



NAVIGATING TOUGH TIMES

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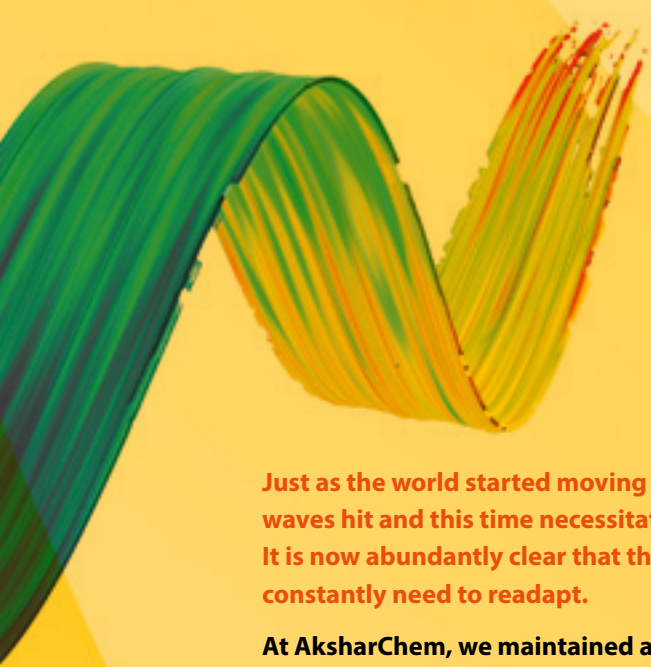
70 Financial Statements

Forward looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

There are moments when staying steady, monitoring situation and protecting energy and resources becomes more important than trying to move ahead vigorously and burning resources. Because these are uncertain times.

COVID-19 is one such moment. It has changed the world in many ways. Health and economic crisis, lockdown, fear of unexpected and global supply chain disruption have brought to fore novel models of doing business, delivering products and services and engaging with customers. Businesses were required to undergo great changes at rapid pace. Digitalization and sustainability became indispensable.



Just as the world started moving back to old ways, new and more pronounced pandemic waves hit and this time necessitating measures to ensure economic activities remain afloat. It is now abundantly clear that these uncertainties would persist, and businesses would constantly need to readapt.

At AksharChem, we maintained a cautious stance in these times while being consciously focused on protecting our resources and consolidating our position to be ready when the market stabilizes. We continued to maintain sharp focus on costs and liquidity. We moved with agility to complete our Precipitated Silica facility at Dahej which provides us entry into new market and customers. We are in the process of shifting our corporate office to Ahmedabad to bring more efficiency in our operations. We have trained our people to be aligned to the new normal.

Guided by our unflinching values and led a clear vision we have and will continue to

Navigate Tough Times

BUILDING VALUE SUSTAINABLY.

**Making India Atmanirbhar in dyes and pigments and a force to reckon with globally.
We are AksharChem (India) Limited.**

Ranked amongst India's top exporters of Vinyl Sulphone and world's leading manufacturer of CPC Green, AksharChem is globally recognized dyes and pigment player. With our world-class product standards, technology infrastructure and service reliability, we are a preferred supplier with a rapidly expanding global customer base.

Profile

AksharChem was promoted by Mrs. Paru M. Jaykrishna in 1989. We are headquartered in the chemical belt of Mehsana (Gujarat) with a total manufacturing capacity of 11,400 metric tonnes per annum (MTPA). Our products are sold in India and exported across 20+ countries in Europe, Far East, South East Asia, China, USA. Our shares are listed in the BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange Limited (ASE). We are now also in the field of inorganic chemicals (Precipitated Silica) for tyre and rubber manufacturers.



Our vision

To emerge as global leader in supply of specialty Chemicals by creating value for our esteemed customers by supplying quality products.



Our mission

We are committed to use 'Green' technologies in all our manufacturing operations. We also endeavor that we will protect environment by using cleaner technologies and we are responsible for safety and health protection of our work force.

Our portfolio

Product	End-user industry
Vinyl Sulphone & H Acid	Textile
CPC Green	• Printing ink • Paint • Rubber • Plastics • Leather
Precipitated Silica	• Tyre • Rubber

Our reputation

~10%

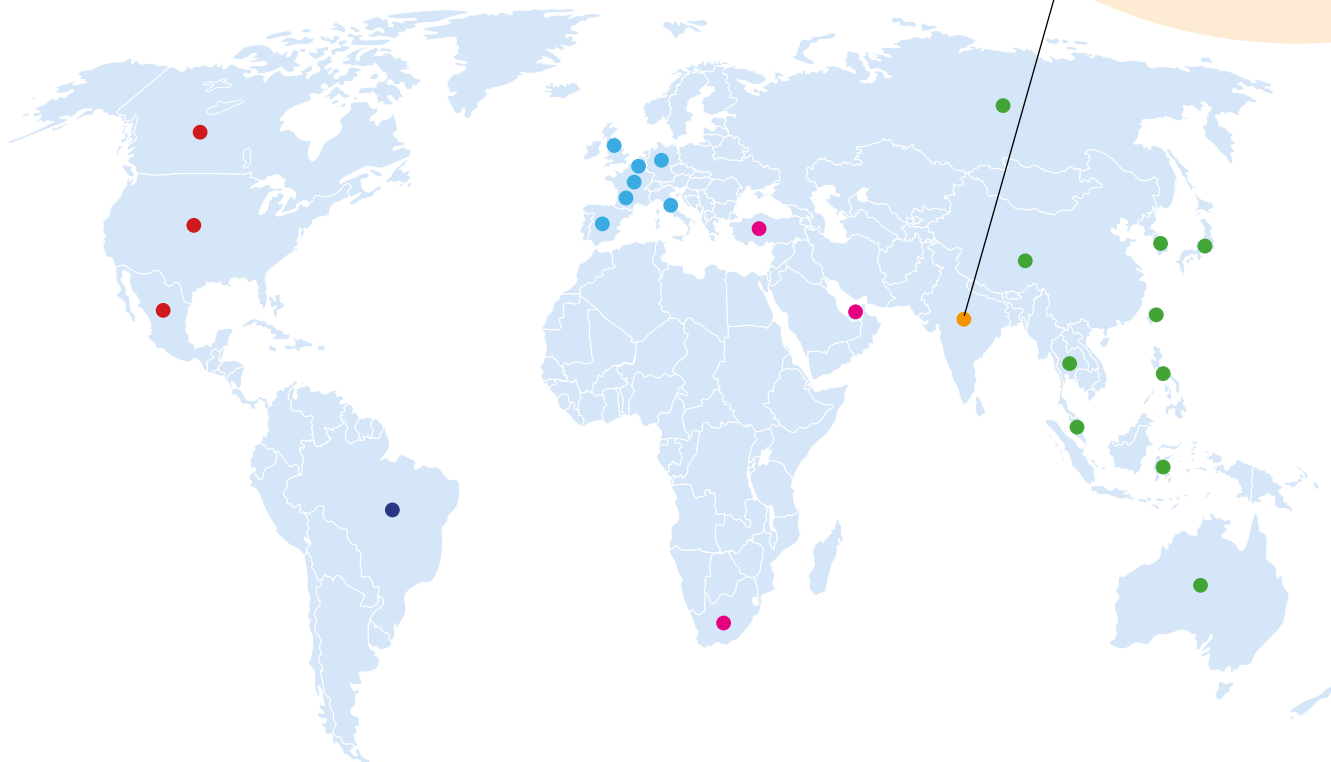
Global market share of CPC
Green pigment

~45%

Share of India's Vinyl Sulphone
export



Our manufacturing and export footprint



● North America

Canada
USA
Mexico

● South America

Brazil

● Europe

Germany
Netherlands
United Kingdom
Belgium
France
Italy
Spain

● Middle East and Africa

Turkey
UAE
South Africa

● India

Headquarter:
Ahmedabad
Manufacturing facilities:
Indrad-Mehsana,
Dahej-Bharuch,
Gujarat

● Asia pacific

China
South Korea
Japan
Taiwan
Thailand
Malaysia
Indonesia
Philippines
Australia
Russia

THE STRENGTH LIES WITHIN

01

Quality that Speaks



We have adopted global best manufacturing practices and have zero tolerance for quality non-compliance. Products quality is determined across all stages of production through a dedicated team. We have a track record of zero returns due to quality issues.

ISO 9001:2015

quality certification

02

Deep, Multiyear Relations



We have strong relations with marquee customers across the globe. Most of them have been doing business with us for multiple years and continue to grow their business with us. We also have long-term relations with raw material vendors which ensures uninterrupted operations at all times.

89%

Repeat business

03

Modern Technology



We have modern plant and laboratories with best-in-class equipment and automation technologies. We are continually investing in them to set new benchmarks of quality excellence and productivity.

₹ 26,863

EBITDA / ton production, amongst the highest in the industry

04

ESG Commitment



AksharChem has always been a frontrunner in sustainable practices. We have invested in advanced environment management technologies enabling us to minimise natural resource consumption and emissions as well as effectively handle waste. Adoption of best safety practices and stringently following the same ensured a safe workplace for people.

ISO 14001:2015

environment certification

05

Scalable Business Model

We are amongst the lowest cost producers supported by our large production scale, integration and operational excellence. This is further supported by our strategically located plants which are in vicinity to major raw material suppliers as well as near thereby reducing our transportation costs. With under utilised capacities, deep relations and presence in product areas that is expected to grow, we are well-positioned to grow and capture market share.

78%

Average capacity utilisation

06

Capable Leadership Team

Our senior management and business heads have multiple years of knowledge in this field along with strong business acumen. With their strong networking and business strategy, they are driving business growth and have positioned the Company to deliver long-term value to stakeholders.

30 years

Average experience of senior leadership

07

Solid Financials

We have a robust balance sheet position with ₹ 27,872.23 lakhs of net worth as on March 31, 2021 and a low net debt equity of 0.05. Our business model further provides for sustained cash flows from operations, providing us significant liquidity. These funds also provide us headroom to invest in business growth.

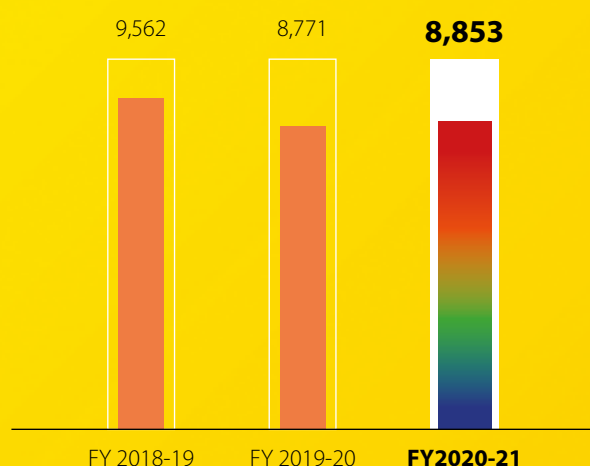
Care A+ / Care A1+

Credit rating for long-term and short-term facilities

AND THIS STRENGTH PROVIDES LONG-TERM STABILITY

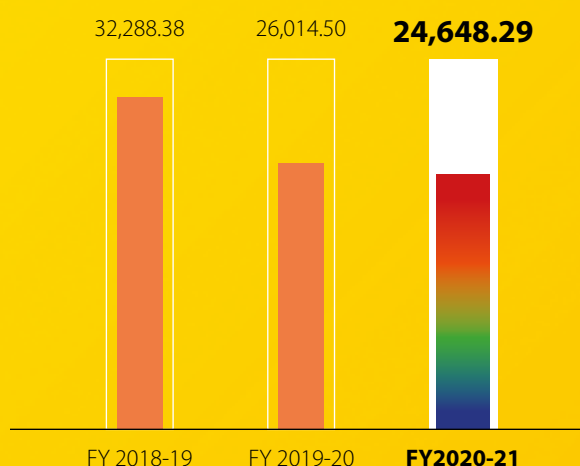
Dyes and pigments volume

(metric tonnes)

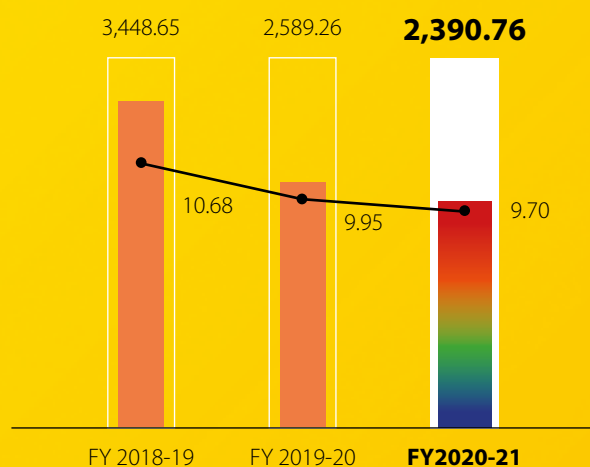


Revenue from operations

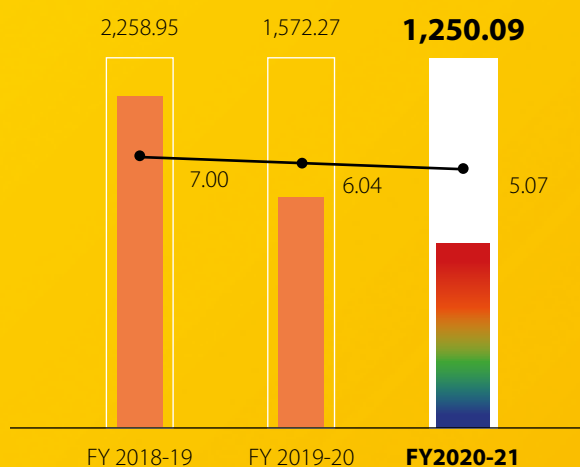
(₹ lakhs)



EBITDA and EBITDA margin



PAT and PAT Margin

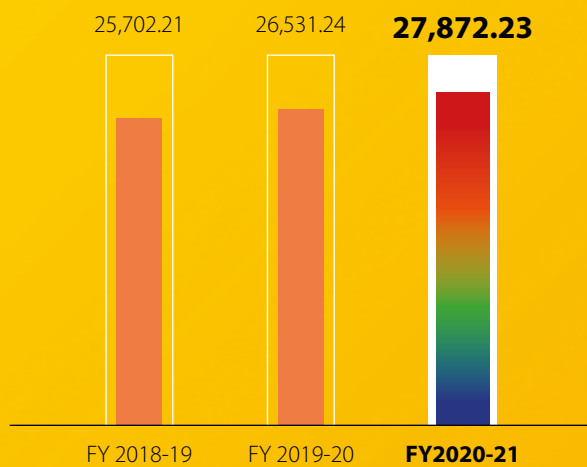


EBITDA (₹ lakhs)
EBITDA Margin (%)

PAT (₹ lakhs)
PAT Margin (%)

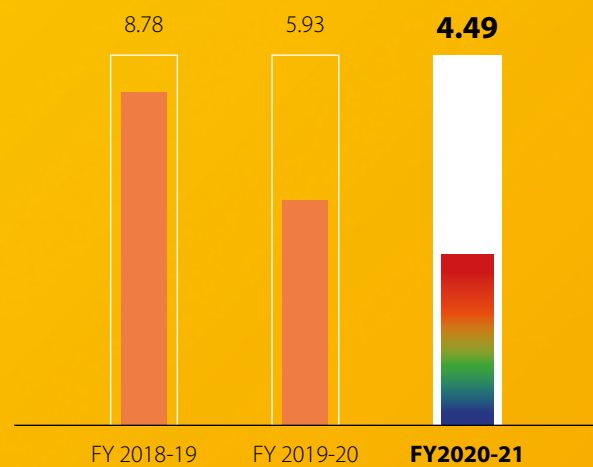
Net Worth

(₹ lakhs)



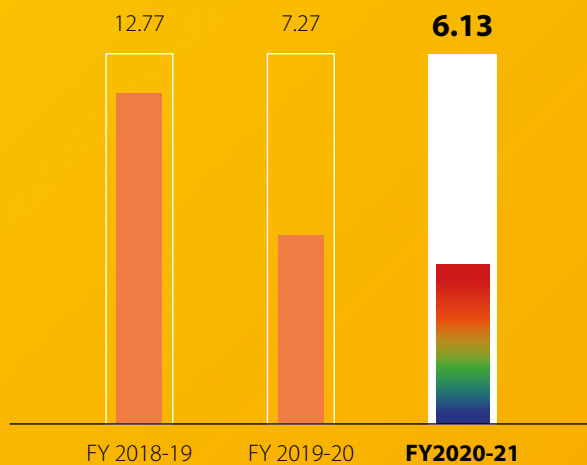
Return on Equity

(%)



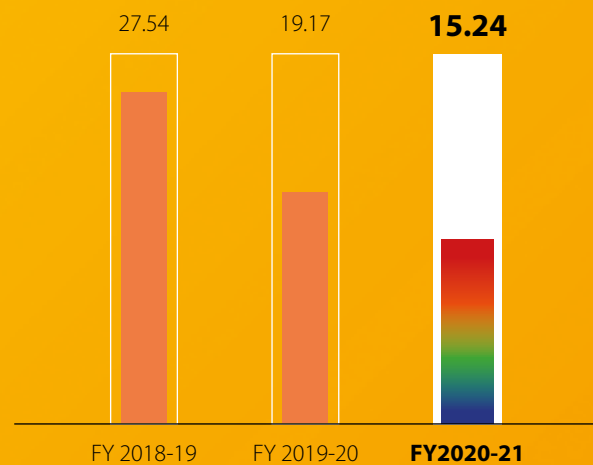
Return on Capital Employed

(%)



Earnings Per Share

(₹)



EVEN IN EXTRAORDINARY TIMES WHEN GOING GOT TOUGH

With infections rising globally followed by lockdowns and travel restriction, COVID-19 impacted businesses and individuals. Our leadership and workforce responded with agility to manage the situation with immediate priority to ensure the safety of our people and supply chain as well as the communities. We also ensured our commitment to customers, while maintaining close engagements with them. We take pride in our agile and compassionate handling of the crisis, and this gives us confidence in our long-term.



Maintaining Business Continuity

We entered FY 2020-21 with subsequent orders in hand. However, the sudden lockdown resulted in shut down of plants and production loss. We moved to agility to secure permission to partially resume manufacturing operations from April 22, 2020 onwards to meet the export orders backlog, thereby minimising production to one month. We maintained close engagement with suppliers via virtual meeting to assess capability and also added new sources which helped ensure adequate supply feed for production. Robust health and safety standards ensured no incidents and thus uninterrupted operations.