

Ref: AKSHAR/BSE/2016-17/1701/77

January 23, 2017

To,  
**Deputy General Manager**  
Department of Corporate Services,  
**BSE Limited,**  
25<sup>th</sup> Floor, P. J. Towers,  
Dalal Street,  
**Mumbai – 400 001**  
**Tel: 22-22721233/4**

**SUB: INVESTOR PRESENTATION – JANUARY, 2017**

**REF: REGULATION 30 OF SEBI (LISTING OBLIGATIONS AND  
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**  
**SCRIP CODE: 524598**

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 – January, 2017.

The aforesaid Investor Presentation – January, 2017 will also be uploaded on the website of the Company i.e. [www.aksharchemindia.com](http://www.aksharchemindia.com)

This is for your information and record.

Thanking you,

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

  
**Meet Joshi**  
**Company Secretary**

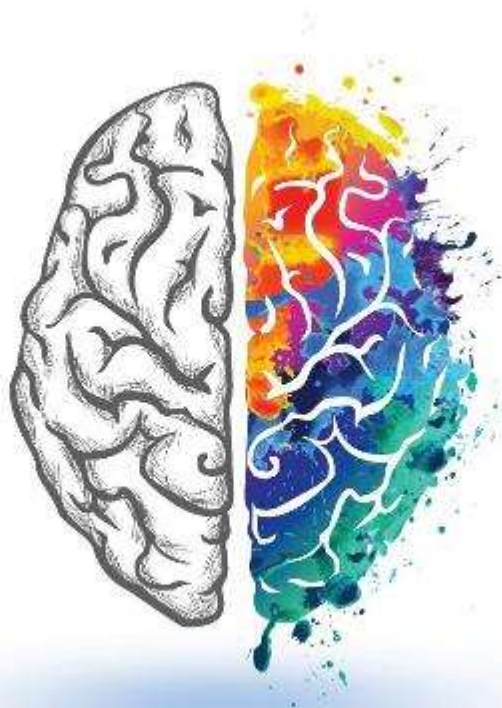
Encl: As above

**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](mailto:admin@aksharchemindia.com)





# AksharChem (India) Limited

Investor Presentation

January 2017



# Safe Harbor

This presentation and the accompanying slides (the “Presentation”), which have been prepared by **AksharChem (India) Limited** (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

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.

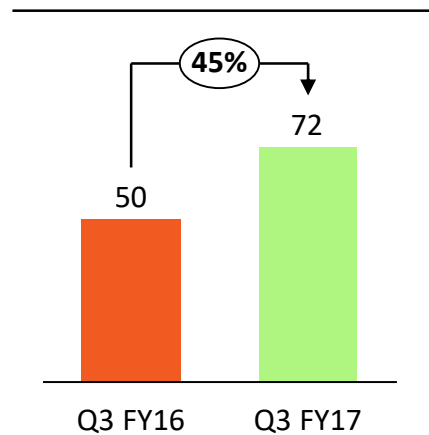


Results Update

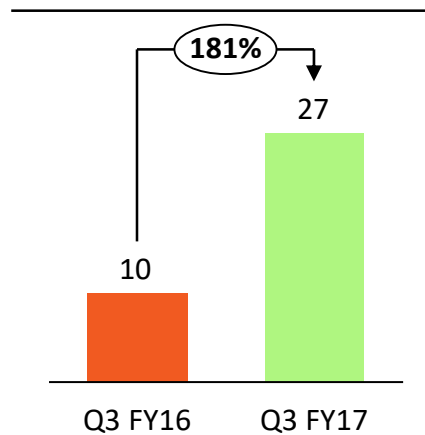
# Financial Highlights Q3 FY17

*In Crs.*

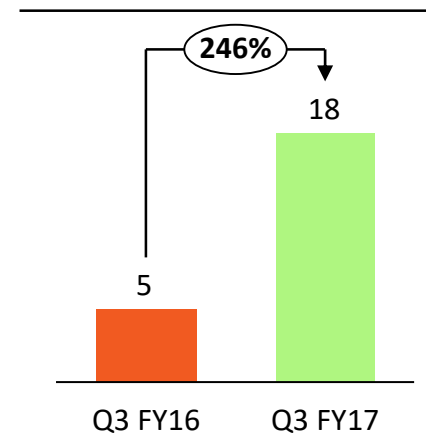
## Revenue



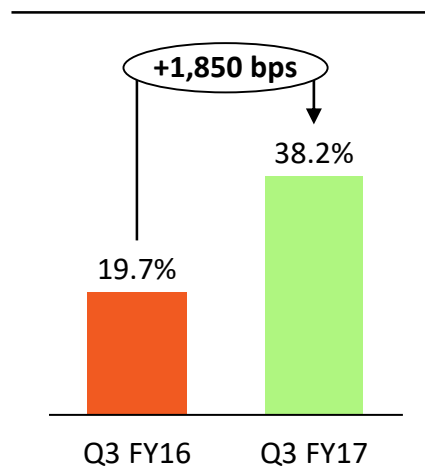
## EBITDA



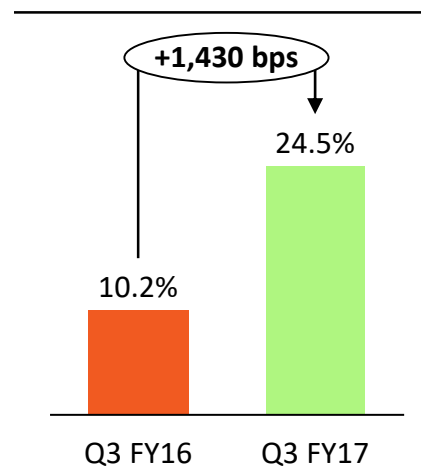
## PAT



## EBITDA (%)



## PAT (%)

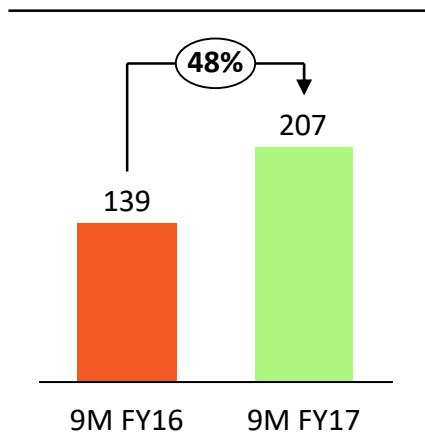




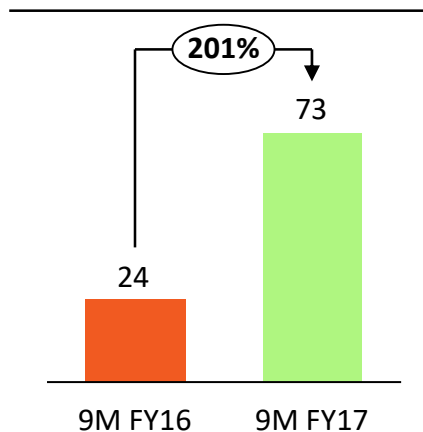
# Financial Highlights 9M FY17

*In Crs.*

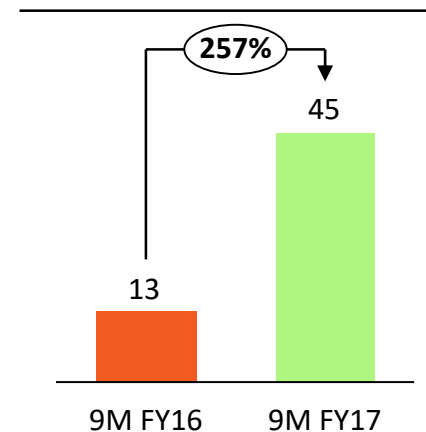
Revenue



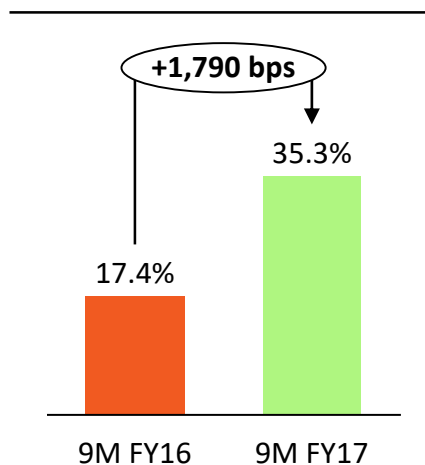
EBITDA



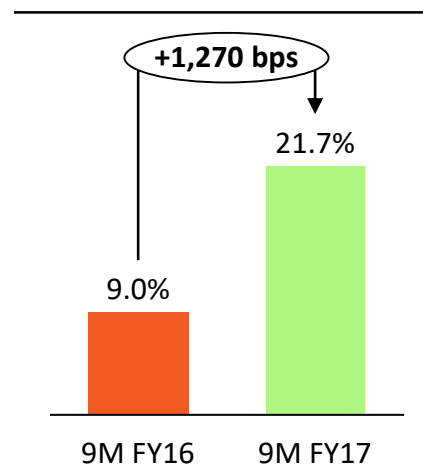
PAT



EBITDA (%)



PAT (%)





# Business Update

## Business Update on Capex Plan:

The Board of Directors has approved a Capital Expenditure Plan upto Rs. 175 Crores to be done over a period of 12-18 months in Specialty Chemicals, Dyes & Intermediates and Organic Pigments

**Commenting on the Result, Mr. Munjal Jaykrishna, Joint Managing Director & CFO of AksharChem (India) Limited said,** *“Our business has seen good traction in the last few quarters. Our revenues in the nine months period of the current financial year has grown by 48% and the margin profiles has improved significantly with EBITDA Margin being 35% and PAT Margin being 22%. In view of the Long-Term sustainability of our business, the board has approved a Capital Expenditure program up to Rs. 175 Crores to be done over a period of 12-18 months in Specialty Chemicals, Dyes & Intermediates and Organic Pigments”*







## We Have Developed The EDGE



38 %

Revenue  
CAGR FY12-16

59 %

Net Worth  
CAGR FY12-16

82%

Exports  
FY15-16

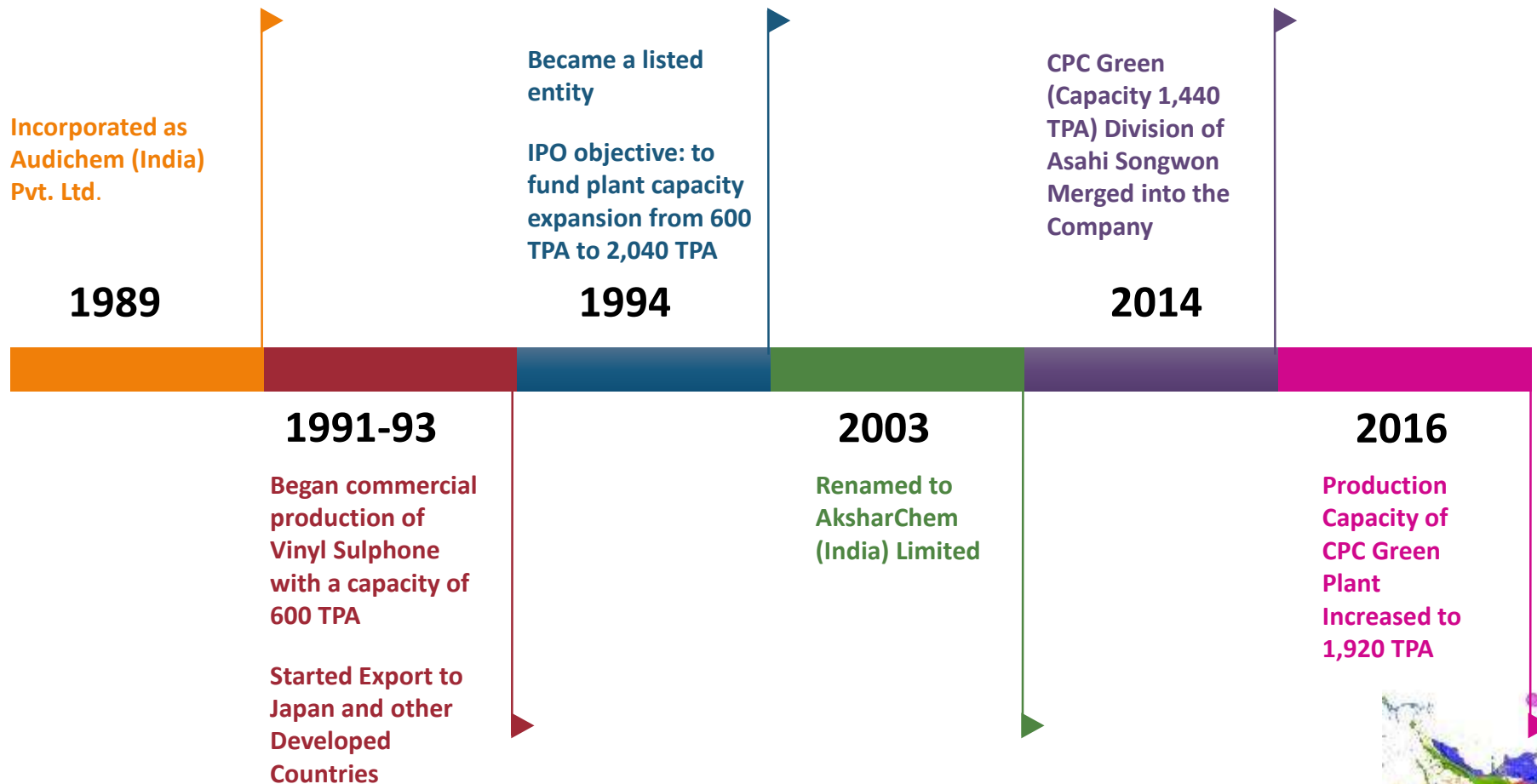
0.1X

Debt  
Sep 2016

Largest exporter of **VINYL SULPHONE** in India with over **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%**

# With Legacy of Over 2 Decades



## With Right Products



### Dye Intermediates

Vinyl Sulphone

Intermediate product for Dye Manufacturing

Made From Acetanilide

60% of FY16 sales



### Pigments

CPC Green

Used as colouring agents

Made From Crude Blue, PAN

40% of FY16 sales

*One of the fastest growing **Vinyl Sulphone** manufacturers in India*

# With Diversified End User Industry

## Textile Industry

*Vinyl Sulphone*



## Rubber

*CPC Green*



## Plastics

*CPC Green*



## Ink

*CPC Green*



## Leather

*CPC Green*




## Paint

*CPC Green*



# With Trust & Credibility

**20** Year relationship  **Everlight  
Chemical**

**17** Year relationship **SunChemical®**  
a member of the DIC group   
Color & Comfort

**15** Year relationship   
**KISCO**

**8** Year relationship 

**4** Year relationship   
**BASF**  
We create chemistry

**5** Year relationship   
**OHYOUNG**

*Over 2 decades of Relationship with the biggest dye stuff houses in the world*

# With Process & Quality

**Investment in**  
**Quality Certifications + Process Automation Technologies**  
**Resulting In**



ISO 14001 : 2004



ISO 9001 : 2008

**Reduction in  
human error**

**Enhanced Process  
Efficiency**

**Enhanced Product  
Quality**

**Focus on Superior  
Technology Driven Products**

- 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

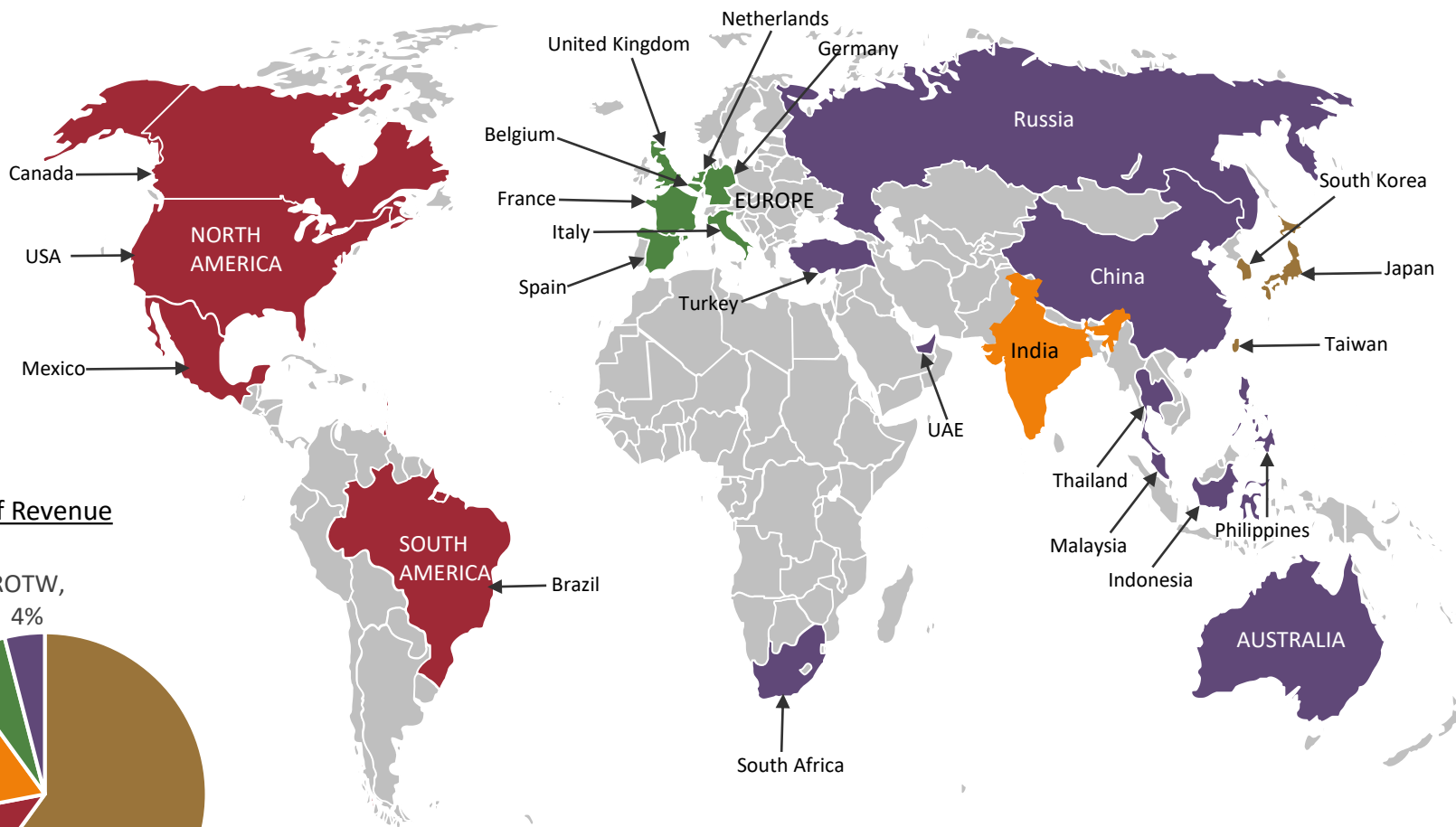


# With State of the Art Manufacturing

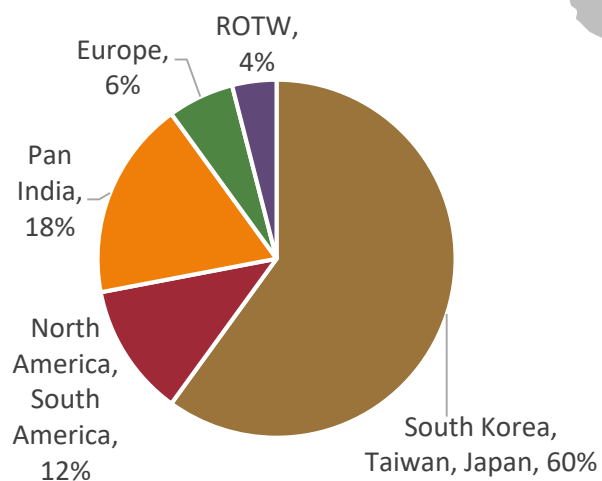
Strategically Located in the Chemical Belt of **Gujarat, at Mehsana**  
Covering over 100,000 sq mt. of area



# With Expanding Footprints



FY16, % of Revenue

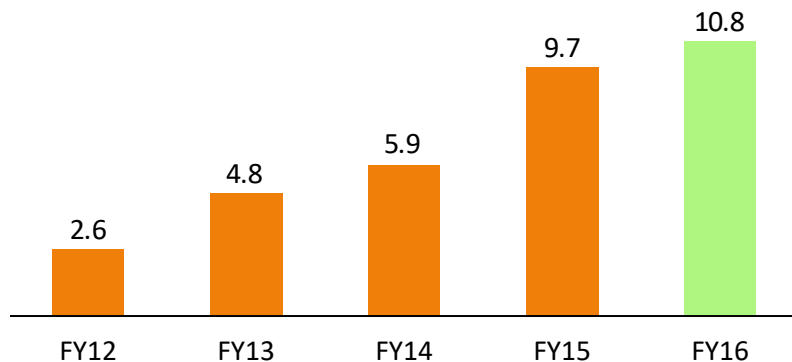


*Presence in over 20 countries*

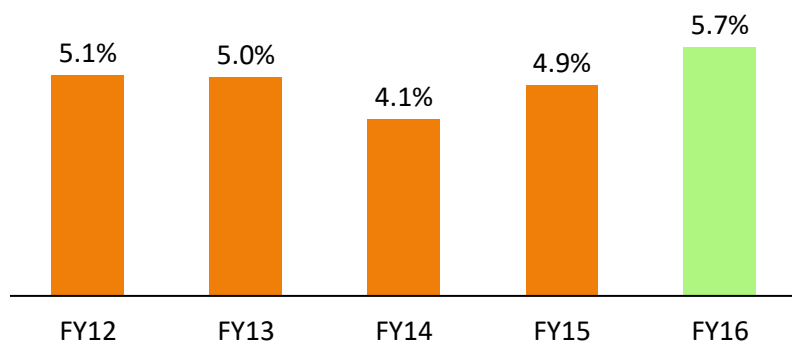
\*Map not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

# With Environmental Sustainability

**Increasing Pollution Treatment Expenses  
(In Crs.)**



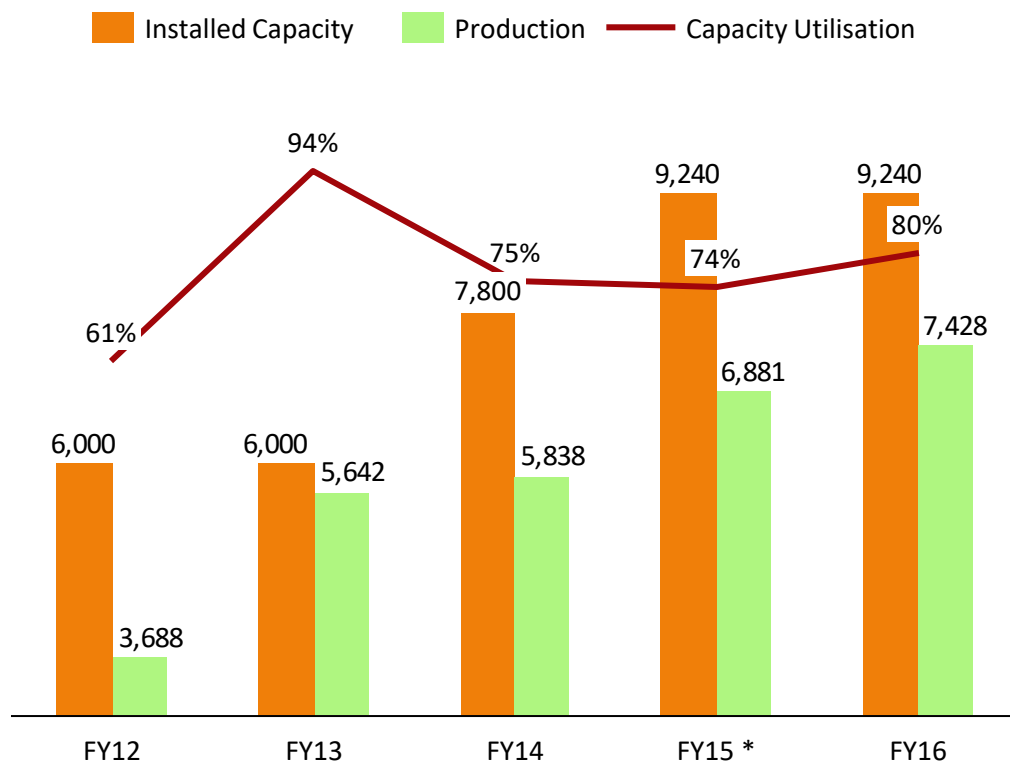
**Annual Pollution treatment expenses  
as a % of Revenue**



- 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 Capacity Expansion



\* Pigments added in FY15 with capacity of 1,440 TPA

## Expansions

### ➤ FY17: (Completed)

- Expanded CPC Green Capacity by 480 TPA

### ➤ Future plans

- Further Expansion of CPC Green
- New products in the pipeline
  - Dye Intermediates – H Acid
  - Pigments - CPC Blue, Violet



## With Experienced Board



**Mrs. Paru M. Jaykrishna**

**Founder, Chairperson & MD**

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



**Mr. Munjal M. Jaykrishna**

**Joint Managing Director and CFO**

Responsible for production, finance, marketing and overall developments of the company.



**Mr. Gautam M. Jain**

**Independent Director**

Industrialist with over 40 years experience in the chemical industry, past President of the Gujrat Dyestuff Manufacturers Association.



**Mr. Jayprakash M. Patel**

**Independent Director**

B.E (Chemical Engineer – USA) with more than 40 years of experience in the dyes and chemicals industry.



**Mr. Param J. Shah**

**Independent Director**

MBA (International Business, Corporate Laws), M.Com. (Costing), LL.B., PG Diploma in IPR.



**Dr. Pradeep Jha**

**Independent Director**

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



**Mr. Kiran J. Mehta**

**Independent Director**

With qualifications in M.Com, LL.B., FICWA and FIISA he has been practising Cost Accountant since the last 40years.



**Mr. Gokul M. Jaykrishna**

**Director**

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

# With Awards & Accolades



2016-17

- Top Performer Women Entrepreneur-NON MSME
- Trophy for self manufactured domestic sale of Dye Intermediates between Rs. 5 Crores to Rs. 15 Crores during the year 2014-15



2016-17

- Second Award for self manufactured direct export of Dye Intermediates during the year 2014-15
- Special Trophy for self manufactured direct export of Dyes of Rs. 25 Crores and above during the year 2014-15



2015-16

- 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



2009-13

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





# Reinforcing Our Strengths...

## Better Planning

Achieved 80% capacity utilisation through better planning and ensuring higher plant uptime

## Better Quality and Efficiency

Invested in packaging automation system for better packaging quality, reducing manual errors and speeding up operations

## Strong Balance Sheet

0.1 Debt / Equity ratio

Debt Rating : Care A for long term banking facility & Care A1 for short term banking facility

## Training

Provided training to technical and shop floor personnel with a focus on enhancing productivity


## Expanding customer base

Enhanced overseas operations through acquiring new customers



## ... 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*



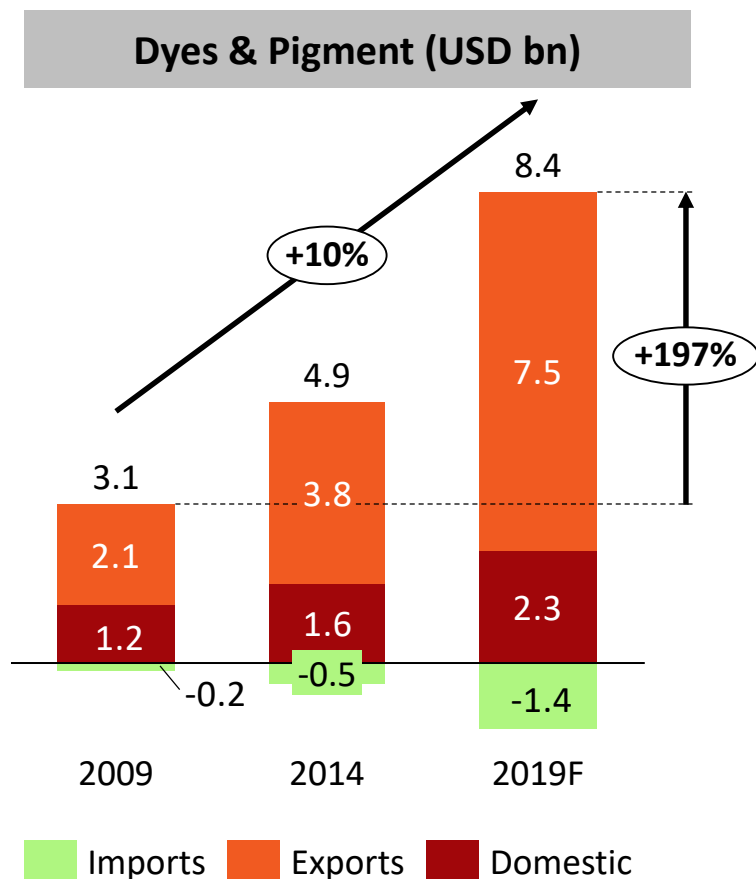
**4** | *Maintain extensive supply chain network across the world*



A vibrant, circular splash of multi-colored paint, featuring shades of red, blue, yellow, green, and pink, creating a dynamic frame around the central text. The paint splashes are energetic and layered, with some colors overlapping others. The background is white, and there are small droplets of paint scattered around the main circular splash.

Industry  
Opportunity

# Opportunity in the Industry



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

➤ The Indian production of dyes and pigments is expected to grow at 11.4% CAGR till 2019 :

## 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

## Superior Products

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

## Latest Technology

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

## Customer Relationships

- Long term quantity contract with leading GLOBAL CUSTOMERS
- Long term Relation with DIC , Sun , BASF , Ever light, Kyung-in, Oh young

## Financial Prudence

- Debt Rating of Care A for long term banking facility & Care A1 for short term banking facility
- No Bad Debt faced till now
- Negligible Net Debt Company



*AKSHARCHEM is compliant with INTERNATIONAL QUALITY and ENVIRONMENT STANDARDS*

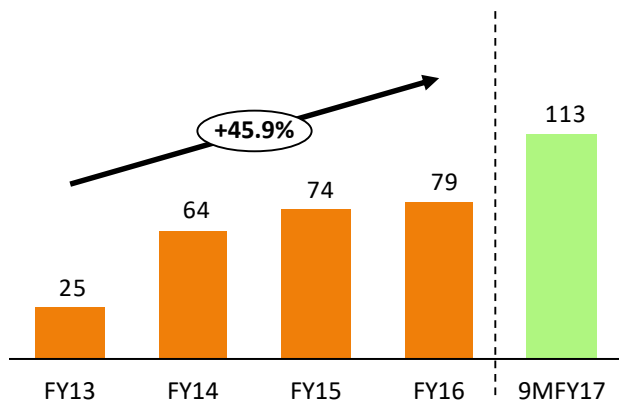




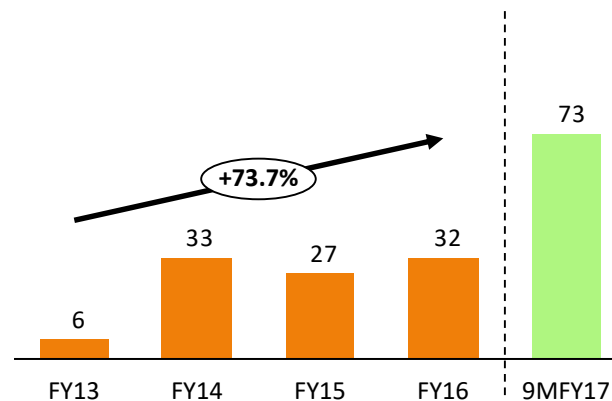
# Key Financial Parameters

In Crs.

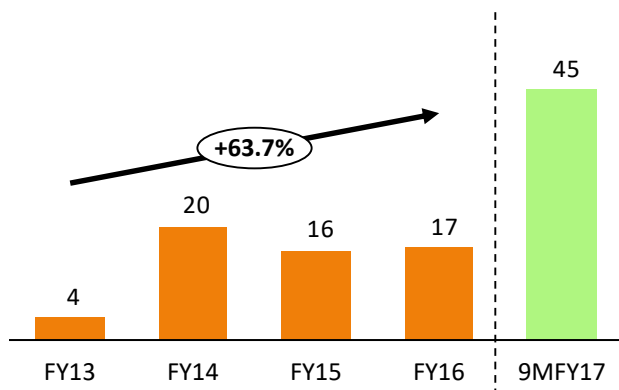
## Gross Profit



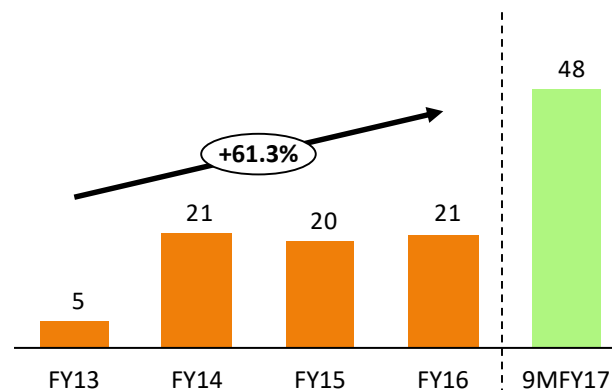
## EBITDA



## PAT



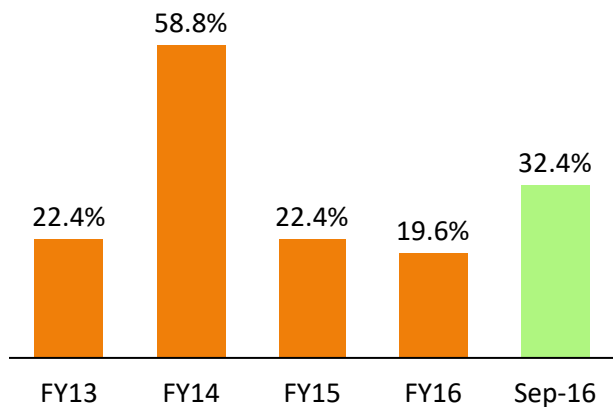
## Cash PAT



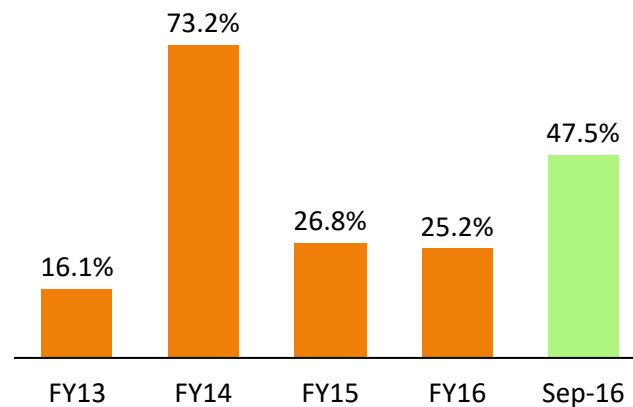
\* Pigment business added in FY15

# Key Financial Parameters

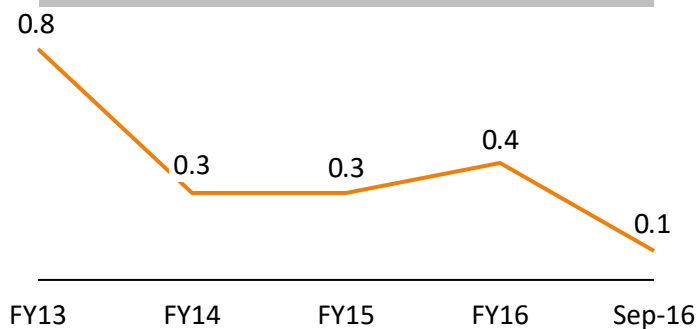
## ROE (%)



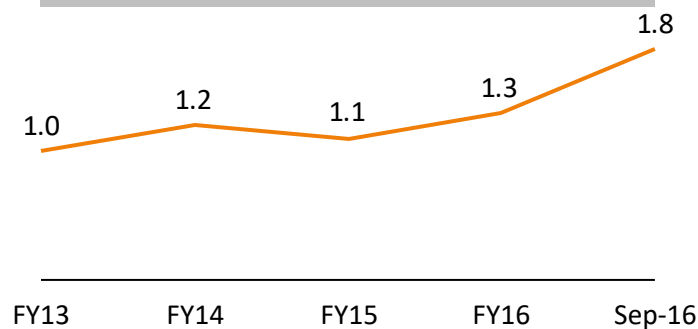
## ROCE (%)



## Debt to Equity (x)



## Current Ratio (x)



\* Sep-16 calculated on TTM Basis  
\* Pigment business added in FY15

*Consistent dividend payments over the past 4 years*

# Profit & Loss Statement

Particulars (In Crs.)	Q3 FY17	Q3 FY16	Y-o-Y	9M FY17	9M FY16	Y-o-Y
<b>Net Revenue from Operations</b>	<b>71.7</b>	<b>49.6</b>	<b>44.5%</b>	<b>206.8</b>	<b>139.4</b>	<b>48.4%</b>
Raw Material	31.8	28.5		94.1	81.9	
Employee Expenses	1.7	1.7		5.0	4.5	
Other Expenses	10.8	9.7		34.8	28.7	
<b>EBITDA</b>	<b>27.4</b>	<b>9.8</b>	<b>180.7%</b>	<b>72.9</b>	<b>24.3</b>	<b>200.5%</b>
<b>EBITDA %</b>	<b>38.2%</b>	<b>19.7%</b>		<b>35.3%</b>	<b>17.4%</b>	
Other Income	0.7	0.2		0.7	1.1	
Depreciation	1.2	1.1		3.4	3.2	
<b>EBIT</b>	<b>26.9</b>	<b>8.9</b>		<b>70.1</b>	<b>22.2</b>	
<b>EBIT %</b>	<b>37.5%</b>	<b>18.0%</b>		<b>33.9%</b>	<b>15.9%</b>	
Finance Cost	0.6	0.8		2.3	2.5	
Exceptional Items	0.0	0.0		0.0	0.0	
<b>PBT</b>	<b>26.3</b>	<b>8.1</b>		<b>67.9</b>	<b>19.7</b>	
Tax	8.7	3.0		22.9	7.1	
<b>PAT</b>	<b>17.6</b>	<b>5.1</b>	<b>246.5%</b>	<b>45.0</b>	<b>12.6</b>	<b>256.8%</b>
<b>PAT %</b>	<b>24.5%</b>	<b>10.2%</b>		<b>21.7%</b>	<b>9.0%</b>	
<b>Earnings Per Share (EPS)</b>	<b>24.0</b>	<b>6.9</b>	<b>246.5%</b>	<b>61.5</b>	<b>17.2</b>	<b>256.8%</b>

# Profit & Loss Statement

Particulars (In Crs.)	FY16	FY15	FY14	FY13
<b>Net Revenue from Operations</b>	<b>187.83</b>	<b>199.99</b>	<b>144.99</b>	<b>95.90</b>
Raw Material	109.33	125.77	81.23	70.60
Employee Expenses	6.25	5.76	3.93	1.70
Other Expenses	39.90	41.00	27.00	17.44
<b>EBITDA</b>	<b>32.35</b>	<b>27.45</b>	<b>32.83</b>	<b>6.17</b>
<b>EBITDA Margin</b>	<b>17.2%</b>	<b>13.7%</b>	<b>22.6%</b>	<b>6.4%</b>
Other Income	1.17	2.06	0.01	0.00
Depreciation	4.24	3.91	1.20	1.19
<b>EBIT</b>	<b>29.28</b>	<b>25.61</b>	<b>31.64</b>	<b>4.98</b>
<b>EBIT Margin</b>	<b>15.6%</b>	<b>12.8%</b>	<b>21.8%</b>	<b>5.2%</b>
Finance Cost	3.35	3.25	1.09	1.59
Extraordinary Items	-	-	1.60	-
Prior period (expenses)/income	-	1.16	-	-
PBT	25.93	23.51	28.96	3.39
Tax	9.29	7.51	8.92	-0.41
<b>PAT</b>	<b>16.64</b>	<b>16.00</b>	<b>20.04</b>	<b>3.79</b>
<b>PAT Margin</b>	<b>8.9%</b>	<b>8.0%</b>	<b>13.8%</b>	<b>4.0%</b>
<b>PAT excl. Extraordinary Item</b>	<b>16.64</b>	<b>16.00</b>	<b>21.64</b>	<b>3.79</b>
<b>PAT Margin</b>	<b>8.9%</b>	<b>8.0%</b>	<b>14.9%</b>	<b>4.0%</b>
<b>Earnings Per Share (EPS)</b>	<b>22.75</b>	<b>21.88</b>	<b>43.69</b>	<b>7.66</b>

\* Pigment business added in FY15

# Balance Sheet

Equity & Liabilities (In Crs.)	Sept-16	Mar-16
Share Capital	7.31	7.31
Reserves & Surplus	105.12	77.69
<b>Shareholders Funds</b>	<b>112.43</b>	<b>85.00</b>
Long Term Borrowings	7.75	6.51
Deferred Tax Liabilities(Net)	6.94	8.31
<b>Total Non-Current Liabilities</b>	<b>14.69</b>	<b>14.82</b>
Short Term Borrowings	4.32	22.23
Trade Payables	26.70	28.60
Other Current Liabilities	5.82	4.31
Short Term Provisions	0.17	0.15
<b>Total Current Liabilities</b>	<b>37.01</b>	<b>55.29</b>
<b>Total Liabilities</b>	<b>164.13</b>	<b>155.11</b>

Assets (In Crs.)	Sept-16	Mar-16
Total Fixed Assets	67.28	60.47
Non Current Investments	28.50	22.50
Long Term Loans & Advances	3.52	1.51
<b>Total Non-Current Assets</b>	<b>99.30</b>	<b>84.48</b>
Inventories	16.72	15.98
Trade Receivables	26.07	22.79
Cash & Cash Equivalents	1.01	0.83
Short Term Loans & Advances	20.98	30.88
Other Current Assets	0.05	0.15
<b>Total Current Assets</b>	<b>64.83</b>	<b>70.63</b>
<b>Total Assets</b>	<b>164.13</b>	<b>155.11</b>





## For further information, please contact:

### Company :

**AksharChem (India) Limited**  
CIN: L24110GJ1989PLC012441

Mr. Meet Joshi  
[cs@aksharchemindia.com](mailto:cs@aksharchemindia.com)

<http://www.aksharchemindia.com>

### Investor Relations Advisors :

**Strategic Growth Advisors Pvt. Ltd.**  
CIN: U74140MH2010PTC204285

Mr. Vishal Nair / Ms. Neha Shroff  
[vishal.nair@sgapl.net](mailto:vishal.nair@sgapl.net) / [neha.shroff@sgapl.net](mailto:neha.shroff@sgapl.net)

[www.sgapl.net](http://www.sgapl.net)

