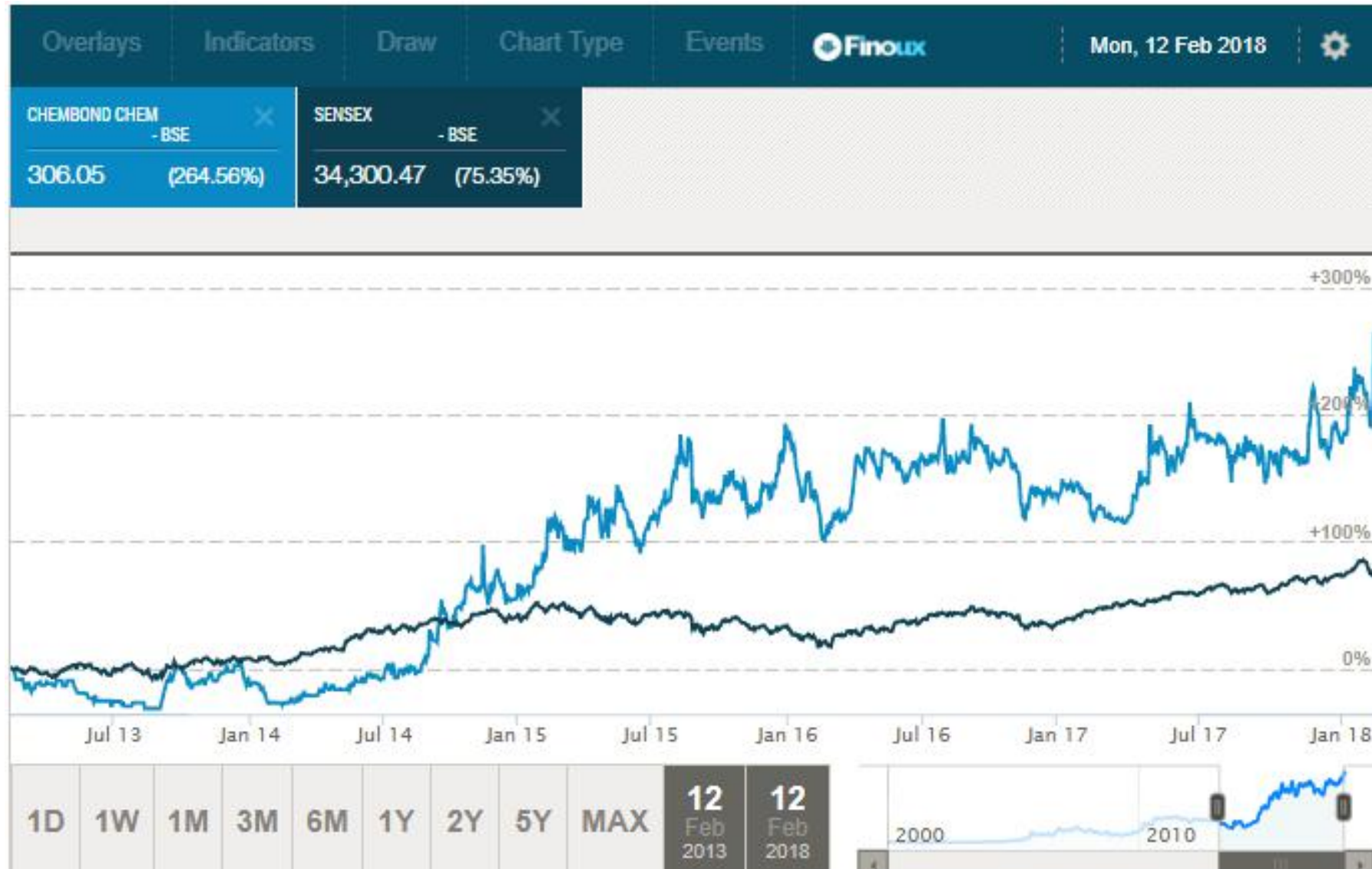
Highlights	2016-17	2015-16	2014-15	2013-14	2012-13
<u>Operating Result</u>					
Revenue From Operations	28,052	27,105	30,023	27,446	26,606
Other Income	620	3,321	138	121	121
Finance Cost	102	181	361	403	452
Depreciation	380	355	432	281	259
PBT	1,606	19,484	2,008	1,519	1,577
PAT	1,095	15,650	1,440	912	790
Dividend on Equity Shares	222	602	200	200	190
<u>Financial Position</u>					
Equity Share Capital	672	670	666	666	666
Reserves (Less Revaluation Reserve & Misc exp)	20,704	19,973	8,859	7,907	7,423
Net Worth	21,376	20,643	9,525	8,573	8,089
Borrowings	871	1,077	2,495	3,307	2,948
Net Block (Asset)	4,913	4,714	5,147	5,362	4,725
<u>Ratios</u>					
Return on Average Networth %(RONW) (PAT divided by Average Networth)	5.21%	103.76%	15.92%	10.95%	10.29%
Return on Average Capital Employed % (ROCE) (PBIT divided by Average Fund Employed Excluding Def tax liab)	7.77%	116.49%	17.88%	15.22%	16.90%
Gross Gearing % (Debt as a percentage of Debt plus Equity)	3.91%	4.96%	20.76%	27.71%	26.58%
Current Ratio (Current Assets divided by Current Liabilities**)	3.18	3.15	2.16	2.09	2.20
Asset Turnover Ratio (Net Sales divided by Total Assets)	0.92	0.94	1.48	1.34	1.45
Earning Per Share (Basic)*	5.78	115.04	9.29	5.83	5.57
Dividend Per Share	1.65	9	3.00	3.00	2.85
Book Value Per Share	158.95	154.12	71.50	64.36	60.72

Rs. In Lakhs

* Adjusted for issue of Bonus Shares in March 2010 in the ratio of 1 : 1 and split of shares in 2016 from Rs 10 to Rs 5 per share

** Current Liabilities excludes Short Term Borrowing and Current maturities of Long term Debt

5 Year Returns



Contact Us



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