



# Chembond Chemicals Limited

About us and our activities

June 2016



# Welcome

- Chembond Chemicals Limited is in its 42<sup>nd</sup> 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
  - Construction
  - Animal Nutrition
  - Coatings and Adhesives
- 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

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# 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
<b>We Offer</b>	<ul style="list-style-type: none"> <li>• Coagulants</li> </ul>	<ul style="list-style-type: none"> <li>• Flocculants</li> <li>• Scraper</li> <li>• Media Filters</li> </ul>	<ul style="list-style-type: none"> <li>• Disinfectants</li> </ul>	<ul style="list-style-type: none"> <li>• Corrosion Inhibitors</li> <li>• Scale Inhibitors</li> <li>• Dispersants</li> <li>• Biocides</li> <li>• Chemical Dosing Skid</li> <li>• Blow down water filters</li> </ul>	<ul style="list-style-type: none"> <li>• Sludge Conditioners</li> <li>• Oxygen Scavengers</li> <li>• Condensate Corrosion control</li> <li>• DM Plant</li> <li>• Condensate Polisher</li> </ul>	<ul style="list-style-type: none"> <li>• DM Plant</li> <li>• UF Plant</li> <li>• RO Plant</li> <li>• RO Membrane treatment</li> </ul>	<ul style="list-style-type: none"> <li>• Coagulants</li> <li>• Microbial cultures</li> <li>• Aeration system</li> </ul>	<ul style="list-style-type: none"> <li>• Flocculants</li> <li>• Odor control Enzymes</li> <li>• Filtration equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Disinfectants</li> </ul>
<b>Purpose</b>	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.



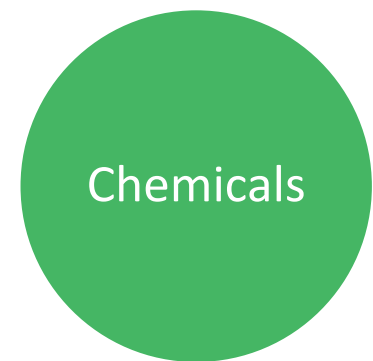
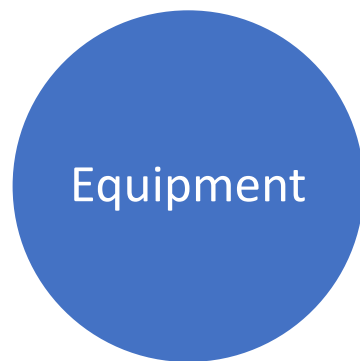
# Application Areas



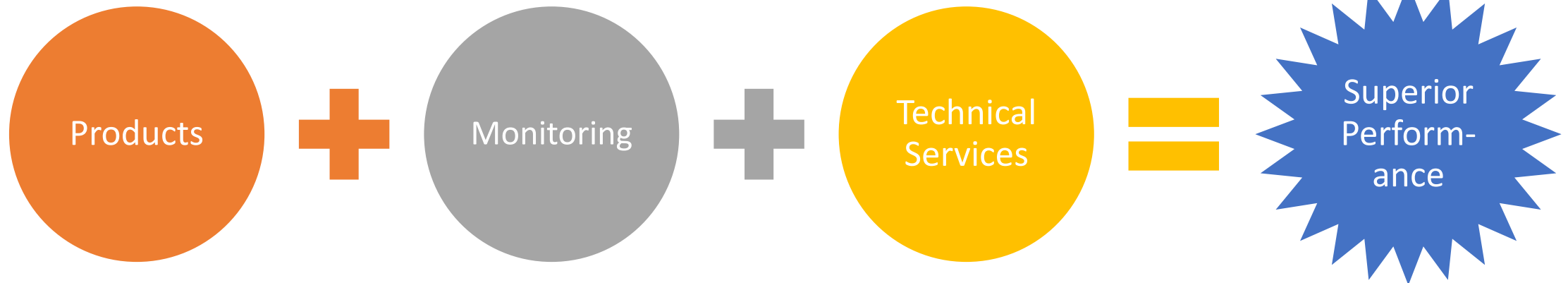
# Complete Water Treatment solutions

Chembond Clean Water Technologies Ltd

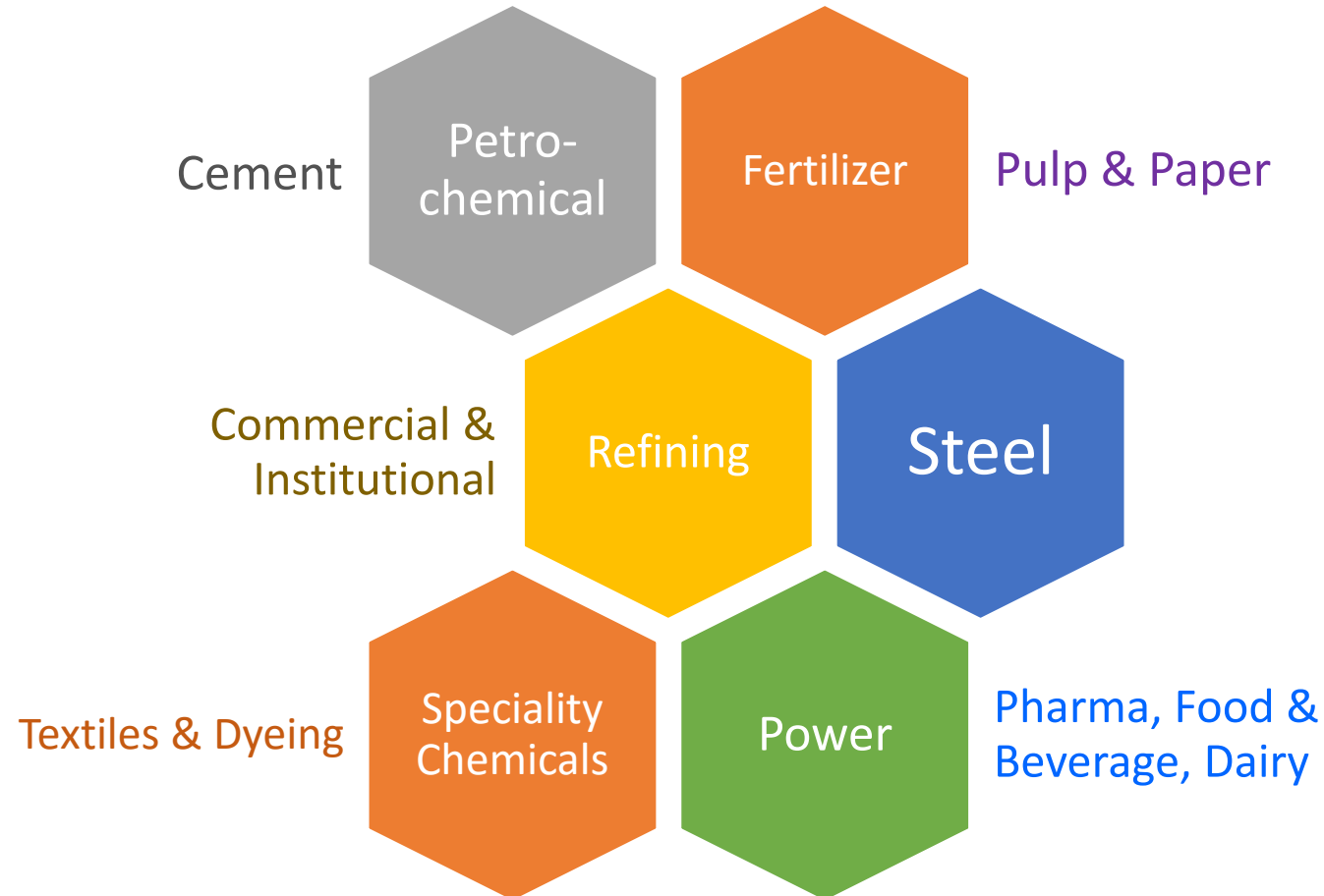
Chembond Solenis Water Technologies Ltd



# 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 spanning almost 40 years

# Recent Introductions





# Animal Health & Nutrition

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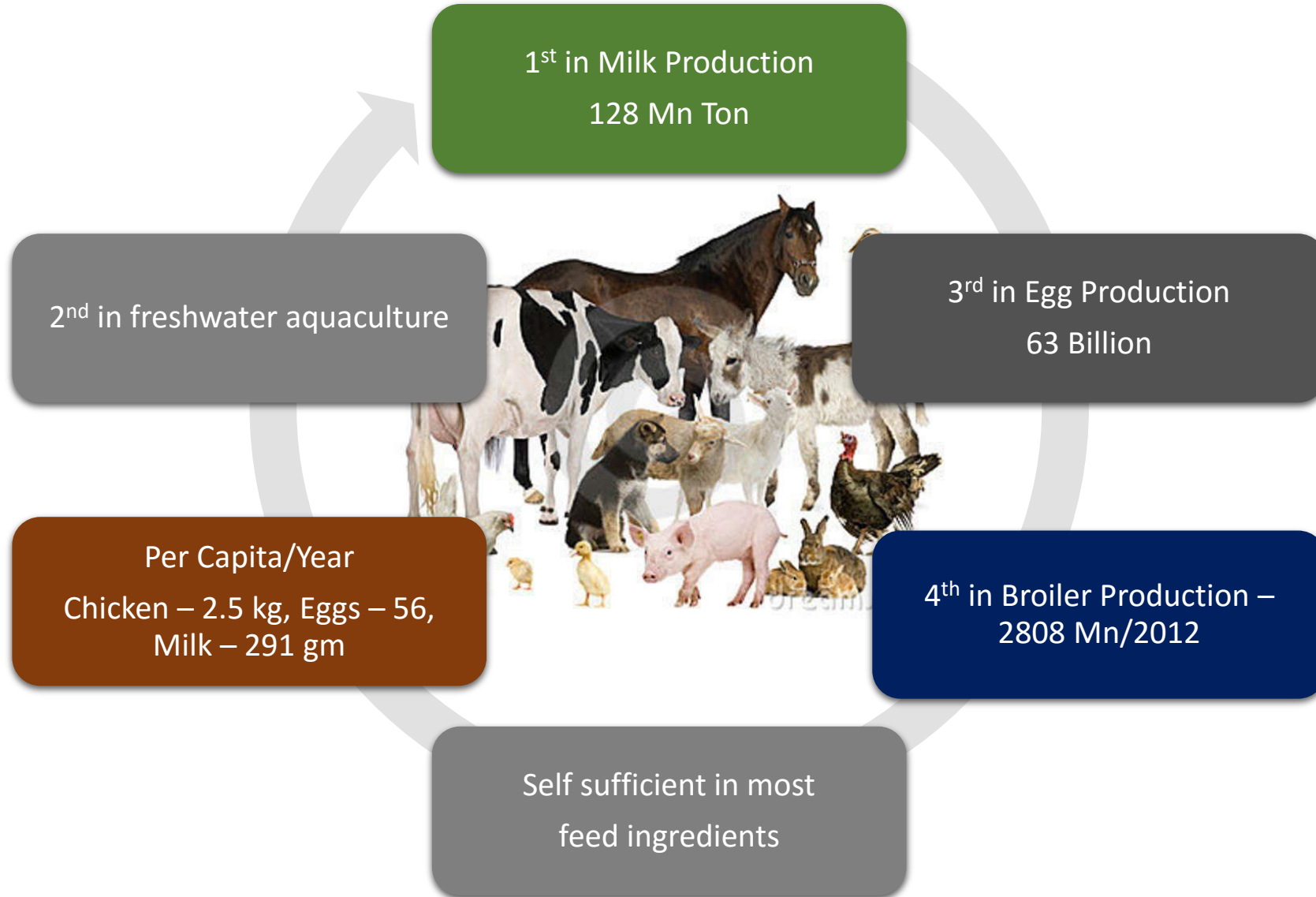


# About

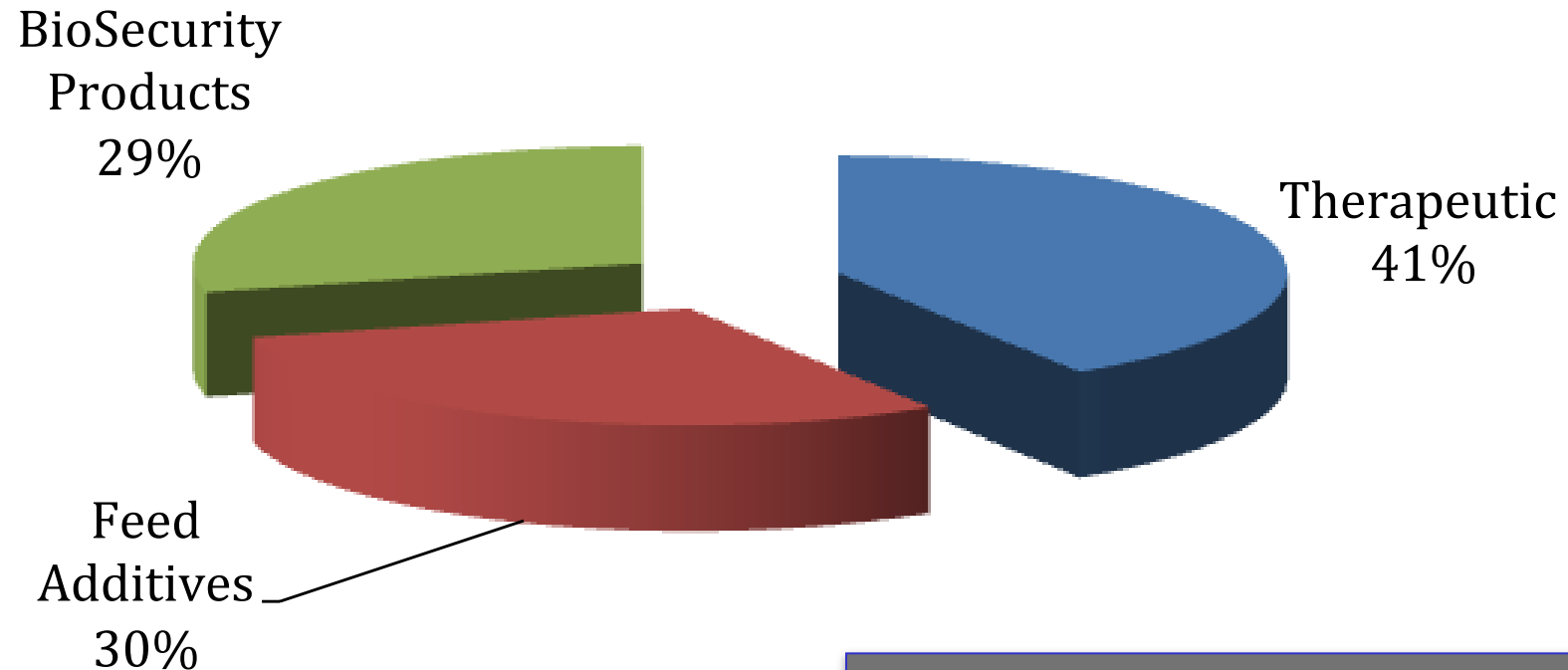
- Chembond entered this segment in 2010
- Produce nutritional supplements for animal health industry
- Catering mainly to the poultry industry; launch of products for dairy segment in 2016
- Exclusive agreement with Premex, USA for some products
- Presence across India with manufacturing and storage locations at Tarapur, Baddi, Ranipet, Jamshedpur
- We offer quality products at excellent value
- Experienced yet young team



# Livestock in India

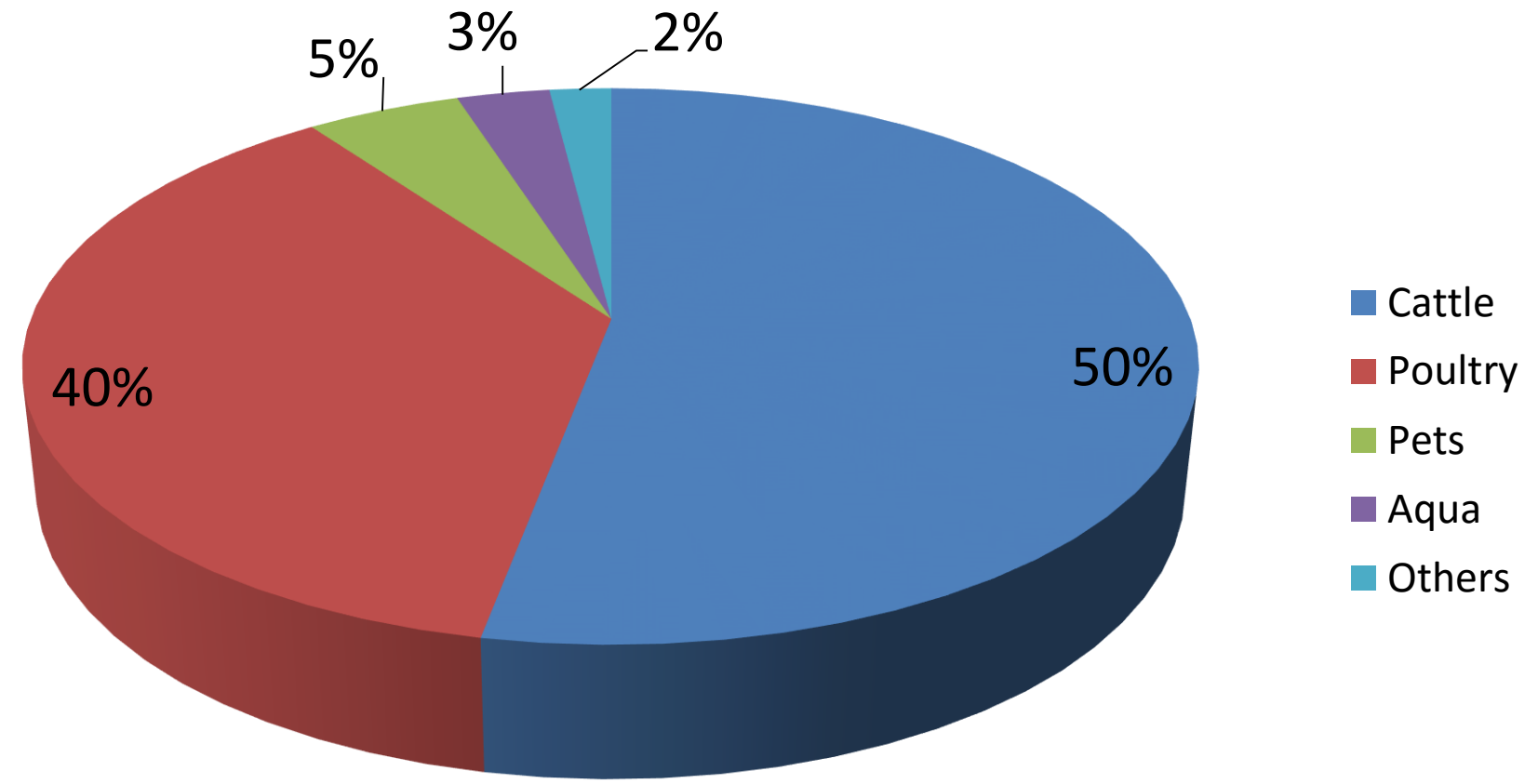


# Indian Market by Segment



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

# Indian Market by Species



# Product Range

<b>Enzymes, Probiotics, Prebiotics</b>	<b><math>\alpha</math> D<sub>3</sub> and other Vitamin Concentrates, Premixes</b>
<b>Minerals, incl. Chelated Minerals</b>	<b>Disinfectants, Water Purification, Sanitizers</b>

*products that enhance nutrition, reduce waste, improve mortality rates*



# Construction Chemicals

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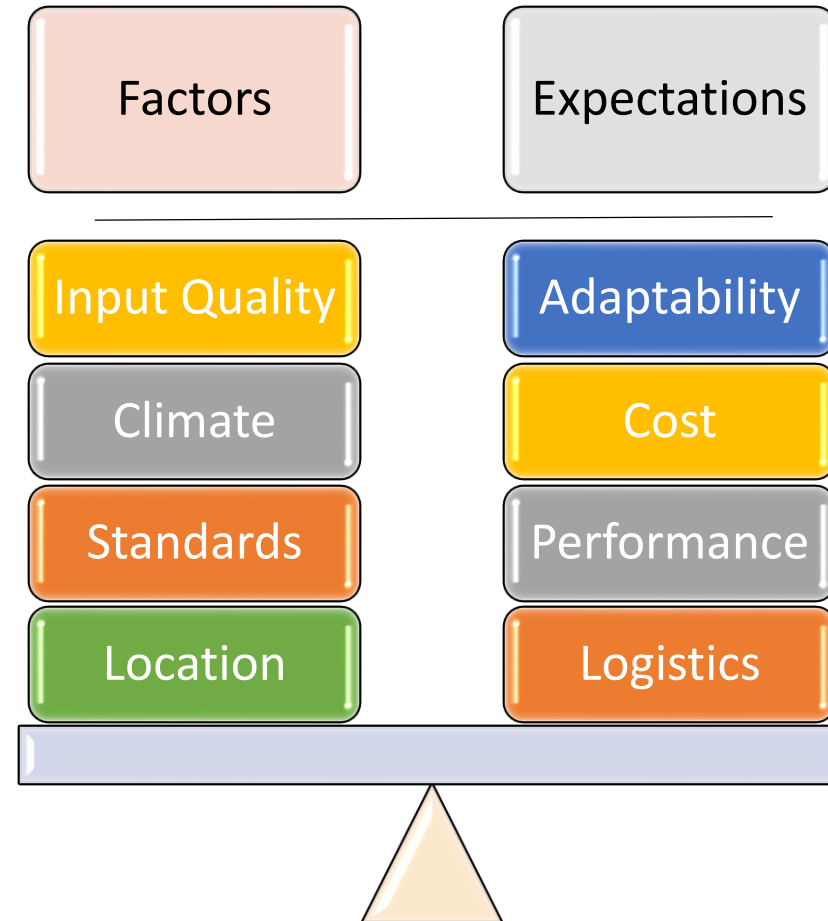
# Construction

- Largest segment 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 is crucial but least paid attention to
- Products designed with above factors in perspective needed
- Do-it-right-the-first-time becomes imperative for quality and longevity

# 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!**

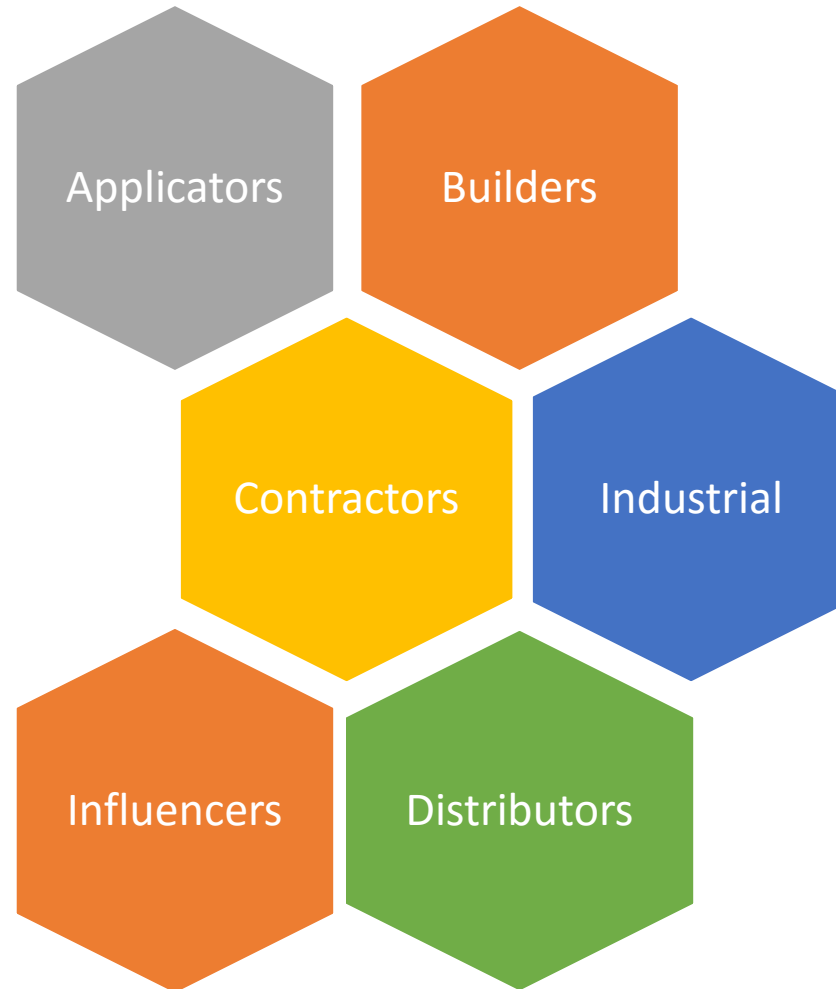


# Customer Segments - Infrastructure





# 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

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# 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
- Chembond, by way of its history in metal treatment, has strong relationships with automotive, steel, engineering, appliance, electrical, and other industries
- Chembond also has excellent reputation and references in chemical, cement, power, fertiliser, petrochem, and other industries due to its water treatment chemicals
- Signed an 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



Thread Sealant



Thread Locker

**Kem<sup>™</sup> Vibra-TITE<sup>®</sup>**



Gasketing Compound



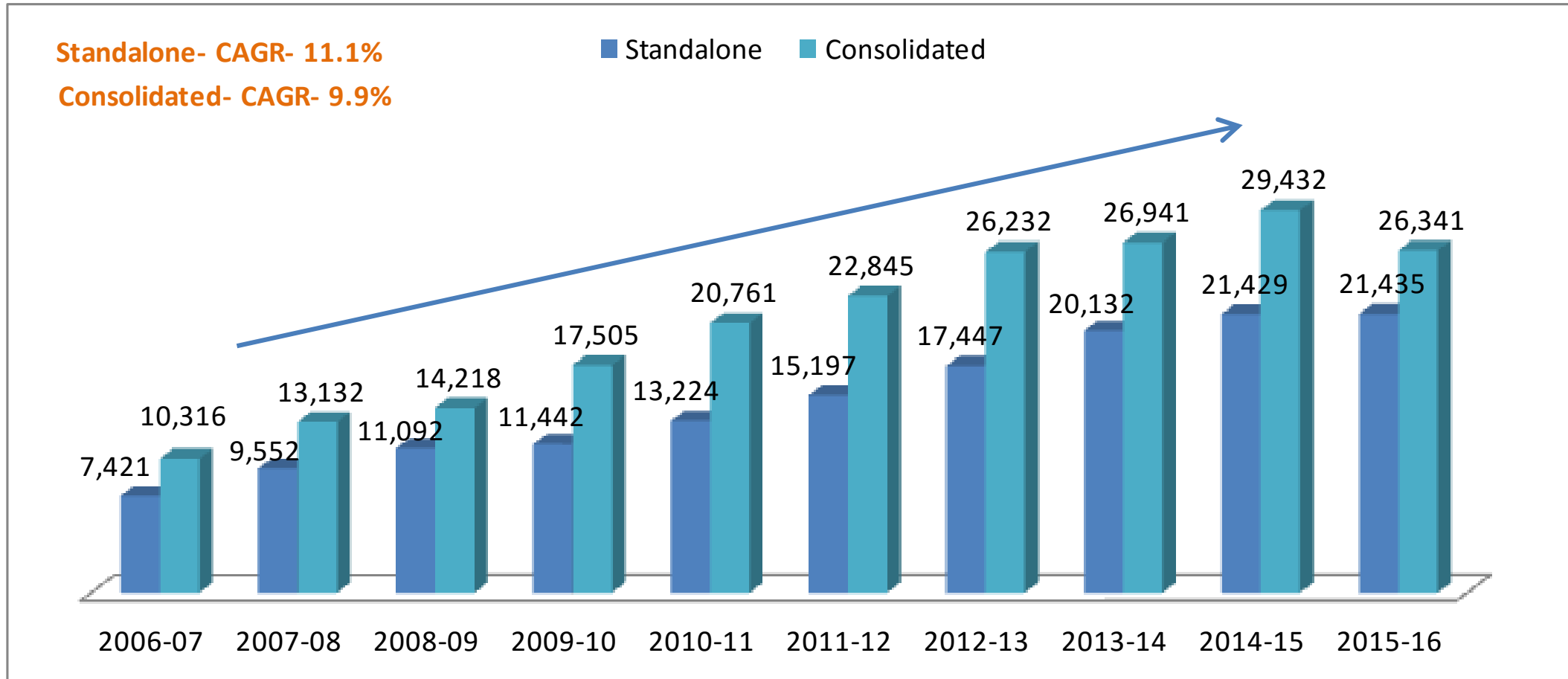
# Financial Information

Chembond Chemicals Limited

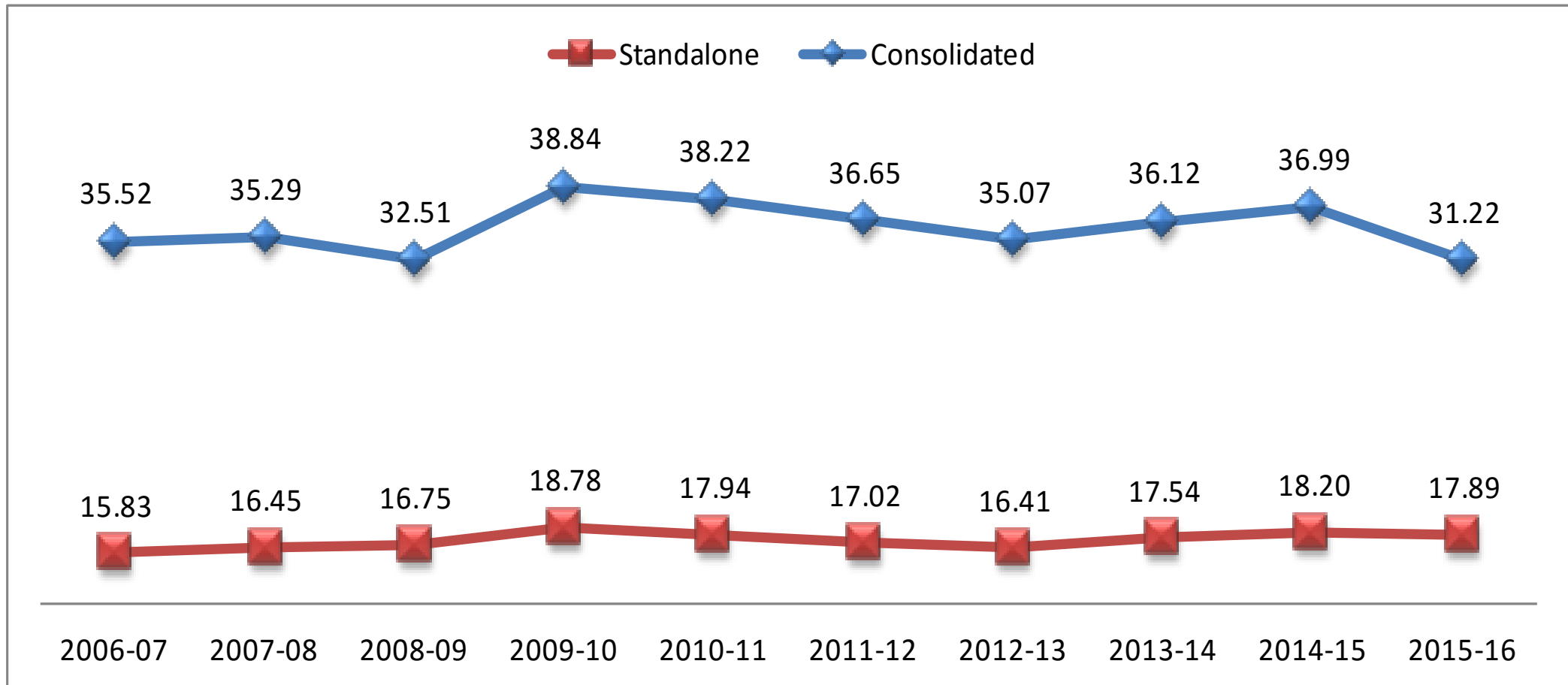
June 2016

# Net Sales

Rs. In Lacs



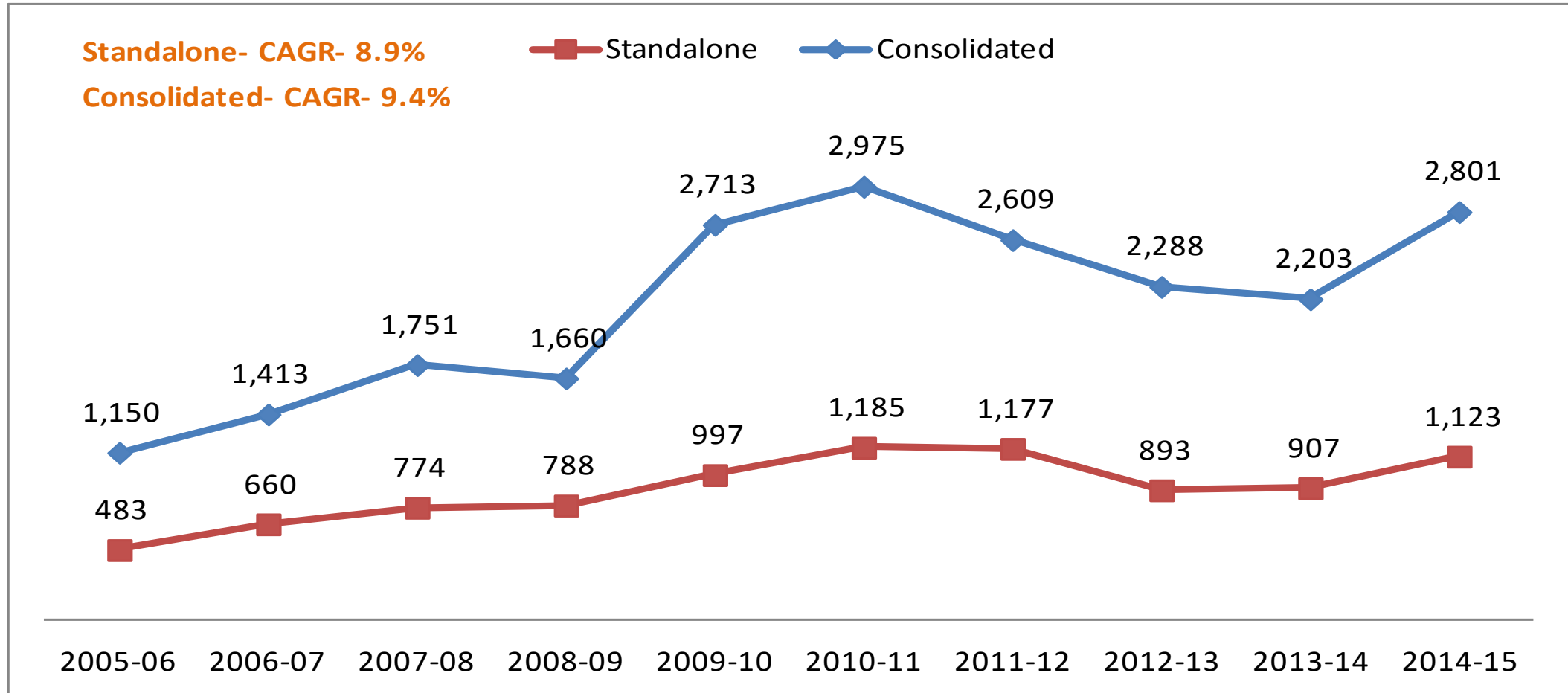
# Product Margin %



# EBITDA



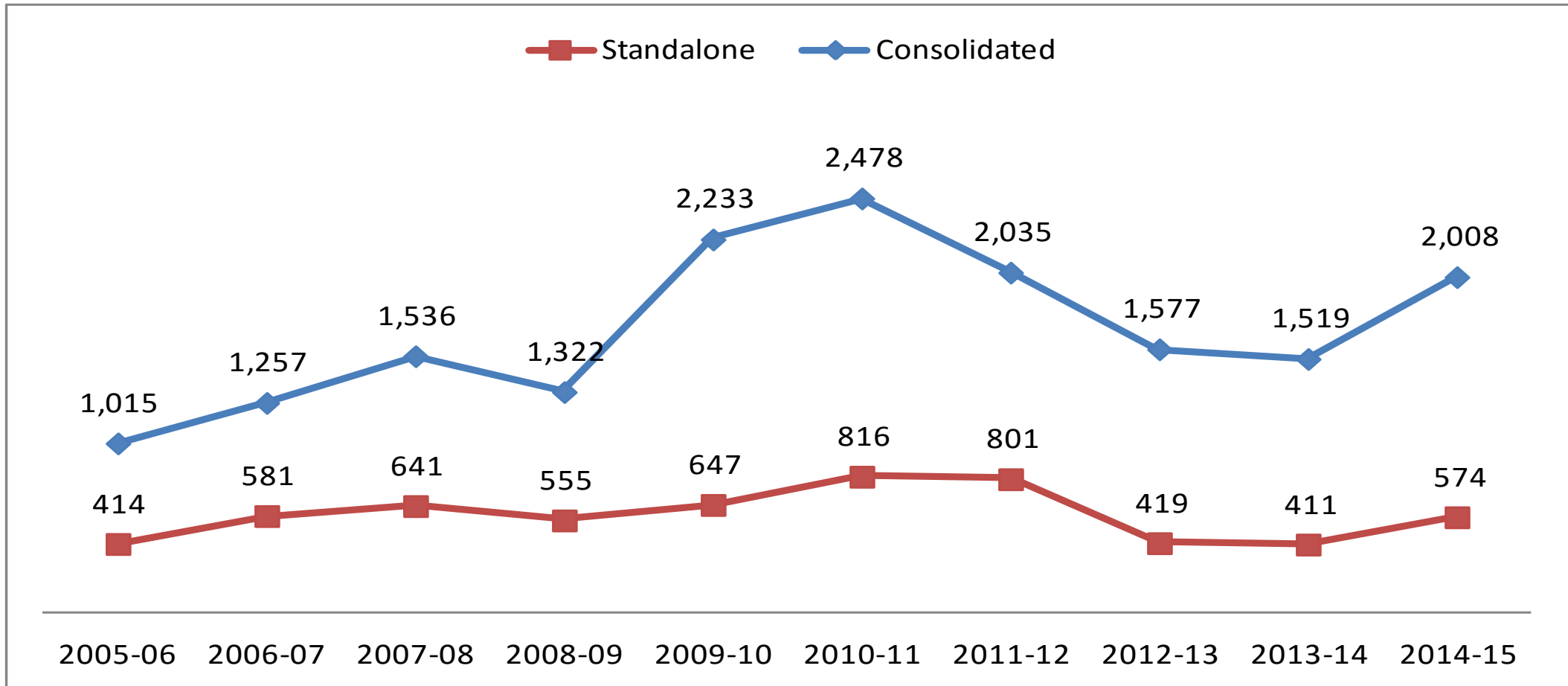
Rs. In Lacs



# PBT

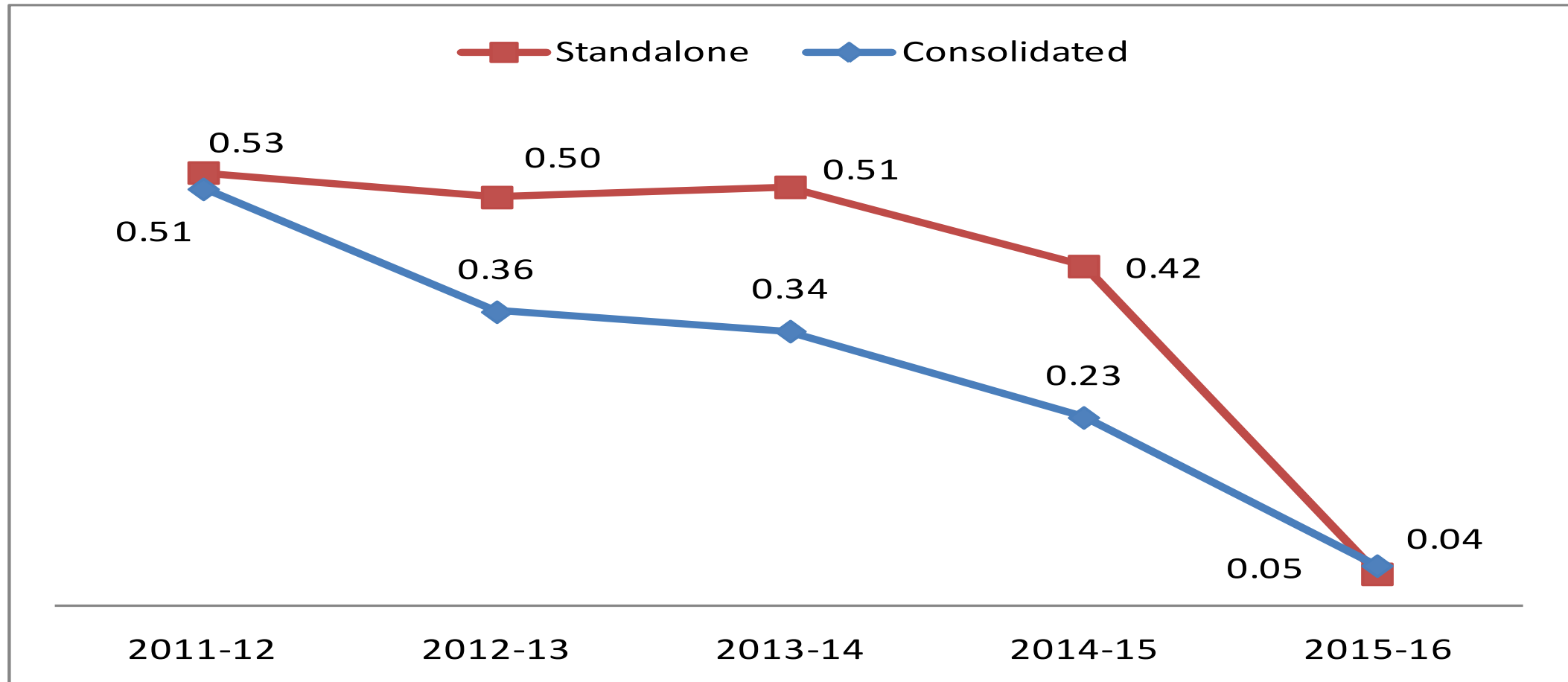


Rs. In Lacs



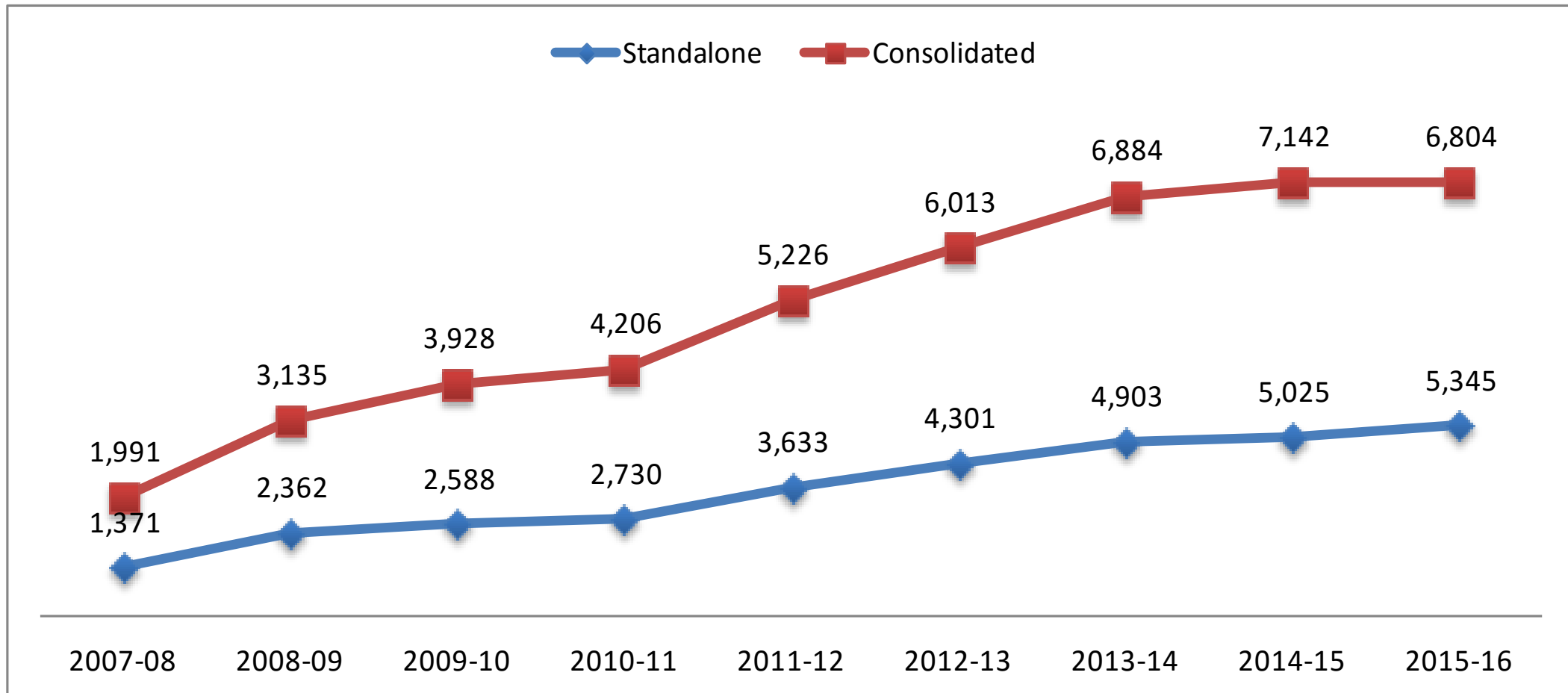


# Debt/ Equity Ratio



# Fixed Assets - Gross

Rs. In Lacs



# 5 Year Financial Performance - Standalone<sup>®</sup>



Highlights	2015-16	2014-15	2013-14	2012-13	2011-12	Rs. In Lacs
<b><u>Operating Result</u></b>						
Revenue From Operations	21,564	21,675	20,356	17,690	15,369	
Other Income	3,459	330	288	424	399	
Finance Cost	119	274	304	292	238	
Depreciation	269	276	192	182	139	
PBT	18,567	574	411	419	801	
PAT	15,123	558	392	348	664	
Dividend on Equity Shares	602	200	200	190	149	
<b><u>Financial Position</u></b>						
Equity Share Capital	670	666	666	666	636	
Reserves (Less Revaluation Reserve & Misc exp)	19,011	4,530	4,176	3,975	3,421	
Net Worth	19,680	5,196	4,842	4,641	4,057	
Borrowings	820	2,177	2,481	2,298	2,139	
Net Block (Asset)	3,681	3,618	3,821	3,403	2,882	
<b><u>Ratios</u></b>						
Return on Average Network % (RONW) (PAT divided by Average Network)	121.58%	11.12%	8.28%	8.00%	17.86%	
Return on Average Capital Employed % ( ROCE) (PBIT divided by Average Fund Employed Excluding Def tax liab)	133.97%	11.47%	9.96%	10.74%	18.35%	
Gross Gearing % (Debt as a percentage of Debt plus Equity)	4.00%	29.53%	33.64%	32.85%	34.20%	
Current Ratio (Current Assets divided by Current Liabilities**)	2.97	1.37	1.31	1.46	1.53	
Asset Turnover Ratio (Net Sales divided by Total Assets)	0.86	1.76	1.58	1.57	1.58	
Earning Per Share (Basic)*	226.45	8.38	5.89	5.46	10.44	
Dividend Per Share	9.00	3.00	3.00	2.85	2.35	
Book Value per Share	293.87	78.01	72.69	69.68	63.79	

\* 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	2015-16	2014-15	2013-14	2012-13	2011-12	Rs. In Lacs
<b>Operating Result</b>						
Revenue From Operations	27,105	30,023	27,446	26,606	23,128	
Other Income	3,321	138	121	121	139	
Finance Cost	181	361	403	452	364	
Depreciation	355	432	281	259	210	
PBT	19,484	2,008	1,519	1,577	2,035	
PAT	15,650	1,440	912	790	1,361	
Dividend on Equity Shares	602	200	200	190	149	
<b>Financial Position</b>						
Equity Share Capital	670	666	666	666	636	
Reserves (Less Revaluation Reserve & Misc exp)	19,973	8,859	7,907	7,423	6,635	
Net Worth	20,643	9,525	8,573	8,089	7,271	
Borrowings	1,077	2,495	3,307	2,948	3,669	
Net Block (Asset)	4,714	5,147	5,362	4,725	4,123	
<b>Ratios</b>						
Return on Average Networth %(RONW) (PAT divided by Average Networth)	103.76%	15.92%	10.95%	10.29%	20.32%	
Return on Average Capital Employed % ( ROCE) (PBIT divided by Average Fund Employed Excluding Def tax liab)	116.49%	17.88%	16.01%	16.90%	24.46%	
Gross Gearing % (Debt as a percentage of Debt plus Equity)	4.96%	20.76%	27.71%	26.58%	33.36%	
Current Ratio (Current Assets divided by Current Liabilities**)	3.15	2.16	2.09	2.20	2.32	
Asset Turnover Ratio (Net Sales divided by Total Assets)	0.94	1.48	1.34	1.45	1.32	
Earning Per Share (Basic)*	230.08	18.59	11.65	11.13	19.70	
Dividend Per Share	9.00	3.00	3.00	2.85	2.35	
Book Value Per Share	308.24	143.00	128.72	121.45	114.32	

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

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# 5 Year Returns



# Contact Us



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