

AksharChem[®]

AksharChem (India) Limited

Investor Presentation - August 2018



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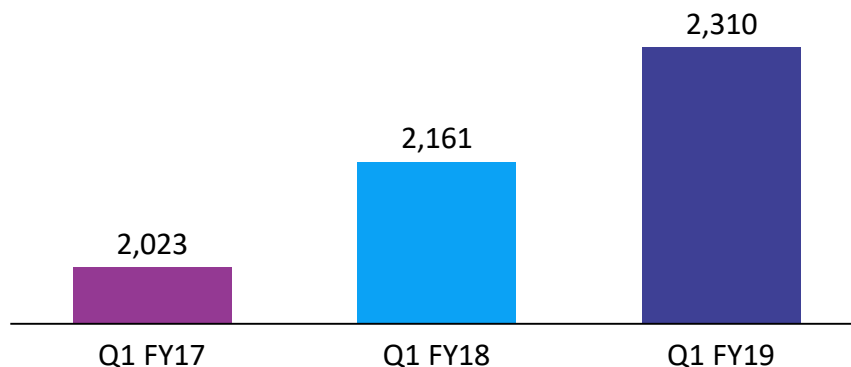
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Result Update

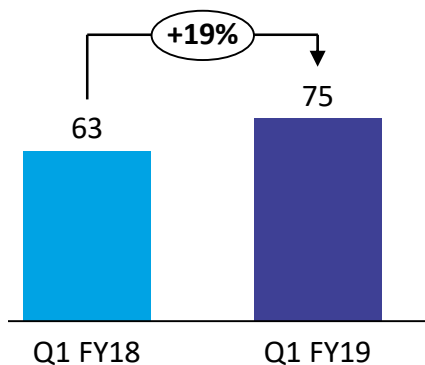


Result Highlights

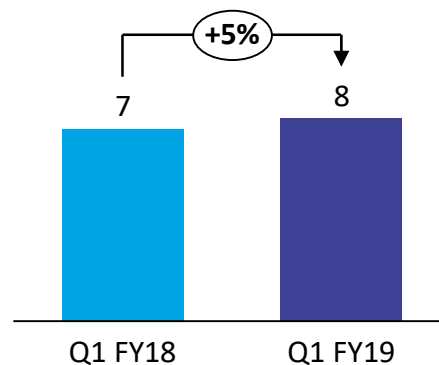
Total Volume (MT)



Net Revenue from Operations (Rs Crs)



Profit After Tax (Rs Crs)



- *Our Product Demand is intact due to which our volumes continues to grow year on year*
- *We expect Operating leverage to play out once utilization levels increases*

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*

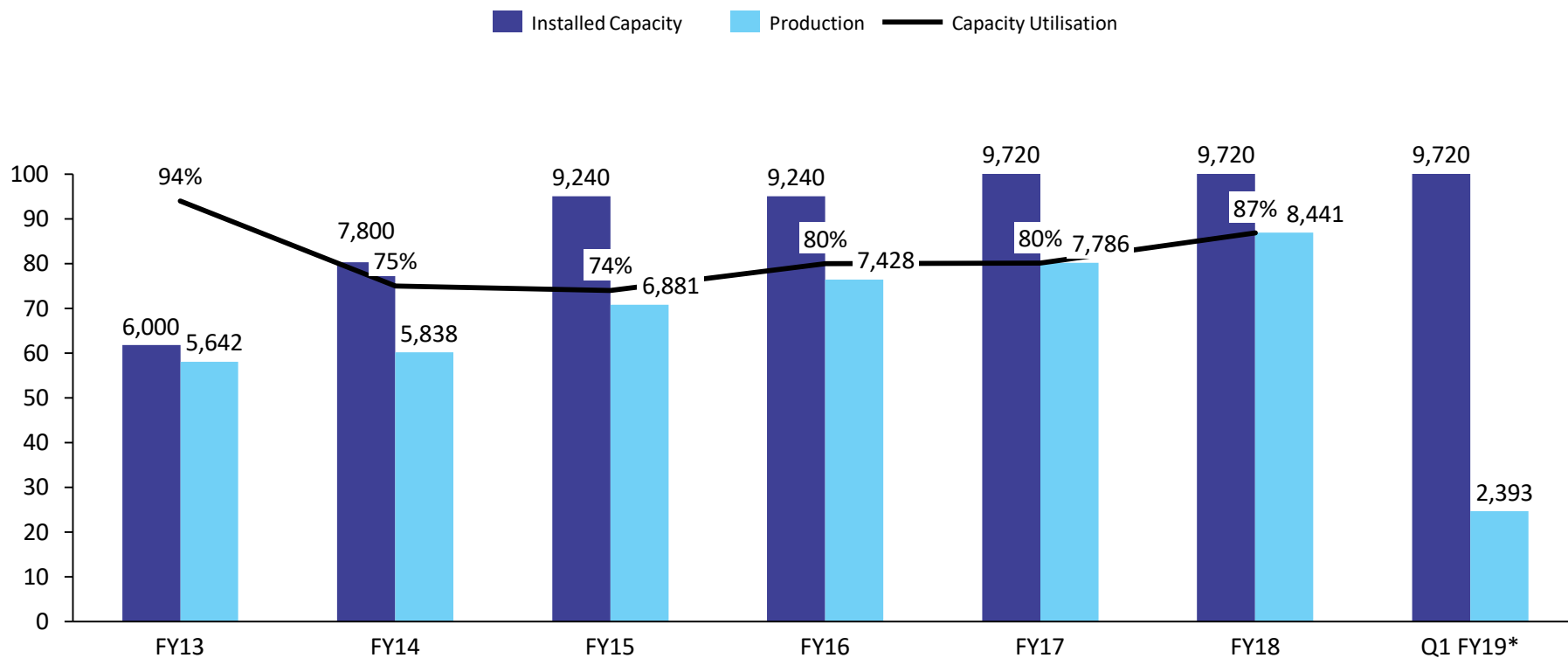
Trust & Credibility: *Enabled us to gain new customers and develop strong business relationships*

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



* Does not include 480 TPA of Pigments which was installed during Q1 FY19

Update on Expansion Plan

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

CPC Green

480 MTPA

Project Installation during
Q1 FY19

H-Acid

1,200 MTPA

Expected Commercial
Production from the next
quarter i.e. Q2 FY19

Precipitated Silica

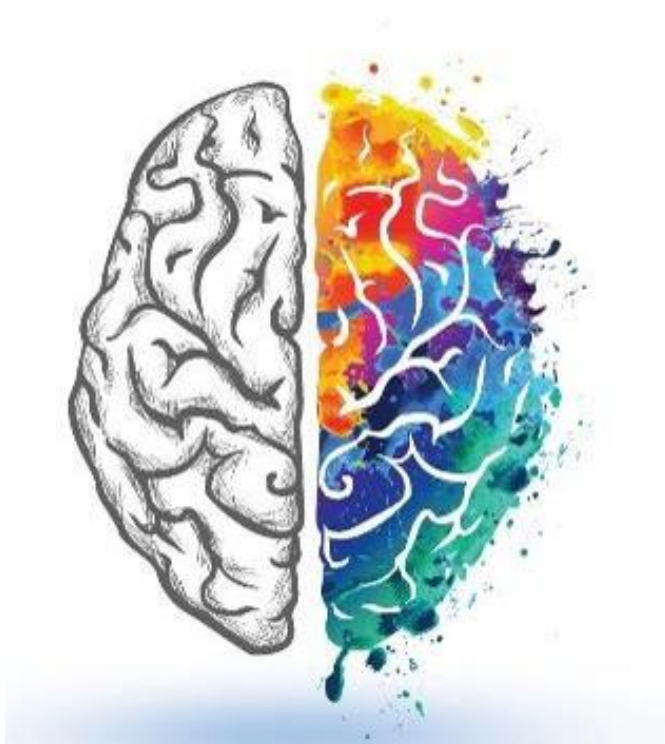
10,000 MTPA

Expected Commercial
Production in the first
quarter of FY20 i.e. Q1 FY20

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%**

31%

Revenue
CAGR FY12-18

61%

Net Worth
CAGR FY12-18

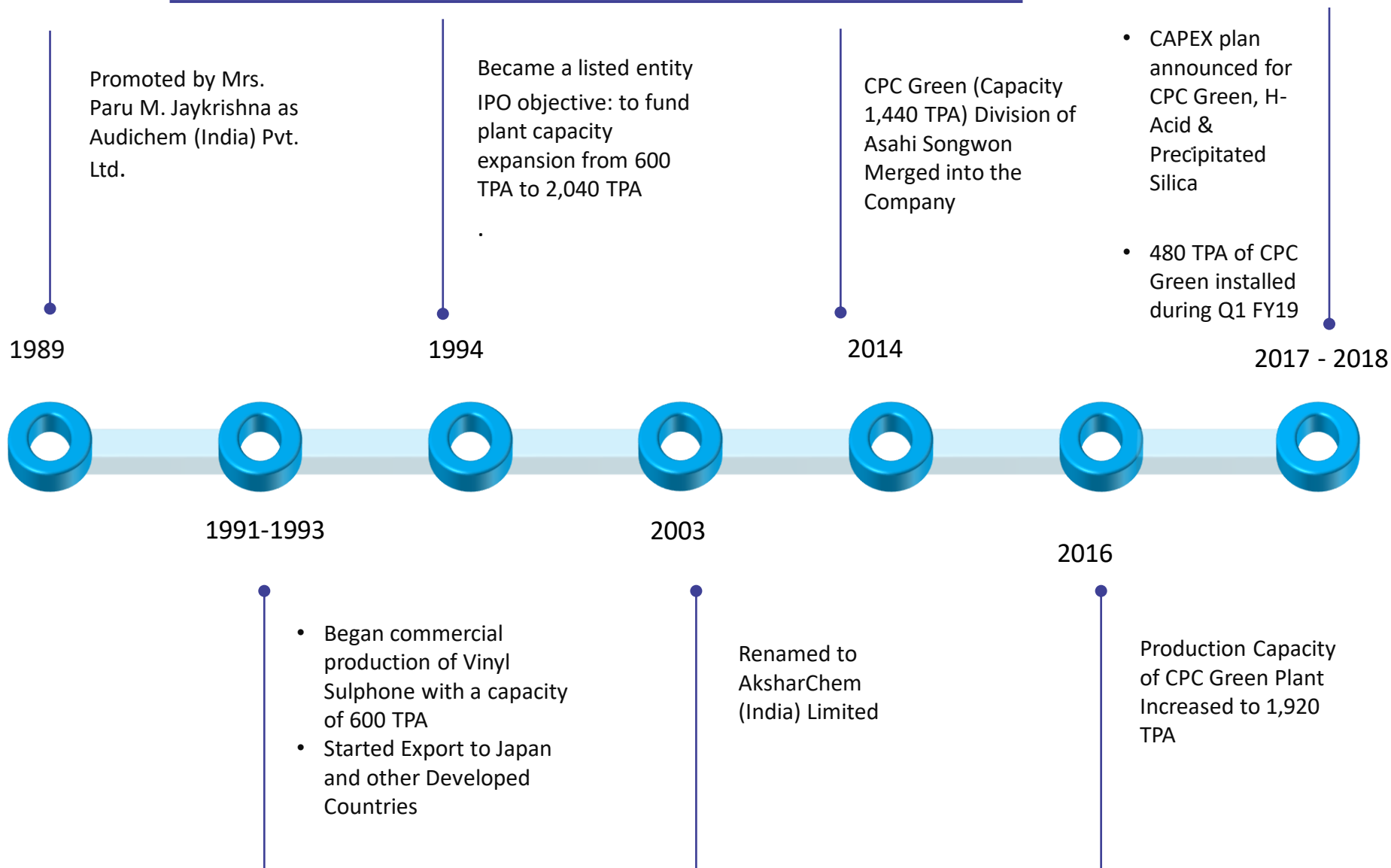
85%

Exports
FY17-18

NIL

Debt
March 2018

With Legacy of Over 2 Decades



With Right Products

	Dye Intermediates	Pigments
Products	Vinyl Sulphone	CPC Green
Capacity	7,800 TPA	1,920 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

* Does not include 480 TPA of Pigments which was installed during Q1 FY19

With Diversified End User Industry



Leather
CPC Green

Paint
CPC Green

Textile
Vinyl Sulphone

Textile Industry
Vinyl Sulphone



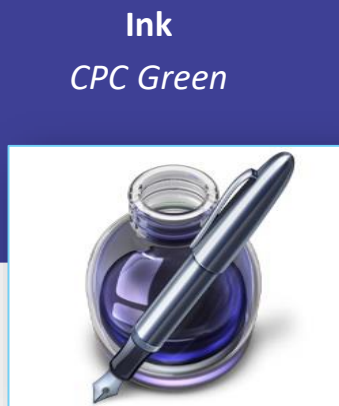
Plastics
CPC Green



Rubber
CPC Green



Plastics
CPC Green



Ink
CPC Green



Plastics
CPC Green



Paint
CPC Green

With Process & Quality

Focus on Superior Technology Driven Products

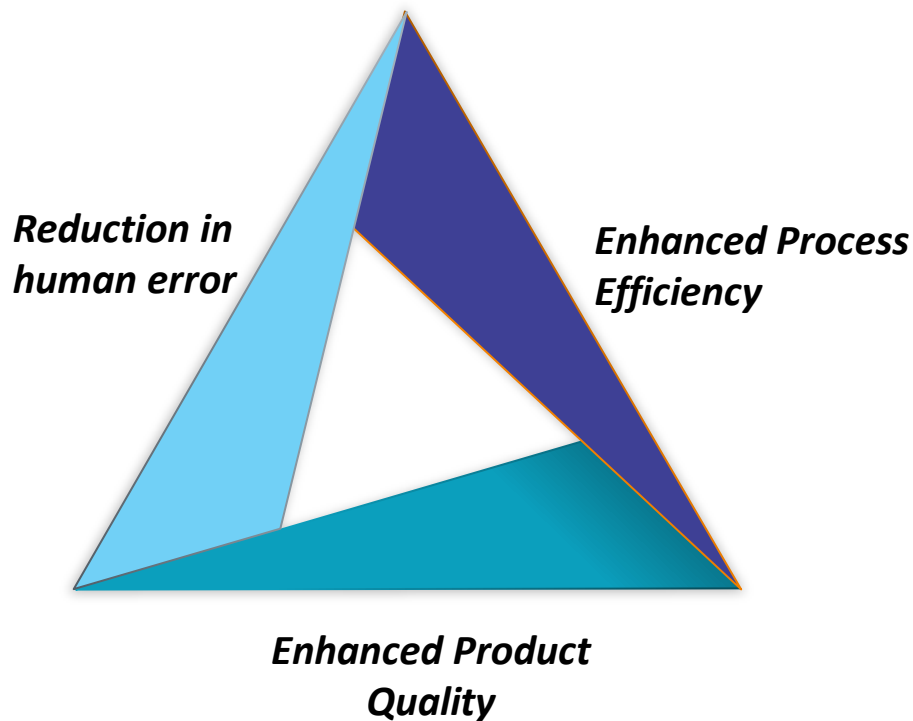
*Investment in
Quality Certifications + Process Automation Technologies
Resulting In*



ISO 14001 : 2015



ISO 9001 : 2015



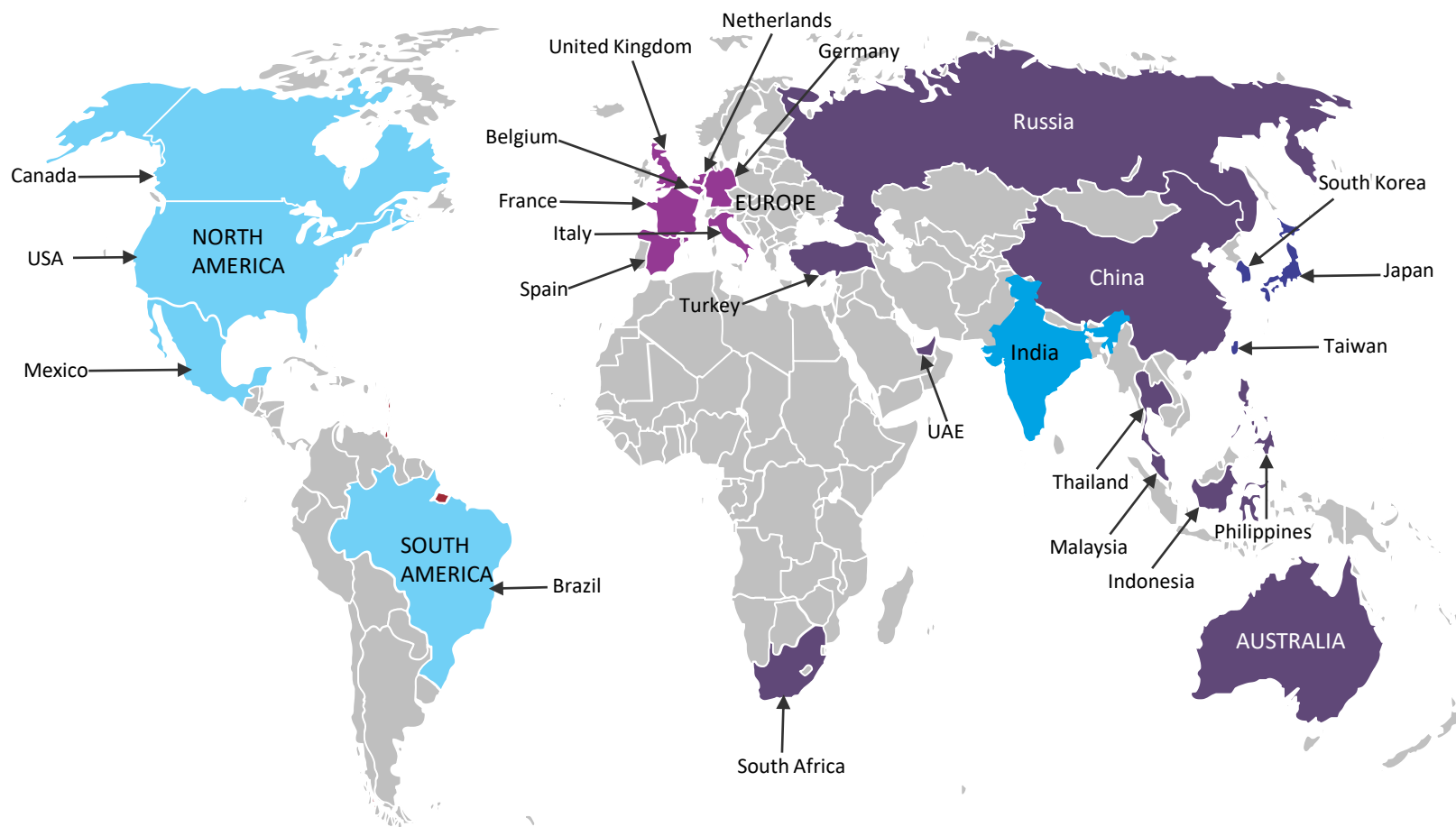
- Best Quality reliable products with zero product return in the history of the Company.
- No bad debts during the history of the Company.
- Long term quantity contract with leading global customers

With State of the Art Manufacturing



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

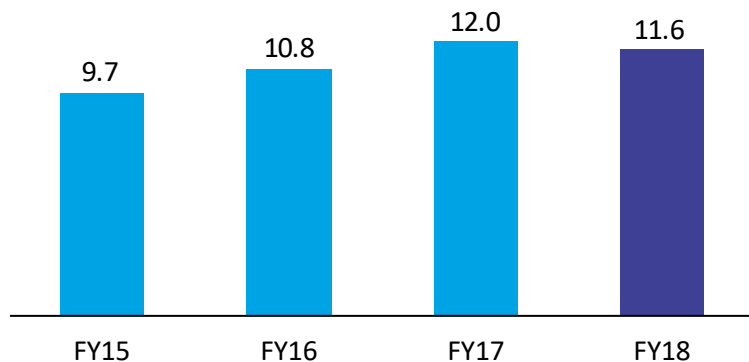
With Expanding Footprints



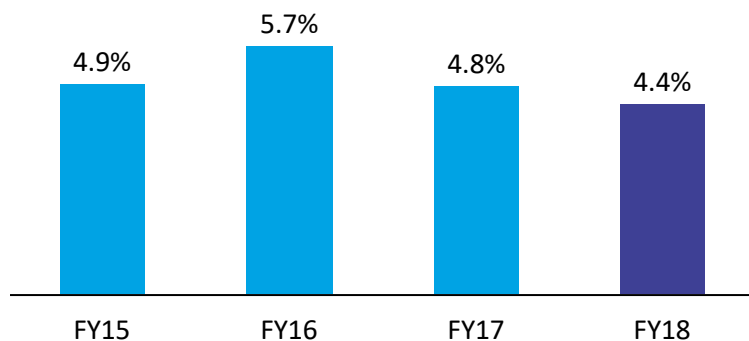
Presence in over 20 countries

With Environmental Sustainability

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. Munjal M. Jaykrishna

Jt. Managing Director & CEO

Responsible for all Management decisions 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. Jigar 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



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



- 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



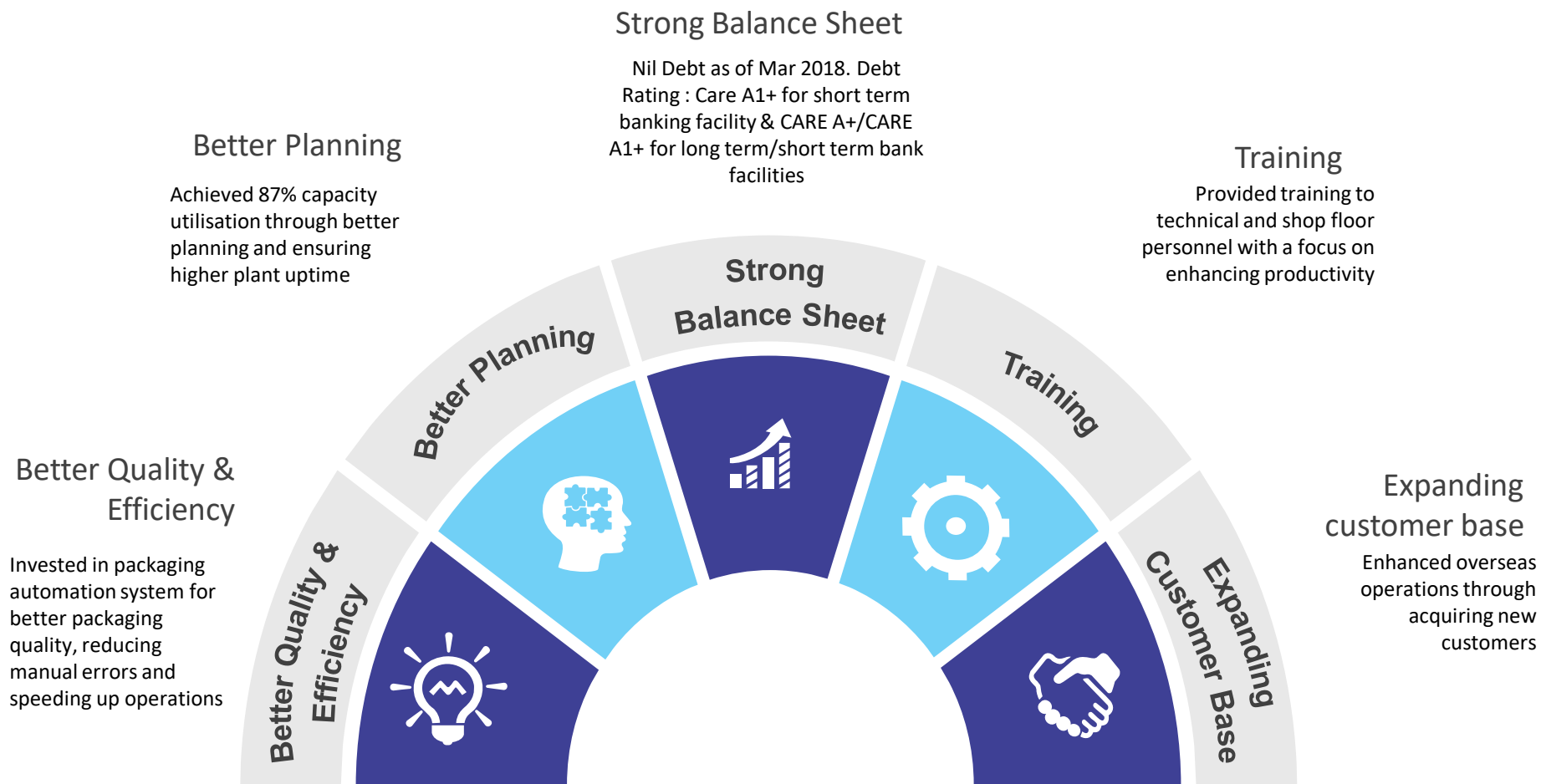
- Special Trophy for self manufactured direct export of Dyes of Rs. 25 Crores and above during the year 2014-15
- Award of Excellency 2015-16 Dyes & Dye Intermediates Panel Small Scale Sector
- Trishul Award for the outstanding export performance in Merchant Exporters Panel during 2014-2015



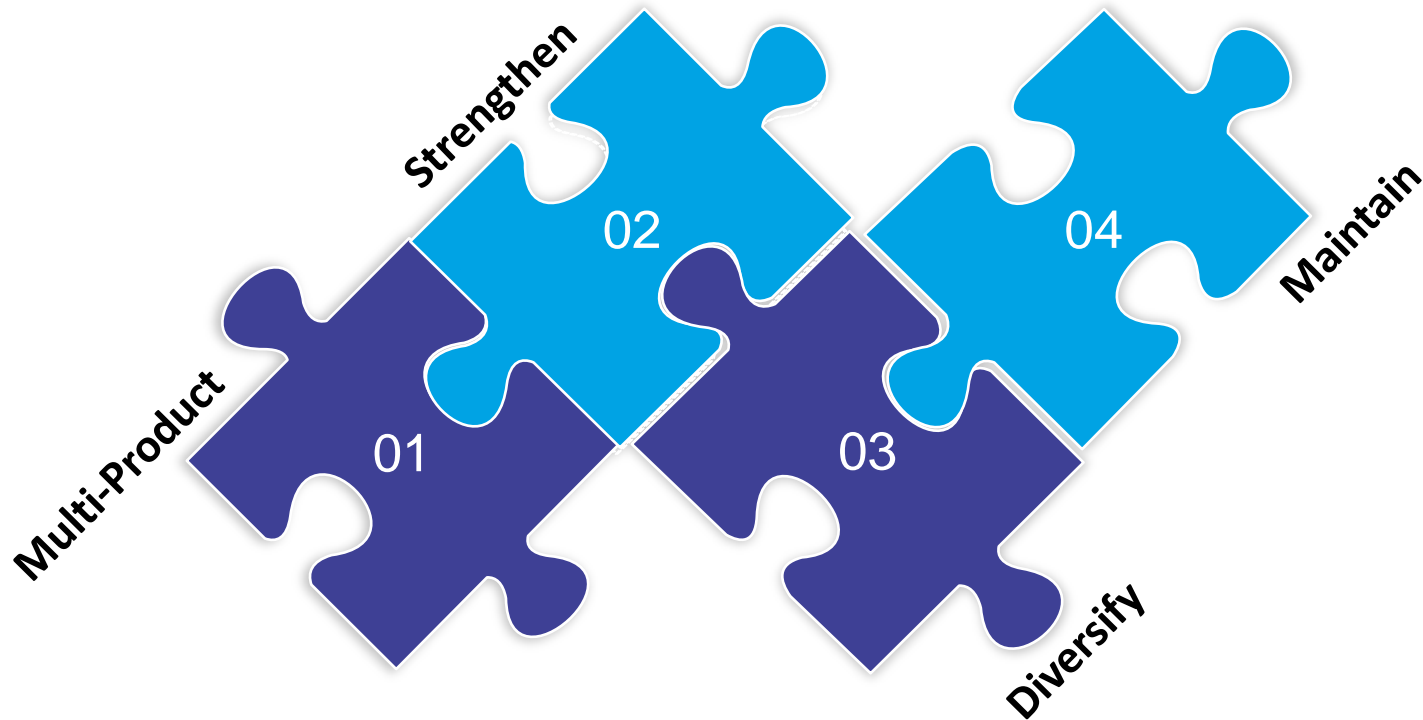
- Gold Award for the outstanding export performance in Merchant Exporters Panel during 2012-2013
- SME the Best Woman Entrepreneur
- Gold Award for the Outstanding export performance in Dyes & Dye-Intermediates Panel during 2009-2010 (30.08.2013)

Business Strategy

Reinforcing Our Strengths...



... and Building a Sustainable Future



1 Widen our products portfolio with value added products

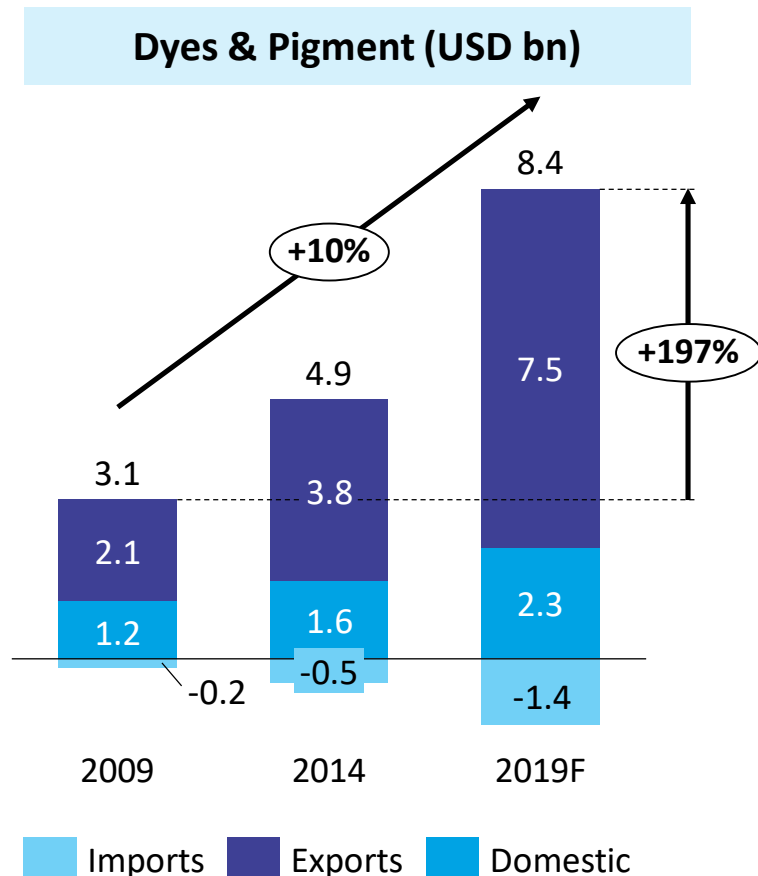
2 Focus on developing strong business relationships with customers

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 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

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

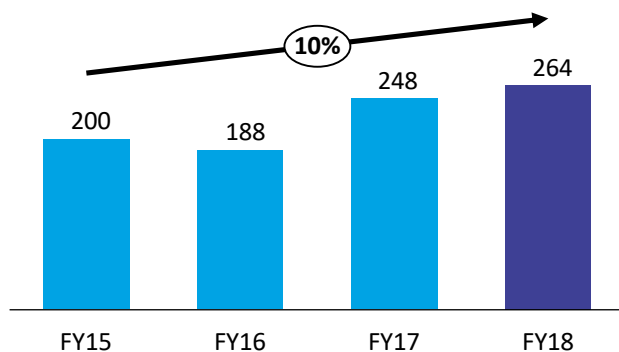


Financials

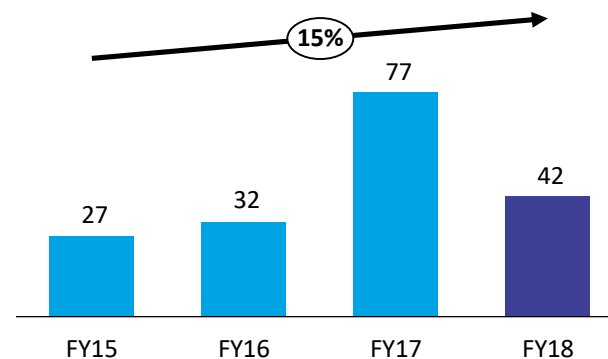
Key Financial Parameters

In Crs.

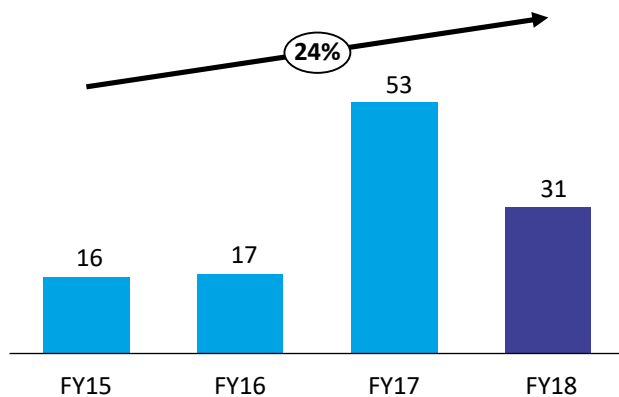
Net Revenue



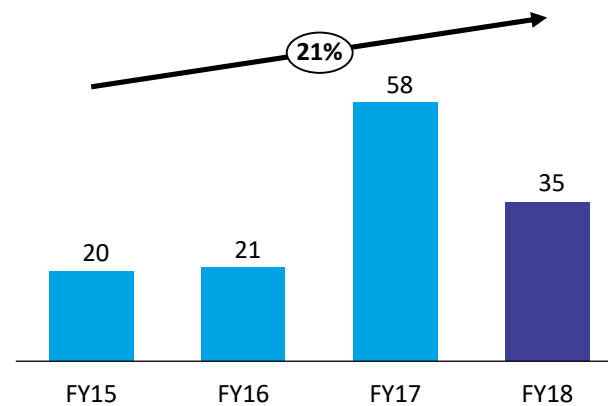
EBITDA



PAT



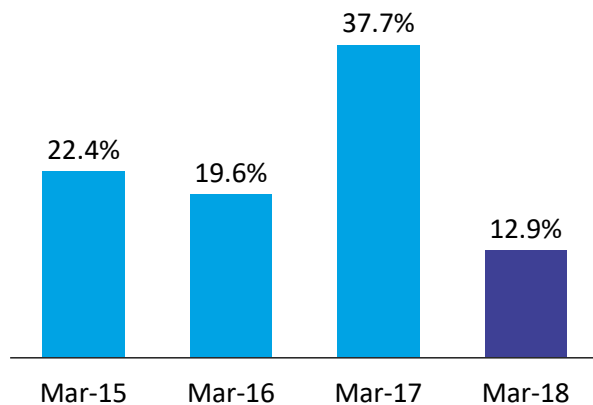
Cash PAT



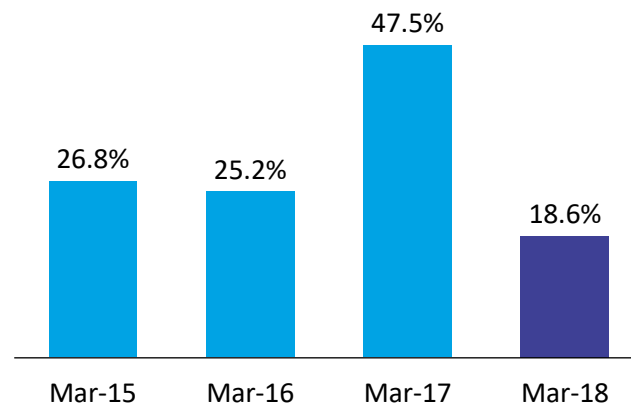
FY17 was an exceptional year on the back of Chinese clampdown

Key Financial Parameters

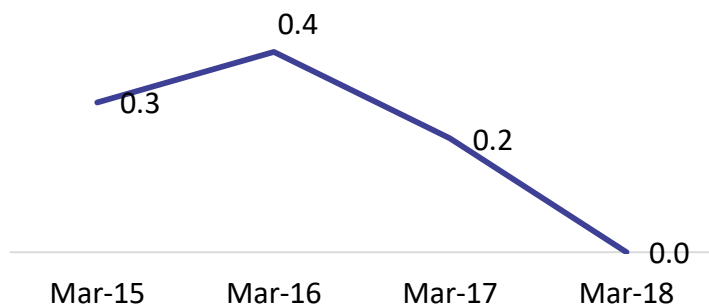
ROE (%)



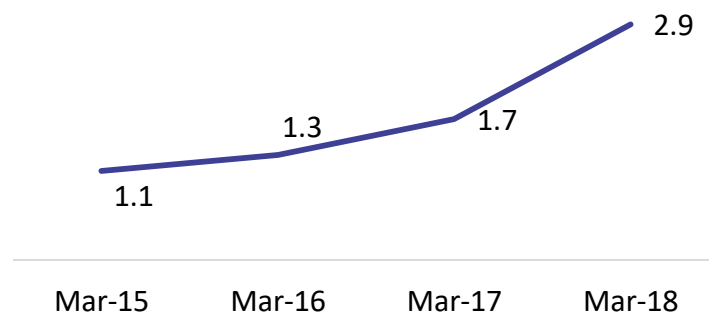
ROCE (%)



Debt to Equity (x)



Current Ratio (x)



FY17 was an exceptional year on the back of Chinese clampdown

Profit & Loss Statement*

Particulars (In Crs.)	Q1 FY19	Q1 FY18	Y-o-Y	Q4 FY18	Q-o-Q	FY18
Net Revenue from Operations	75.5	63.3	19%	76.5	-1%	264.3
Raw Material	48.8	38.1		49.2		160.3
Employee Expenses	2.0	1.4		2.6		8.3
Other Expenses	16.1	11.9		15.1		54.0
EBITDA	8.5	12.0	-29%	9.6	-12%	41.7
EBITDA %	11.3%	18.9%		12.6%		15.8%
Other Income	3.1	0.6		0.2		7.1
Depreciation	1.1	1.3		0.8		4.6
EBIT	10.5	11.3	-7%	9.1	16%	44.1
EBIT %	13.9%	17.9%		11.9%		16.7%
Finance Cost	0.2	0.7		0.2		1.5
PBT	10.3	10.6	-3%	8.8	17%	42.6
Tax	2.7	3.5		3.9		12.0
PAT	7.6	7.2	5%	4.9	55%	30.6
PAT %	10.0%	11.3%		6.4%		11.6%
Other Comprehensive Income	-0.3	0.0		-0.1		0.0
Total Comprehensive Income	7.2	7.2		4.8		30.6
Earnings Per Share (EPS)	9.21	9.81		5.95		37.33

Balance Sheet*

Assets (In Crs.)	Mar-18	Mar-17
Property, Plant & Equipment	86.0	64.5
Capital Work-in-Progress	27.3	8.9
Other Intangible Assets	0.1	0.2
Financial Assets		
Investments	31.6	31.3
Loans	0.2	0.2
Other Assets	1.5	1.8
Deferred Tax Assets(Net)	0.0	0.0
Other Non-Current Assets	6.8	6.8
Total Non-Current Assets	153.5	113.7
Inventories	29.7	32.2
Financial Assets		
Investments	45.6	19.7
Trade Receivables	27.5	13.3
Cash and Cash Equivalents	3.9	3.6
Bank Balances other than above	0.7	0.6
Loans	0.0	0.0
Other Financial Assets	5.4	5.9
Current Tax Assets (Net)	0.0	0.0
Other Current Assets	32.9	29.9
Total Current Assets	145.7	105.3
Total Assets	299.2	219.0

Equity & Liabilities (In Crs.)	Mar-18	Mar-17
Share Capital	8.2	7.3
Other Equity - Reserve	229.5	133.1
Total Equity	237.7	140.4
Financial Liabilities	0.0	6.3
Provisions	0.0	0.0
Deferred Tax Liabilities (Net)	11.6	12.0
Other Non-Current Liabilities	0.0	0.0
Total Non-Current Liabilities	11.6	18.2
Financial Liabilities		
Borrowings	0.0	22.6
Trade Payables	30.9	31.4
Other Financial Liabilities	0.5	3.4
Other Current liabilities	18.5	2.8
Provisions	0.1	0.1
Current Tax Liabilities (Net)	0.0	0.0
Total Current Liabilities	49.9	60.4
Total Equity & Liabilities	299.2	219.0

For further information, please contact:

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