

Ref: AKSHAR/SE/2017-18/1711/45

November 14, 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 – NOVEMBER, 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 – November, 2017.

The aforesaid Investor Presentation – November, 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**

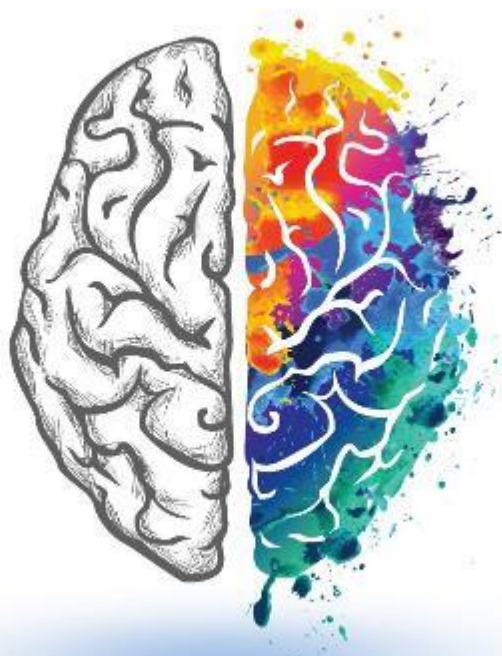
  
**Meet Joshi**  
Company Secretary

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  
November 2017



# Safe Harbor

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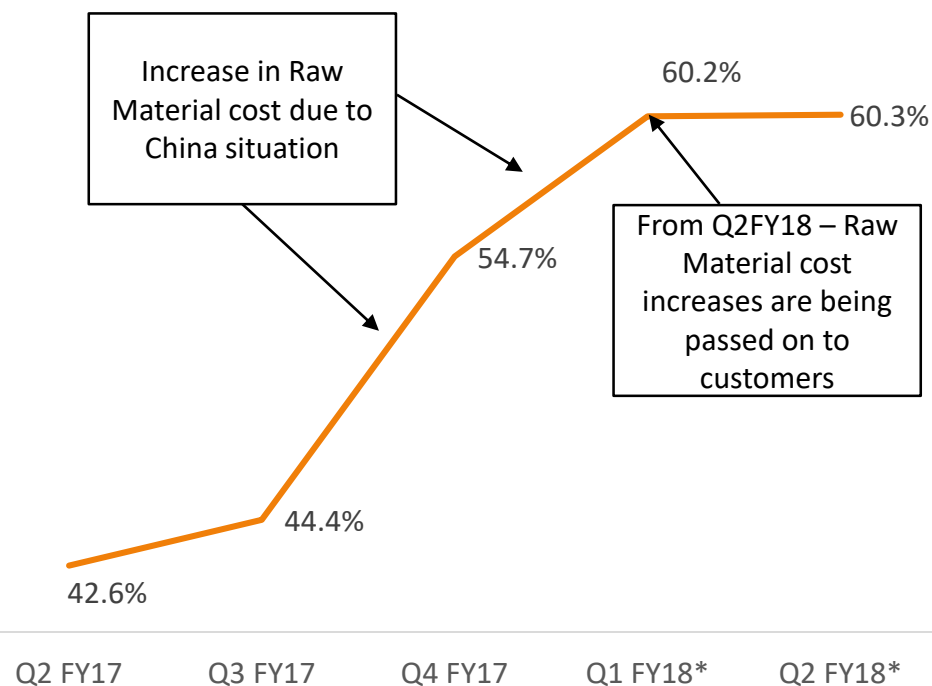
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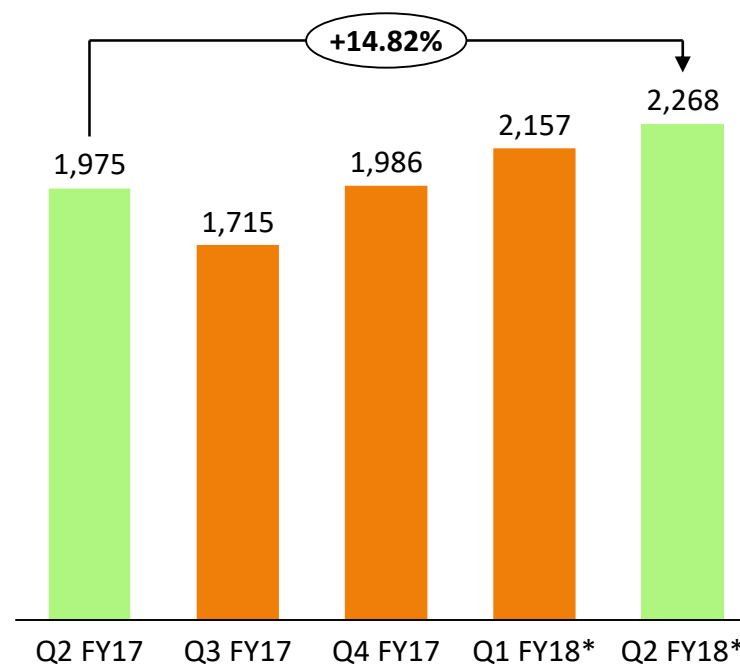


# Result Highlights

## Raw Material % to Sales



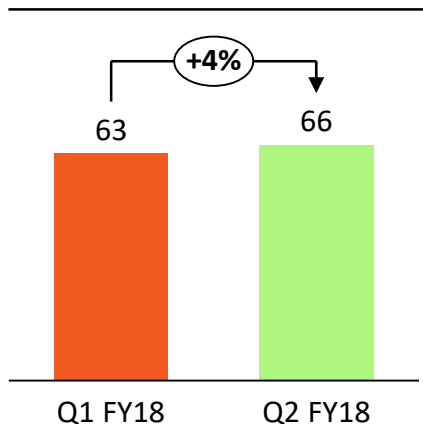
## Total Volume (MT)



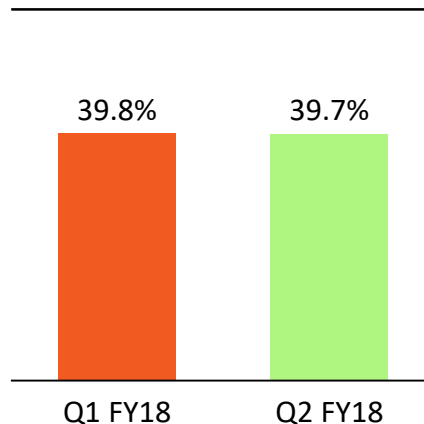
# Financial Highlights Q2 FY18\*

In Crs.

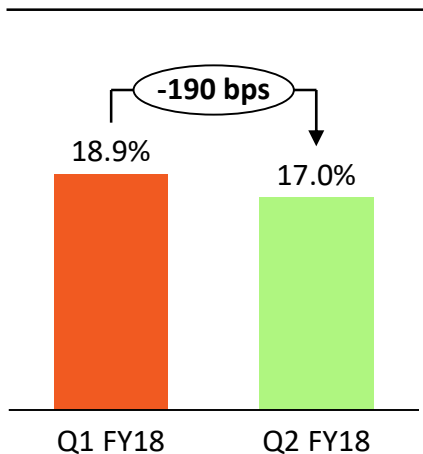
## Revenue



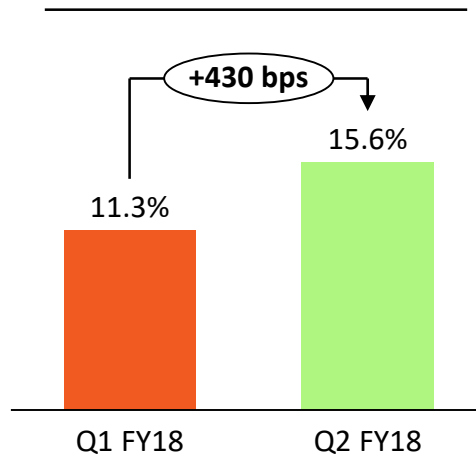
## Gross Profit (%)



## EBITDA (%)



## PAT (%)



1. Gross Profit Margins are stable, implying increase in Raw material cost is passed on to customers
2. One off cost of **Rs. ~1.5crs** towards – Major Repairs undertaken at Plant and Cost of Pollution Treatment expenses
3. Excl. one-off expenses the EBITDA margin for Q2FY18 would have been **~19%**





# Company Overview



## We Have Developed The EDGE



38%

**Revenue**  
CAGR FY12-17



58%

**Net Worth**  
CAGR FY12-17



90%

**Exports**  
FY16-17



NIL

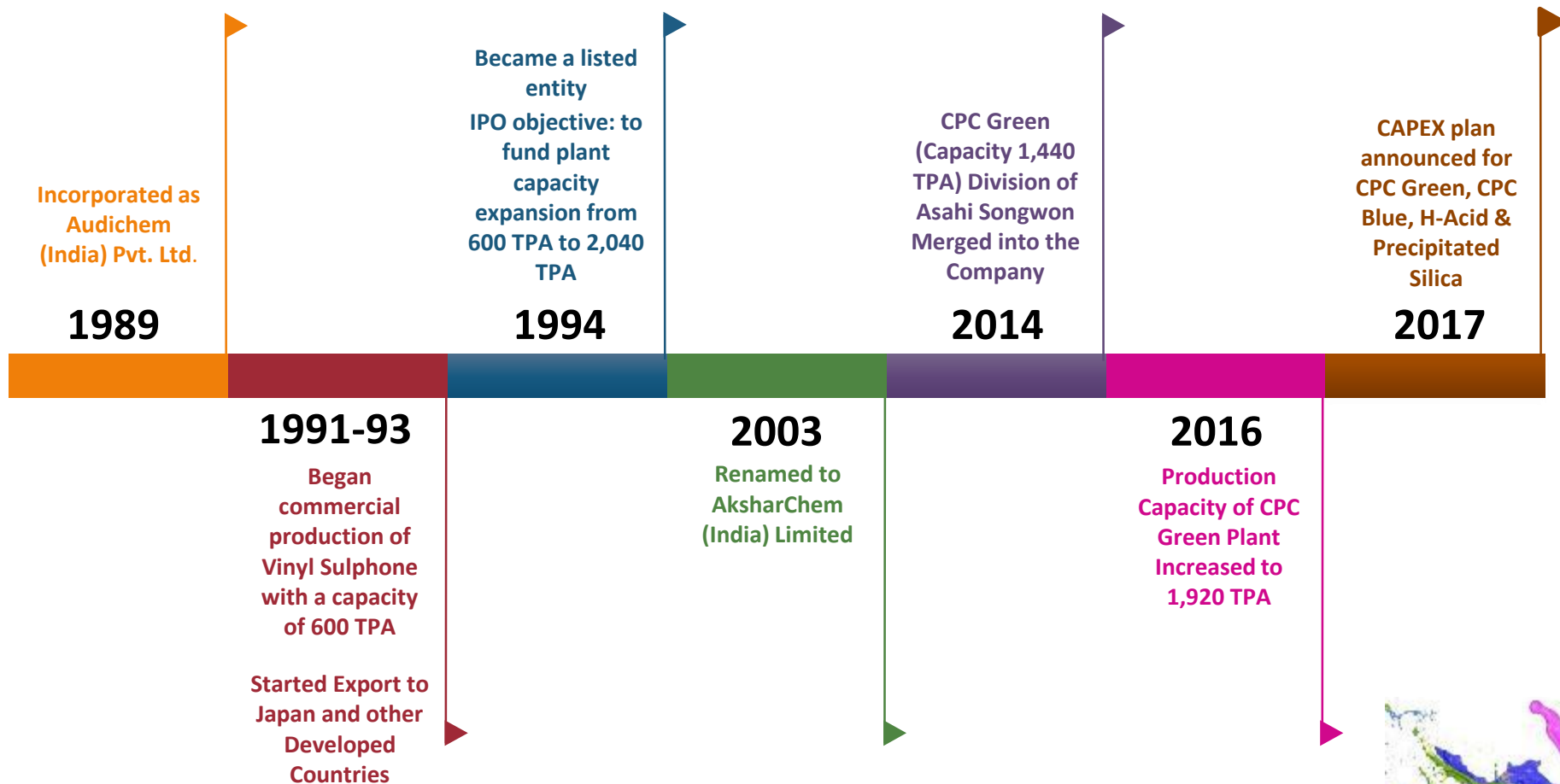
**Debt**  
Sep 2017

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 H1 FY18 Sales



### Pigments

CPC Green

Used as colouring agents

Made From Crude Blue, PAN

32% of H1 FY18 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



**17** Year relationship



**15** Year relationship



**8** Year relationship



**4** Year relationship



**5** Year relationship



*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 : 2015



ISO 9001 : 2015

**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



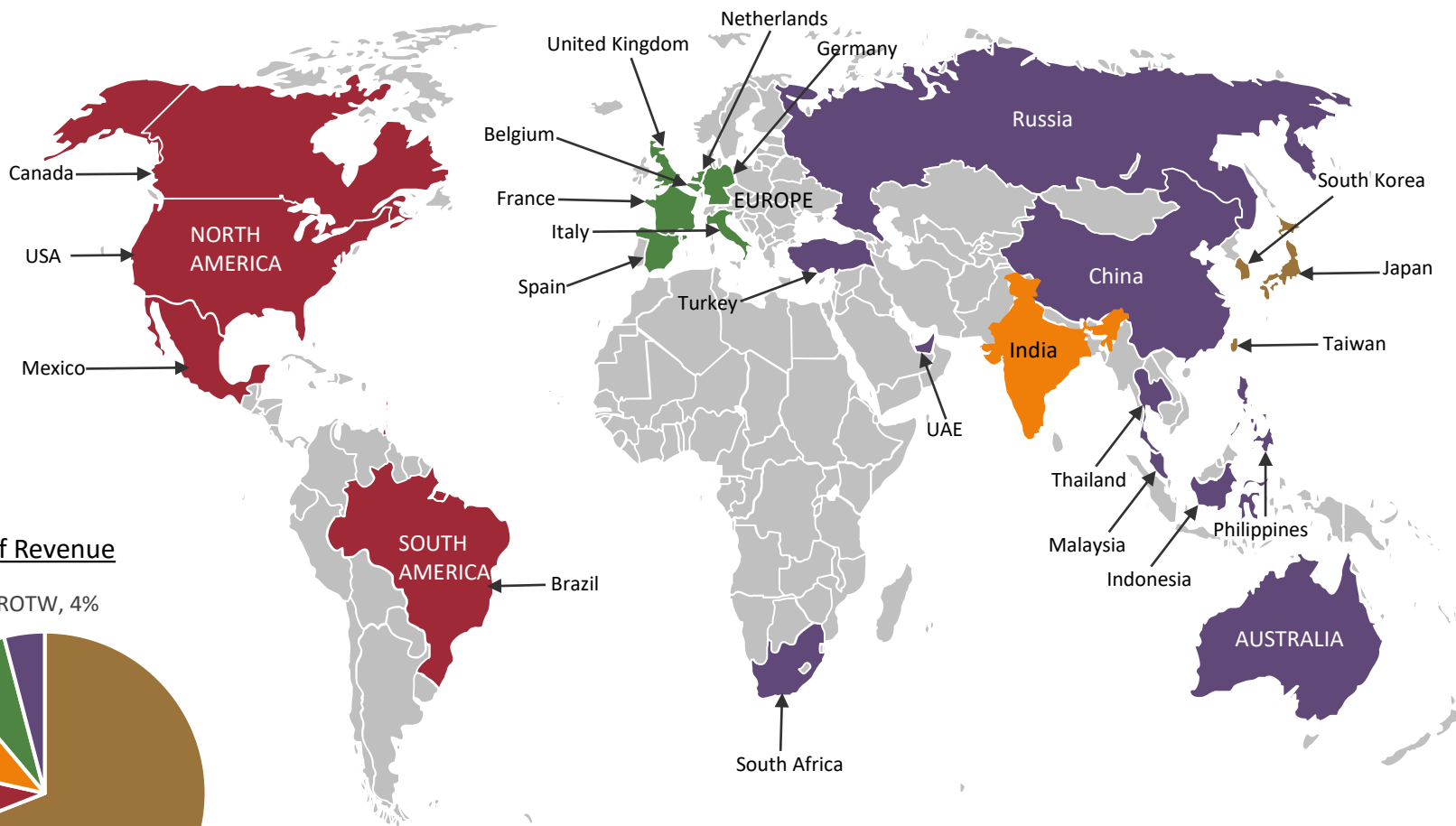
# With State of the Art Manufacturing

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

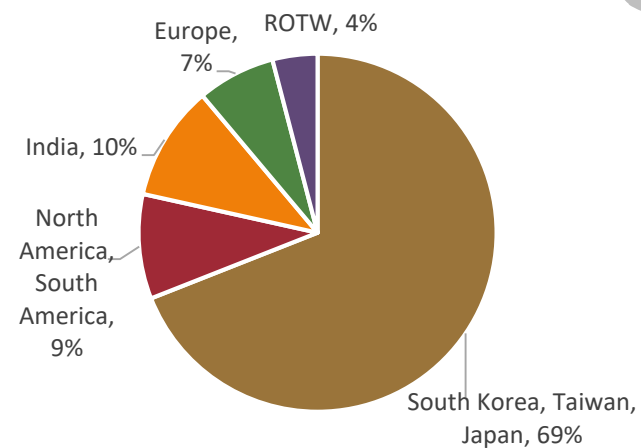




# With Expanding Footprints



FY17, % of Revenue



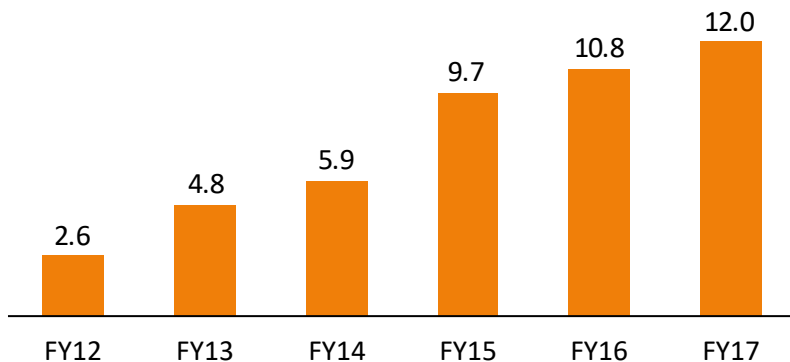
*Presence in over 20 countries*

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

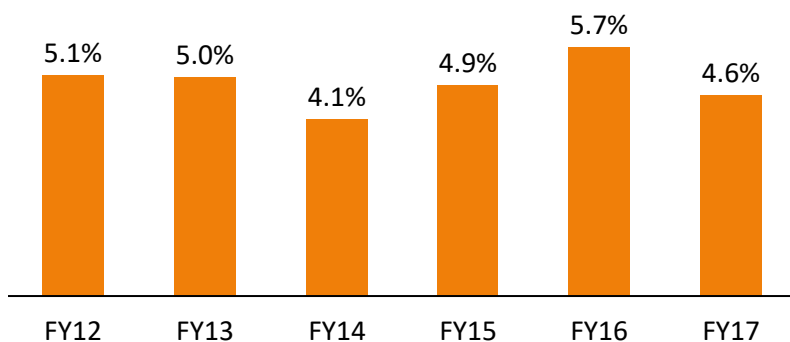


# With Environmental Sustainability

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



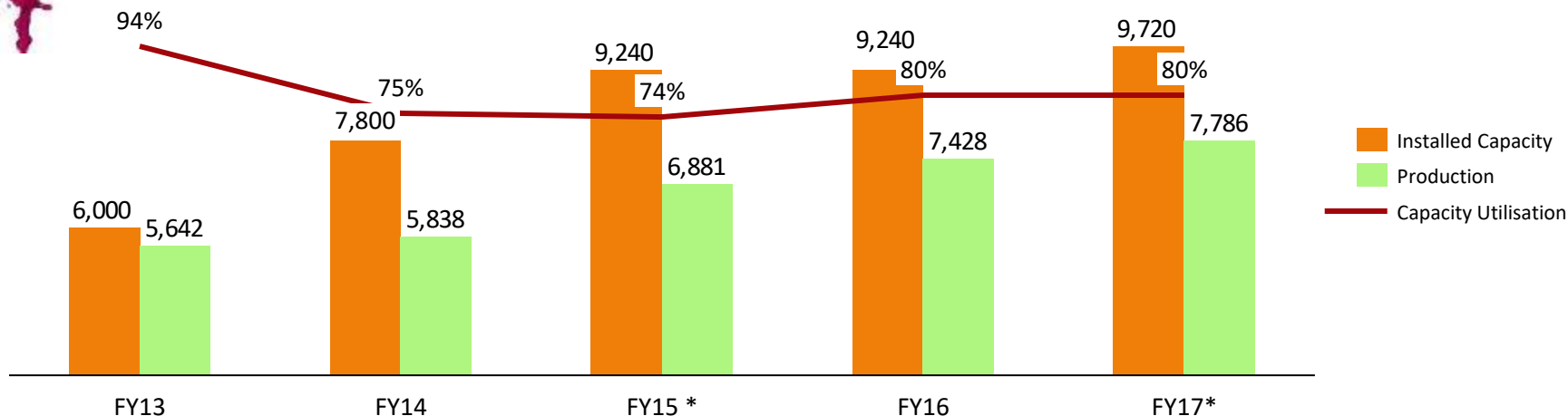
**Annual Pollution treatment expenses  
as a % of Revenue**



- 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 the next twelve months*

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

## 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. Munjal M. Jaykrishna**

***Jt. Managing Director & CFO***

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



**Mr. Gautam M. Jain**

***Independent Director***

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



**Mr. Param J. Shah**

***Independent Director***

MBA (International Business, Corporate Laws), M.Com. (Costing), LL.B., PG Diploma in IPR and eligible to be a declared a doctorate of philosophy in management.



**Dr. Pradeep Jha**

***Independent Director***

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



**Mr. Kirankumar J. Mehta**

***Independent Director***

With qualifications in M.Com, LL.B., FICWA and FIISA he has been practising Cost Accountant since the last 41 years.



**Mr. Gokul M. Jaykrishna**

***Director***

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

# With Awards & Accolades



2017-18

- 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



2016-17

- Top Performer Women Entrepreneur-NON MSME
- 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



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 83% 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

Nil Debt as of Sep 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*

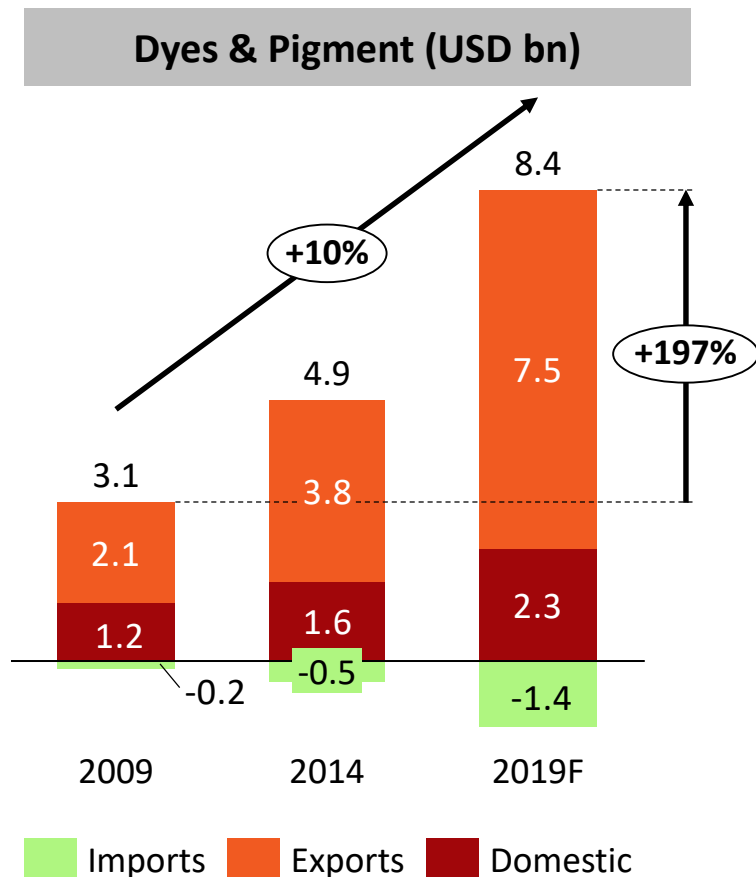
**4** | *Maintain extensive supply chain network across the world*



A dynamic and colorful splash of paint forms a thick, irregular ring around the central text. The paint is composed of several distinct colors: bright blue, vibrant red, sunny yellow, and a lime green. The splash is captured in a frozen moment, with various droplets and streaks radiating outwards from the central ring, creating a sense of movement and energy. The background is a clean, solid white, which makes the colors of the paint stand out prominently.

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 , SunChemical , BASF , Everlight, 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*



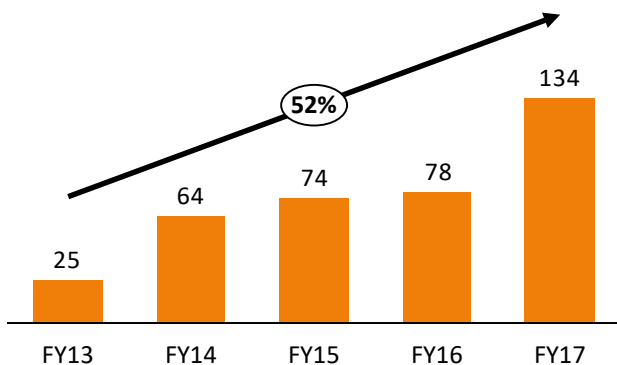




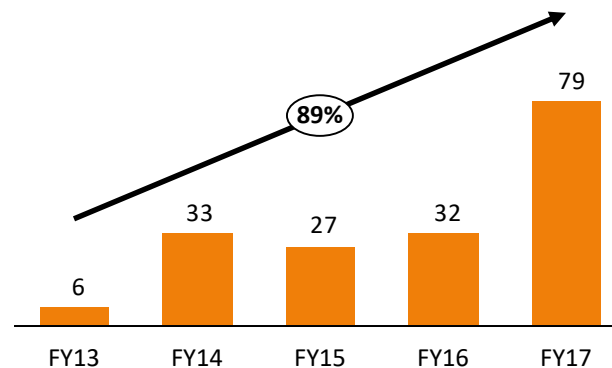
# Key Financial Parameters

*In Crs.*

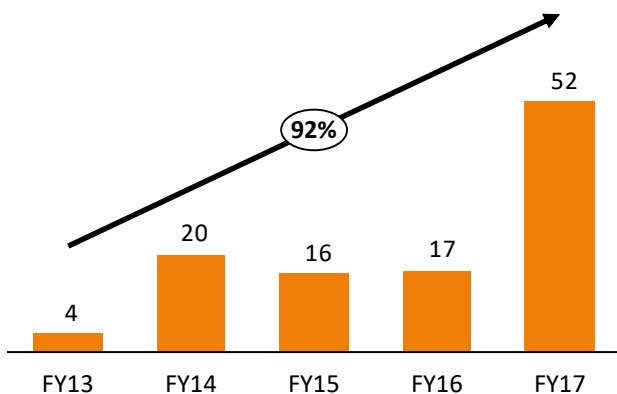
## Gross Profit



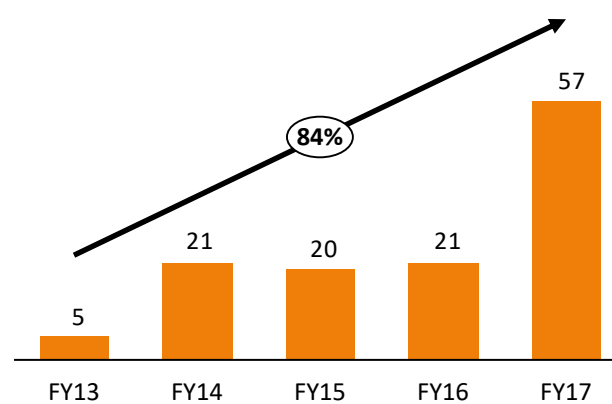
## EBITDA



## PAT

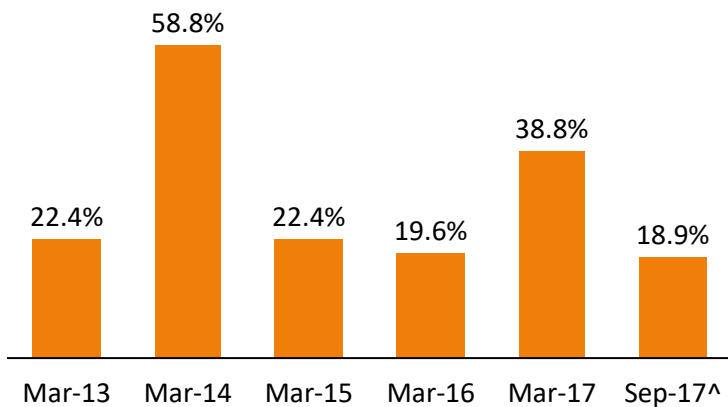


## Cash PAT

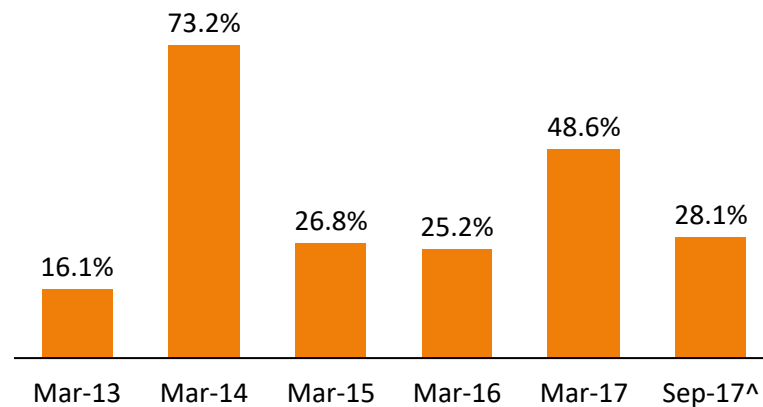


# Key Financial Parameters

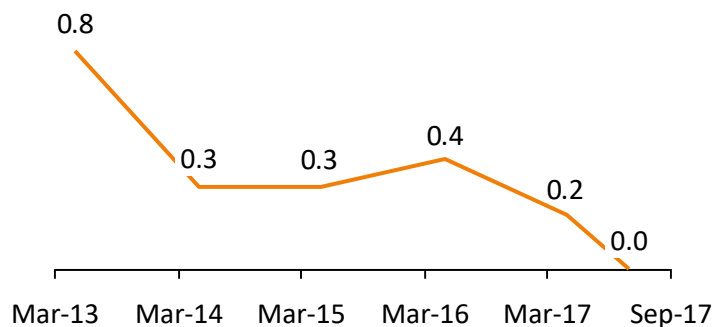
## ROE (%)



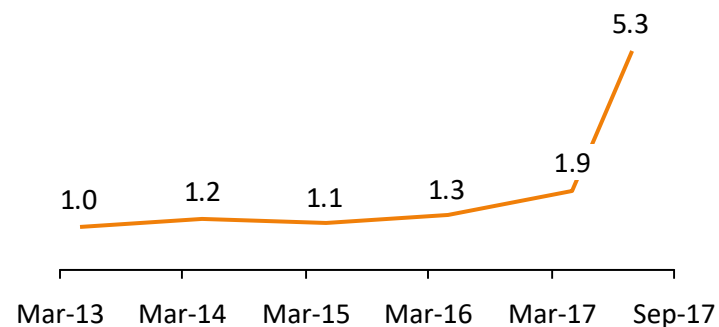
## ROCE (%)



## Debt to Equity (x)



## Current Ratio (x)



*Consistent dividend payments over the past 4 years*

^ TTM Basis

\* Pigment business added in FY15

# Profit & Loss Statement\*

Particulars (In Crs.)	Q2 FY18	Q1 FY18	Q-o-Q	Q2 FY17	H1 FY18	H1 FY17
<b>Net Revenue from Operations</b>	<b>66</b>	<b>63</b>	<b>4%</b>	<b>84</b>	<b>129</b>	<b>139</b>
Raw Material	40	38		38	78	66
Employee Expenses	2	1		2	3	3
Other Expenses	13	12		13	25	24
<b>EBITDA</b>	<b>11</b>	<b>12</b>	<b>-7%</b>	<b>32</b>	<b>23</b>	<b>46</b>
<b>EBITDA %</b>	<b>17.0%</b>	<b>18.9%</b>		<b>37.7%</b>	<b>17.9%</b>	<b>33.0%</b>
Other Income	4	1		5	5	7
Depreciation	1	1		1	3	2
<b>EBIT</b>	<b>14</b>	<b>11</b>	<b>23%</b>	<b>35</b>	<b>25</b>	<b>50</b>
<b>EBIT %</b>	<b>21.2%</b>	<b>17.9%</b>		<b>41.9%</b>	<b>19.6%</b>	<b>36.0%</b>
Finance Cost	0	1		1	1	2
<b>PBT</b>	<b>13</b>	<b>11</b>	<b>27%</b>	<b>34</b>	<b>24</b>	<b>48</b>
Tax	3	3		9	7	14
<b>PAT</b>	<b>10</b>	<b>7</b>	<b>43%</b>	<b>25</b>	<b>17</b>	<b>34</b>
<b>PAT %</b>	<b>15.6%</b>	<b>11.3%</b>		<b>30.1%</b>	<b>13.5%</b>	<b>24.6%</b>
Other Comprehensive Income	0	0		0	0	0
<b>Total Comprehensive Income</b>	<b>10</b>	<b>7</b>	<b>41%</b>	<b>25</b>	<b>17</b>	<b>34</b>
<b>Earnings Per Share (EPS)</b>	<b>12.36</b>	<b>9.82</b>		<b>34.41</b>	<b>21.12</b>	<b>46.82</b>

# Balance Sheet\*

Equity & Liabilities (In Crs.)	Sep-17
Share Capital	8
Other Equity	214
<b>Total Equity</b>	<b>222</b>
Deferred Tax Liabilities (Net)	11
<b>Total Non-Current Liabilities</b>	<b>11</b>
Financial Liabilities	
Borrowings	1
Trade Payables	26
Other Current liabilities	2
Provisions	0
<b>Total Current Liabilities</b>	<b>29</b>
<b>Total Equity &amp; Liabilities</b>	<b>262</b>

Assets (In Crs.)	Sep-17
Property, Plant & Equipment	61
Capital Work-in-Progress	15
Financial Assets	
Investments	30
Loans	2
<b>Total Non-Current Assets</b>	<b>108</b>
Inventories	25
Financial Assets	
Investments	78
Trade Receivables	16
Cash and Cash Equivalents	3
Bank Balances other than above	1
Loans	32
Other Current Assets	0
<b>Total Current Assets</b>	<b>154</b>
<b>Total Assets</b>	<b>262</b>



## For further information, please contact:

### Company :

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

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

[www.aksharchemindia.com](http://www.aksharchemindia.com)

### Investor Relations Advisors :

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

Ms. Neha Shroff / Ms. Payal Dave  
[neha.shroff@sgapl.net](mailto:neha.shroff@sgapl.net) / [payal.dave@sgapl.net](mailto:payal.dave@sgapl.net)  
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