AksharChem®



AKSHARCHEM (INDIA) LIMITED

ANNUAL REPORT 2021-22

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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.



"The challenges in our lives are there to strengthen our conviction. They are not thereto run us over."

- Nick Vujicic

Adversity is tricky. It causes some to break. For others, it is an opportunity to validate their character. They take this moment to build on their strengths and reinforce their conviction. They tap their inner resilience and move ahead with renewed vigour.

At AksharChem, we have exhibited a similar enterprising spirit. For us, the last two years, were all about a journey of resilience, determination and persistence as we faced with unprecedented challenges. We reinvented ourselves and strengthened our competencies, to be future ready, all the while deriving belief from our values to stay grounded and mindful. We successfully diversified to inorganic chemicals and drove operational excellence. We deepened customer relations and sharped focus on sustainability. We unlocked shareholder value creation and stepped ahead for all stakeholders.

The result: We delivered highest-ever revenues at

₹380.34 Crore

As the market now improves, we are confident for progressing ahead responsibly to deliver long-term value.





FORGING AHEAD RESPONSIBLY AND SUSTAINABLY

AksharChem (India) engages in the manufacture of dyes, pigments and inorganic chemicals. Globally recognized by top chemical companies, we are one of India's leading exporters of Vinyl Sulphone and world's leading manufacturer of CPC Green. We also have one of the largest manufacturing capacities for Precipitated Silica that is increasingly being in demand for high performance tyre and rubber applications.

We stand strong in a competitive market, with a robust R&D led portfolio, world-class quality standards and supply reliability, making us a dependable supplier to customers across more than 25 countries.

Through the years, we have invested in various technologies at our plants to evolve into one of the most cost-effective and sustainable companies. With this, we are meeting the needs of our customers as well as that of industry, society and planet.

Vision



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

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.

A Solid, Diversified Portfolio

Product	End-user industry
Vinyl Sulphone & H Acid	• Textile
CPC Green	Printing Ink • Paint • RubberPlastics • Leather
Precipitated Silica	Tyre • Rubber • Animal FeedAgro Chemicals

Our Global Presence

North **America**

Canada USA Mexico

South **America** Brazil

Europe

Germany Netherlands United Kingdom Belgium France Italy

Spain Denmark Ireland

 Middle East and Africa

> Turkey UAE South Africa

India

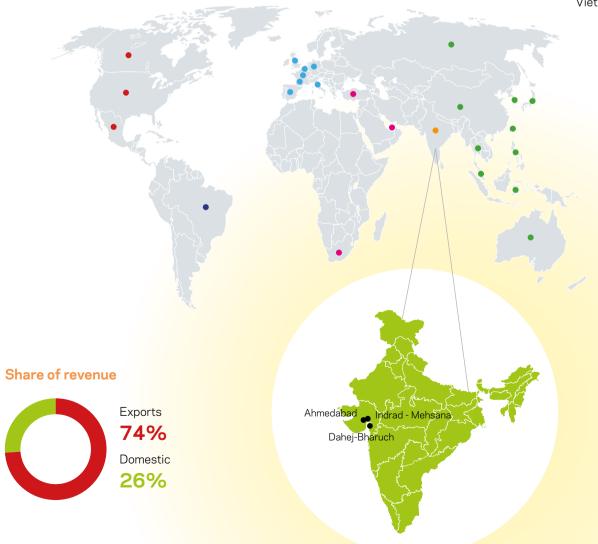
Headquarter: Ahmedabad Manufacturing facilities: Indrad-Mehsana,

Dahej-Bharuch, Gujarat

Asia pacific

China South Korea Japan Taiwan Thailand Malaysia Indonesia Philippines Australia

Russia Vietnam





THE DNA OF A FIGHTER

No one is born a fighter. They become one through multiple years of hard work, perseverance and unwavering focus. This is what, we, at AksharChem have done, enabling us to build a competitive edge in the industry.



Resilient Business Model

We have built large scale capacities across a diverse product portfolio, which find application in diverse industry in multiple geographies. We also enjoy an edge in terms of cost competitiveness led by economies of scale, integrated operations, efficient manufacturing set-up and strategic location of plant in proximity to suppliers. We are well-positioned with our large capacities and strong market potential of our products.

7,800 TONNES

Vinyl Sulphone capacity

1,200 TONNES

H Acid capacity

2,400 TONNES

CPC Green capacity

12,000 TONNES

Precipitated Silica capacity



Professional and Experienced Leadership

We have a professional senior management and leadership team having decades of knowledge in chemical industry. They bring in diverse expertise including in business management and strategy, macro economy and sustainability which helps us to stay ahead through long-term.

29 YEARS

Average experience of senior leadership



Sturdy Balance Sheet

We are well-positioned in terms of balance sheet integrity. Our net worth is strong at Rs. 27,971.95 lakhs as on March 31, 2022. We have a low net debt equity of 0.18, which provides adequate headroom for growth. We focus on maintaining low debts level and improving cash flows.

CARE A+/ CARE A1+

rated for long-term and short-term facilities



Unmatched Operational Excellence

We are continually investing in modernising to improve operational excellence. Our plants have robust health & safety, quality control, sustainability and automation technologies which ensure responsible manufacturing. We also have best-in-class infrastructure at our laboratories, focused around green product development and processes.

RS. 1.25 CR

Spent on an Occupied Health & Safety Centre and fire safety

RS. 8 CR

Spent on construction of a new building for the Green Pigment Plant

RS. 1.25 CR

Spent on Pollution Control equipment to comply with the Zero Discharge



Quality Excellence

Quality is paramount to us. We ensure it through implementing modern technologies and best operational practices alongside adopting a culture of zero tolerance for deviance in standards. We have an enviable track record of zero returns due to quality issues.

ISO 9001:2015

Quality certification

ZERO

Product returns due to quality issues



Long-standing Relations

We have deep, multi-year relations with leading customers across the globe. Our quality and supply reliance, makes us a preferred partner. Through the years, we have also established deep relations with suppliers, which ensures steady raw material availability and uninterrupted operations.

25+ YEARS

of relationships with key clients

95%

Repeat business



ESG Practices

We have adopted responsible and green manufacturing practices at our plant, whereby we ensure optimal utilisation of resources, effective waste and wastewater practices and emissions. We ensure a safe workplace for our employees, through best safety practices and regular trainings. Our business is also underpinned by ethical practices, strong regards for human rights and adequate board independence to ensure interests of all stakeholders.

ISO 14001:2015

Environment certification

ISO 45001:2018

Occupational health and safety certification

ZERO

incidents

50%

Board members independent





PERFORMANCE HIGHLIGHTS OF THE YEAR

53.87%

Growth in revenue from operations

32.66%

Growth in EBITDA

27.31%

Growth in PAT

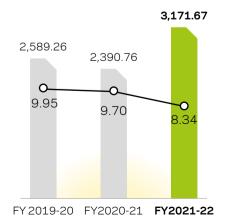
Dyes, pigments and **Precipitated Silica volume** (metric tonnes)



Revenue from operations (Rs. lakhs)



EBITDA (Rs. lakhs) **EBITDA Margin** (%)

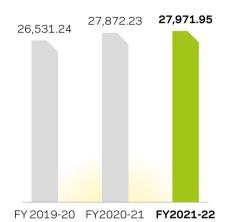


PAT (Rs. lakhs) **PAT Margin** (%)



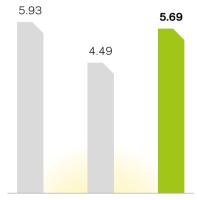


(Rs. lakhs)



Return on Equity

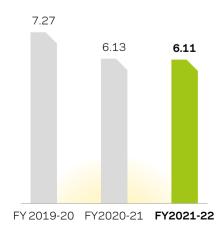
(%)



FY 2019-20 FY 2020-21 FY 2021-22

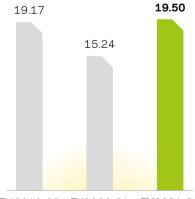
Return on Capital Employed

(%)



Earnings Per Share

(Rs.)



FY 2019-20 FY 2020-21 **FY 2021-22**



CHAIRPERSON'S MESSAGE

It was a tough year for the chemical industry. AksharChem reported a profitable growth.

This happened because we possessed the guts to see beyond the challenges and moved with agility to capture opportunities when they came.

