



Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

READY
FOR THE **NEXT
PHASE**

ANNUAL REPORT
2016-17

This phase has been a good one.

We notched up our performances: by providing the fastest and finest product & service solutions to our customers.

We made new acquisitions: to move further up the echelons of the industry.

And we have raised our vision: by getting ready for the next phase.

Because for us, growth & success is not some destination you reach. It's an ever going process!

FORWARD LOOKING STATEMENT

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forward looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and upto-date nature of information taken, and declared as being taken, from third parties, as well as for forward looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

To view this report online please log on to
www.bodal.com



Summary of financials, 2016-17

Income from operations

₹11841.44 Mn +30.2%

2015-16: ₹9097.88 Mn

EBIDTA

₹2319.22 Mn +36.6%

2015-16: ₹1698.43 Mn

Cash profit

₹1581.07 Mn +36.0%

2015-16: ₹1162.11 Mn

EPS

₹11.79 +49.0%

2015-16: ₹7.94



"OUR CONTINUED EFFORTS TOWARDS IMPLEMENTING OUR GROWTH STRATEGIES HAS RESULTED IN A YEAR OF GOOD PERFORMANCE."

Mr. Ankit Patel

Executive Director

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BODAL IN BRIEF

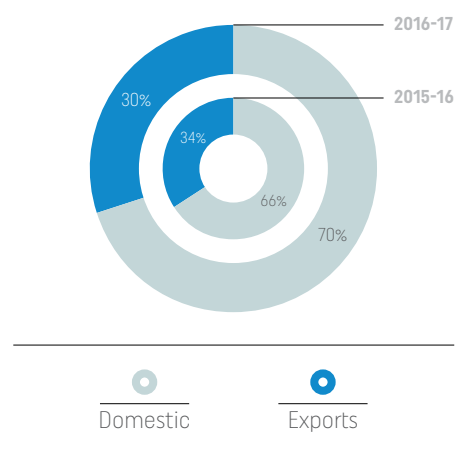
With the aim to be leading manufacturers of dye intermediates and dyestuff in the world, we are building our business while creating value for our stakeholders. Our integrated business model enables us to offer customized and holistic solutions to global and national customers.

Bodal at a glance

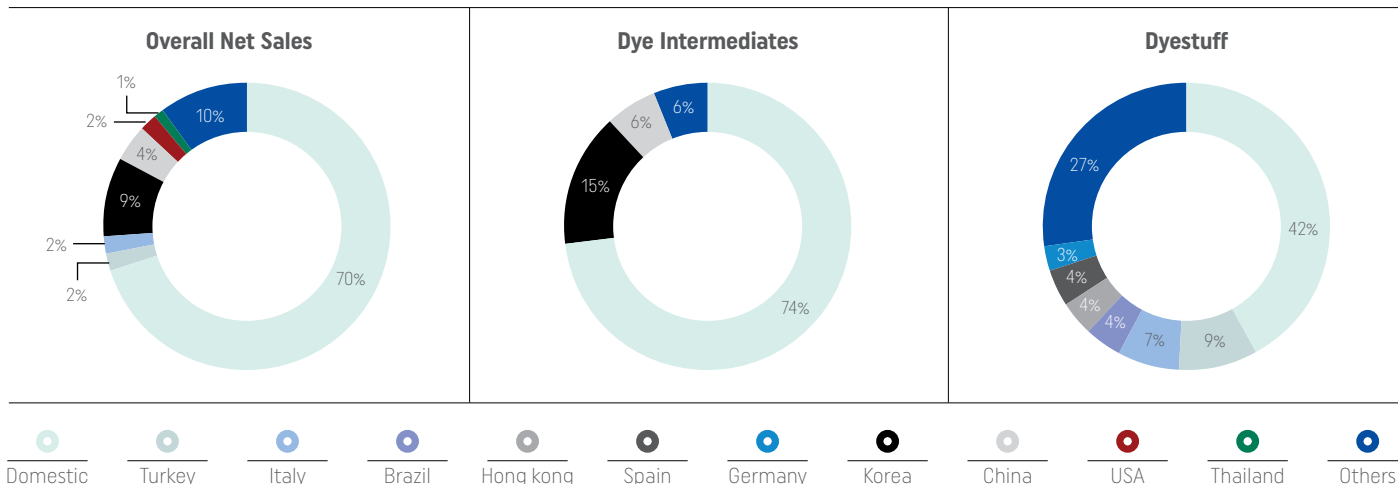
Our market presence



Net Sales by geography



Geographic sales distribution, 2016-17



*Basic chemicals are only sold in India

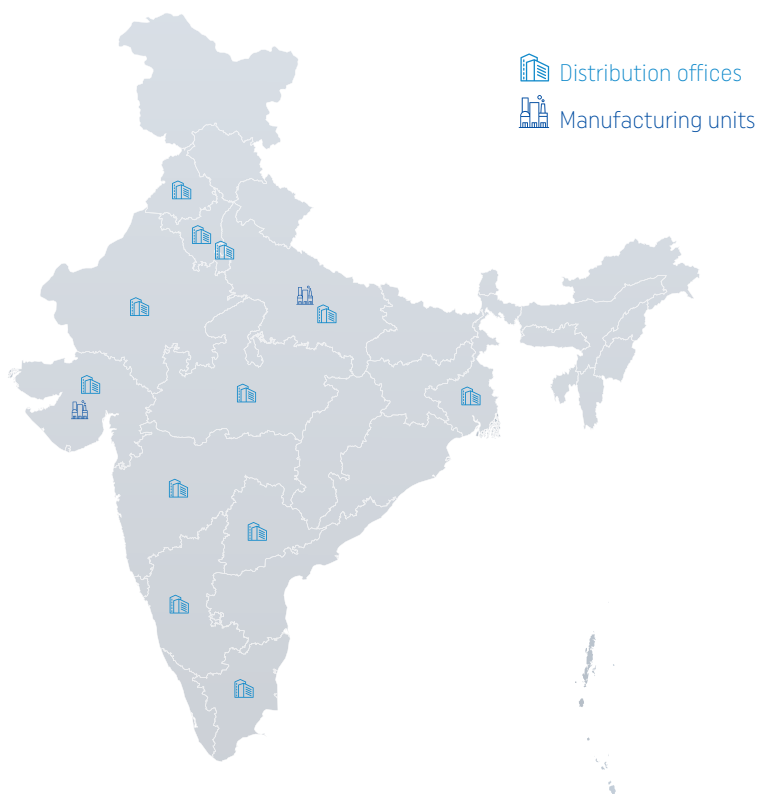
Our manufacturing presence

Location	Plant	Basic Chemicals	Dye Intermediates	Dyestuff	LABSA	Speciality Chemicals
Ahmedabad, Gujarat	Unit-I	X	X	X		
Ahmedabad, Gujarat	Unit-II	X	X			
Ahmedabad, Gujarat	Unit-III		X			
Ahmedabad, Gujarat	Unit-IV			X		
Vadodara, Gujarat	Unit-VII	X	X	X		
Vadodara, Gujarat	Unit-VIII		X			
Bharuch, Gujarat	Unit-IX	X				
Vadodara, Gujarat	Unit-X				X	
Kosi, UP SPS Processors Pvt Ltd (70% Equity Stake)	SPS Processors Pvt Ltd (70% Equity Stake)		X			
Khambhat, Trion Chemicals Pvt Ltd (42% Equity Stake)	Trion Chemicals Pvt Ltd (42% Equity Stake)					X

*Unit V has been sold and Unit VI has been closed

* 70% of total company production is at Unit VII which is one of the most integrated BC-DI-DS plants in India; DS capacity at this plant to be expanded by 8,000 MTPA in the first phase

Our presence



Our product portfolio

Basic Chemicals

Among the India's
leading
manufacturers

Dye Intermediates

India's
largest
manufacturer

Dyestuff

The country's most
integrated
player

BODAL IN NUMBERS

13.7%

7-year CAGR in revenues leading to 2016-17

38.0%

7-year CAGR in net profit leading to 2016-17

1 Mn
ltrs/day



Effluent disposal permission (Unit-VII) – only player in the industry with such large capacity

40%

of Dye intermediates used in-house



1294

Number of employees across its operating offices and plants as on March 31, 2017



59%

Contribution of Dye Intermediates to total revenue



1 million
ltrs/day

In-house ETP plant (Unit-VII)



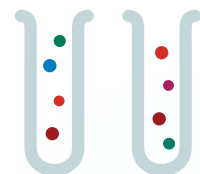
₹3489.20 Mn

Revenue earned through exports in 2016-17



45%

of Basic Chemicals used in-house



50+

Countries of export presence



OUR STORY

1989

Started business with the name of J K Pharma

1991

Inaugurated Unit-II

1994

Started operations of Unit-III

2004

Acquired Dintex Dychem Ltd and started the Dyestuff division

2006

- Listed on BSE as public limited company
- Expanded operations with setting up Unit-IV

2007

Started Unit-VII

2008

Acquired Milestone Organics Ltd as Unit VIII

2009

Started building Sulphur and Chemical Division

2010

Emerged as the most integrated Dyestuff Company in India

2013

Got GDMA award for highest self manufacturing turnover from domestic and export of Dyes and Dye intermediates

2015

Added new division in water treatment chemicals production with the understanding to acquire 42% stake in Trion

2016

Started production of L.A.B.S.A

2017

Acquired 70% stake in SPS Processors (P) Ltd in Uttar Pradesh adding to capacity of Dye intermediates manufacturing

MESSAGE FROM THE CHAIRMAN

Suresh J. Patel
—○—
CHAIRMAN



Dear Shareholders

In the years to come 2016-17 will be remembered as a pivotal year in the growth journey of Bodal. A year that has helped us built a platform to take the company to level-next growth. While we have consolidated our position as one of the faster growing dyestuff companies in India, we now aspire to emerge as a globally recognized one.

Among our many laurels, one of the key aspects that separate us from our peers is our integrated business model. We are the most integrated dyestuff company in the country today from bulk chemicals and dye intermediates to dyestuff, with bulk chemicals and dye intermediates being produced in-house for captive use as well as for direct sales. We started with dye intermediates, graduating to a backward and forward integrated business model with our ever-widening product portfolio.

As the dyestuff industry evolves, we too have adapted to the changing consumer and industry needs. With stringent effluent treatment norms in place, we proactively invested ₹400 million to set up the country's largest ETP plant in our dyes and Dye intermediates industry space. Our eco-friendly business model has further strengthened our long-term business with global MNCs, making us a preferred supplier on a global platform. As other countries are regulating their dyestuff industry with mandatory norms for waste treatment, it eliminates their domestic companies' ability to dump the goods to global companies. This level-playing field of competitive pricing only adds to our advantage to expand our market share globally with quality conscious products and solutions.

These changing dynamics make a strong case in point for Bodal. Our philosophy of 'ready for the next phase' is relevant in true context, as we strive to achieve ambitious targets. Our acquisition of SPS Processors with a 70% stake has helped us expand our dye intermediates

capacity up to 7200 TPA. An equity buy-out, this acquisition also helps us expand our presence in domestic market. SPS' locational advantage in the north at crossroads of four states, strengthens our competitive position expanding the foundation for future success.

Our joint venture with Trion is yet another strategic investment to expand our product portfolio. With specialty chemicals gaining prominence, this venture further enriches our presence in dyes and chemicals industry. Our plant at Khambat, Gujarat has an annual capacity of 12000MT for TCCA has started a new line of business at group level.

In addition, we continue to make high-quality products, with a number of variants across our three business divisions. We have invested in new plant and technologies, to better our quality benchmarks, produce more efficiently and further reduce the impact on environment. Our captive power and steam generation adds to our cost competitiveness, adding to our margin growth. The result of these operational achievements was visible during the consolidated year under review, as we registered 35% growth in revenues to ₹12431.27 million (from ₹9218.66 million in previous year), EBITDA to ₹2374.77 million (from ₹1685.15 million in previous year) (with EBITDA margins of 19.2% and 18.5% respectively), and grew profit after tax by 49.5% to ₹1285.84 million (against ₹859.87 Million in previous year). We continue to make sustained investments for our capacity expansion and keep a comfortable debt profile. Our debt-equity ratio for the year was low at 0.42, with a healthy interest coverage ratio of 24. Our financial achievements and health underpin our long-term vision and strategies.

Our people form an integral part of our growth journey. We continue to engage actively with our employees, with training and motivation that helps them perform consistently to deliver greater efficiencies. We also put a strong focus on health and safety aspects,

conducting proper training and mock drills to ensure that the team is vigilant and agile for any unforeseen circumstances.

While we march ahead towards our business goals, we also make conscious efforts towards making active contributions to society and environment. Our regular contributions and initiatives towards uplifting several people in various aspects are our humble endeavor to make our world a better place.

I am thankful to the Board of Directors, for their continued support and guidance towards taking the Company ahead. I would also like to place on record our appreciation towards our bankers, suppliers and customers for their continued trust in us, and building an enriching association.

Bodal Chemicals is an Indian Company, serving customers in India and across the world. We are keenly promoting the 'Make in India' philosophy with our enriched product portfolio. We are determined to continue to grow in the 'next phase' of our corporate journey and emerge as an even stronger and customer-focused company, delivering performance that matters to all stakeholders.

Regards

Suresh J. Patel

Chief Executive Officer,
Chairman & Managing Director

FINANCIAL REVIEW

Bodal has reported another year of strong financial growth. Increasing cash flow has enabled us to reinvest in our business and identify high growth opportunities in the international dyestuff industry.



"THE PERFORMANCE FOR THE YEAR REFLECTS OUR INCREASING FINANCIAL MATURITY TRANSLATING INTO SUSTAINED PROFITABLE GROWTH."

Mr. Bhavin S. Patel
Executive Director

In Profit & Loss Statement

Income from operations (₹ in Million)

30.15%	Y-O-Y
2016-17	11841.44
2015-16	9097.88
2014-15	10453.12
2013-14	9594.57
2012-13	5238.34

EBIDTA (₹ in Million)

36.54%	Y-O-Y
2016-17	2319.22
2015-16	1698.44
2014-15	1889.84
2013-14	1927.12
2012-13	247.56

Profit before tax (₹ in Million)

51.24%	Y-O-Y
2016-17	1994.35
2015-16	1318.66
2014-15	1394.60
2013-14	470.84
2012-13	(308.62)

PAT (₹ in Million)

48.51%	Y-O-Y
2016-17	1286.12
2015-16	865.99
2014-15	920.17
2013-14	306.53
2012-13	(211.23)