



AksharChem (India) Limited

Investor Presentation
November 2017



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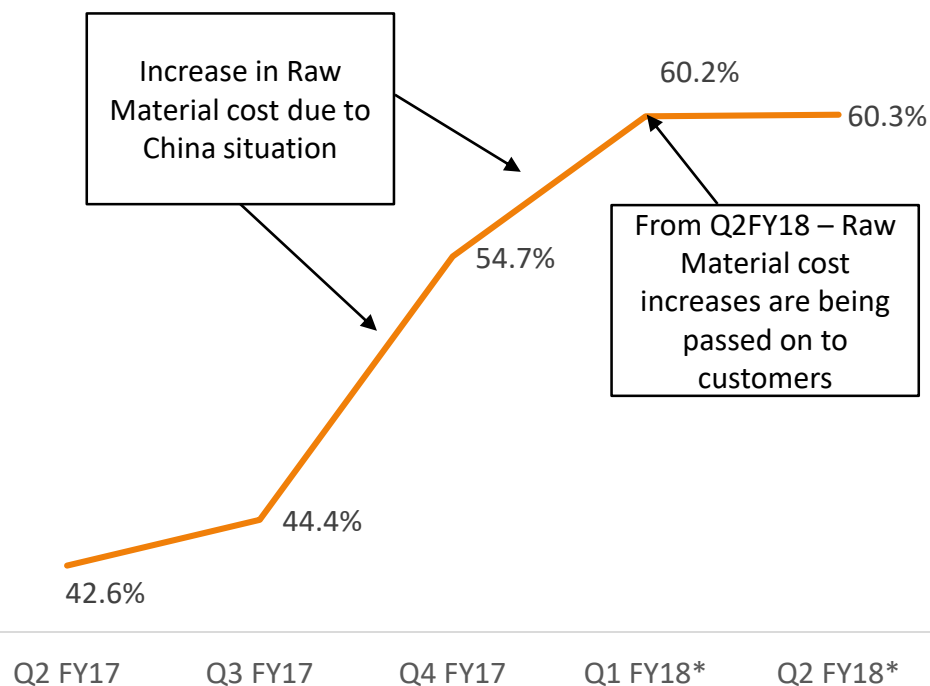
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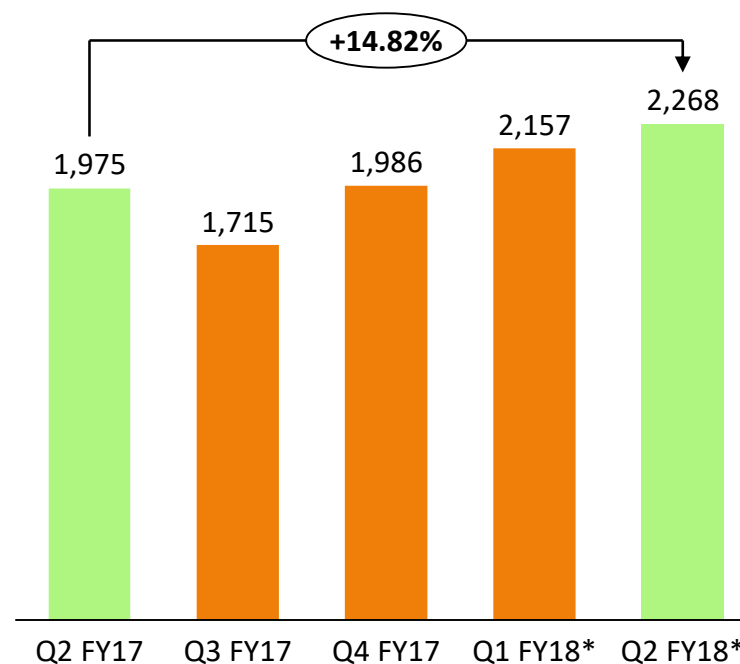
Results Update

Result Highlights

Raw Material % to Sales



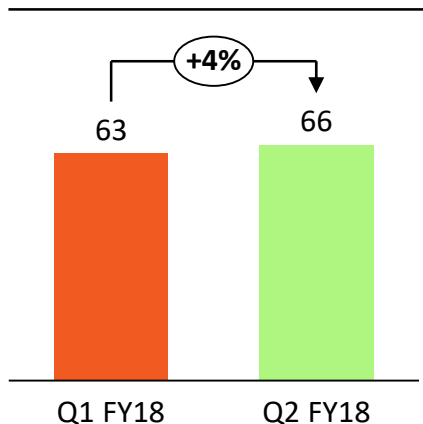
Total Volume (MT)



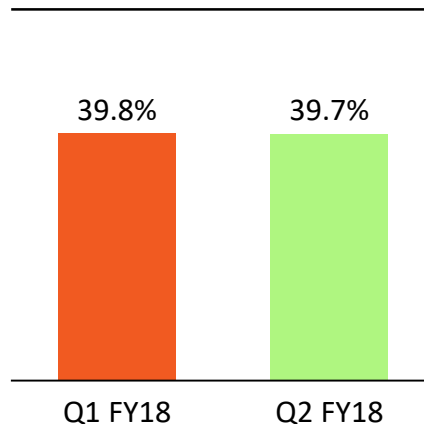
Financial Highlights Q2 FY18*

In Crs.

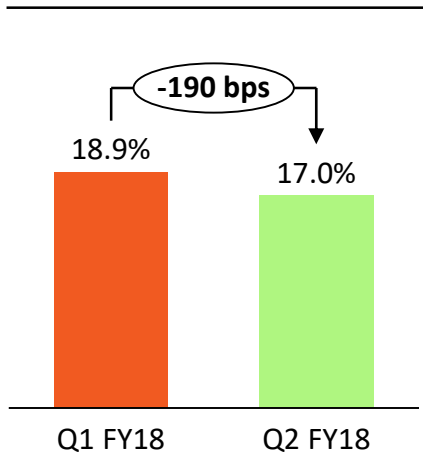
Revenue



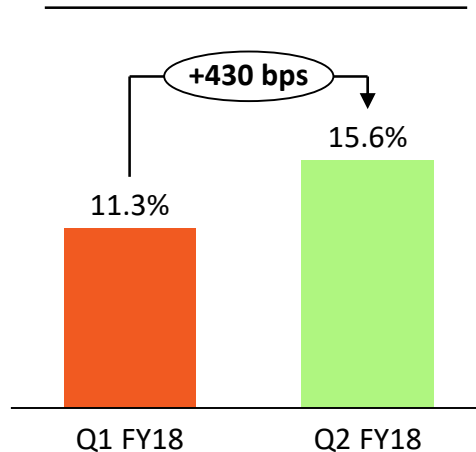
Gross Profit (%)



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%**

A dynamic splash of various colors including red, blue, yellow, green, and pink, arranged in a circular pattern that frames the central text. The paint appears thick and glossy, with some drips and smaller splatters extending outwards from the main ring.

Company Overview



We Have Developed The EDGE



38%

Revenue
CAGR FY12-17



58%

Net Worth
CAGR FY12-17



90%

Exports
FY16-17



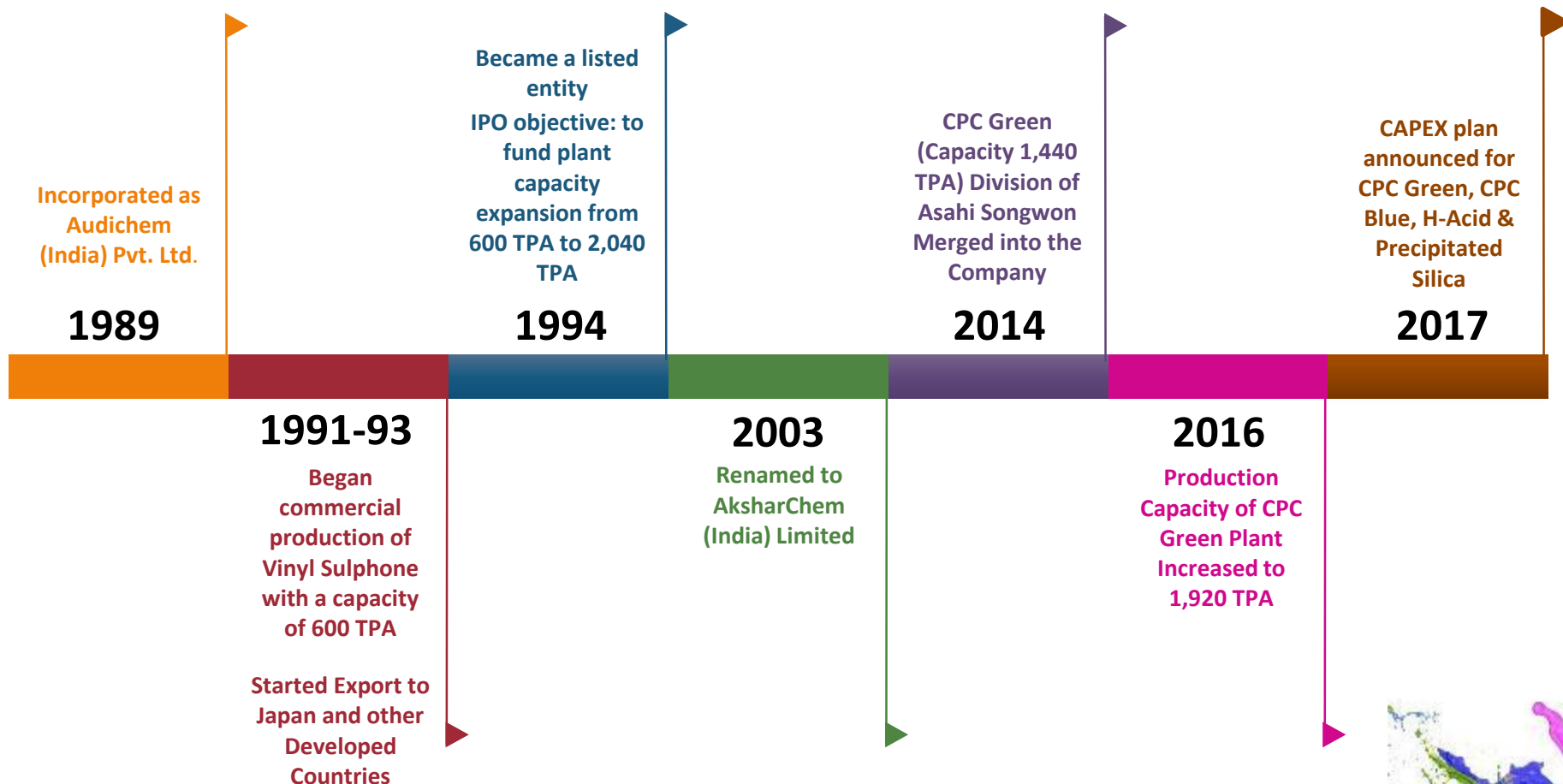
NIL

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**

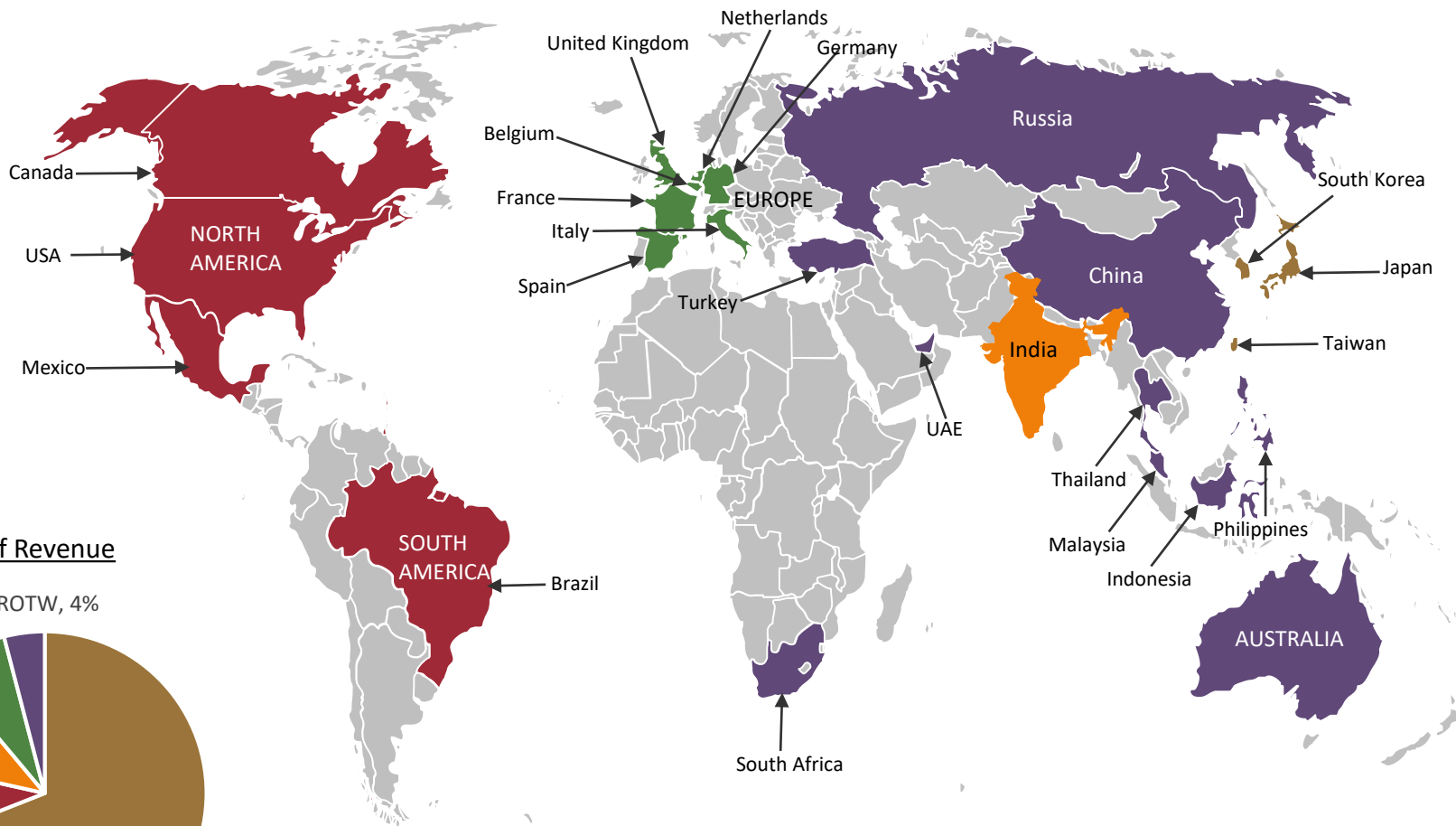
- Best Quality reliable products with zero product return in the history of the Company.
- No bad debts during the history of the Company.
- Long term quantity contract with leading global customers

With State of the Art Manufacturing

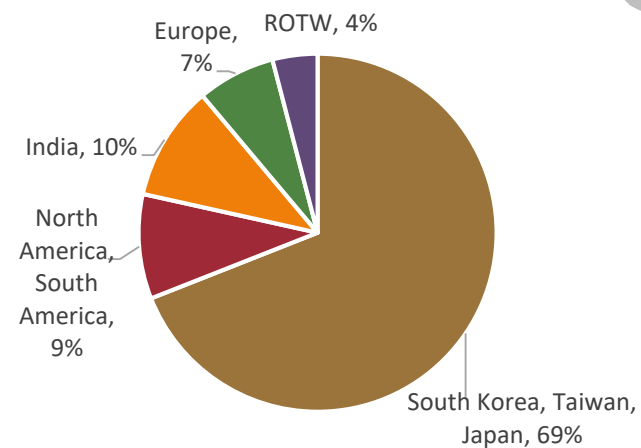
Strategically Located in the Chemical Belt of **Gujarat, at Mehsana**
Covering over 100,000 sq mt. of area



With Expanding Footprints



FY17, % of Revenue



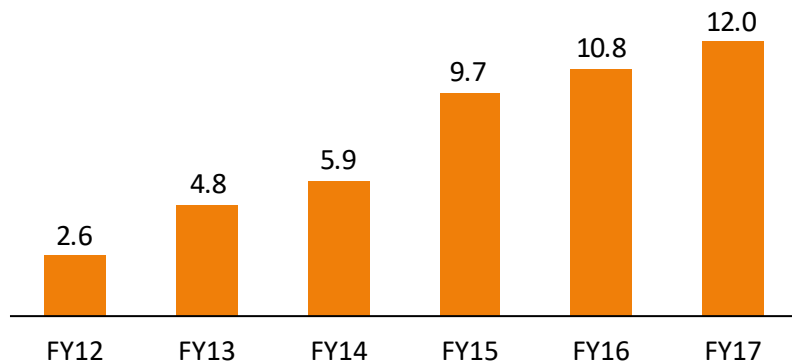
Presence in over 20 countries

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

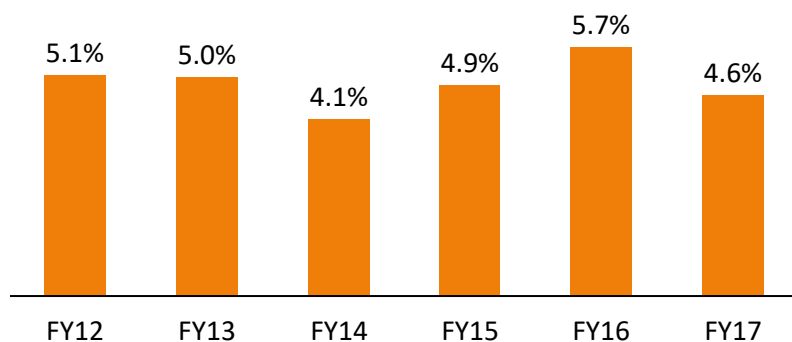


With Environmental Sustainability

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



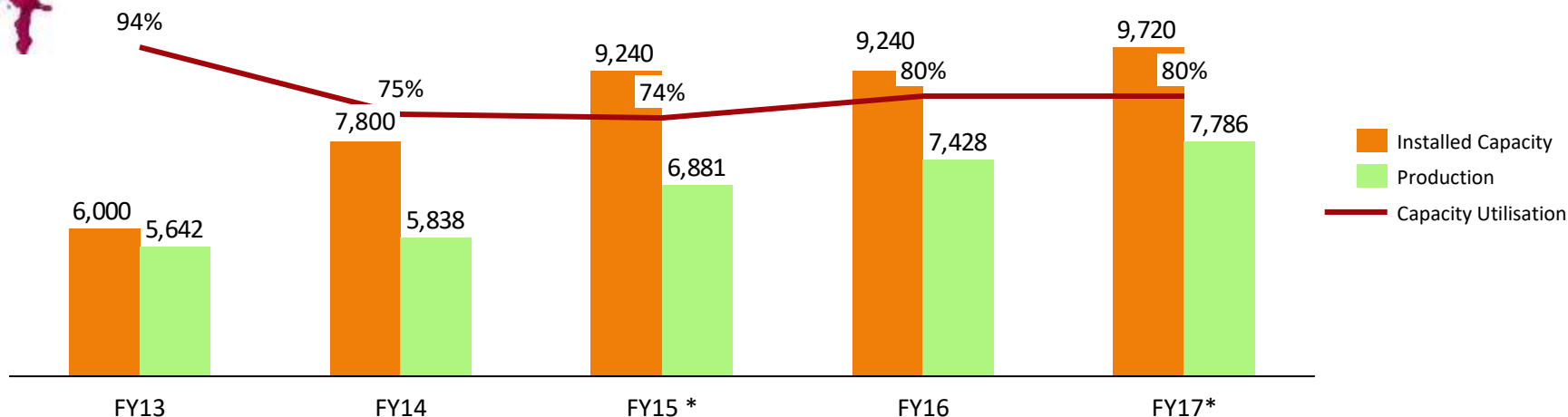
**Annual Pollution treatment expenses
as a % of Revenue**



- 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)
ORGANIC PIGMENTS				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	
DYES & INTERMEDIATES				25
H Acid	-	1,200	1,200	
SPECIALTY CHEMICALS				65
Precipitated Silica	-	10,000	10,000	
TOTAL				175

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*

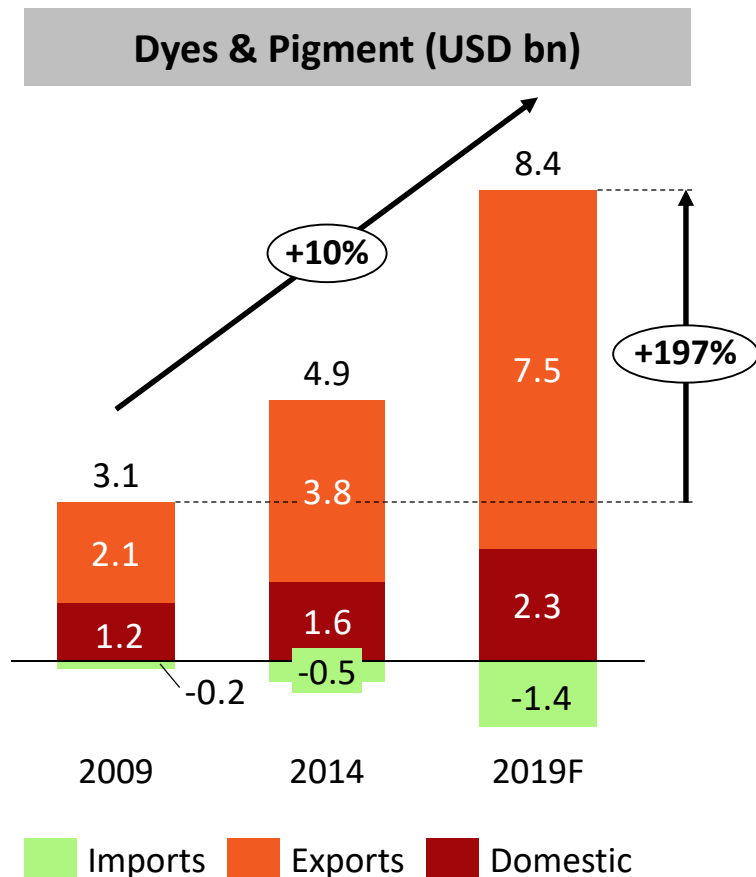
4 | *Maintain extensive supply chain network across the world*



A dynamic splash of various colors including red, blue, yellow, green, and pink, arranged in a circular pattern that frames the central text. The paint appears thick and glossy, with some splatters extending outwards from the main ring.

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

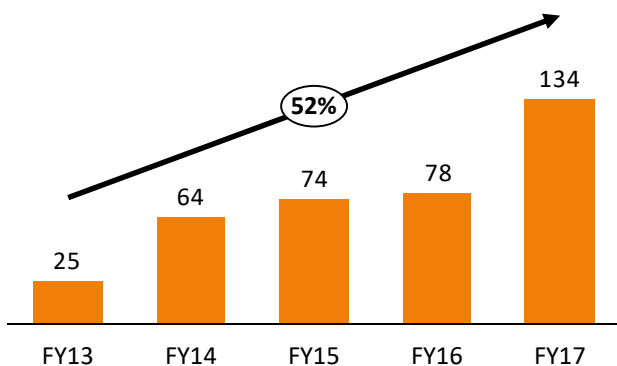
AKSHARCHEM is compliant with INTERNATIONAL QUALITY and ENVIRONMENT STANDARDS



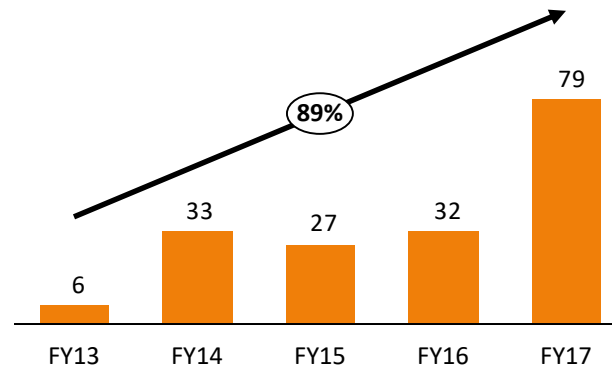
Key Financial Parameters

In Crs.

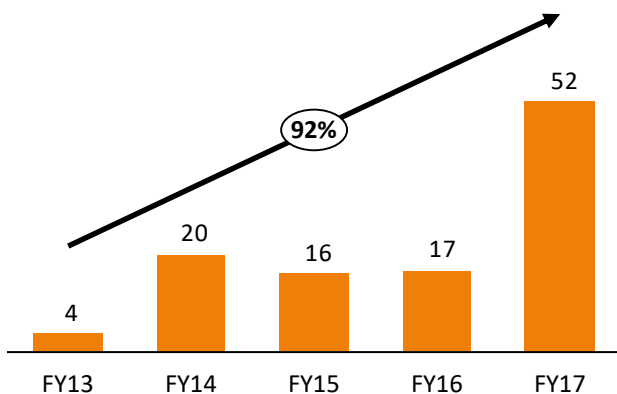
Gross Profit



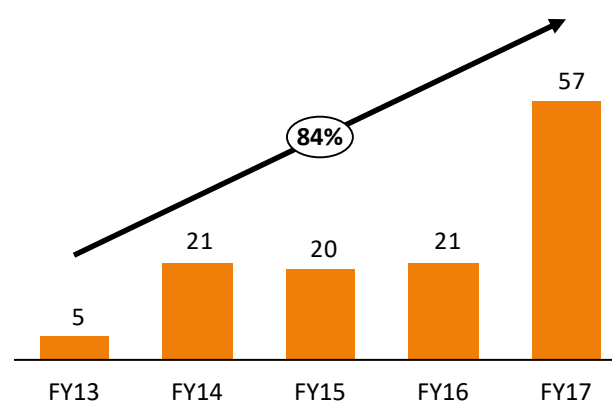
EBITDA



PAT

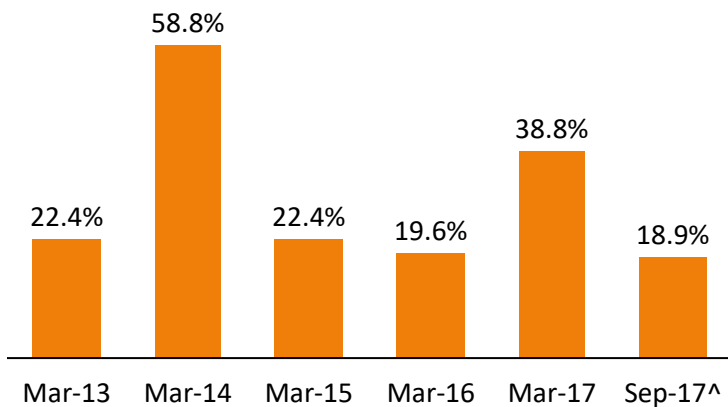


Cash PAT

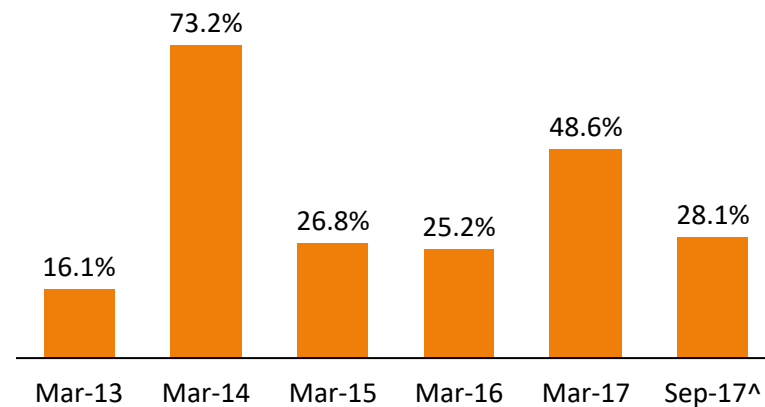


Key Financial Parameters

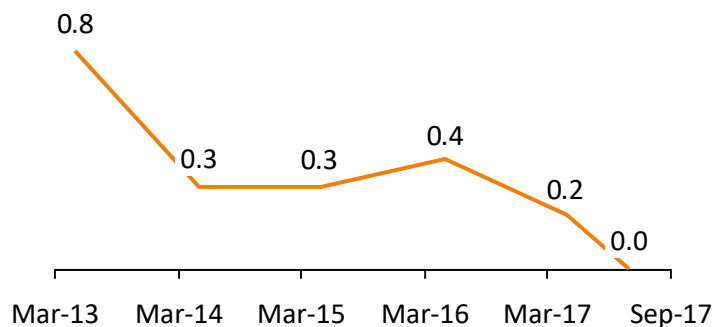
ROE (%)



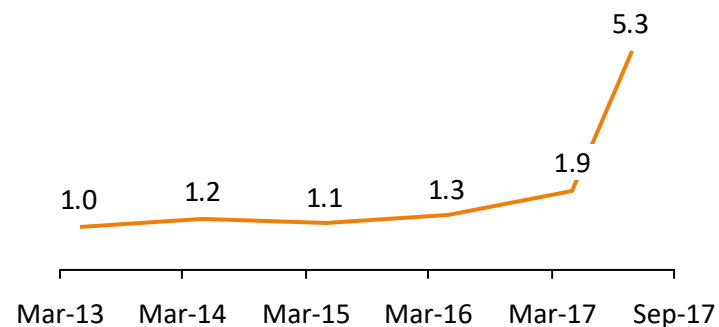
ROCE (%)



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

Balance Sheet*

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

Assets (In Crs.)	Sep-17
Property, Plant & Equipment	61
Capital Work-in-Progress	15
Financial Assets	
Investments	30
Loans	2
Total Non-Current Assets	108
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
Total Current Assets	154
Total Assets	262



For further information, please contact:

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