AksharChem

Ref: AKSHAR/SE/2017-18/1709/31

September 16, 2017

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

To,
The General Manager (Listing)
National Stock Exchange of India Ltd.
5th 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 – SEPTEMBER, 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 – September, 2017.

The aforesaid Investor Presentation – September, 2017 will also be uploaded on the website of the Company i.e. 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

ISOQAR REGISTERED UKAS MANAGEMENT SYSTEM 0026

AksharChem

AksharChem (India) Limited

Investor Presentation

September 2017

Safe Harbor

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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.

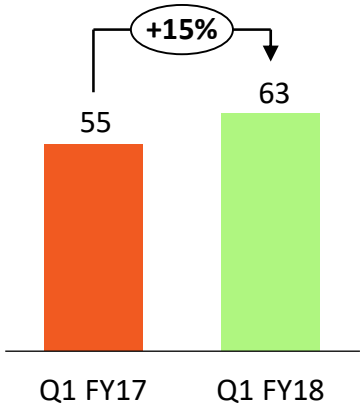
Results Update

AksharChem

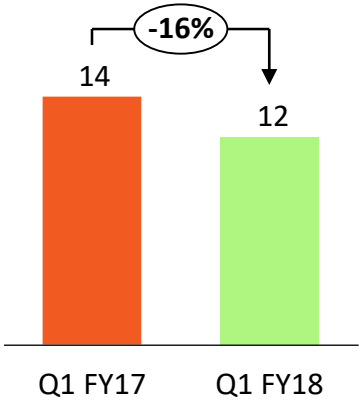
Financial Highlights Q1 FY18

In Crs.

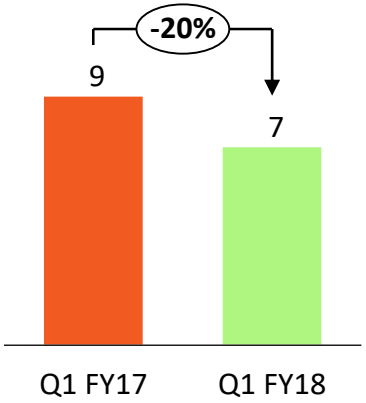
Revenue



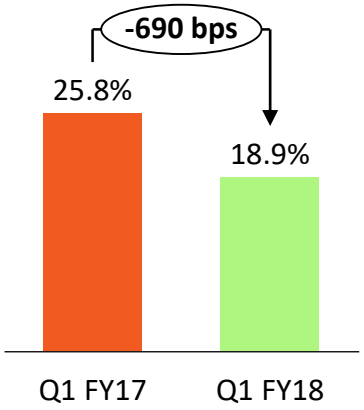
EBITDA



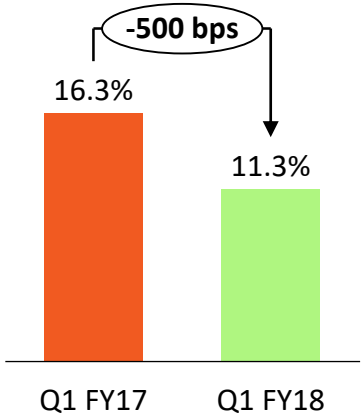
PAT



EBITDA (%)



PAT (%)



Raw material prices for Vinyl Sulphone increased by 27% Y-o-Y

Company Overview

AksharChem

We Have Developed The EDGE

38%	58%	90%	0.2X
Revenue CAGR FY12-17	**Net Worth** CAGR FY12-17	**Exports** FY16-17	**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%**

AksharChem

With Legacy of Over 2 Decades

1989
Incorporated as Audichem (India) Pvt. Ltd.

1991-93
Began commercial production of Vinyl Sulphone with a capacity of 600 TPA

Started Export to Japan and other Developed Countries

1994
Became a listed entity

IPO objective: to fund plant capacity expansion from 600 TPA to 2,040 TPA

2003
Renamed to AksharChem (India) Limited

2014
CPC Green (Capacity 1,440 TPA) Division of Asahi Songwon Merged into the Company

2016
Production Capacity of CPC Green Plant Increased to 1,920 TPA

2017
CAPEX plan announced for CPC Green, CPC Blue, H-Acid & Precipitated Silica

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With Right Products

Dye Intermediates

- Vinyl Sulphone
- Intermediate product for Dye Manufacturing
- Made From Acetanilide
- 67% of Q1 FY18 Sales

Pigments

- CPC Green
- Used as colouring agents
- Made From Crude Blue, PAN
- 33% of Q1 FY18 Sales

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

AksharChem

With Diversified End User Industry

Textile Industry

Vinyl Sulphone

Rubber

CPC Green

Ink

CPC Green

Plastics

CPC Green

Paint

CPC Green

Leather

CPC Green

AksharChem

With Trust & Credibility

20 *Year relationship* Everlight Chemical

17 *Year relationship* SunChemical a member of the DIC group

15 *Year relationship* KISCO

8 *Year relationship* DIC

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 : 2015

ISO 9001 : 2015

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

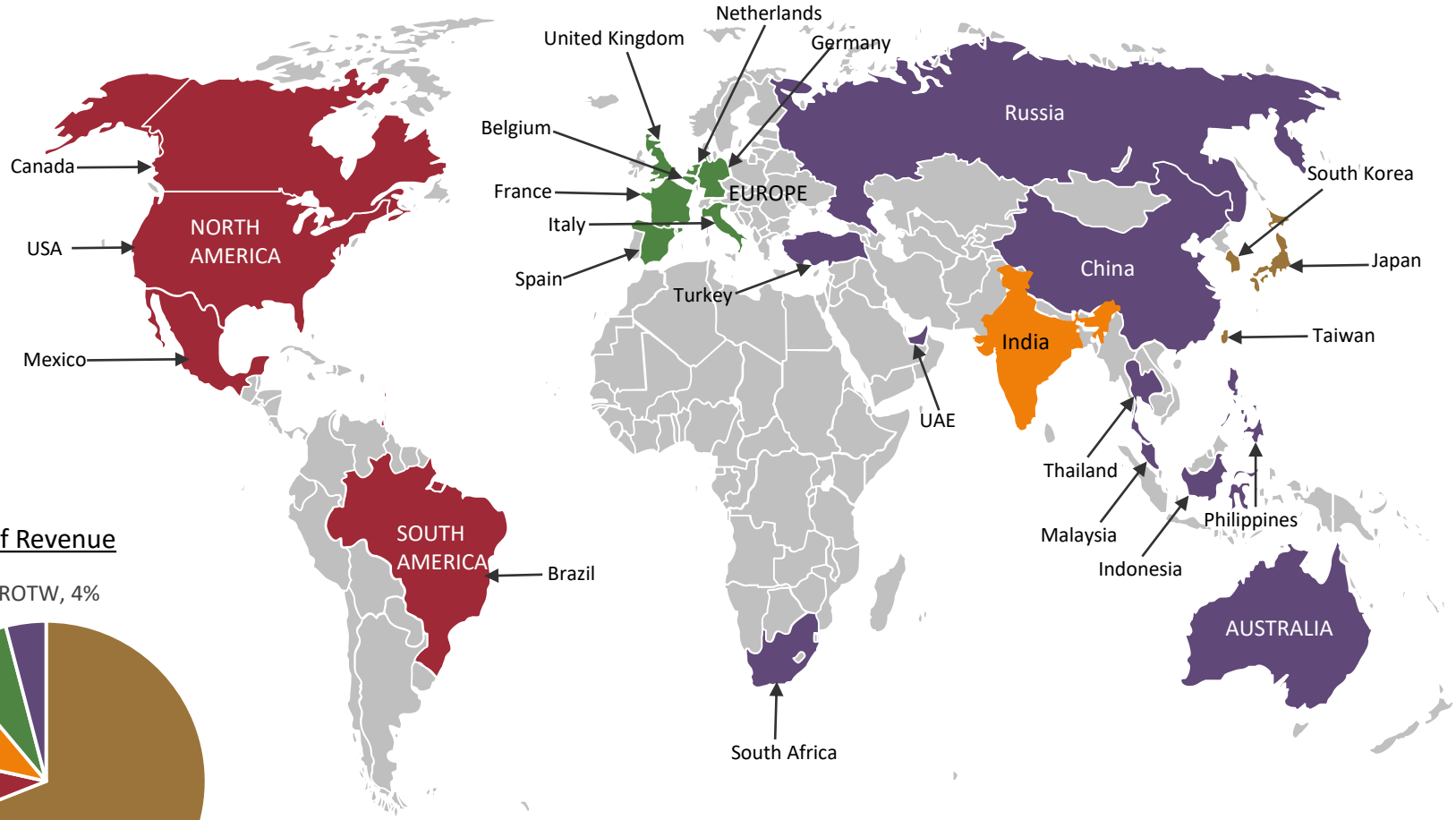
AksharChem

With State of the Art Manufacturing

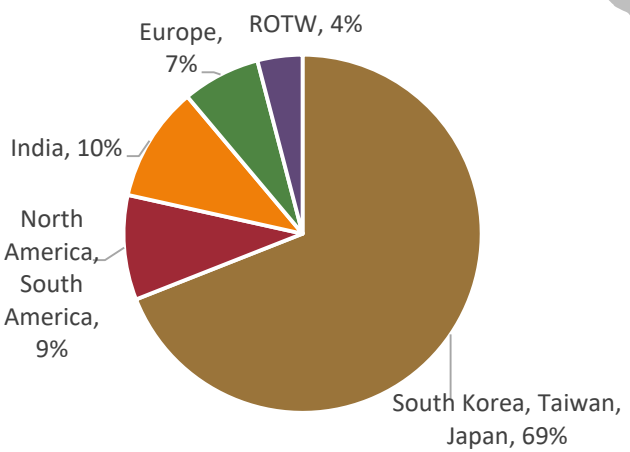
Strategically Located in the Chemical Belt of **Gujarat, at Mehsana**

Covering over 100,000 sq mt. of area

With Expanding Footprints



FY17,% of Revenue

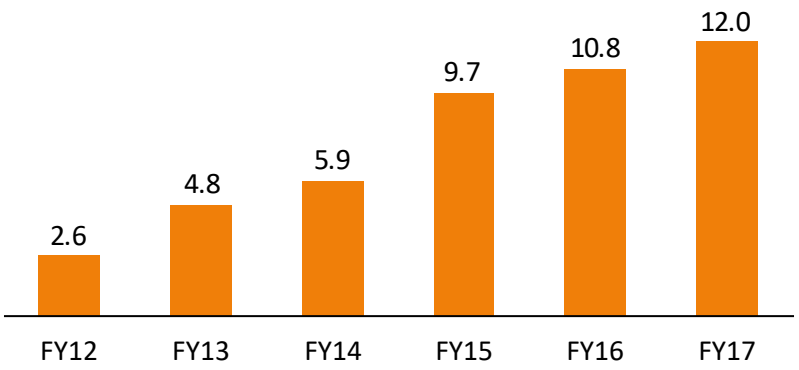


Presence in over 20 countries

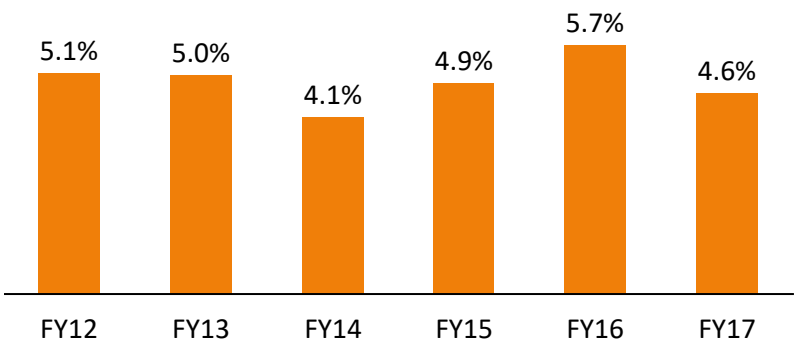
*Map not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

With Environmental Sustainability

Increasing Pollution Treatment Expenses (In Crs.)



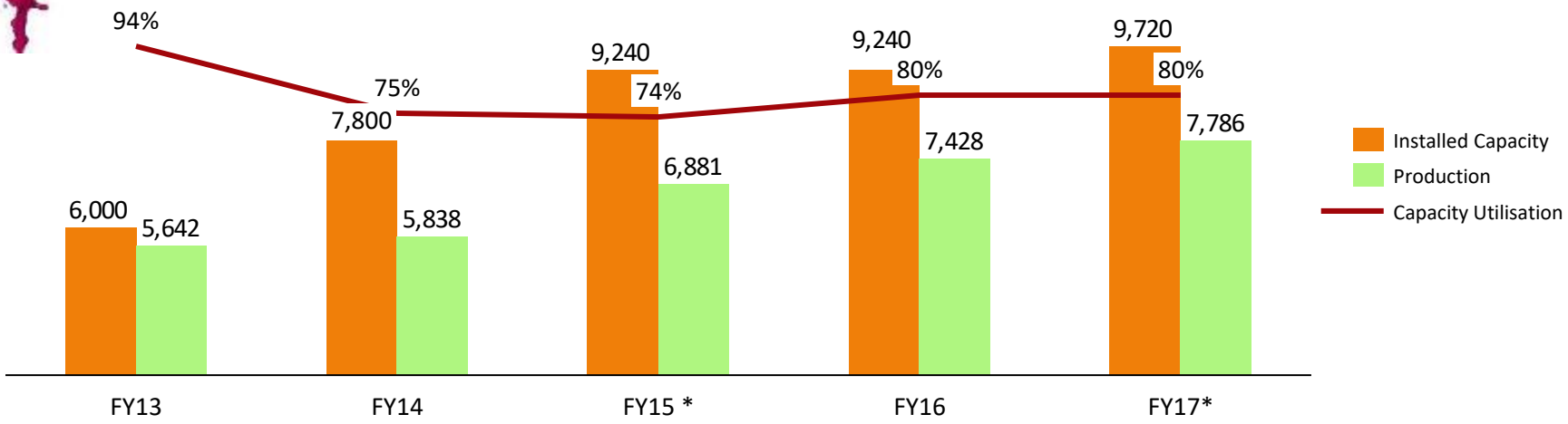
Annual Pollution treatment expenses as a % of Revenue



- 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*

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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).

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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)

Business
Strategy

Reinforcing Our Strengths…

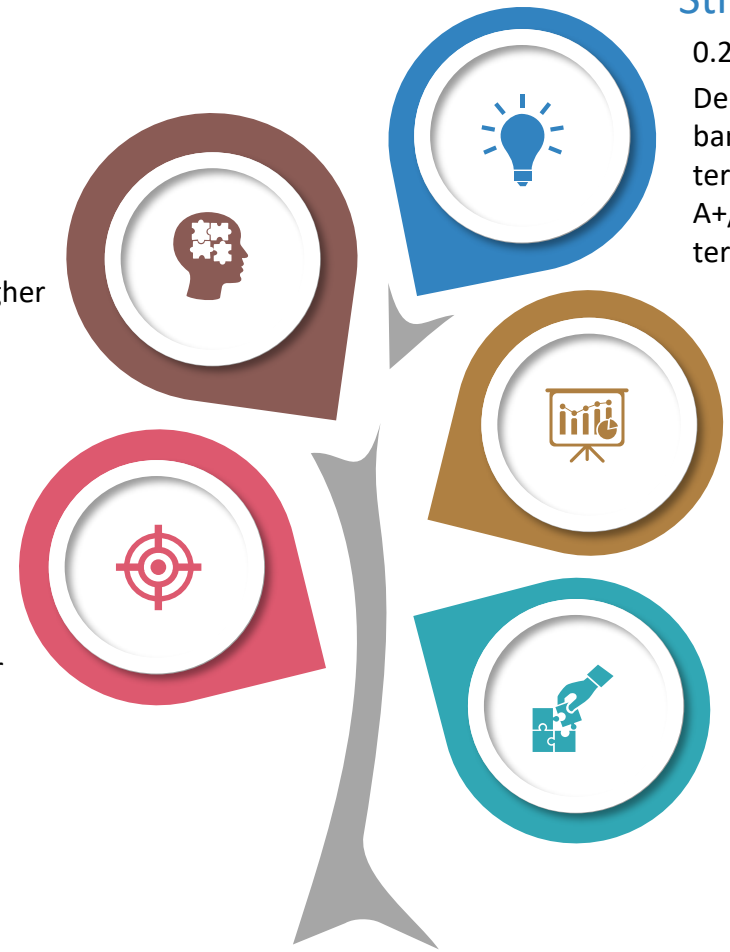
Strong Balance Sheet

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

Better Planning

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



Training

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

Better Quality and Efficiency

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

Expanding customer base

Enhanced overseas operations through acquiring new customers

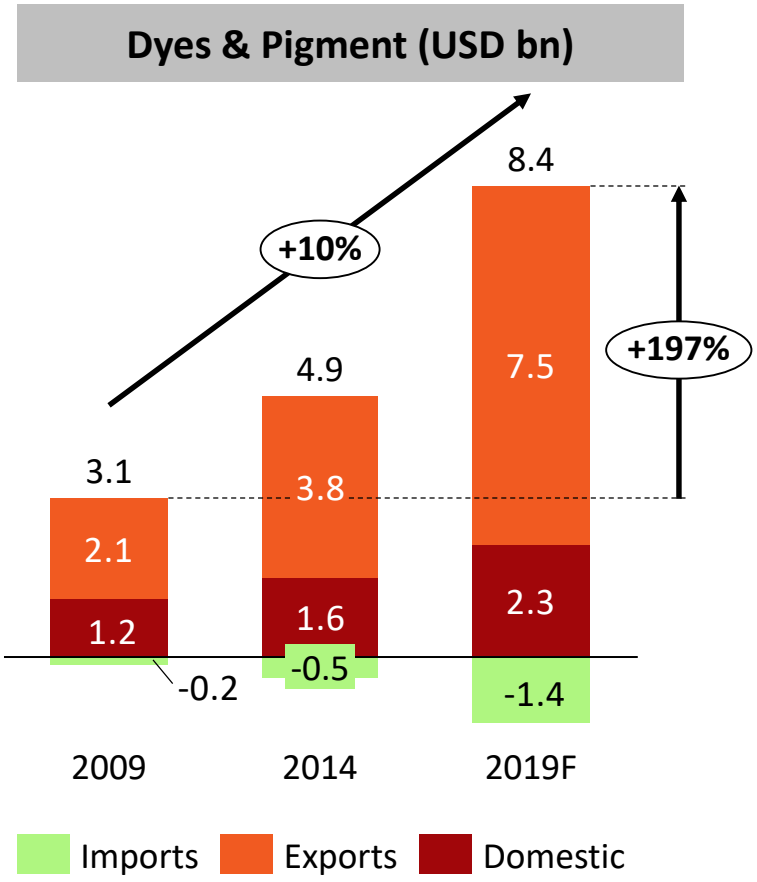
… and Building a Sustainable Future

AksharChem

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

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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

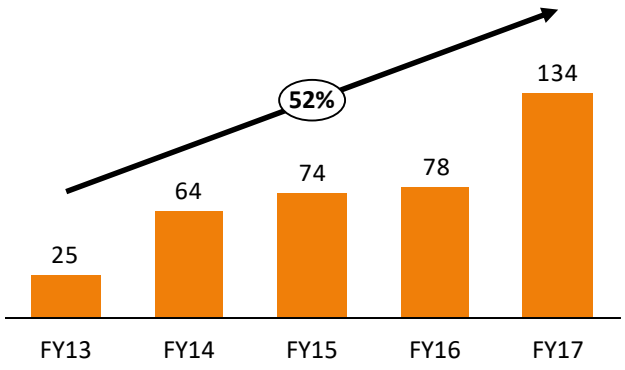
AKSHARCHEM is compliant with INTERNATIONAL QUALITY and ENVIRONMENT STANDARDS

Financials

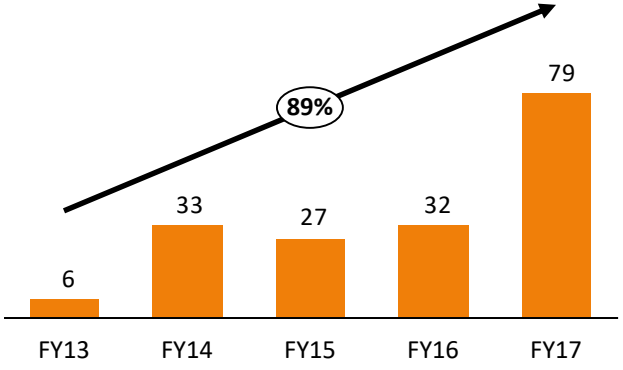
Key Financial Parameters

In Crs.

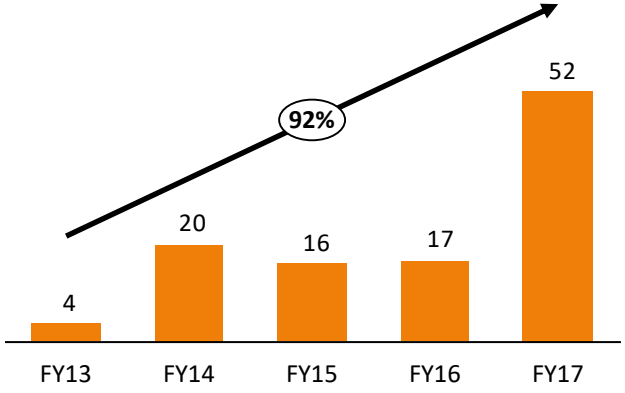
Gross Profit



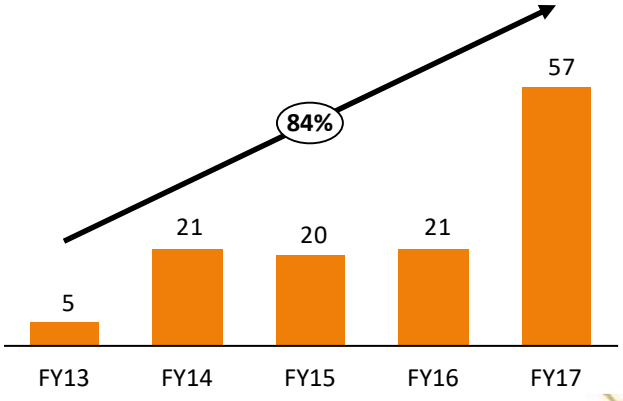
EBITDA



PAT

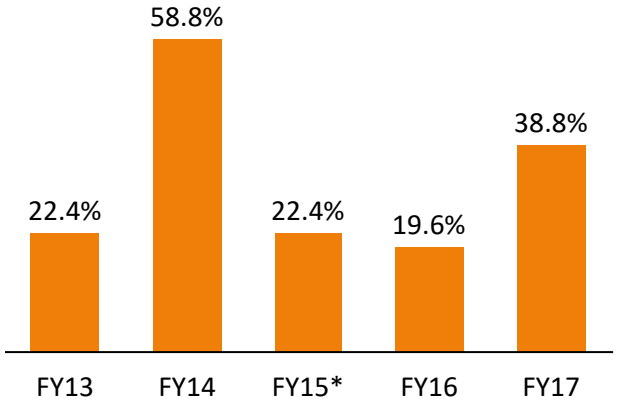


Cash PAT

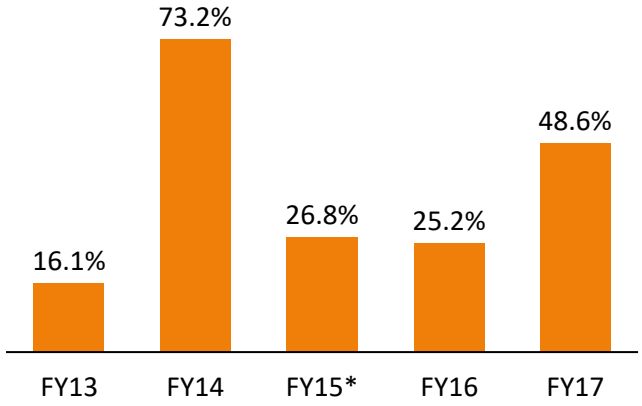


Key Financial Parameters

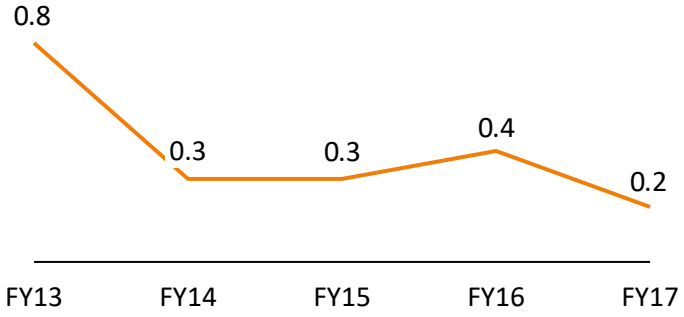
ROE (%)



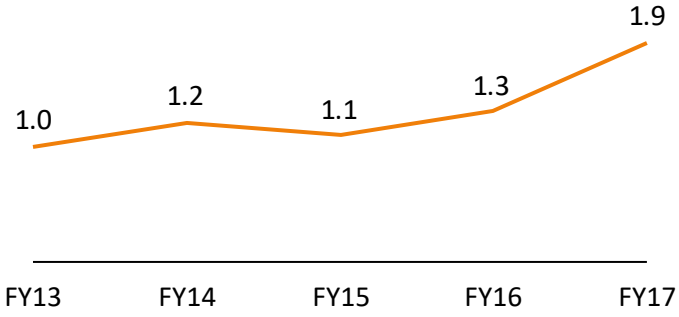
ROCE (%)



Debt to Equity (x)



Current Ratio (x)



Consistent dividend payments over the past 4 years

** Pigment business added in FY15*

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Profit & Loss Statement

Particulars (In Crs.)	Q1 FY18	Q1 FY17	Y-o-Y
Net Revenue from Operations	**63.3**	**55.2**	***14.6%***
Raw Material	38.1	28.2	
Employee Expenses	1.4	1.6	
Other Expenses	11.9	11.2	
EBITDA	**12.0**	**14.3**	***-16.0%***
EBITDA %	***18.9%***	***25.8%***	
Other Income	0.6	1.8	
Depreciation	1.3	1.1	
EBIT	**11.3**	**14.9**	***-24.2%***
EBIT %	***17.9%***	***27.0%***	
Finance Cost	0.7	0.9	
PBT	**10.6**	**14.0**	
Tax	3.5	5.0	
PAT	**7.2**	**9.0**	***-20.4%***
PAT %	***11.3%***	***16.3%***	
Other Comprehensive Income	0.0	0.1	
Total Comprehensive Income	**7.2**	**9.1**	
Earnings Per Share (EPS)	**9.82**	**12.41**	

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Balance Sheet

Equity & Liabilities (In Crs.)	Mar-17	Mar-16
Share Capital	7.3	7.3
Reserves & Surplus	126.5	77.7
Shareholders Funds	**133.8**	**85.0**
Long Term Borrowings	6.3	6.5
Deferred Tax Liabilities(Net)	11.0	8.3
Total Non-Current Liabilities	**17.2**	**14.8**
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
Total Current Liabilities	**60.4**	**55.3**
Total Liabilities	**211.5**	**155.1**

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
Total Non-Current Assets	**96.5**	**84.5**
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
Total Current Assets	**115.0**	**70.6**
Total Assets	**211.5**	**155.1**

AksharChem

For further information, please contact:

Company :

AksharChem (India) Limited
CIN: L24110GJ1989PLC012441

Mr. Meet Joshi
cs@aksharchemindia.com

http://www.aksharchemindia.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.
CIN: U74140MH2010PTC204285

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