



# AksharChem (India) Limited

Investor Presentation

May 2017



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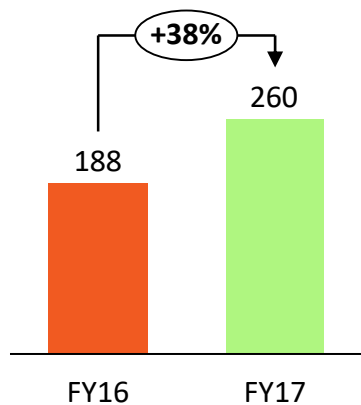


## Results Update

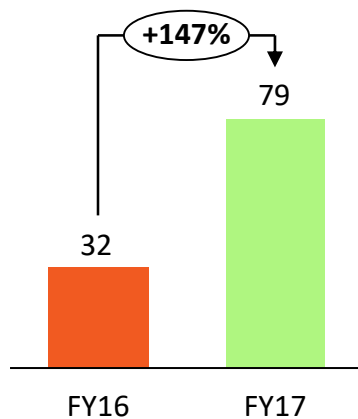
## Financial Highlights FY17

In Crs.

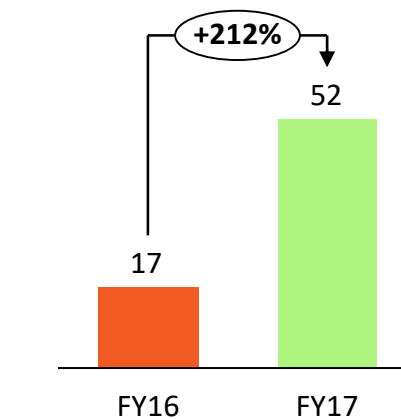
Revenue



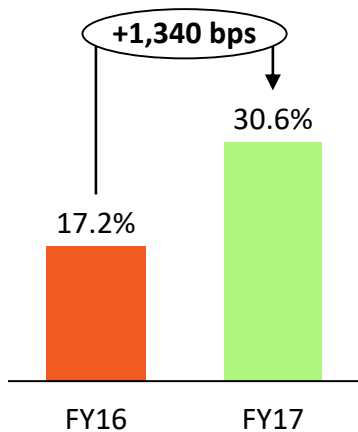
EBITDA



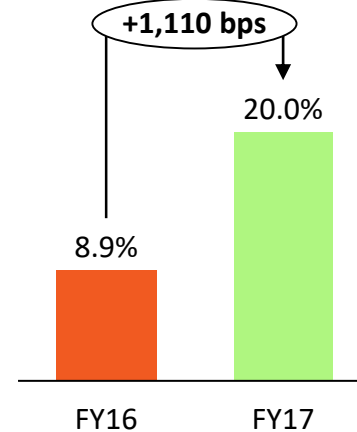
PAT



EBITDA (%)



PAT (%)



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

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# Company Overview



## We Have Developed The EDGE



38%

**Revenue**  
CAGR FY12-17

58%

**Net Worth**  
CAGR FY12-17

90%

**Exports**  
FY16-17

0.2X

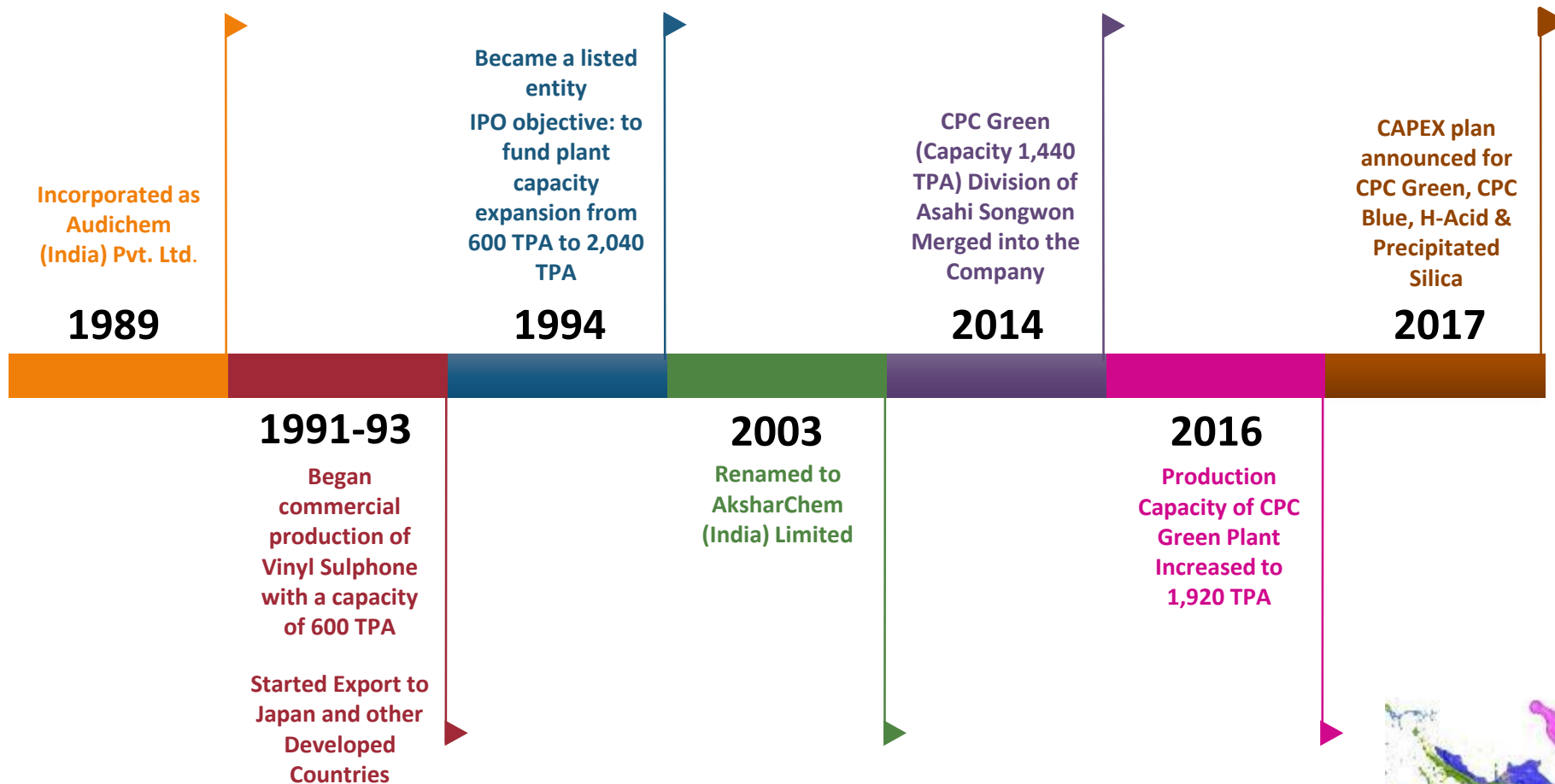
**Debt**  
Mar 2017

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*



## Ink

*CPC Green*



## Plastics

*CPC Green*



## Leather

*CPC Green*




## Paint

*CPC Green*



# With Trust & Credibility

**20** Year relationship  Everlight  
Chemical

**17** Year relationship  SunChemical®  
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**

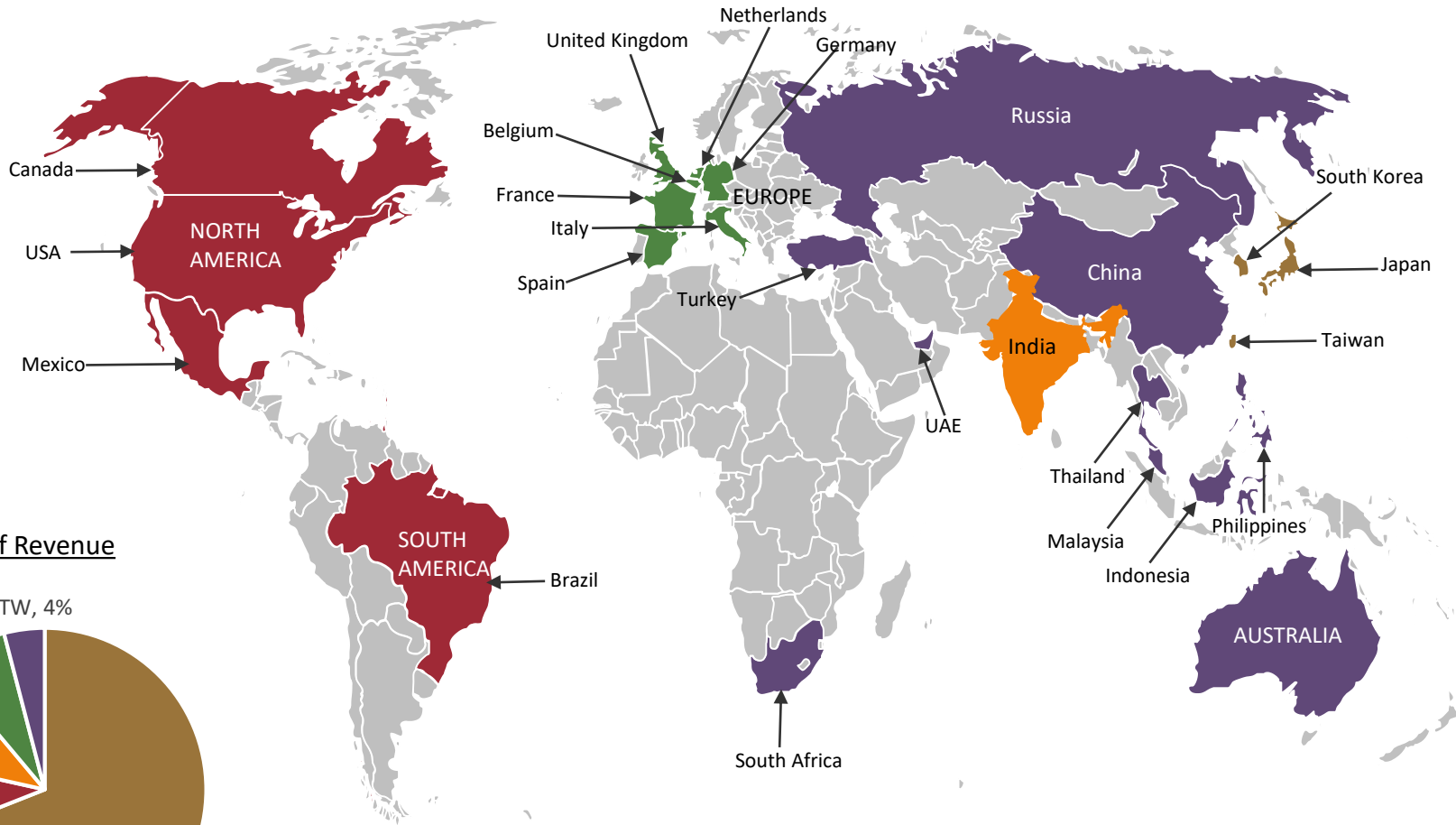
- Best Quality reliable products with zero product return in the history of the Company.
- No bad debts during the history of the Company.
- Long term quantity contract with leading global customers

# With State of the Art Manufacturing

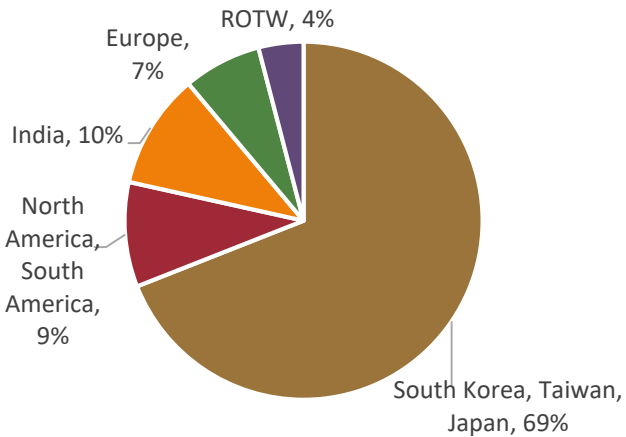
Strategically Located in the Chemical Belt of **Gujarat, at Mehsana**  
Covering over 100,000 sq mt. of area



# With Expanding Footprints



**FY17, % of Revenue**

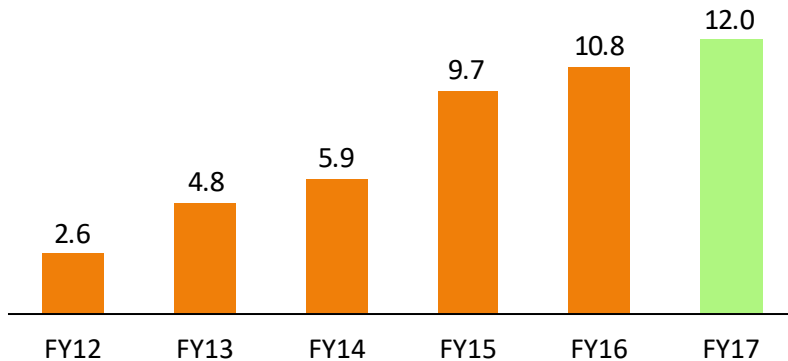


*Presence in over 20 countries*

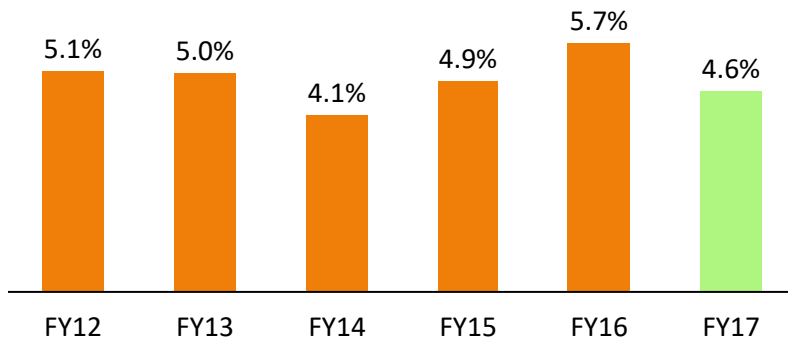
\*Map not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

# With Environmental Sustainability

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



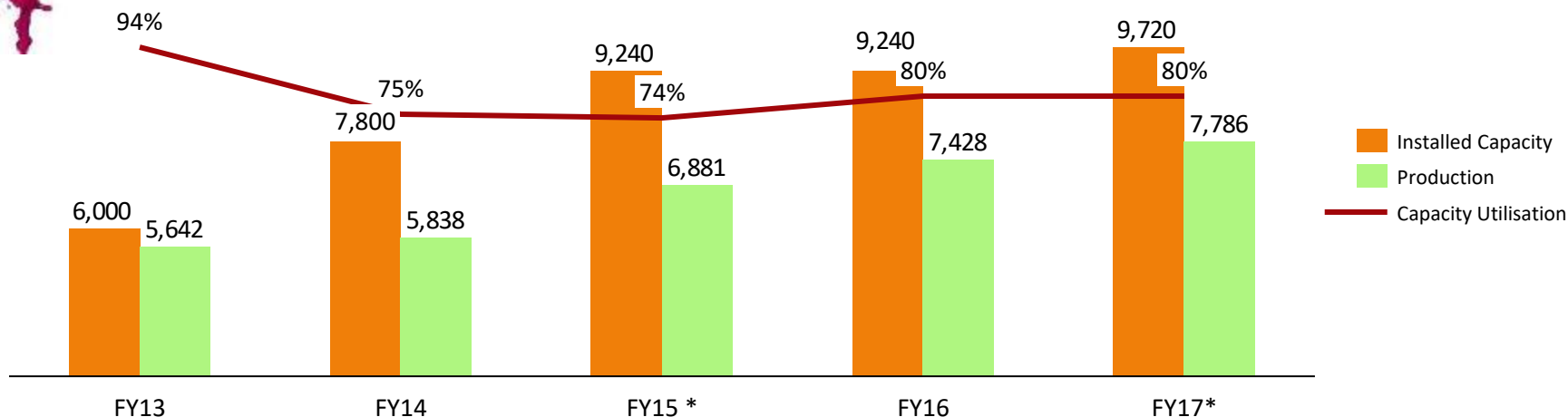
**Annual Pollution treatment expenses  
as a % of Revenue**



- 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)

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 to be in motion, with some splatters extending outwards from the main ring.

# Business Strategy

# 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*

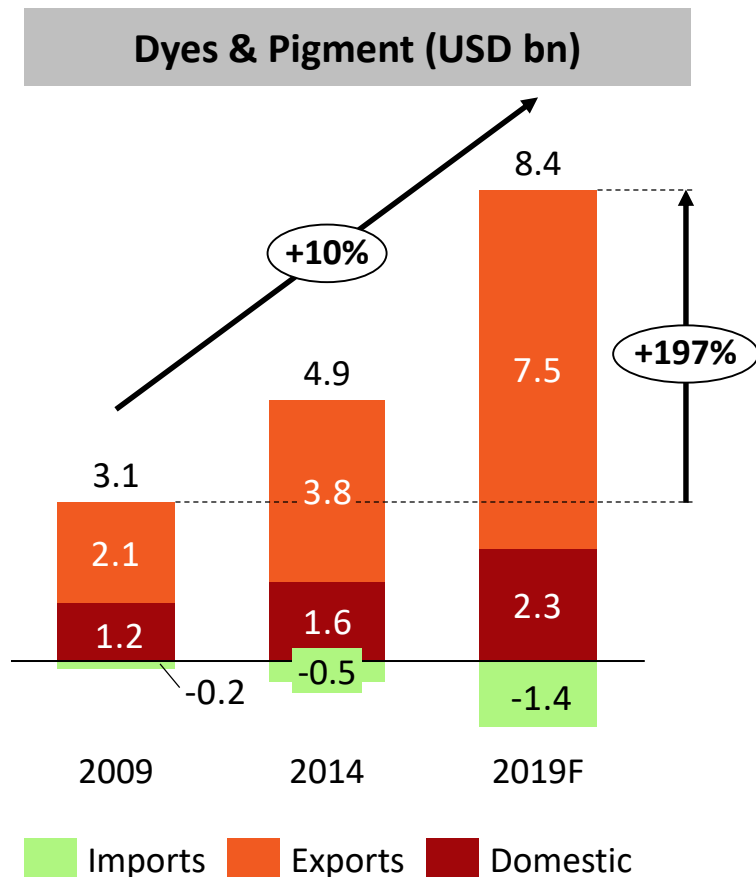
**4** | *Maintain extensive supply chain network across the world*



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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*



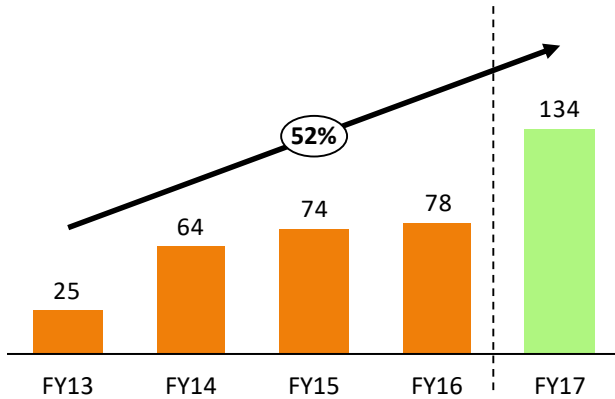
# Financials



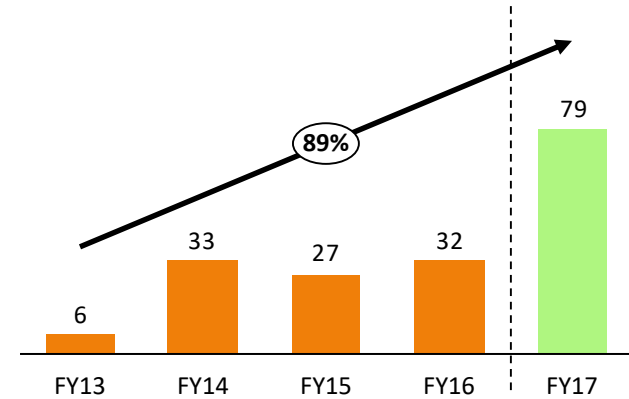
# Key Financial Parameters

In Crs.

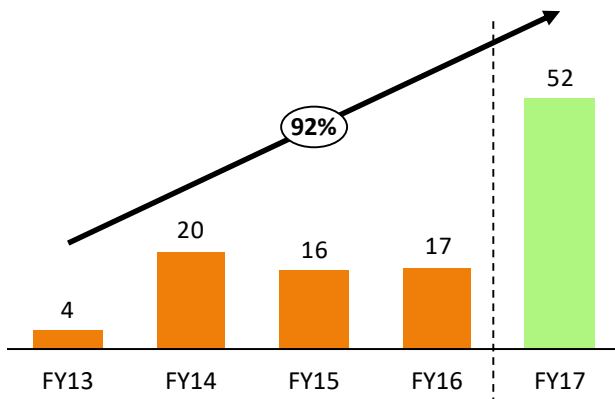
## Gross Profit



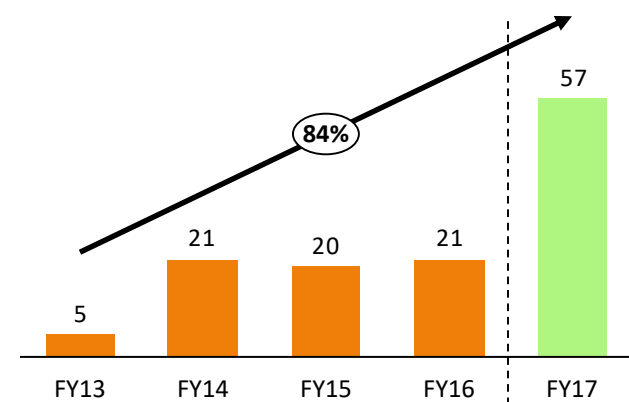
## EBITDA



## PAT

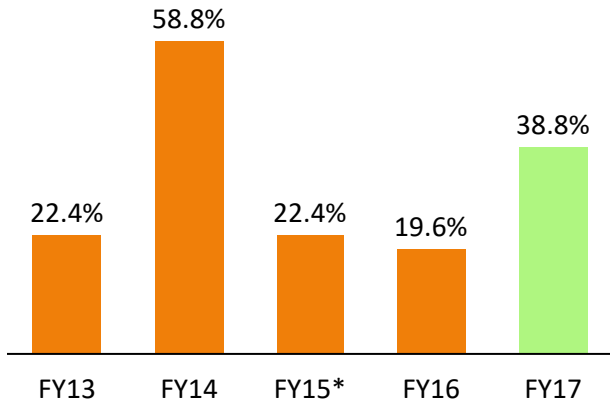


## Cash PAT

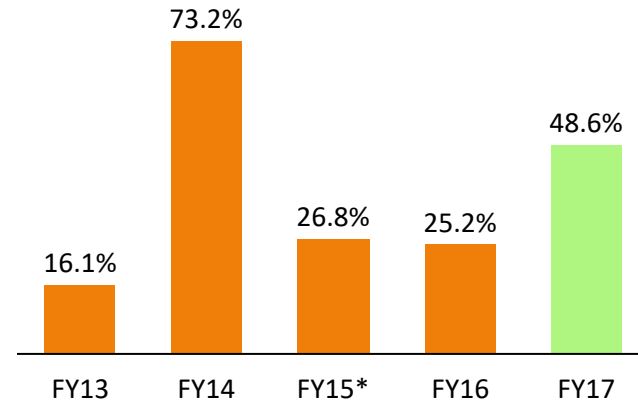


# Key Financial Parameters

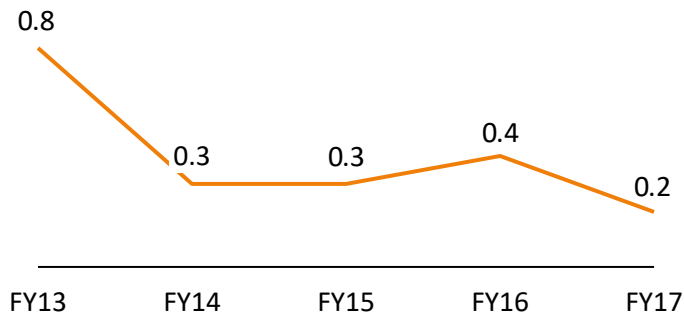
## ROE (%)



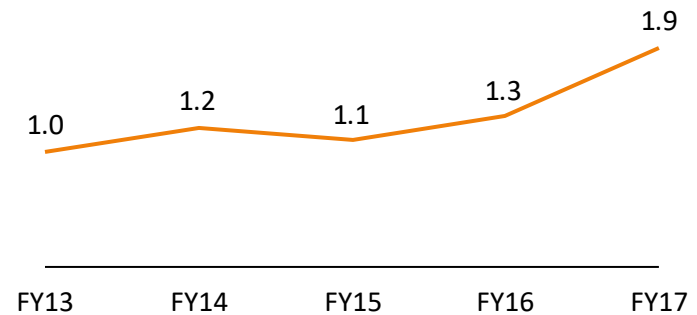
## ROCE (%)



## Debt to Equity (x)



## Current Ratio (x)



*Consistent dividend payments over the past 4 years*

# 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 Equivalentents	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:

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CIN: U74140MH2010PTC204285

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