

# **ACIL Limited**

A Broad Overview.....

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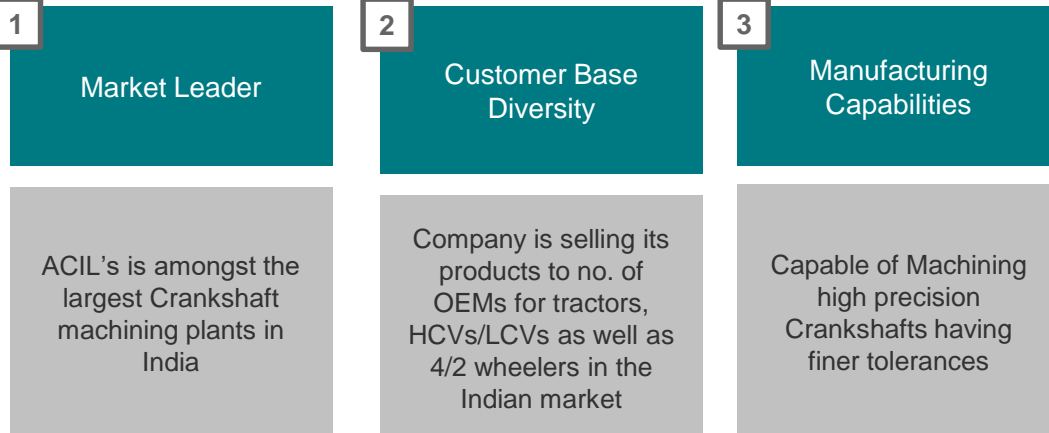
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## Executive Summary

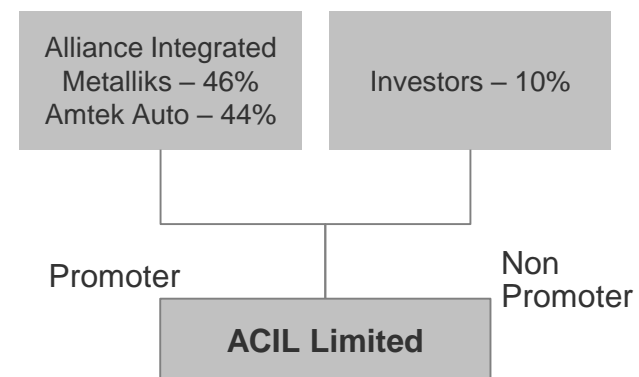
### Business Overview

- ▶ Established in 1997, ACIL Ltd. is engaged majorly in manufacturing of high precision engineering automotive components viz. crankshafts. It also manufactures connecting rod, wheel hubs and steering knuckles.
- ▶ It has the capacity to manufacture crankshafts of wide range from 0.5 to 150 kg.
- ▶ ACIL's plant is located in IMT, Manesar, a well developed industrial area in Gurugram, Delhi NCR.
- ▶ As of August 8, 2018 ACIL employed ~539 employees ( approx. 30% on regular and 70% on contract basis)
- ▶ For the financial year ending 2018, the company generated INR 1446 Mn in net sales and INR 112 Mn in EBITDA as per the audited financial statements.

### Key Investment Consideration



### Shareholding Structure



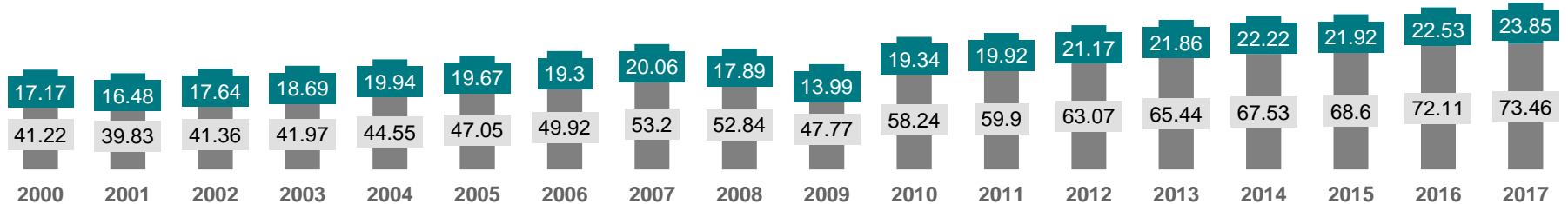
## Major Highlights:

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- ▶ Crankshaft being an engine component requires **utmost precision**. ACIL has the proven capability
- ▶ **Company has 16 lines of production**
- ▶ **High-end Machinery and Equipment** from reputed manufacturers like Toyoda and Komatsu (Japan), Heller and Landis (Germany) etc
- ▶ **Long term relationships** (over 10 years) with key OEMs like John Deere, New Holland Tractor, Swaraj Mazda, Maruti Suzuki India & Honda Motorcycles & Scooters.
- ▶ **EBITDA positive** financials;
- ▶ Significant growth & profitability improvement opportunity based on existing installed capacity and customer base;
- ▶ **Robust short to mid term outlook** for automotive industry
- ▶ Excellence Award in recognition of Partner-level performance received from John Deere for three years consecutively (2014-2016)
- ▶ Achieved **Silver Award in 2015** and **Gold Award in 2016** from **Frost & Sullivan Indian Manufacturing Excellence Awards**.

# Automobile Industry Overview - Global

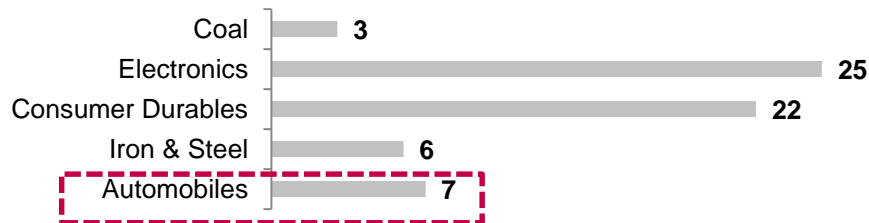
## Worldwide automobile production (million units)



Source: Statista

■ Passenger vehicles ■ Commercial vehicles

## Contribution to GDP in FY2016 (in %)



Indian GDP in 2016:

2.264 Trillion

Indian Automobile contribution to GDP in 2016 : \$158.48 Billion

## Indian Automobile Industry



Largest tractor manufacturer



2<sup>nd</sup> largest bus manufacturer



2<sup>nd</sup> largest two wheeler manufacturer



5<sup>th</sup> largest heavy truck manufacturer



4<sup>th</sup> largest passenger car manufacturer

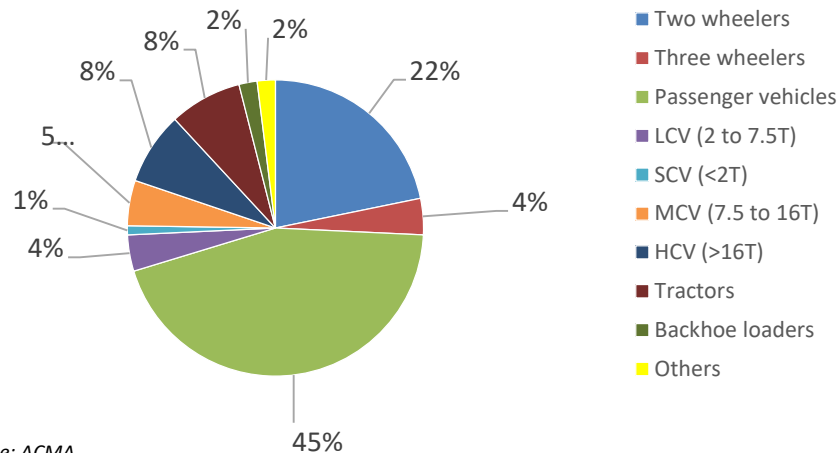


5<sup>th</sup> largest commercial vehicle manufacturer

- India is the 5<sup>th</sup> largest vehicle manufacturer globally after China, USA, Europe and Japan.
- The automotive manufacturing industry comprises production of commercial & passenger vehicles, three & two-wheelers.
- The total production volume grew at a CAGR of 5.5% and the total sales grew at a CAGR of 5.9% from FY12 to FY 18

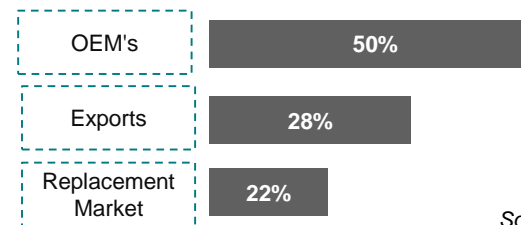
# Auto Component Industry Overview - India

Auto component consumption by OEMs



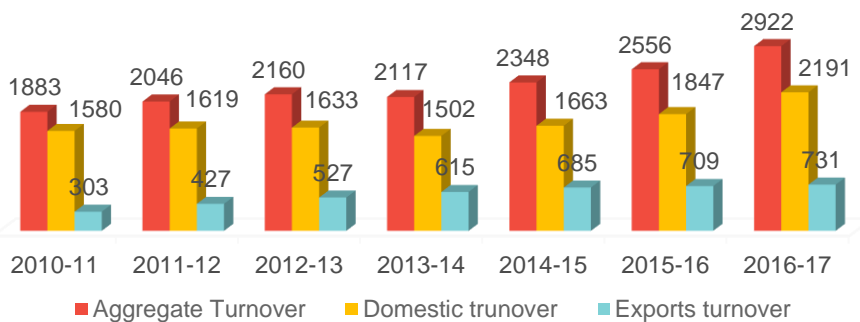
Source: ACMA

Market Segmentation of Auto Component Industry Turnover



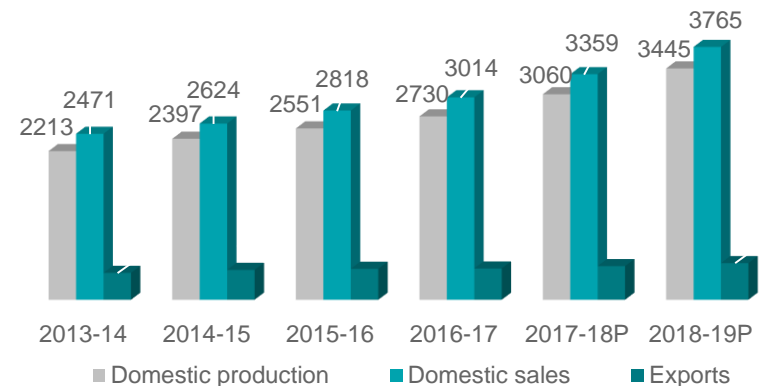
Source: Dun & Bradstreet

Automotive components aggregate turnover (INR Bn)



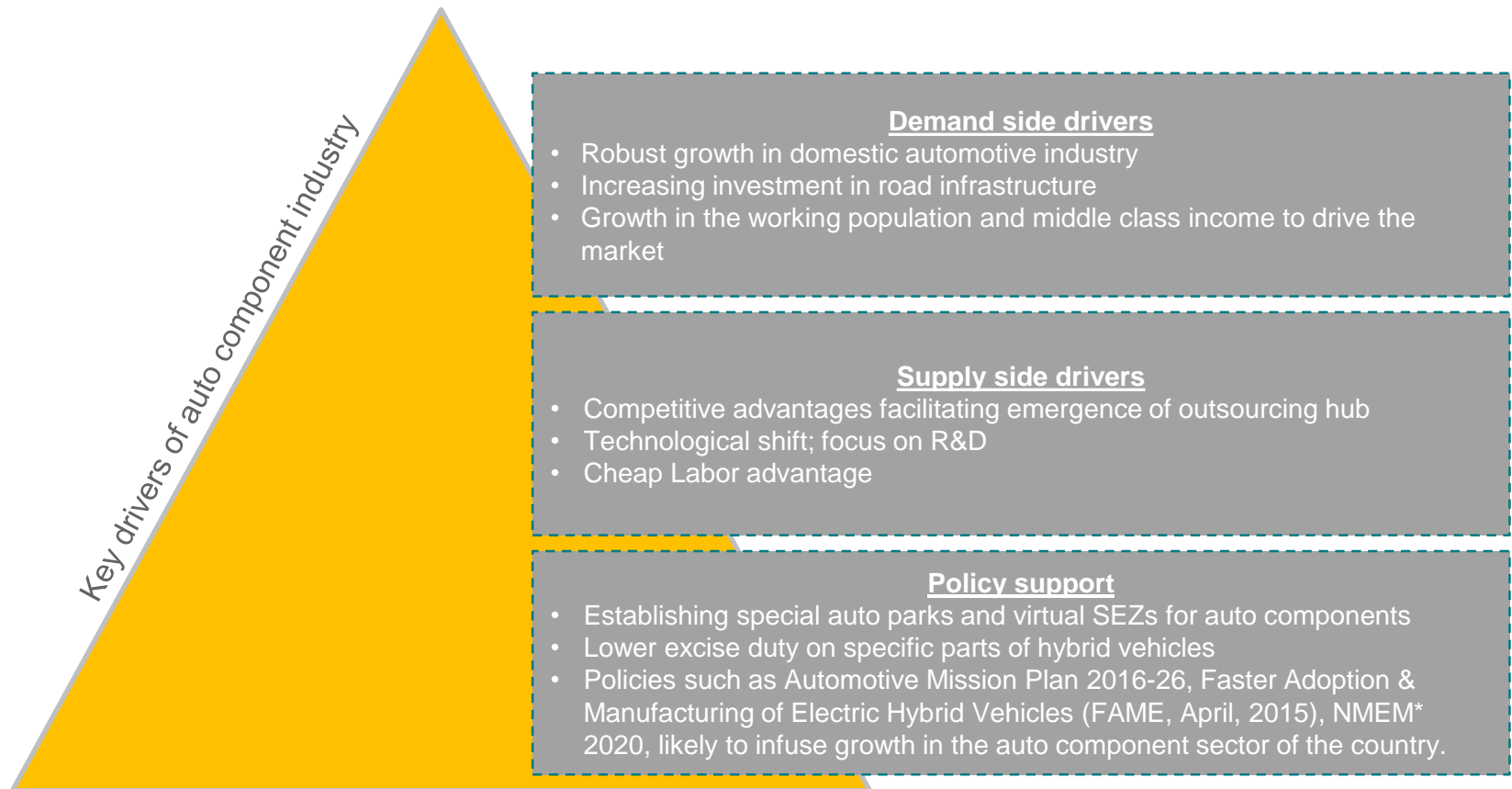
Source: Crisil

Automotive components market trend (INR Bn)



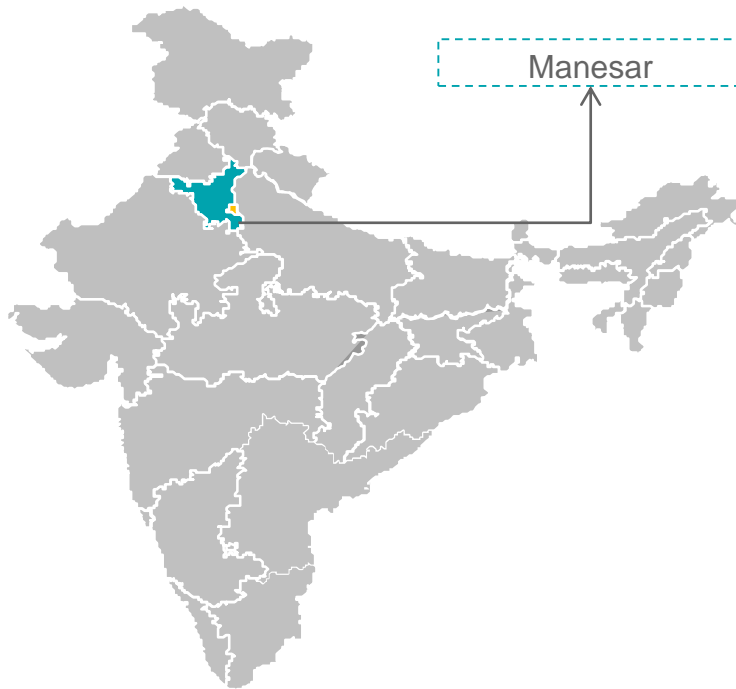
Source: Crisil

# Growth Drivers of Auto Component Industry



## Manufacturing Facility

### Manufacturing Facility



- Land Area : 7875 square mtrs
- Head Count : 539
- 70% contractual labour and 30% regular employees (Approx.)
- Co-ordial labour relations; no trade union



## Manufacturing Facility & Infrastructure

### Key Equipment Capabilities and Edge

- ▶ Facility is equipped with best in class machinery and equipment with dedicated machining Lines for customers
- ▶ In-house tool room facility equipped with tool & cutter grinders, Broach Sharpener, Lathe, Milling Machine & Surface Grinders
- ▶ Fully automated machining lines with Hydraulic loaders to load/offload heavy and highly precision components
- ▶ For all Key Processes, facility is equipped with world class machines:
  - ▶ Special Pin & Journal Milling Machine from Komatsu (Japan)
  - ▶ Journal Grinding Machines from Toyoda (Japan)
  - ▶ Pin Grinding Machines from Toyoda (Japan)
  - ▶ Crack detection machine from ITW
  - ▶ Induction Hardening Machine from EMA (India)
  - ▶ Heat treatment facility have tempering furnace
  - ▶ HMC;s (Japan)
  - ▶ Standard Room equipped with CMM, Profile Projector, Adcole Gauge, Slip Gauges, Finish Tester & Contour tester
  - ▶ Testing Lab equipped with Hardness tester, Millipore tester.etc.
  - ▶ Utilities equipped with Generators for power back up, ETP & STP

### Pictorial View



### Production Shop floor



**Pin Milling**



**Tempering Furnace**



**Crack Detection**



**Induction Hardening**

## Awards



Appreciation for successful completion of Lean Six Sigma Project from John Deere



Appreciation for Productivity Improvement on Conrod Line from John Deere



Appreciation for reduced Customer PPM from John Deere



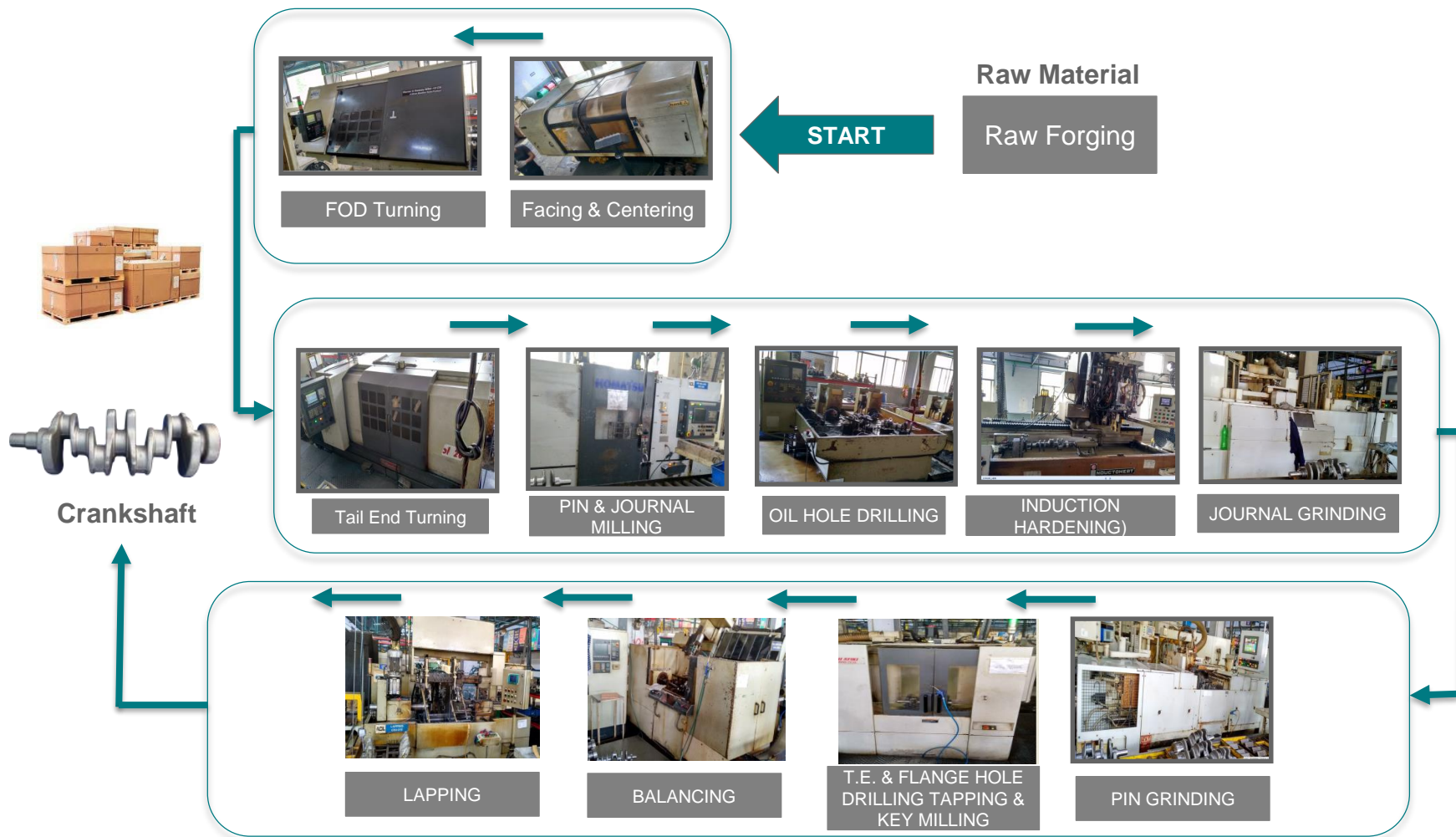
Achieved Silver Certificate of Merit from Frost & Sullivan India Manufacturing Excellence Awards



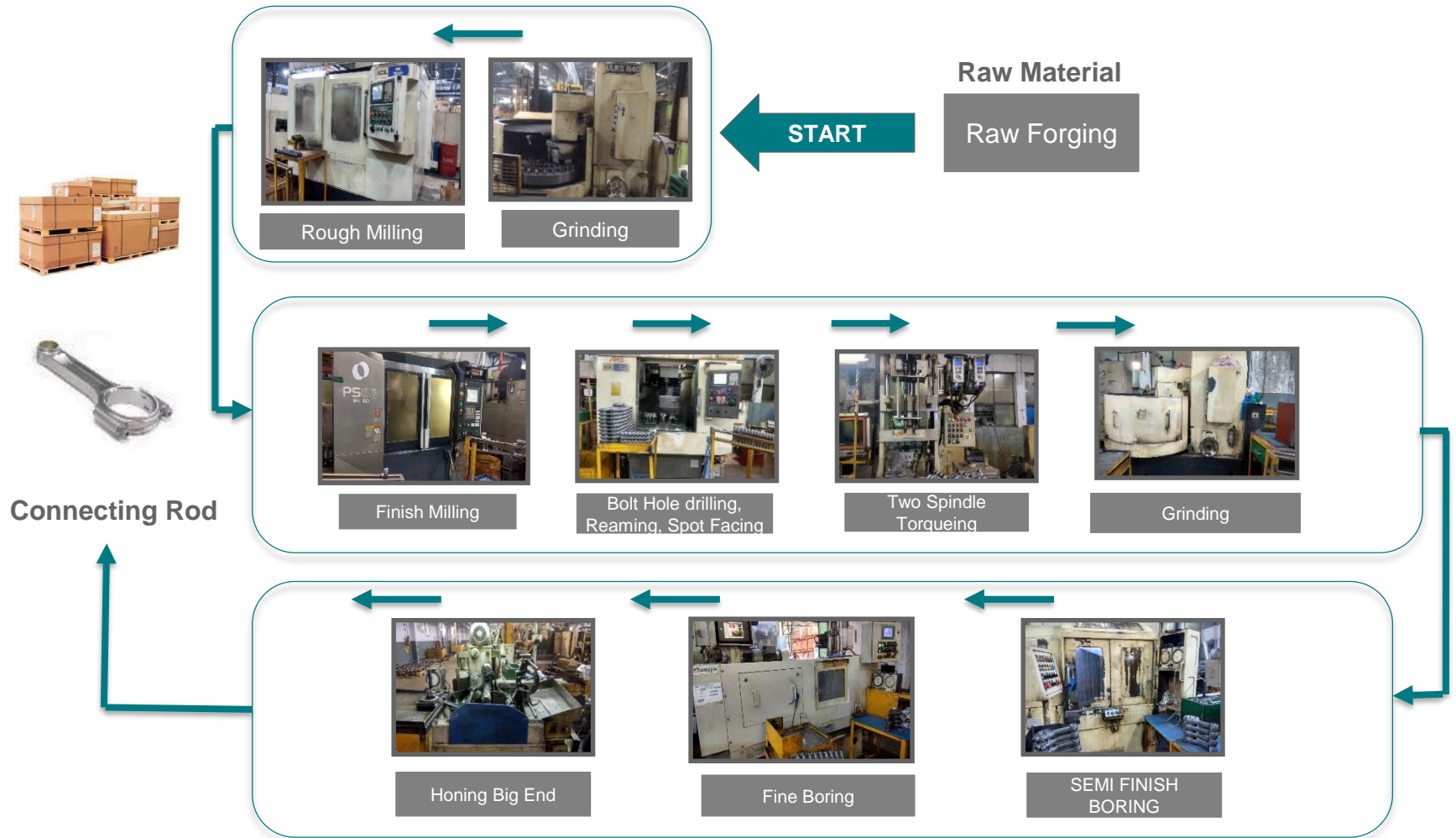
Appreciation letter received from Customers for Good Quality and Delivery Targets



# Value Chain for ACIL



# Value Chain for ACIL





# Key Products

The Company caters to a range of high value added components

Tractor Components

Passenger Vehicle Components

Two Wheeler



**Steering Knuckle**



**Crankshafts**



**Connecting Rods**



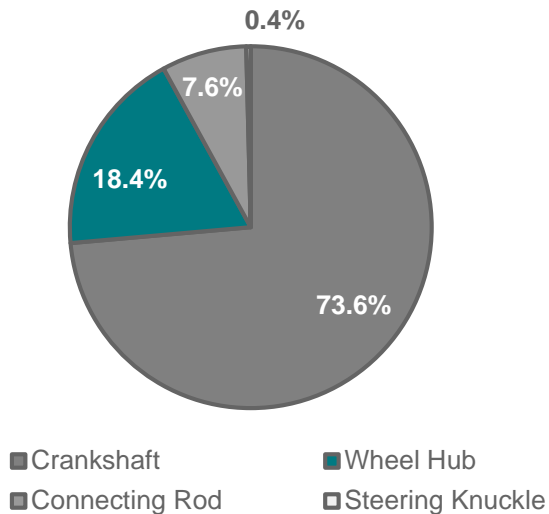
**Wheel Hub**



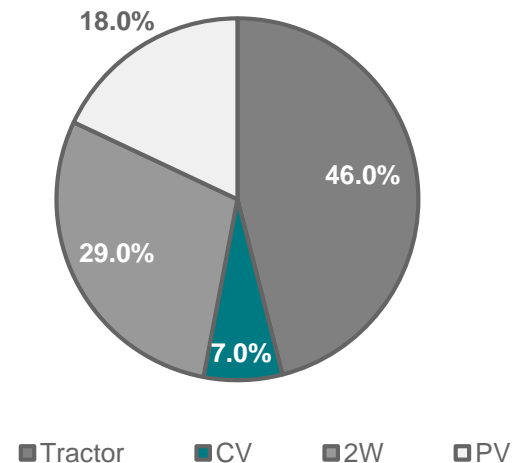
**2W Crankshaft**

## Revenue Splits

### Revenue Split by Product Family



### Revenue Split by Segment



Splits based on FY 18

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