

Ref: AKSHAR/SE/2019-20/1905/16

May 16, 2019

To,
Deputy General Manager
Department of Corporate Services
BSE Limited
25th Floor, P. J. Towers
Dalal Street
Mumbai – 400 001
Scrip Code: 524598

To,
The General Manager (Listing)
National Stock Exchange of India Ltd.
5th Floor, Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051
Company Symbol: AKSHARCHEM

To
Secretary
Ahmedabad Stock Exchange Limited
Kamdhenu Complex
Opp. Sahajanand College,
Panjara Pole, Ambawadi
Ahmedabad - 380 015
Company Code : 6408

SUB: INVESTOR PRESENTATION – MAY, 2019

REF: REGULATION 30 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Dear Sir/Madam,

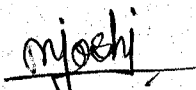
Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing hereby a copy of the Investor Presentation – May, 2019.

The aforesaid Investor Presentation – May, 2019 will also be uploaded on the website of the Company i.e. www.aksharchemindia.com

This is for your information and record.

Thanking you,

Yours faithfully,
For, **AKSHARCHEM (INDIA) LIMITED**

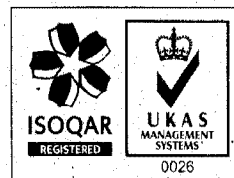

Meet Joshi
Company Secretary

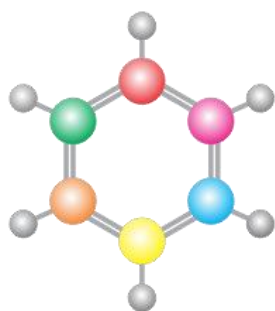


Encl: As above

AksharChem India Ltd.

“Akshar House” Chhatral - Kadi Road, Indrad-382 715, Mehsana, India.
Tele: 91-2764 233 007-10 • Fax: 91-2764 233 550 • Email: admin@aksharchemindia.com





AksharChem[®]

AksharChem (India) Limited

Investor Presentation - May 2019



Safe Harbor

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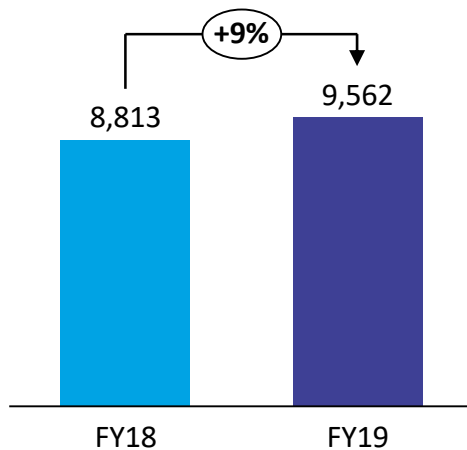
Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

Result Update



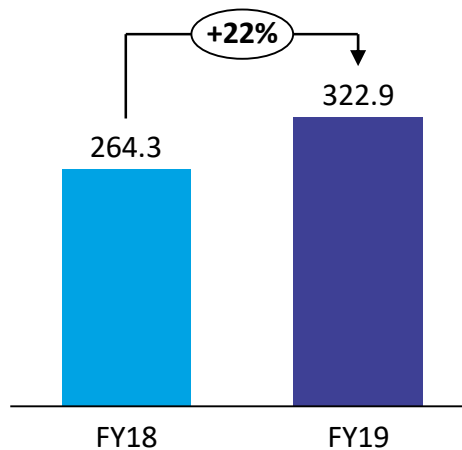
Annual Result Highlights

Total Volume (MT)



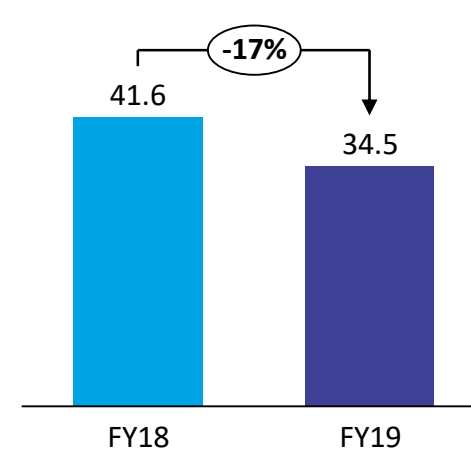
Our product demand is intact so our business continues to grow on volume basis making it more sustainable

Revenue (Rs. In Crs.)



Increased on the back of high volumes and high realizations due to China situation

EBITDA (Rs. In Crs.)



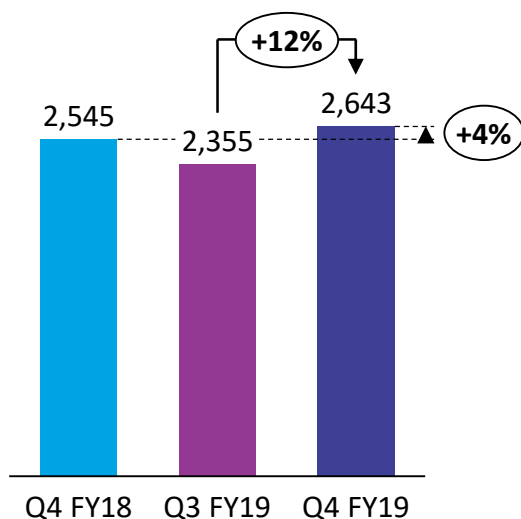
High volatility in crude prices during the year along with Currency fluctuation

Other expenditure increased Due to new capacity addition of CPC Green and H-acid and teething problems in the initial phase of H-acid manufacturing

Resulting into lower Profitability

Result Highlights – Q4 FY19

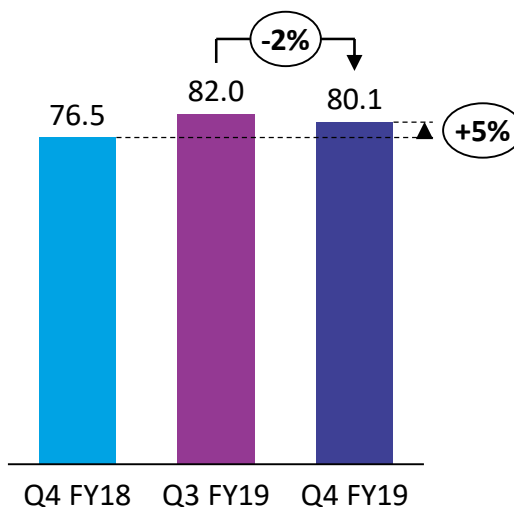
Total Volume (MT)



Y-o-Y: Better volumes on the back of New Product H-acid

Q-o-Q: Increase in capacity utilisation

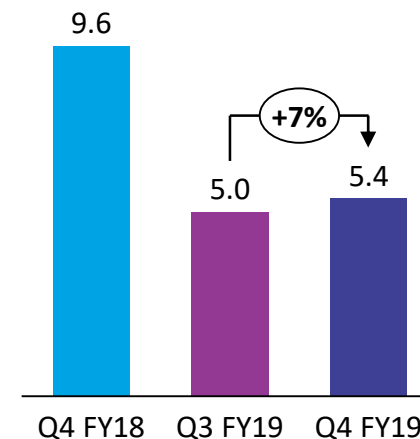
Revenue (Rs. In Crs.)



Y-o-Y: Volume led growth

Q-o-Q: Volume improved but Realisation stabilised

EBITDA (Rs. In Crs.)



Y-o-Y: Increased cost of new Capacity addition of CPC Green and H-acid

Q-o-Q: Reduction in raw material more than the reduction in realisation which was offset by increase in the other expenditure

FY19 Highlights

- The Board of Directors have recommended a Final Dividend of Rs. 3.50 per equity share which is 35% of face value of Rs. 10 per equity share for the Financial Year FY18 – FY19
- CARE Ratings has reviewed the ratings on the bank facilities of the Company and reaffirmed the rating for the Short term Bank Facilities and Long term/Short term Bank Facilities.

| Facilities | Rating | Remarks |
|--------------------------------------|--|------------|
| Short term Bank Facilities | CARE A1+ (A One Plus) | Reaffirmed |
| Long-term/Short-term Bank Facilities | CARE A+; Stable/ CARE A1+ (Single A Plus; Outlook: Stable/ A One Plus) | Reaffirmed |

➤ Expansion Plan

| Proposed Projects | Existing Capacity (In TPA) | Additional Capacity (In TPA) | Post Expansion Capacity (In TPA) |
|---------------------------------|-------------------------------|---------------------------------|--|
| ORGANIC PIGMENTS | | | |
| CPC Green | 1,920 | 480 | 2,400 |
| DYES & INTERMEDIATES | | | |
| H Acid | - | 1,200 | 1,200 |
| SPECIALTY CHEMICALS | | | |
| Precipitated Silica | - | 10,000 | 10,000 |

Profit & Loss Statement* - Q4 & FY19

| Particulars (In Crs.) | Q4 FY19 | Q4 FY18 | Y-o-Y | FY19 | FY18 | Y-o-Y |
|------------------------------------|-------------|--------------|-------------|--------------|--------------|-------------|
| Net Revenue from Operations | 80.1 | 76.5 | 5% | 322.9 | 264.3 | 22% |
| Raw Material | 51.0 | 49.2 | | 204.5 | 160.3 | |
| Employee Expenses | 2.8 | 2.7 | | 9.7 | 8.4 | |
| Other Expenses | 20.9 | 15.1 | | 74.2 | 54.0 | |
| EBITDA | 5.4 | 9.6 | -44% | 34.5 | 41.6 | -17% |
| EBITDA % | 6.7% | 12.5% | | 10.7% | 15.7% | |
| Other Income | 2.0 | 0.2 | | 5.3 | 7.1 | |
| Depreciation | 1.8 | 0.8 | | 5.5 | 4.6 | |
| EBIT | 5.6 | 9.0 | -37% | 34.3 | 44.1 | -22% |
| EBIT % | 7.0% | 11.7% | | 10.6% | 16.7% | |
| Finance Cost | 0.2 | 0.2 | | 0.9 | 1.5 | |
| PBT | 5.4 | 8.7 | -38% | 33.4 | 42.6 | -22% |
| Tax | 1.8 | 3.9 | | 10.8 | 12.0 | |
| PAT | 3.7 | 4.8 | -24% | 22.6 | 30.6 | -26% |
| PAT % | 4.6% | 6.3% | | 7.0% | 11.6% | |
| Other Comprehensive Income | -0.4 | 0.0 | | 0.3 | 0.1 | |
| Total Comprehensive Income | 3.3 | 4.8 | | 22.9 | 30.6 | |
| Earnings Per Share (EPS) | 4.45 | 5.88 | | 27.54 | 37.26 | |

Balance Sheet*

| Assets (In Crs.) | Mar-19 | Mar-18 |
|-------------------------------------|--------------|--------------|
| Property, Plant & Equipment | 126.0 | 86.0 |
| Capital Work-in-Progress | 30.8 | 25.8 |
| Other Intangible Assets | 0.0 | 0.1 |
| Intangible Assets under Development | 0.2 | 0.2 |
| Financial Assets | | |
| Investments | 21.0 | 31.6 |
| Loans | 0.2 | 0.2 |
| Other Assets | 1.9 | 1.5 |
| Deferred Tax Assets(Net) | 0.0 | 0.0 |
| Other Non-Current Assets | 14.8 | 12.8 |
| Total Non-Current Assets | 194.9 | 158.2 |
| Inventories | 36.6 | 29.7 |
| Financial Assets | | |
| Investments | 0.0 | 45.6 |
| Trade Receivables | 38.1 | 27.5 |
| Cash and Cash Equivalents | 0.2 | 3.8 |
| Bank Balances other than above | 2.0 | 0.8 |
| Loans | 0.1 | 0.1 |
| Other Financial Assets | 0.1 | 0.1 |
| Current Tax Assets (Net) | 2.3 | 0.6 |
| Other Current Assets | 41.8 | 32.8 |
| Total Current Assets | 121.1 | 141.0 |
| Total Assets | 316.0 | 299.2 |

| Equity & Liabilities (In Crs.) | Mar-19 | Mar-18 |
|---------------------------------------|--------------|--------------|
| Share Capital | 8.2 | 8.2 |
| Other Equity - Reserve | 249.0 | 229.5 |
| Total Equity | 257.2 | 237.7 |
| Financial Liabilities | 0.0 | 0.0 |
| Provisions | 0.0 | 0.0 |
| Deferred Tax Liabilities (Net) | 15.2 | 11.6 |
| Other Non-Current Liabilities | 0.0 | 0.0 |
| Total Non-Current Liabilities | 15.2 | 11.6 |
| Financial Liabilities | | |
| Borrowings | 11.5 | 0.0 |
| Trade Payables | 27.4 | 30.9 |
| Other Financial Liabilities | 0.6 | 0.5 |
| Other Current liabilities | 4.0 | 18.3 |
| Provisions | 0.2 | 0.2 |
| Current Tax Liabilities (Net) | 0.0 | 0.0 |
| Total Current Liabilities | 43.7 | 49.9 |
| Total Equity & Liabilities | 316.0 | 299.2 |

* As per Ind-AS

From the Chairperson's Desk

Mrs. Paru M. Jaykrishna
(Founder, Chairperson &
Managing Director)



At AksharChem, we believe growth is the only constant in dynamic business environment. Innovation is our heritage, the foundation on which our Company is built. Our efforts focus on continuous improvement in products and processes. Our products comply with all international quality standards and environment protection norms.

As tough as the year was, the company was under constant and intense pressure. I feel pride that of the enduring resolve and resiliency of our management team and our employees and focus on relentlessly serving our clients, we have fared well. We believe difficult times always create opportunities and is a way of learning for becoming stronger and wiser.

For over these years we have adhered to a set of values rooted in -

Process and Quality Excellence: Quality and Cost matters as it is essential to constantly improve and invest in modern technologies

Expanding footprints: Essential to widen and deepen marketing reach to make the most of the unaddressed opportunities

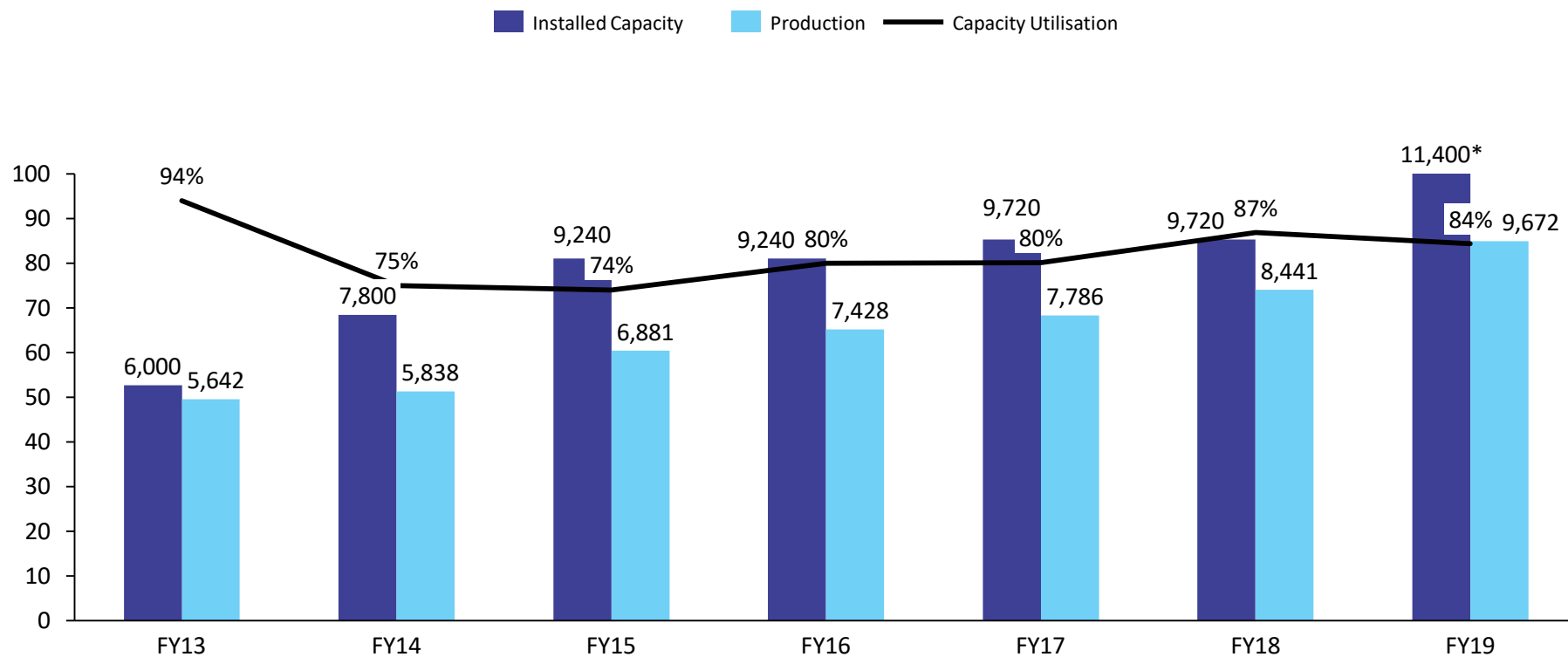
Trust & Credibility: Enabled us to gain new customers and develop strong business relationships

Recently, we made choices and investments in few of the project which will shape the future and ensure our Company's continuing success. We believe our long term outlook looks bright and we will continue to deliver great returns for our shareholders

Update on Capex



Capacity Utilisation

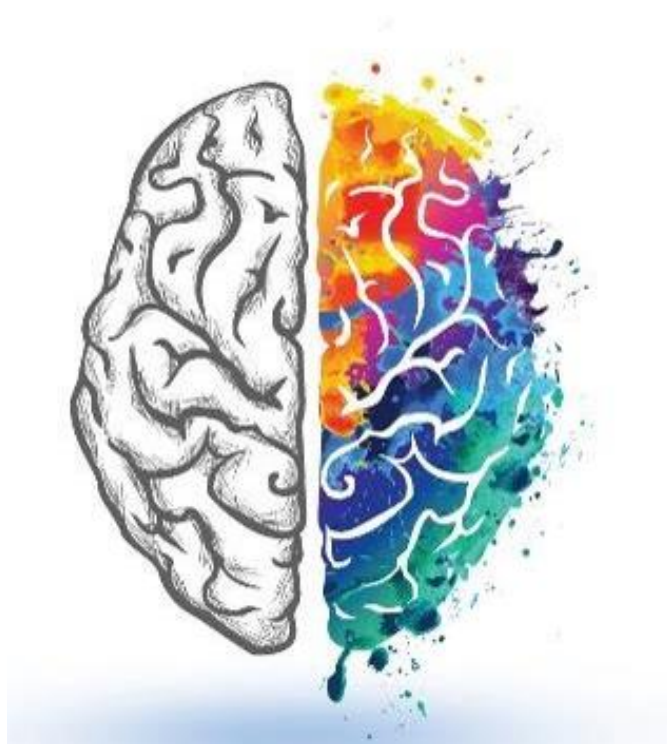


* Total Capacity not available for the full year

Company Overview

We Have Developed The EDGE

Largest exporter of **VINYL SULPHONE** in India with
~ **45%** share in exports of this product



One of the largest exporters from India and among the largest
players globally for **CPC GREEN PIGMENT** with a global
market share of ~**10%**

22%

Revenue
CAGR FY13-19

57%

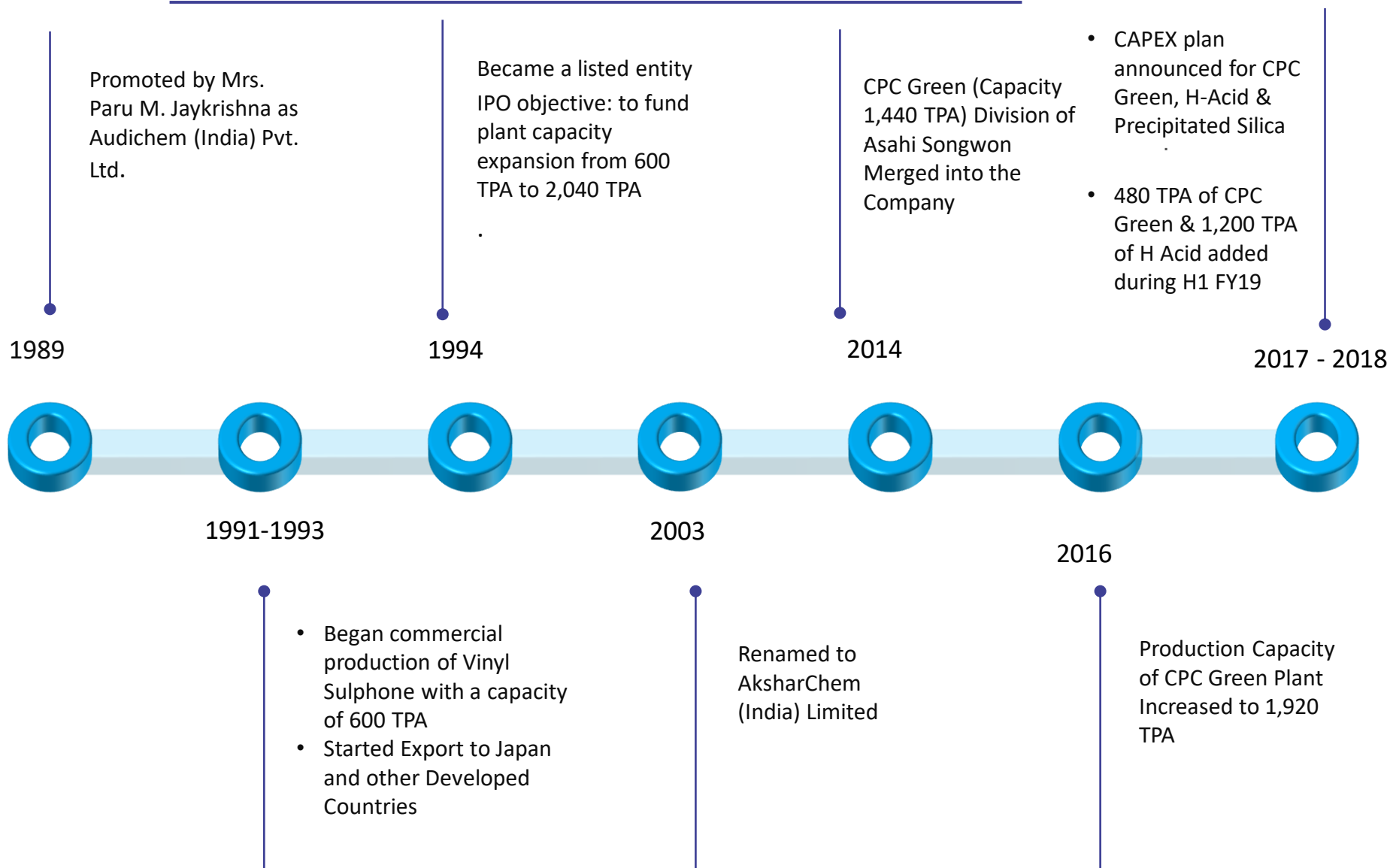
Net Worth
CAGR FY13-19

83%

Exports
FY18-19

Net Cash Company
March 2019

With Legacy of Over 2 Decades



With Right Products

| | Dye Intermediates | Pigments |
|-------------------|---|--|
| Products | Vinyl Sulphone & H-Acid | CPC Green |
| Capacity | 9,000 TPA | 2,400 TPA |
| Usage | Intermediate product for Dye Manufacturing | Used as colouring agents |
| Key Raw Materials | Acentanilide , Caustic Soda & Other Chemicals | CPC Blue, Aluminium Chloride & Other Chemicals |

With Diversified End User Industry



Leather
CPC Green

Paint
CPC Green

Textile
Vinyl Sulphone

Textile Industry
Vinyl Sulphone



Plastics
CPC Green



Rubber
CPC Green



Plastics
CPC Green



Ink
CPC Green



Plastics
CPC Green



Paint
CPC Green

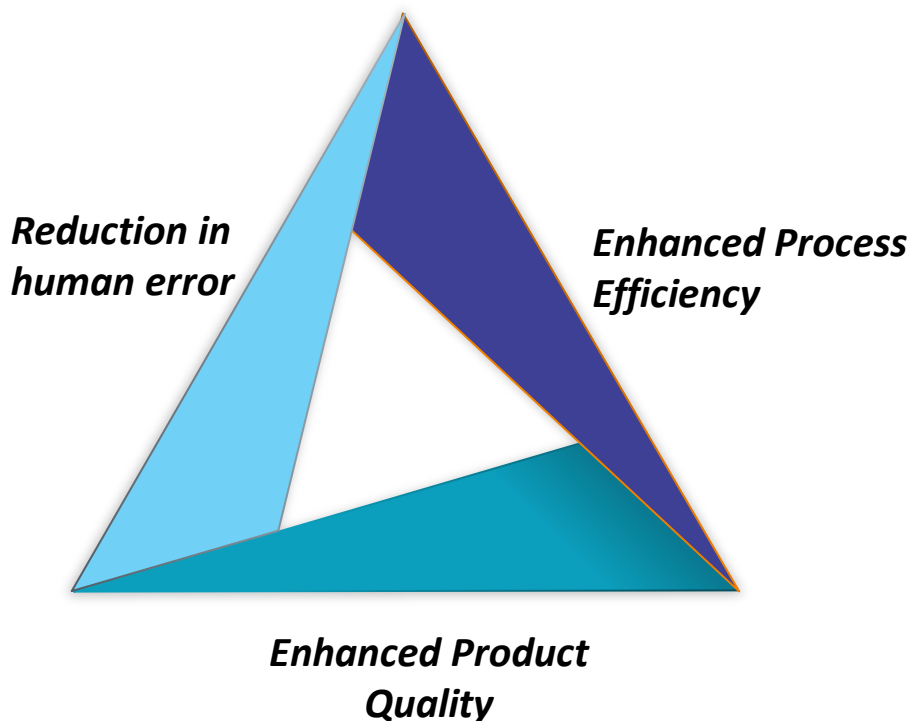
- Best Quality reliable products with zero product return in the history of the Company.
- No bad debts during the history of the Company.
- Long term quantity contract with leading global customers



ISO 14001 : 2015



ISO 9001 : 2015

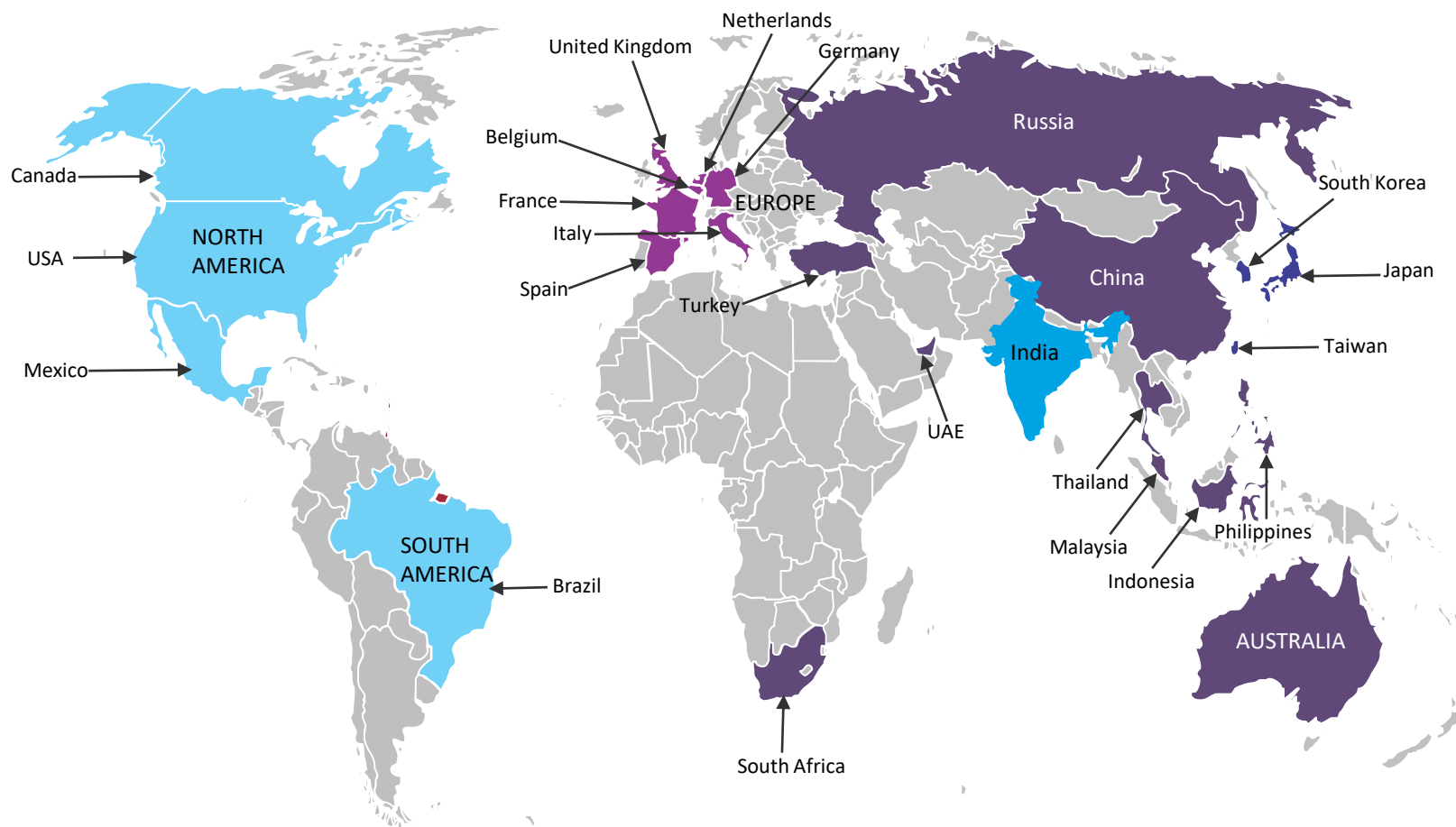


With State of the Art Manufacturing



**Strategically Located in the Chemical
Belt of Gujarat, at Mehsana
Covering over 100,000 sq mt. of area**

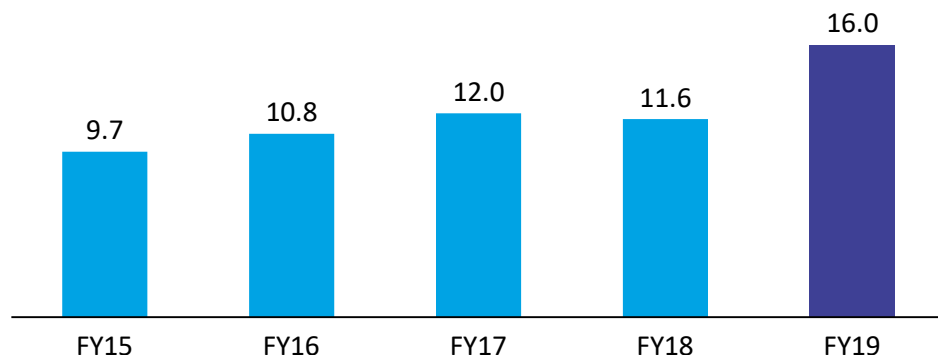
With Expanding Footprints



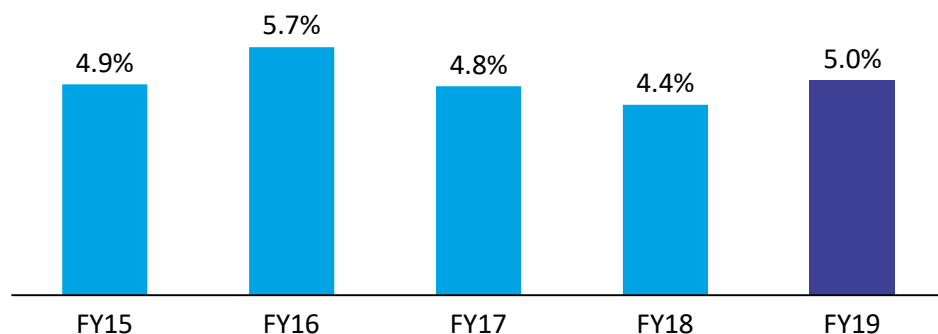
Presence in over 20 countries

Investment on Environment for Sustainable Growth

**Consistent Spending for Pollution Treatment Expenses
(In Crs.)**



**Annual Pollution treatment expenses
as a % of Revenue**



- It takes over 3 years to get Environmental Clearances from the Government
- Internationally recognised processes that ensure
 - Minimum waste generated per unit
 - Treat wastes to permissible limits before disposal
 - Emits fewer pollutants
 - Recycle & reuse water

One of the most environment friendly chemical companies across the globe

With Experienced Board



Mrs. Paru M. Jaykrishna

Founder, Chairperson & Mg. Director

Her role is that of a strategic decision and policy maker to ensure growth



Mr. Gautamkumar M. Jain

Independent Director

Industrialist with over 41 years experience in the chemical industry, past President of the Gujrat Dyestuff Manufacturers Association



Dr. Pradeep J. Jha

Independent Director

Expertise in Accounting and Finance. Authored many books on Mathematics and Operations Research, also has vast teaching experience



Mr. Jigar M. Patel

Independent Director

LL.M. Honors in International Taxation from the prestigious NYU School of Law. He is currently the Executive Director of International Tax & Investment Consultants at Ahmedabad. He is Vice-President of the Income Tax Bar Association, Ahmedabad



Ms. Maitri K. Mehta

Independent Director

Practicing Cost Accountant
MBA in Finance. She is Fellow Member of the Institute of Cost Accountant of India (FCMA) & Insurance Institute of India (FIII-Life)



Mr. Gokul M. Jaykrishna

Director

Major in Finance and Marketing from Lehigh University, (USA)



Mr. Munjal M. Jaykrishna

Jt. Managing Director & CEO

Responsible for all Management decisions and overall developments of the company.



Mr. Ashok D. Barot

Director

Master of Science (M. Sc.) Senior Manager (Technical Services) of the Company associated since July 2004. He is currently looking after plant administration as well as technical issues of the Company

With Awards & Accolades



- Trishul Award for the outstanding export performance in Panel I: Dyes and Dye Intermediates (SSM+ME) for the year 2016-17 from CHEMEXCIL
- Best Manufacturer Exporter (Medium) from ECGC – Indian Exporters' Excellence Awards 2017(Trophy)
- SME Business Excellence Awards for Best Global Business and Chemicals & Pharmaceuticals 2017 by Dun and Bradstreet



- Top Performer Women Entrepreneur-NON MSME
- Third Award for self manufactured direct export of Dye Intermediates during the year 2015-16
- Trophy for self manufactured domestic sale of Dye Intermediates of more than Rs. 5 Crores but less than Rs. 25 Crores during the year 2015-16



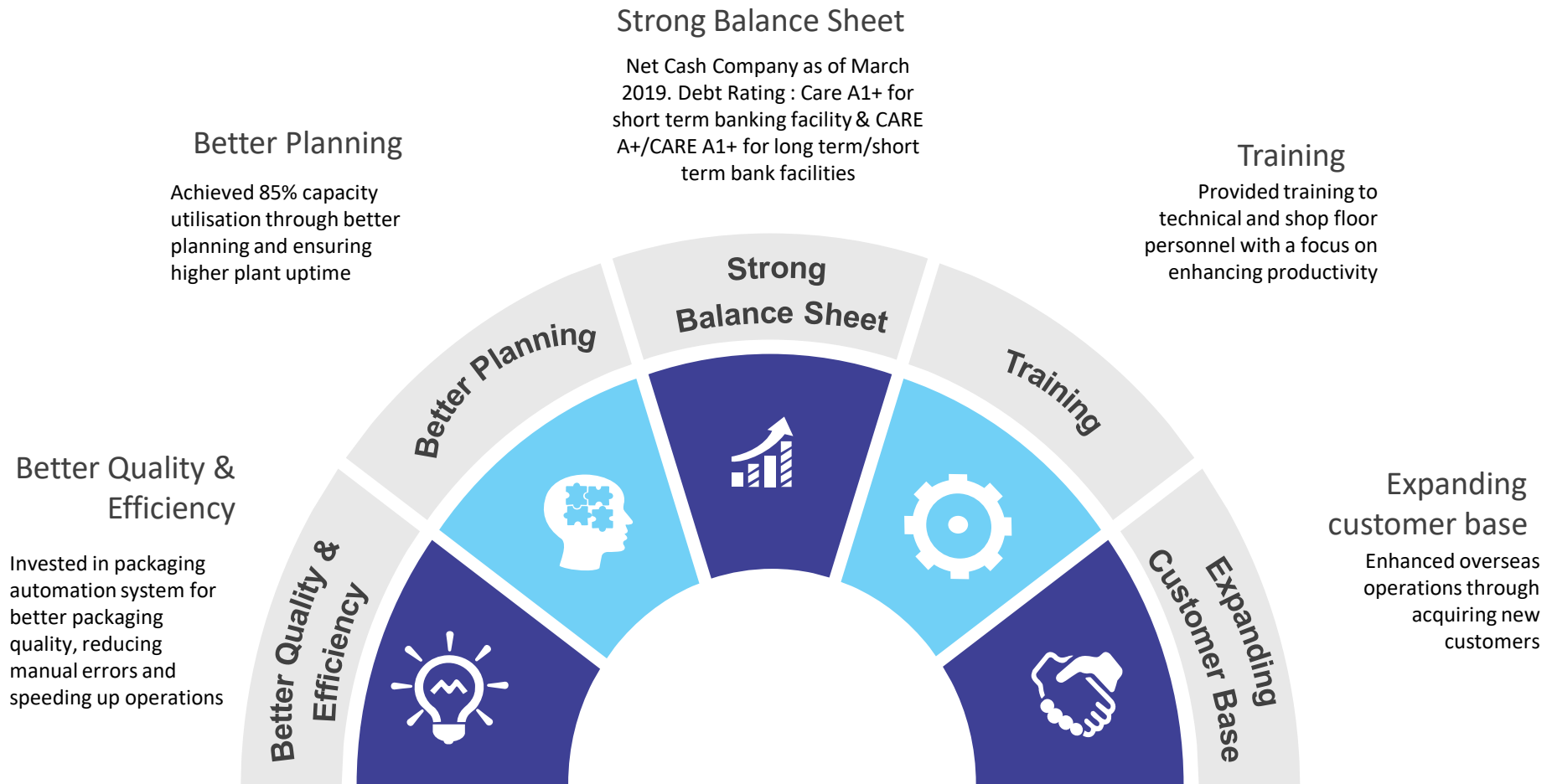
- Special Trophy for self manufactured direct export of Dyes of Rs. 25 Crores and above during the year 2014-15
- Award of Excellency 2015-16 Dyes & Dye Intermediates Panel Small Scale Sector
- Trishul Award for the outstanding export performance in Merchant Exporters Panel during 2014-2015



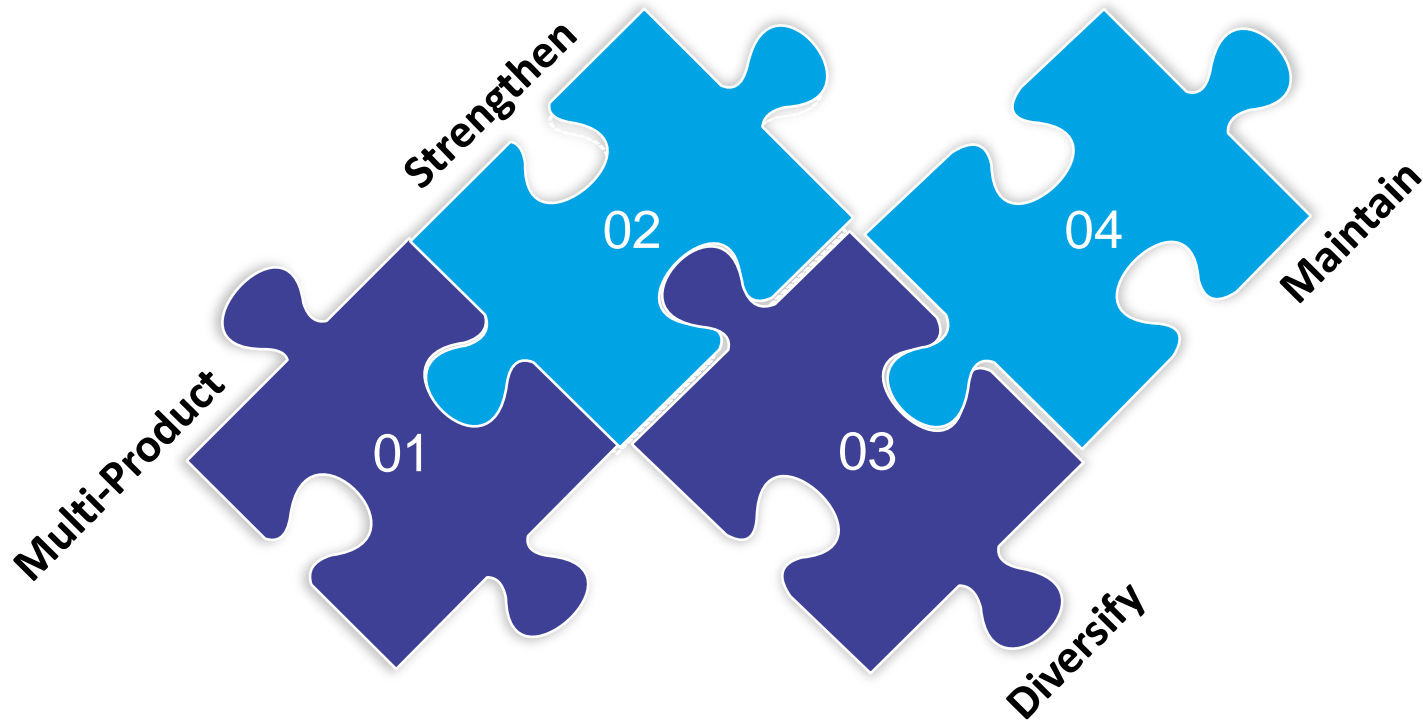
- Gold Award for the outstanding export performance in Merchant Exporters Panel during 2012-2013
- SME the Best Woman Entrepreneur
- Gold Award for the Outstanding export performance in Dyes & Dye-Intermediates Panel during 2009-2010 (30.08.2013)

Business Strategy

Reinforcing Our Strengths...



... and Building a Sustainable Future



1 Widen our products portfolio with value added products

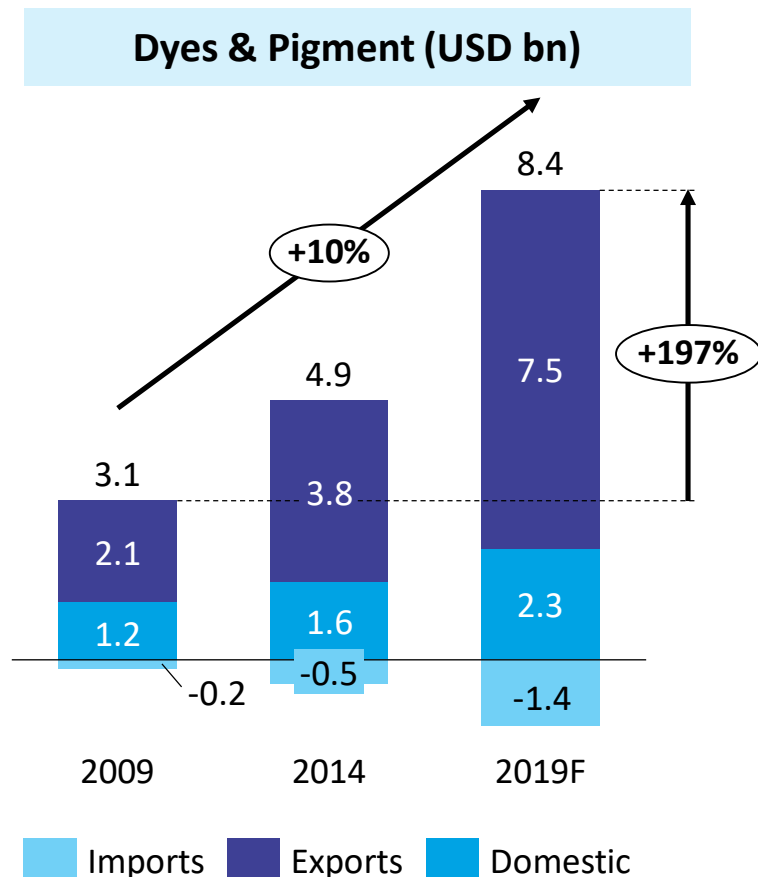
2 Focus on developing strong business relationships with customers

3 Focus on extending our presence in South East Asia, NAFTA and India to provide geographic hedge

4 Maintain extensive supply chain network across the world

Industry Opportunity

Opportunity in the Industry



*Exports, expected to grow at a CAGR of
~ 15% over the next 5 years*

Source : Company Estimates

➤ The Indian production of dyes and pigments is expected to grow at 11.4% CAGR till 2020 :

1. Reduction in support by the Chinese government in terms of

- Tighter pollution control norms : China's National Environmental Protection Law
 - Increased Penalty for Non-Compliance – Higher Fine and Imprisonment
 - Increased Disclosure
- Reduction in subsidies
- Appreciation of CNY

2. Textile industry in India is projected to grow at over 10% CAGR over the next 5 years

3. Export focused industry

- Indian players with International Regulatory Standards are focusing on high performance pigments for value added applications, largely catering to international markets

Strengths to drive Global Leadership

AKSHARCHEM is compliant with INTERNATIONAL QUALITY and ENVIRONMENT STANDARDS

- Long term quantity contract with leading GLOBAL CUSTOMERS
- Strong Relationship with the customers for more than 2 decades



Customer Relationships

- ZERO Product return till date
- Largest Exporter of VS : ~45% Share
- One of the Largest Player of CPC Green Pigment



Superior Products

- Technology sourced from World Leader
- Green Technology for Effluent Treatment key in Chemical Industry



Latest Technology

- Debt Rating: CARE A1+ for short term banking facility & CARE A+/CARE A1+ for long term/short term bank facilities
- No Bad Debt faced till now



Financial Prudence

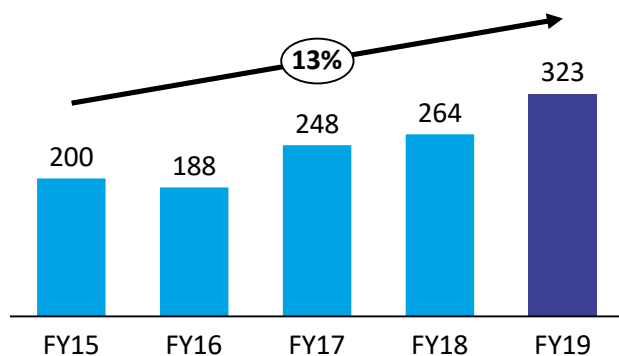


Financials

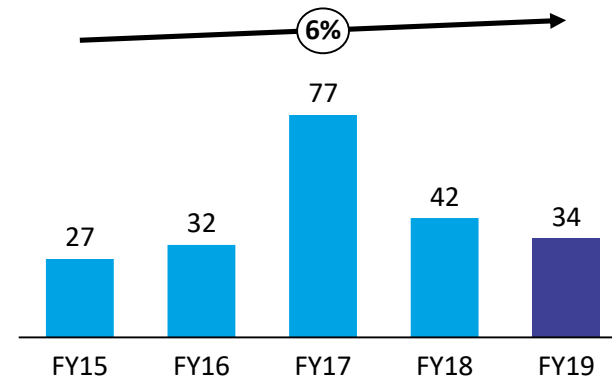
Key Financial Parameters

In Crs.

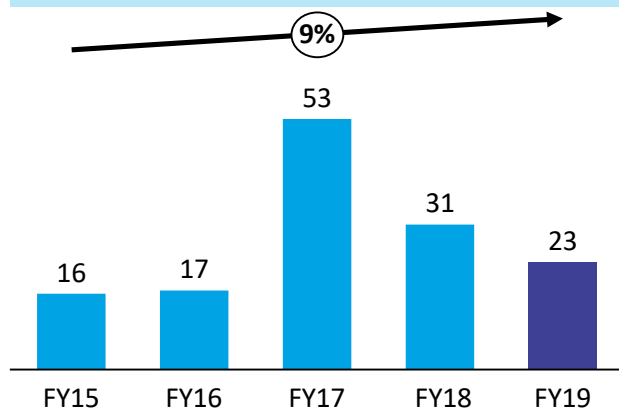
Net Revenue



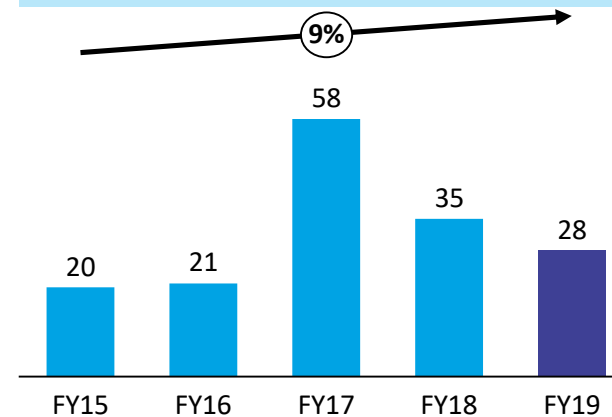
EBITDA



PAT



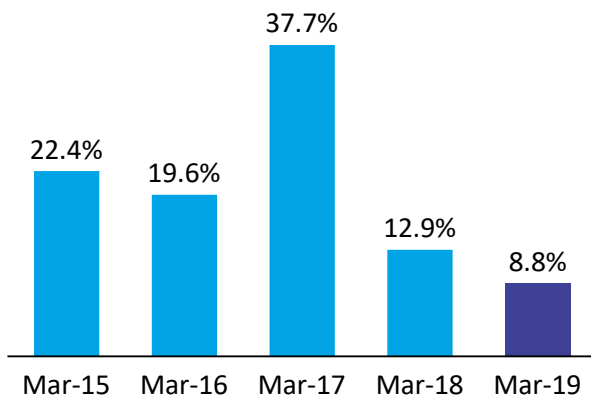
Cash PAT



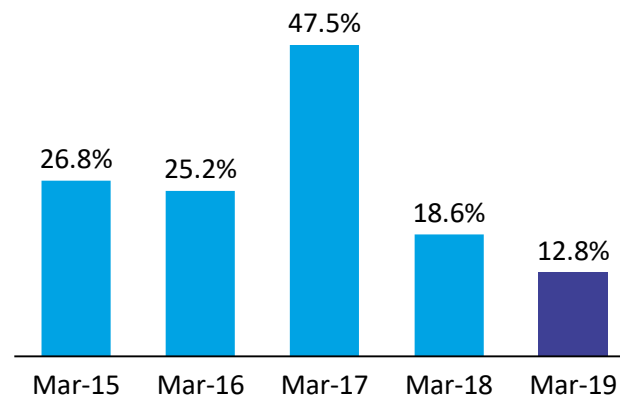
FY17 was an exceptional year on the back of Chinese clampdown

Key Financial Parameters

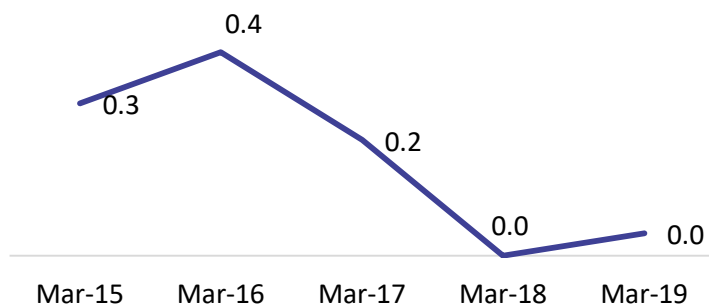
ROE (%)



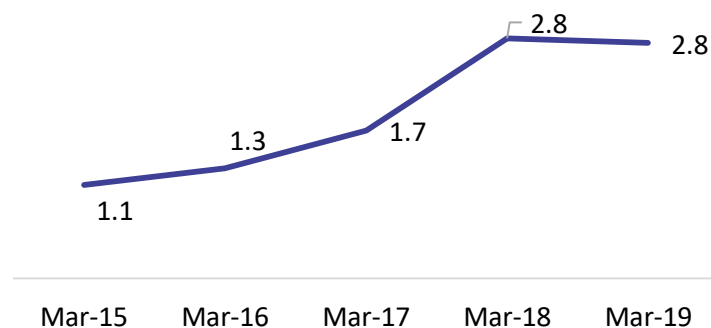
ROCE (%)



Debt to Equity (x)



Current Ratio (x)



FY17 was an exceptional year on the back of Chinese clampdown

For further information, please contact:

Company :

AksharChem (India) Limited
CIN: L24110GJ1989PLC012441

Mr. Meet Joshi
cs@aksharchemindia.com

www.aksharchemindia.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.
CIN: U74140MH2010PTC204285

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khushbu.shah@sgapl.net
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