

Ref: AKSHAR/SE/2017-18/1705/10

May 29, 2017

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

To,  
The General Manager (Listing)  
**National Stock Exchange of India Ltd.**  
5<sup>th</sup> 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, 2017**

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

Dear Sir/Madam,

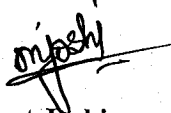
Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing hereby a copy of the Investor Presentation –May, 2017.

The aforesaid Investor Presentation – May, 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

May 2017



# Safe Harbor

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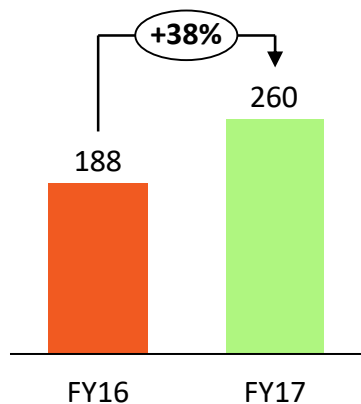


## Results Update

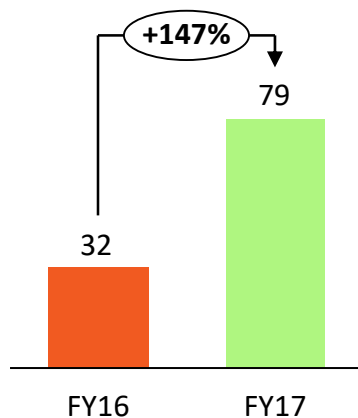
# Financial Highlights FY17

*In Crs.*

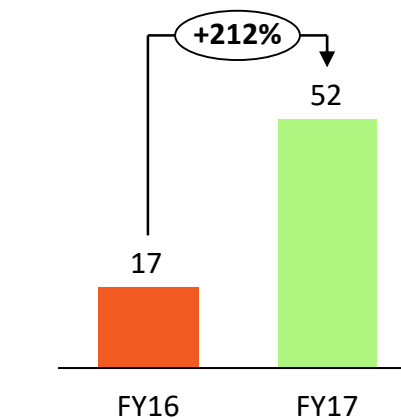
## Revenue



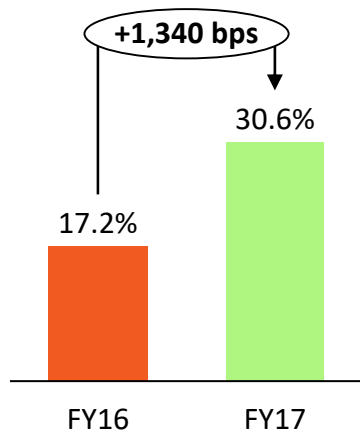
## EBITDA



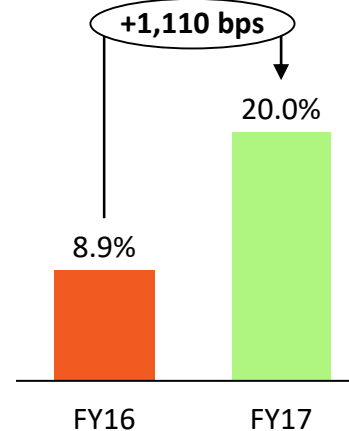
## PAT



## EBITDA (%)



## PAT (%)



*The company paid Dividend of Rs. 3.5 per equity share for FY17*



# Company Overview



## We Have Developed The EDGE



38%

Revenue  
CAGR FY12-17



58%

Net Worth  
CAGR FY12-17



90%

Exports  
FY16-17



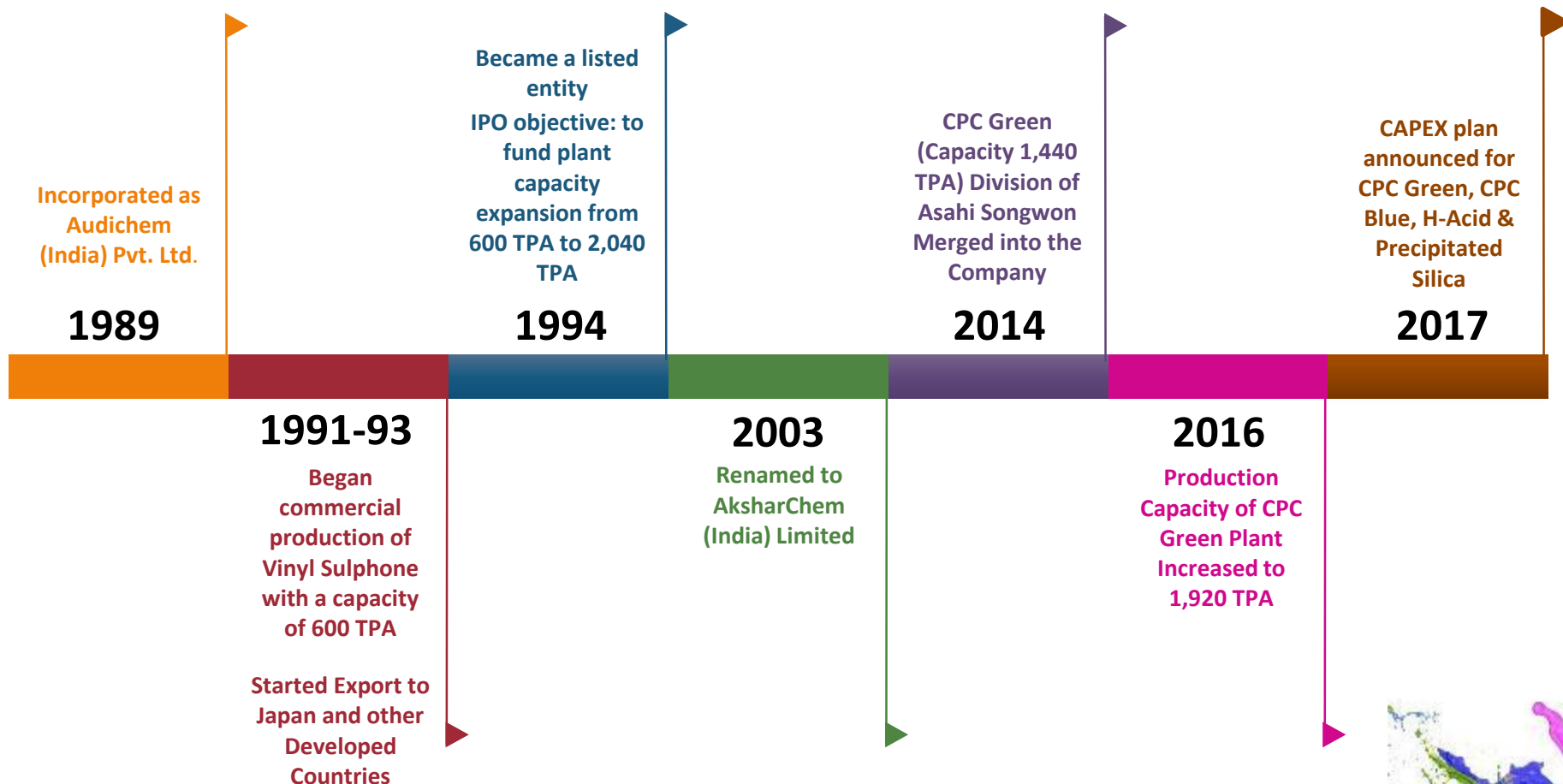
0.2X

Debt  
Mar 2017

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

68% of FY17 Sales



### Pigments

CPC Green

Used as colouring agents

Made From Crude Blue, PAN

32% of FY17 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<sup>®</sup>**  
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

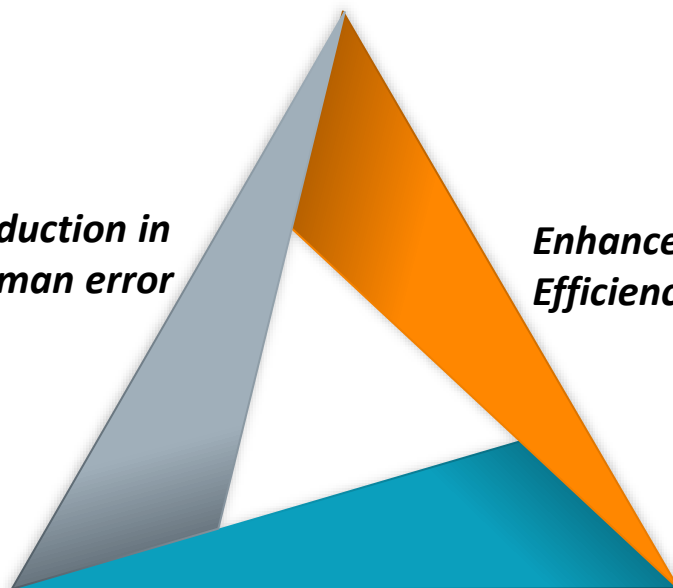


ISO 9001 : 2008

**Reduction in  
human error**

**Enhanced Process  
Efficiency**

**Enhanced Product  
Quality**



**Focus on Superior  
Technology Driven Products**

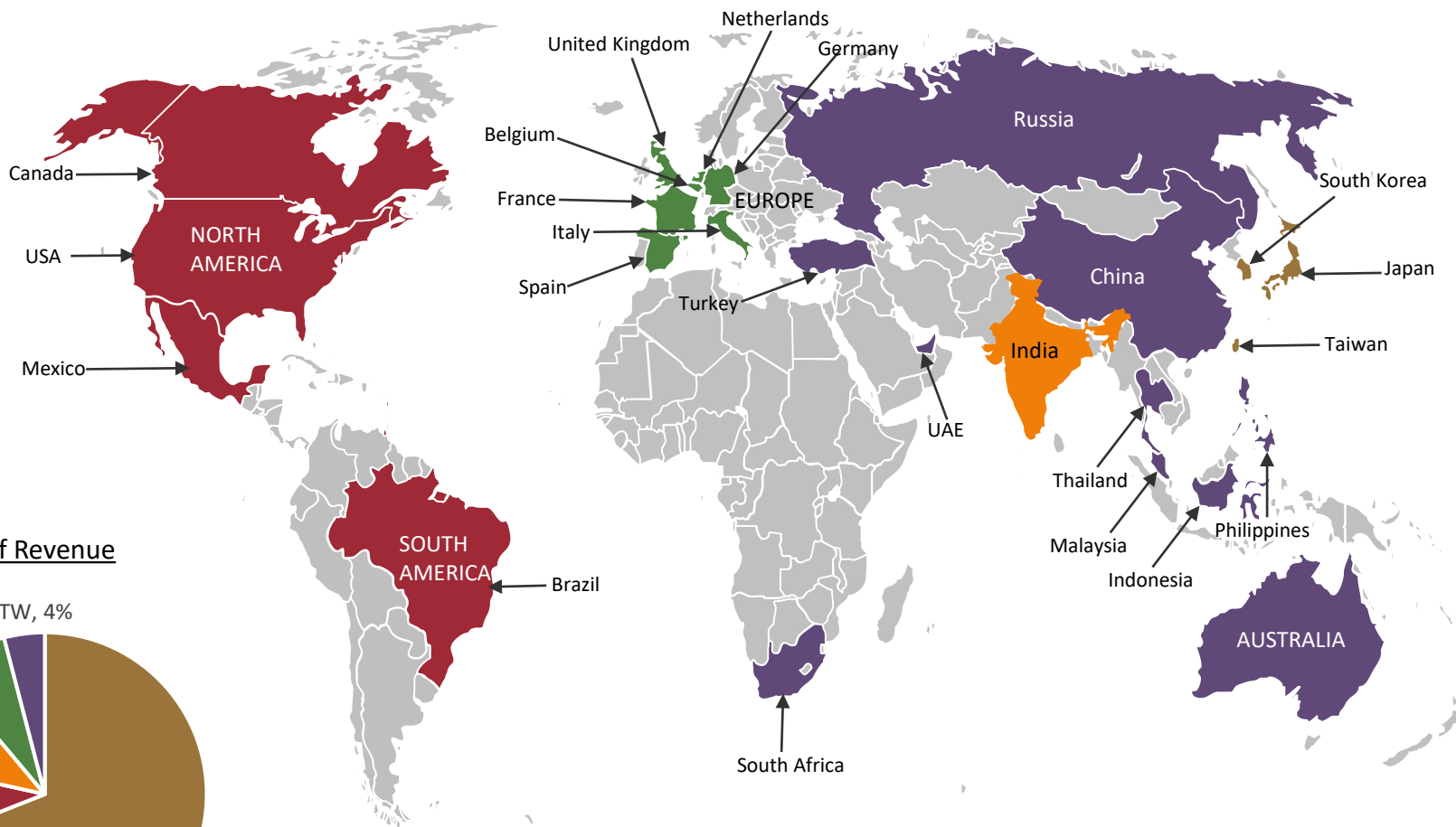
- Best Quality reliable products with zero product return in the history of the Company.
- No bad debts during the history of the Company.
- Long term quantity contract with leading global customers

# With State of the Art Manufacturing

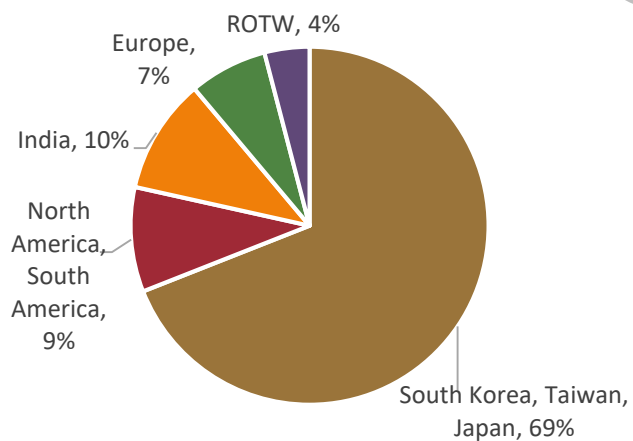
Strategically Located in the Chemical Belt of **Gujarat, at Mehsana**  
Covering over 100,000 sq mt. of area



# With Expanding Footprints



FY17, % of Revenue

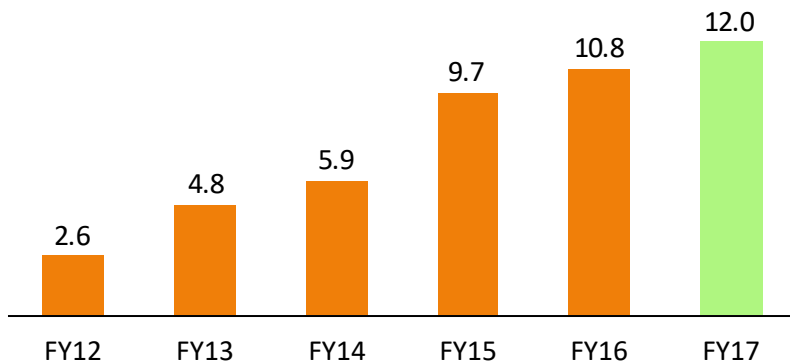


*Presence in over 20 countries*

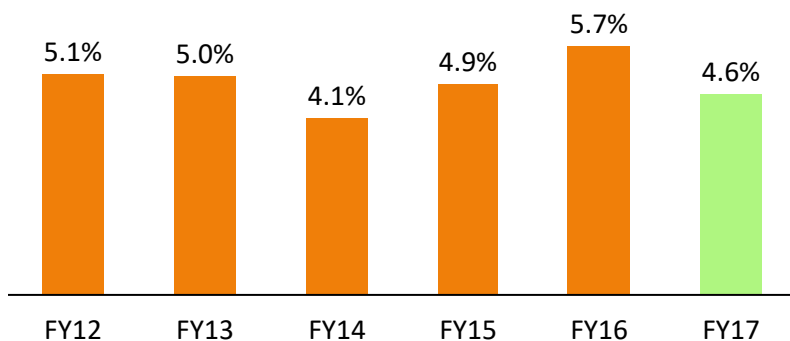
\*Map not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

# With Environmental Sustainability

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



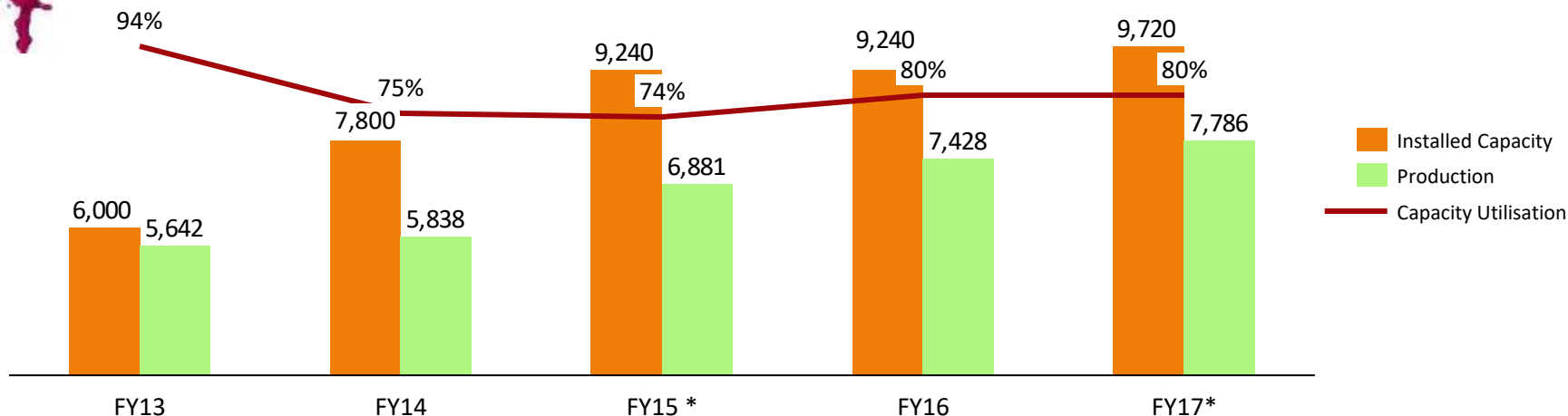
**Annual Pollution treatment expenses  
as a % of Revenue**



- 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



## Capital Expenditure Plan

Proposed Projects	Existing Capacity (In TPA)	Additional Capacity (In TPA)	Post Expansion Capacity (In TPA)	Approx. Cost of Project (Rs. In Crore)
<b>ORGANIC PIGMENTS</b>				85
CPC Green (Phase 1)	1,920	480	2,400	
CPC Green (Phase 2)	2,400	1,800	4,200	
CPC Blue	-	1,800	1,800	
<b>DYES &amp; INTERMEDIATES</b>				25
H Acid	-	1,200	1,200	
<b>SPECIALTY CHEMICALS</b>				65
Precipitated Silica	-	10,000	10,000	
<b>TOTAL</b>				<b>175</b>

*To be executed within 12 to 15 months*

\* Pigments added in FY15 & FY17 with capacity of 1,440 TPA & 480 TPA respectively

## 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

0.2 Debt / Equity ratio as of Mar 2017  
Debt Rating : Care A+ for long term banking facility & Care A1+ for short term banking facility & CARE A+/CARE A1+ for long term/short term bank facilities

## 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*

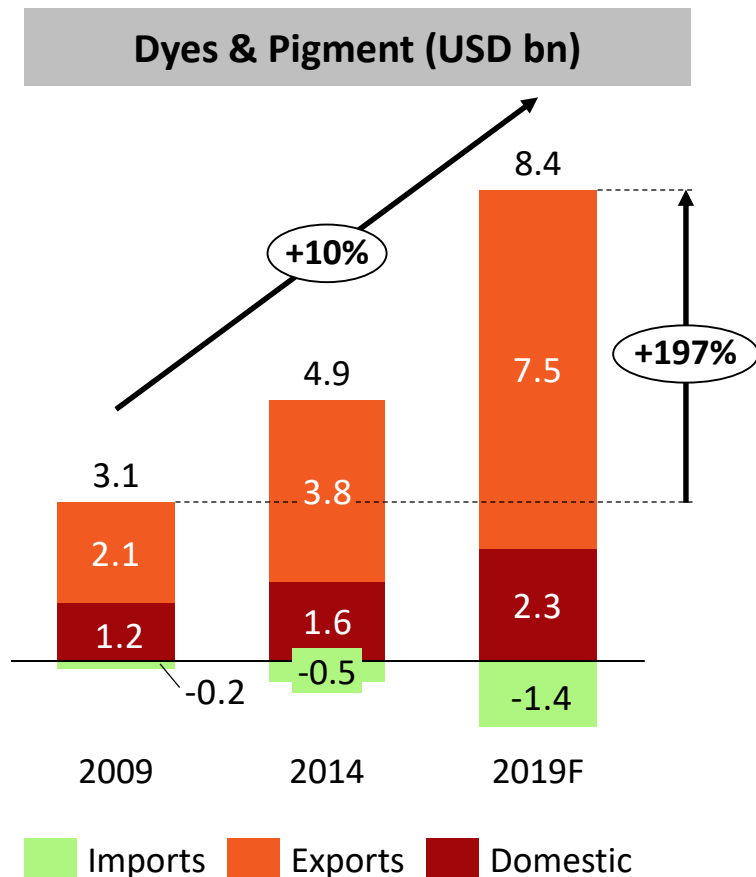
**4** | *Maintain extensive supply chain network across the world*



A dynamic and colorful splash of paint forms a thick, irregular ring around the central text. The colors are bright and saturated, including red, blue, yellow, green, and magenta. The paint appears to be in motion, with various droplets and splatters extending outwards from the main ring, creating a sense of energy and creativity. The background is plain white, which makes the colors stand out.

# 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 & CARE A+/CARE A1+ for long term/short term bank facilities
- No Bad Debt faced till now
- Negligible Net Debt Company

*AKSHARCHEM is compliant with INTERNATIONAL QUALITY and ENVIRONMENT STANDARDS*

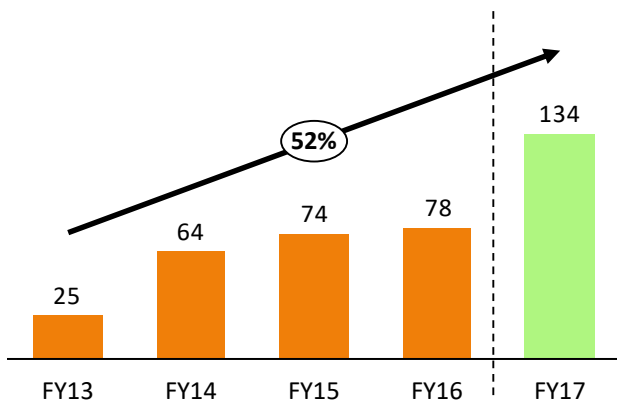


Financials

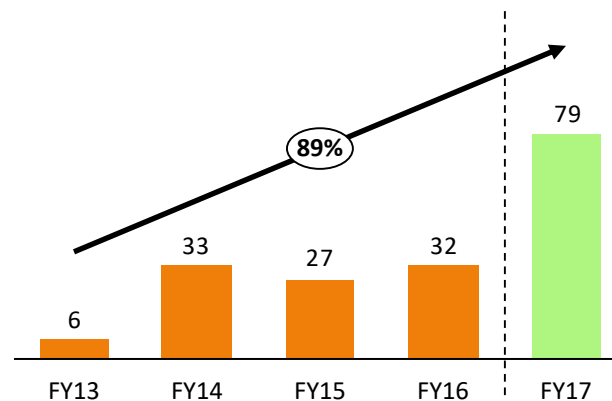
# Key Financial Parameters

In Crs.

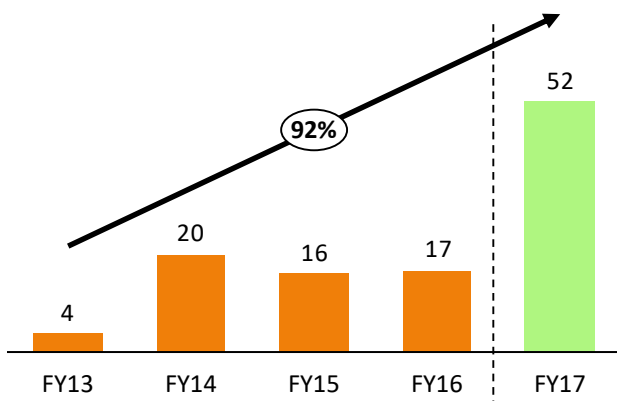
## Gross Profit



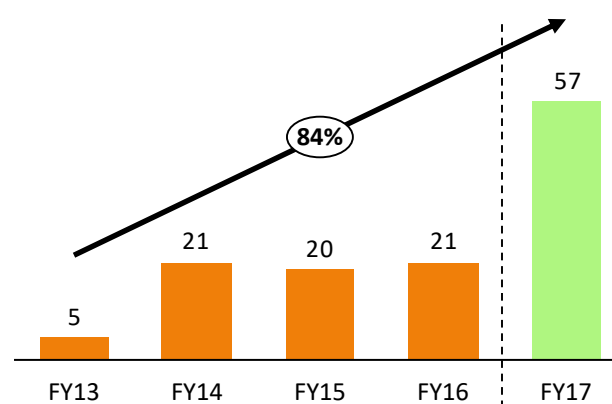
## EBITDA



## PAT

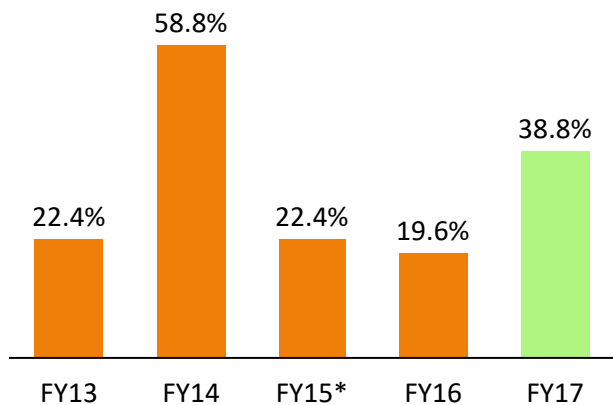


## Cash PAT

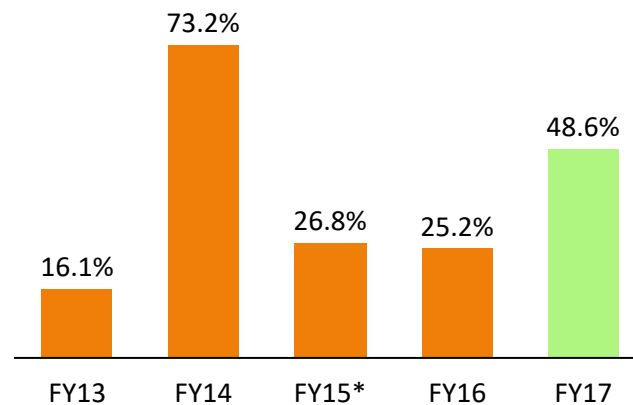


# Key Financial Parameters

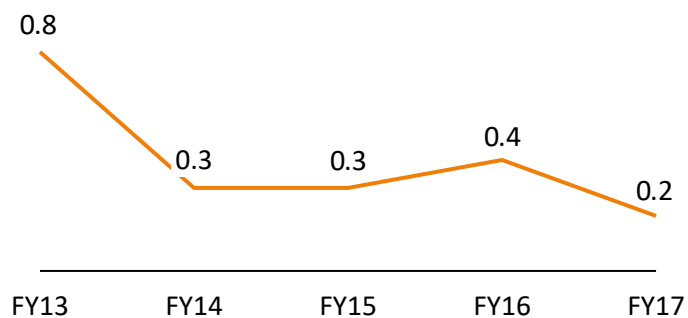
## ROE (%)



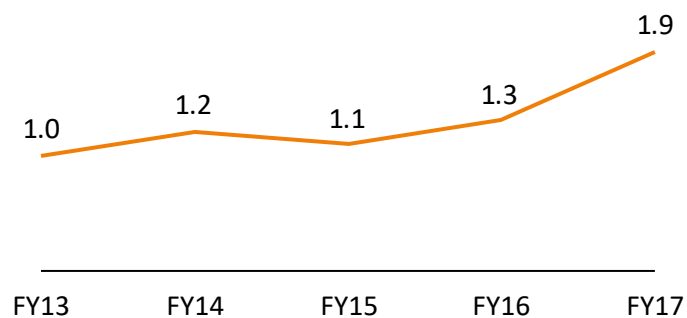
## ROCE (%)



## Debt to Equity (x)



## Current Ratio (x)



*Consistent dividend payments over the past 4 years*

\* Pigment business added in FY15

# Profit & Loss Statement

Particulars (In Crs.)	Q4 FY17	Q4 FY16	Y-o-Y	FY17	FY16	Y-o-Y
<b>Net Revenue from Operations</b>	<b>53.0</b>	<b>48.4</b>	<b>10%</b>	<b>259.7</b>	<b>187.7</b>	<b>38%</b>
Raw Material	31.4	27.5		125.4	109.3	
Employee Expenses	2.5	1.8		7.5	6.3	
Other Expenses	12.4	11.1		47.2	39.9	
<b>EBITDA</b>	<b>6.7</b>	<b>8.0</b>	<b>-16%</b>	<b>79.5</b>	<b>32.2</b>	<b>147%</b>
<b>EBITDA %</b>	<b>12.7%</b>	<b>16.5%</b>		<b>30.6%</b>	<b>17.2%</b>	
Other Income	5.0	0.2		5.8	1.3	
Depreciation	1.2	1.1		4.7	4.2	
<b>EBIT</b>	<b>10.5</b>	<b>7.1</b>	<b>48%</b>	<b>80.6</b>	<b>29.3</b>	<b>175%</b>
<b>EBIT %</b>	<b>19.8%</b>	<b>14.6%</b>		<b>31.0%</b>	<b>15.6%</b>	
Finance Cost	0.7	0.8		3.0	3.3	
Exceptional Items	0.0	0.0		0.0	0.0	
<b>PBT</b>	<b>9.7</b>	<b>6.2</b>	<b>56%</b>	<b>77.6</b>	<b>25.9</b>	<b>199%</b>
Tax	2.8	2.2		25.7	9.3	
<b>PAT</b>	<b>6.9</b>	<b>4.0</b>	<b>72%</b>	<b>51.9</b>	<b>16.6</b>	<b>212%</b>
<b>PAT %</b>	<b>13.1%</b>	<b>8.3%</b>		<b>20.0%</b>	<b>8.9%</b>	
<b>Earnings Per Share (EPS)</b>	<b>9.49</b>	<b>5.51</b>	<b>72%</b>	<b>71.00</b>	<b>22.75</b>	<b>212%</b>

# Balance Sheet

Equity & Liabilities (In Crs.)	Mar-17	Mar-16
Share Capital	7.3	7.3
Reserves & Surplus	126.5	77.7
<b>Shareholders Funds</b>	<b>133.8</b>	<b>85.0</b>
Long Term Borrowings	6.3	6.5
Deferred Tax Liabilities(Net)	11.0	8.3
<b>Total Non-Current Liabilities</b>	<b>17.2</b>	<b>14.8</b>
Short Term Borrowings	22.6	22.2
Trade Payables	31.5	28.6
Other Current Liabilities	6.2	4.3
Short Term Provisions	0.1	0.1
<b>Total Current Liabilities</b>	<b>60.4</b>	<b>55.3</b>
<b>Total Liabilities</b>	<b>211.5</b>	<b>155.1</b>

Assets (In Crs.)	Mar-17	Mar-16
Total Fixed Assets	70.7	60.5
Non Current Investments	23.7	22.5
Long Term Loans & Advances	2.1	1.5
<b>Total Non-Current Assets</b>	<b>96.5</b>	<b>84.5</b>
Current Investments	19.5	0.0
Inventories	18.2	16.0
Trade Receivables	30.1	22.8
Cash & Cash Equivalents	4.3	0.8
Short Term Loans & Advances	42.7	30.9
Other Current Assets	0.2	0.2
<b>Total Current Assets</b>	<b>115.0</b>	<b>70.6</b>
<b>Total Assets</b>	<b>211.5</b>	<b>155.1</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)  
+91 9833441520 / +91 7738073466

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

