



Apcotex Industries Limited

Cordially invites you to

Conference Call

To discuss the acquisition of Omnova Solutions Private Limited (now known as Apcotex Solutions)

Day/Date: **Tuesday, April 26, 2016**

Time: **11:30 am**

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Participants:

Mr. Abhiraj Choksey, Managing Director
Mr. Anand V Kumashi, Company Secretary

We look forward to your participation

RSVP

Payal Sheth, Strategic Growth Advisors Pvt. Ltd.,
Contact: +91 22 6114 6681



apcotex industries ltd.

Investor Presentation

APRIL, 2016



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Our Introduction



apcotex industries limited

One of the leading producers of Performance Emulsion Polymers in India

DIVERSIFIED PRODUCTS

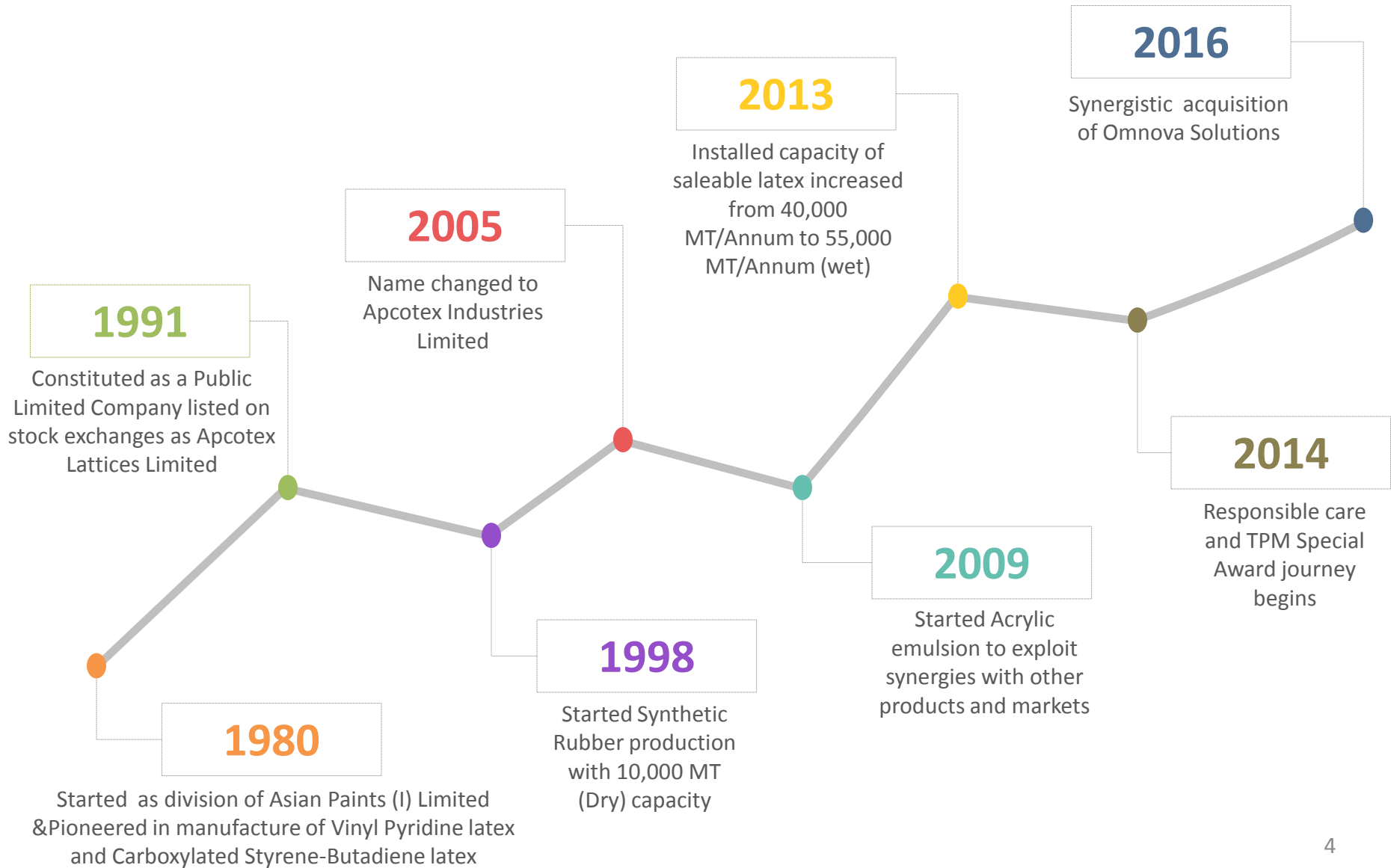
DIVERSIFIED INDUSTRIES

DIVERSIFIED PRESENCE





Our Evolution





Our Performance



Rs in Crores	FY09	FY15	CAGR
Revenue	100	355	24%
EBIDTA	9	41	30%
PAT	4	25	33%
ROE	8%	27%	
ROCE	12%	33%	



Performance Drivers



01

DIVERSIFIED PRODUCTS

05

R&D AND QUALITY CONTROL

02

DIVERSIFIED INDUSTRIES

06

QUALITY CERTIFICATIONS

03

DIVERSIFIED PRESENCE

07

EXPERIENCED BOARD OF DIRECTORS

04

STRATEGICALLY LOCATED FACILITIES

08

PROFESSIONAL MANAGEMENT TEAM



apcotex industries

Nitrile Latex

High Styrene Rubber

Carboxylated SB Latex

SB / Styrene Acrylic Latex

Vinyl Pyridine Latex



apcotex solutions⁺

NBR Bale Rubbers

NBR PVC Polyblends

Powdered NBR

Hot Polymers

Carboxylated NBRs

Oil extended Nitrile rubbers



apcotex industries

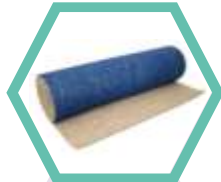
Paper & Paper Board Coating
Carboxylated SB Latex / Styrene Acrylic Latex



Dipping of Nylon, Rayon, Polyester Tyre Cord
Vinyl Pyridine Latex



Carpet Backing
Carboxylated SB / Styrene Acrylic Latex



Textile Finishing & Non Woven
Carboxylated SB Latex



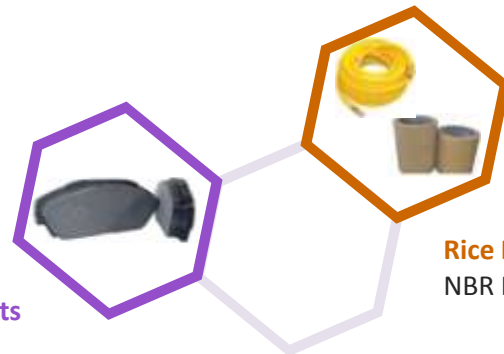
Footwear & Shoe Sole
High Styrene Rubber



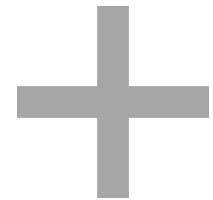
Bonding & Waterproofing in Construction
SB / Styrene Acrylic Latex



Brakes & Jointing Sheets
NBR Bale Rubbers



Rice Roll & Hoses
NBR PVC Polyblends



apcotex solutions⁺



Diversified Presence



apcotex industries

Paper

- ITC Ltd
- BILT
- JK PAPER
- NR Group

Carpet

- Obeetee Industries
- ABC Industries

Rubber

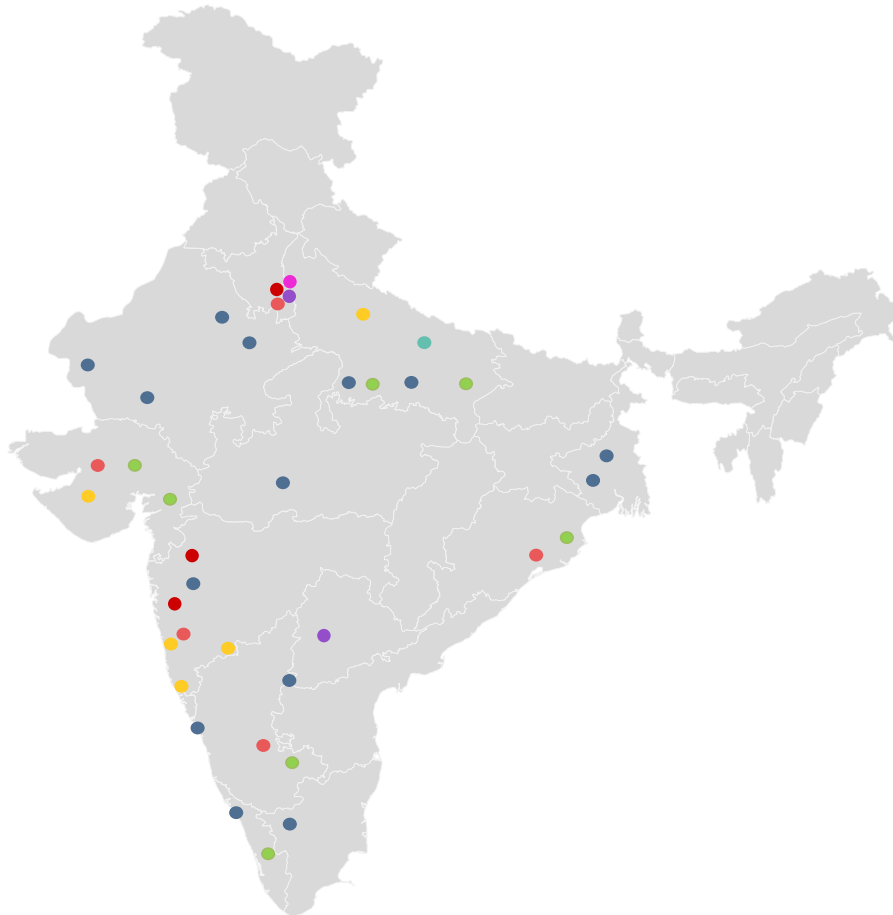
- Paragon Footwear
- Relaxo Footwear
- Banik Rubber
- Distributors all over India

Construction

- Pidilite Industries
- Sika
- Fosroc

Tyre/Cord Dipper

- MRF
- SRF
- Rajshree Polyfill (Century Enka)
- Madura



apcotex solutions⁺

Auto & Industrial

- Unique Auto Rub Udyog Pvt Ltd
- Varroc Elast
- G.B. Rubber
- Jayashree Polymers

Hoses & LPG

- Vansh Industries
- Super Hoze
- Jugaltara
- Parker Hannifin India

Rice Rolls

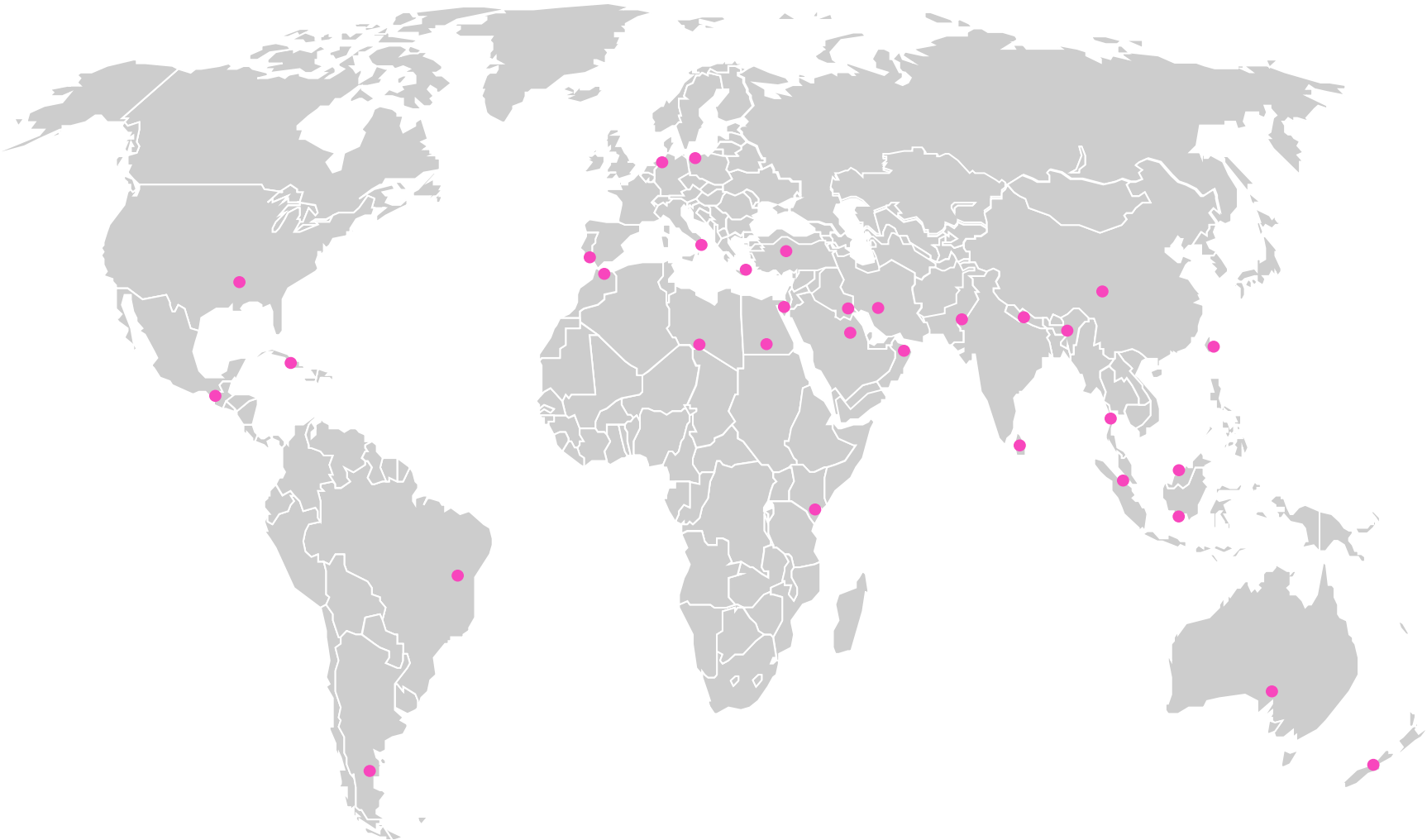
- Shaktiman
- Hindustan Rubber Industries (RR)
- Golden Rolls Pvt Ltd/Cable Corp



Diversified Presence



INTERNATIONAL CUSTOMER BASE





Strategically Located Facilities



Taloja
Facility

Maharashtra

Valia
Facility

Gujarat





Product Development Lab



Product Application Lab



DCS Process Control



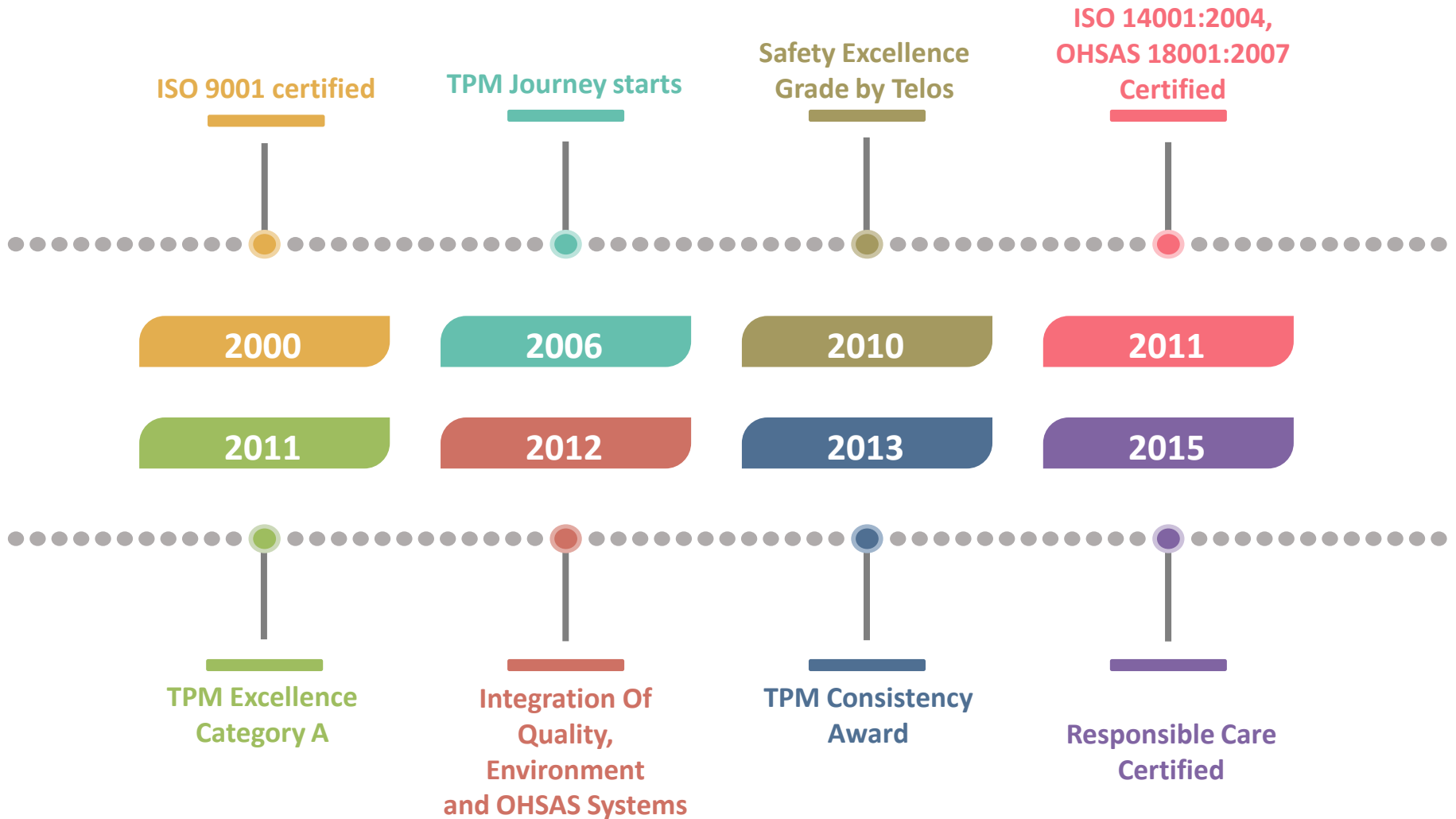
Quality Assurance Lab



*We have been **continuously upgrading** our own technology through in house research & **development** efforts to meet the **changing needs** of customers*



Quality Certifications





MR. ATUL CHOKSEY

Non – Executive Chairman

He is a Chemical Engineer from Illinois Institute of Technology, Chicago, USA and has more than three decades of experience in managing the affairs of the Company. He is on the board of various reputed companies like Marico, Ceat and Finolex Cables.

He has served on the Managing Committee of Bombay Chamber of Commerce & Industry, Mumbai and Associated Chamber of Commerce & Industry, New Delhi and was President of Bombay Chamber of Commerce. He is also associated with Cricket Club of India Ltd, Standard Chartered Assets Management Company Private Limited and various other reputed Companies.

MR. ABHIRAJ CHOKSEY

Managing Director

He is a Bachelor of Science in Economics from Wharton Business School and also Bachelor of Science in Engineering from the Engineering School, both of University of Pennsylvania in U.S.A.

He has several years of experience in the field of finance, system engineering, strategy formulation and administration.



Board of Directors



MR. AMIT C. CHOKSEY

Non – Executive Director

He is a Bachelor in Commerce and has over 30 years of experience in managing industries manufacturing various types of construction chemicals, specialty water proofing compounds and inorganic pigments.

He is the Chairman and Managing Director of Mazda Colours Ltd.

MR. MANUBHAI G. PATEL

Non – Executive Independent Director

He is a Chartered Accountant with more than 40 years of experience in the field of accounts, finance and taxation.

He was a member of Central Council of ICAI from 1980 to 1988 and member of various committees. He was the President of Income Tax Appellate Tribunal Bar Association, Ahmedabad and was also a Member of Central Direct Tax Advisory Committee, New Delhi

MR. GIRISH C. CHOKSEY

Non – Executive Director

He has over four decades experience in managing the industries dealing with various types of minerals and chemicals.

He is past president of Mineral Merchants Association and Pesticides Formulators Association of India.

MR. SHAILESH S. VAIDYA

Non – Executive Independent Director

He is a law graduate from Government Law College and became Solicitor in the year 1983 and has been practicing as Advocate and Solicitor.

He has been partner of M/s. Kanga & Company, a firm of Advocate's and Solicitors and presently serving as member of the managing committee of Indian Merchant Chamber and as chairman of Law, Review, Reforms and Rationalization Committee.



MR. KAMLESH S. VIKAMSEY

Non – Executive Independent Director

He is a Chartered Accountant and a Senior Partner in reputed firm of Khimji Kunverji & Co. He was member of the Central Council of ICAI from 1998 to 2007 and held the post of president in 2005.

In past he has been associated with organizations such as Confederation of Asia & Pacific Accountants Vice President and President, United Nations as Steering Committee Member etc.

MS. PRIYAMVADA BHUMKAR

Non – Executive Independent Director

She is a graduate in Chemistry and MBA in Finance from Mumbai University having 25 years of rich experience in the field of colour dispersions. She is Managing Director of Soujanya Color Pvt. Ltd., the well-known Indian colorant manufacturing company.

She was the chairperson of the IPA (Indian Paint Association) Western Region in the year 2010-2011 and is currently on the Governing Body of the IPA.

DR. S. SIVARAM

Non – Executive Independent Director

He is a M.Sc. From Indian Institute of Technology and has done his PHD from Purdue University, W. Lafayette, USA and Research.

He is presently working with National Chemical Laboratory as its director and has over 30 years of experience in research on polymer synthesis, high performance polymers and surface chemistry of polymers and has to his credit various awards.

MR. YASHODHAN B GADGIL

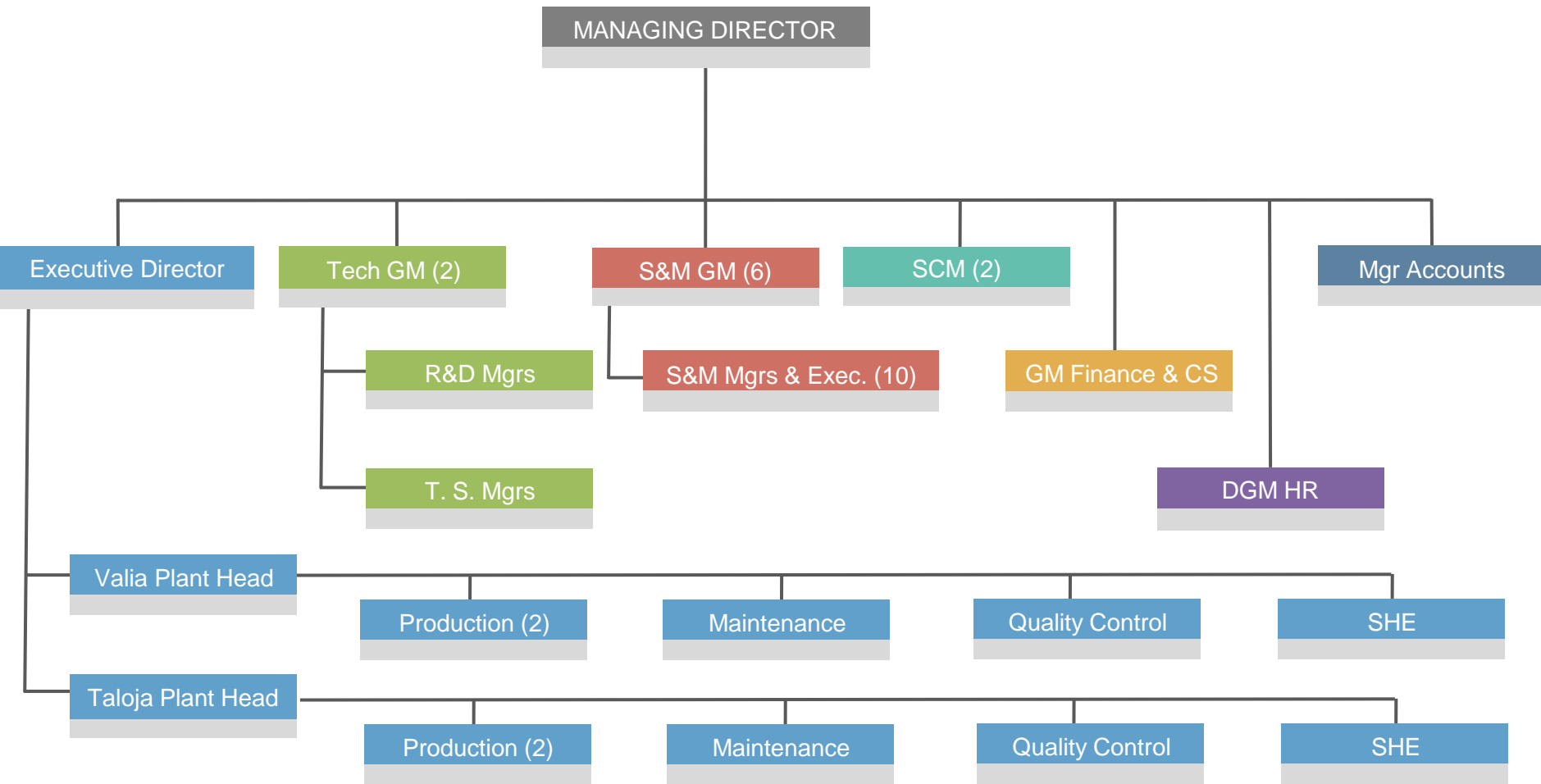
Executive Director

He is a Bachelor of Chemical Engineering and has worked with Asian Paints and Apcotex Industries since 1981. Currently he is Vice President – Operations and in-charge of production, engineering, projects, supply Chain (till 2015), stores, IR and general Factory administration.

He is Member of the strategy team and worked with different local and International Management Consultants as well as Technical consultants for working out Business Development and Improvement plans.



Management Team





01

**KEY PERFORMANCE
INDICATORS**

02

PROFIT & LOSS STATEMENT

03

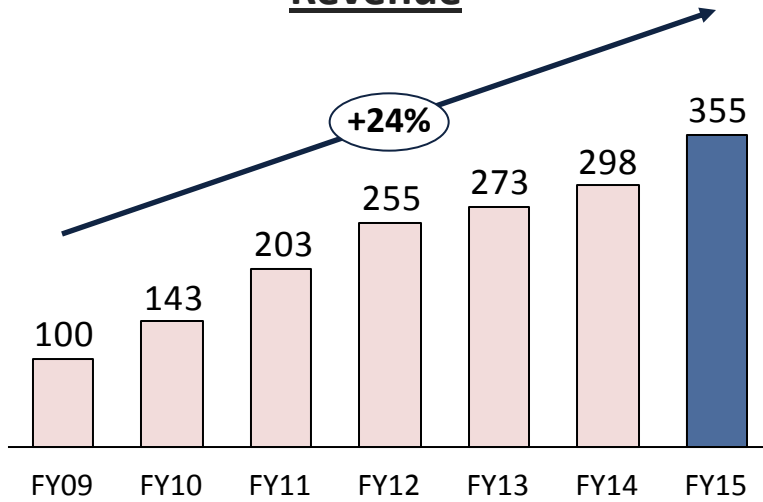
BALANCE SHEET STATEMENT



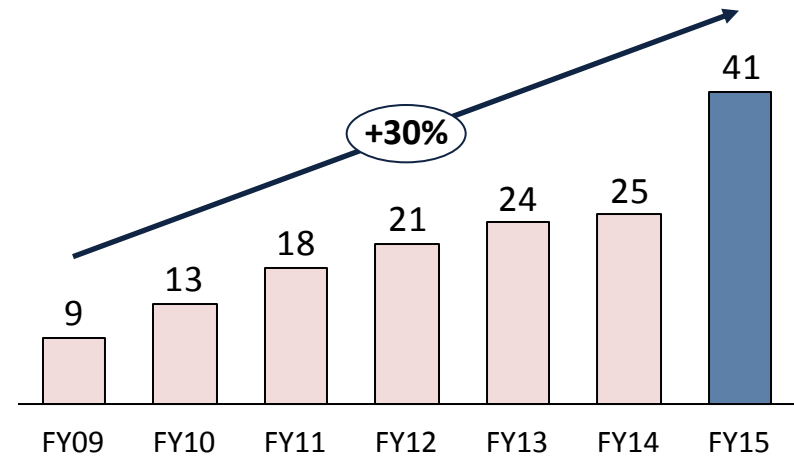
Key Performance Indicators



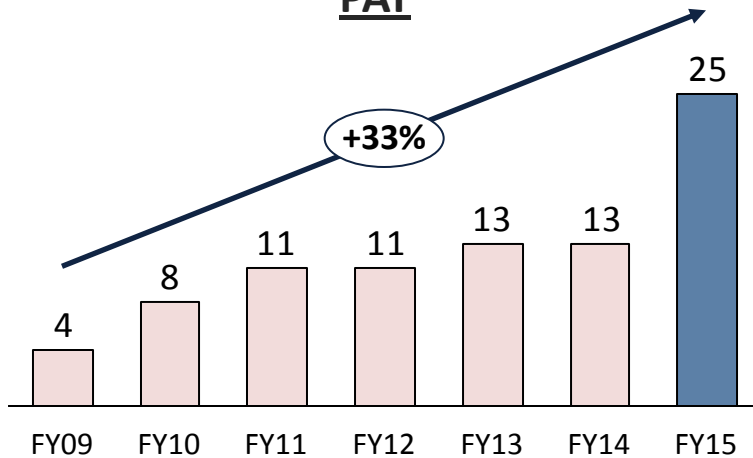
Revenue



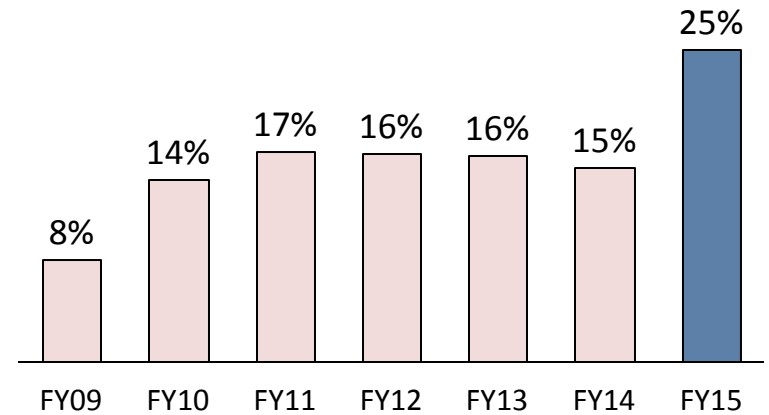
EBIDTA



PAT



ROE

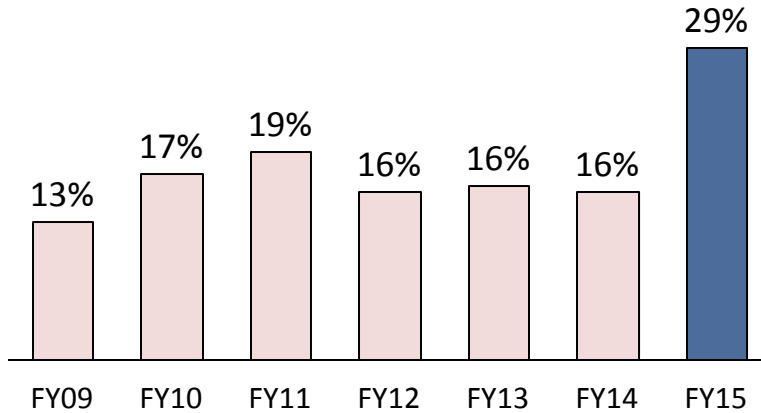




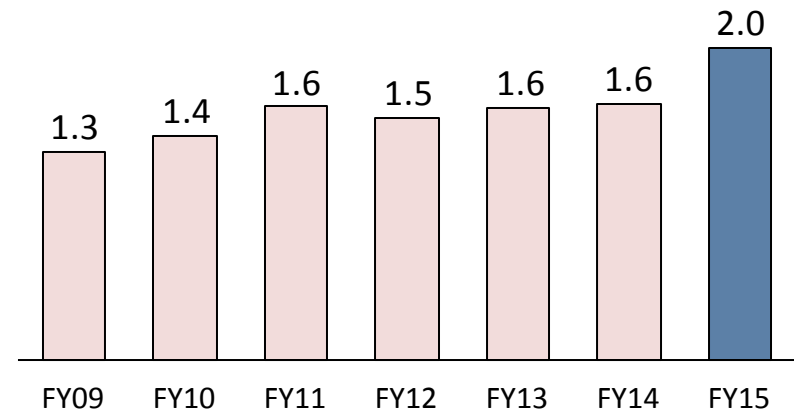
Key Performance Indicators



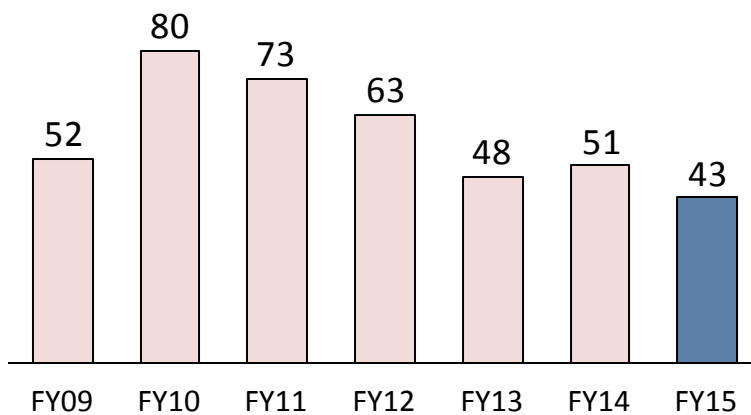
ROCE



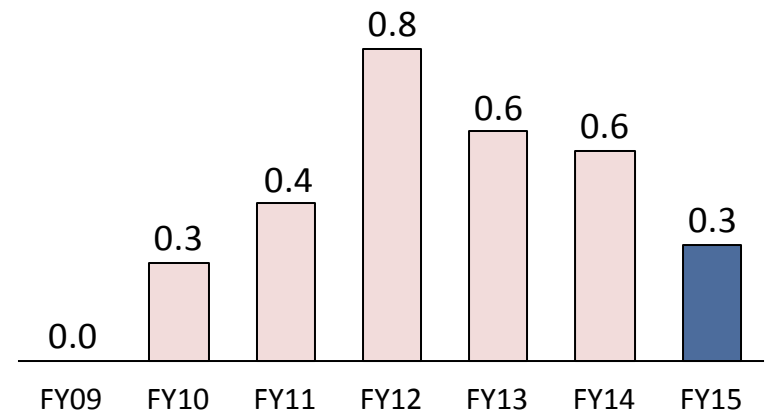
Asset Turnover Ratio



Net Operating Working Capital Days



Debt to Equity Ratio





Profit & Loss Statement –YTD



Rs. Crores	9m FY16	9m FY15	YoY
Total Revenue	200.40	277.96	-28%
Operating Expenses	131.97	201.92	
Employees Expenses	11.39	10.61	
Other Expenditure	28.48	34.91	
EBITDA	28.56	30.52	-6%
EBITDA Margin	14.25%	10.98%	
Other Income	2.19	4.94	
Depreciation	6.74	6.75	
Interest	1.72	2.68	
PBT	22.29	26.03	-14%
Tax	6.18	7.12	
Profit After Tax	16.11	18.91	-15%
PAT Margin	8.04%	6.80%	



Profit & Loss Statement–Annual



Rs. Crores	FY15	FY14	YoY
Total Revenue	355.08	297.76	20%
Operating Expenses	250.20	226.64	
Employees Expenses	14.10	11.59	
Other Expenditure	49.30	34.40	
EBITDA	41.47	25.13	65%
EBITDA Margin	11.68%	8.44%	
Other Income	5.58	2.43	
Depreciation	8.98	6.77	
Interest	3.24	4.14	
PBT	34.83	16.65	109%
Tax	10.15	3.51	
Profit After Tax	24.68	13.14	88%
PAT Margin	6.95%	4.41%	



Balance Sheet Statement



Rs. Crores	Sept - 15	Mar - 15
Shareholders Fund	111.19	99.75
Share Capital	10.41	5.22
Reserves & Surplus	100.78	94.53
Total Non Current Liabilities	12.20	17.05
Long Term Borrowings	4.20	8.36
Deferred Tax liabilities	4.93	5.59
Other Long Term Liabilities	1.33	1.33
Long Term Provision	1.74	1.78
Total Current Liabilities	56.85	63.85
Short Term Borrowings	18.15	14.39
Trade Payables	18.50	20.26
Other Current Liabilities	18.30	19.86
Short term provision	1.91	9.34
TOTAL EQUITY & LIABILITIES	180.24	180.66

Rs. Crores	Sept - 15	Mar - 15
Total Non Current Assets	103.49	102.46
Fixed Assets	64.35	65.13
Non Current Investments	32.66	30.76
Long term loans & advances	6.19	6.30
Other Non Current assets	0.29	0.27
Total Current Assets	76.75	78.20
Inventories	15.62	15.22
Trade Receivables	50.46	48.70
Cash & Cash Equivalents	3.81	4.43
Short Term loans & Advances	3.97	5.47
Other current asset	2.89	4.37
TOTAL ASSETS	180.24	180.66



01

CONTOURS OF THE DEAL

02

ACQUISITION RATIONALE

03

ACQUISITION ASSETS & OPPURTUNITIES



Contours of the Deal



Long Term Strategy to tap Full Potential of Emulsion Polymers Industry

Apcotex Industries Ltd acquires 100% of Equity Capital of Omnova Solutions India Private Limited in all Cash deal

Enterprise Value of the Deal – Rs 36 Crs

Equity - Rs 30 Crs

Loan Given to Omnova - Rs 6 Crs

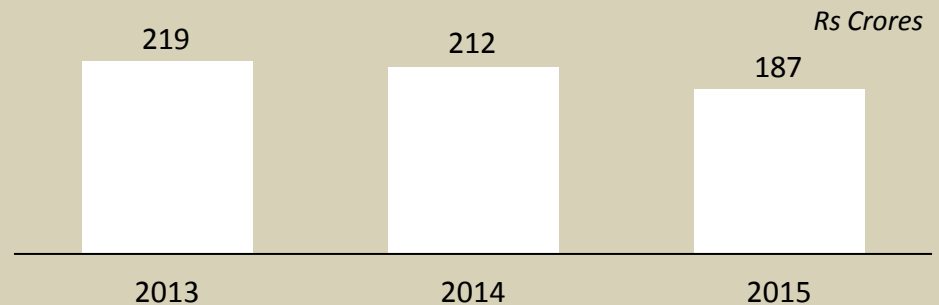
Additional Deployment

Additional deployment of Rs 25 – 30 Crores is planned in the acquired business in Short & Medium Term

Funding

The acquisition has been funded through internal accruals

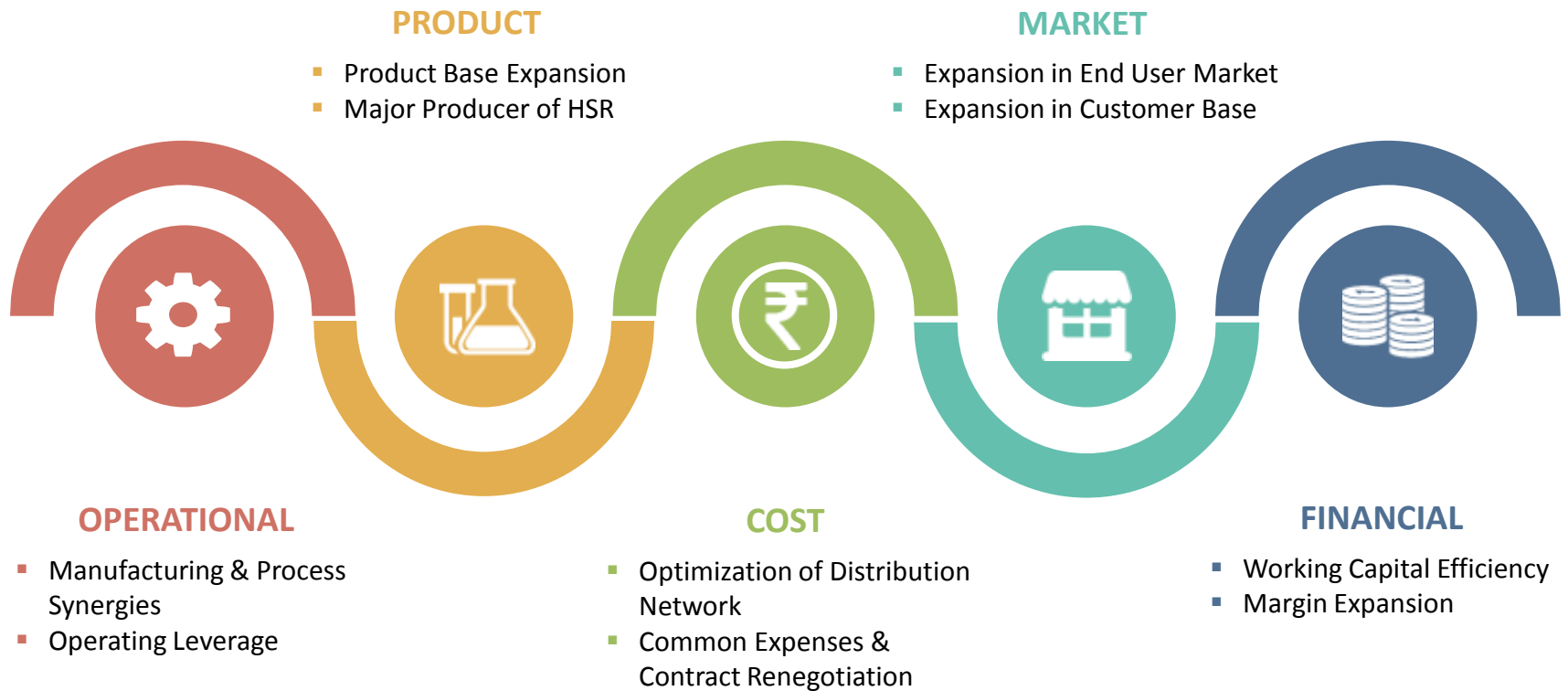
Omnova Solutions India Private Limited – Sales Performance*



* Financial year ending month- November



Acquisition Rationale





Acquisition Assets & Opportunities



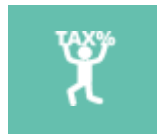
BUSINESS OPPORTUNITIES



ADDITIONAL BENEFITS

Tax Benefits

Tax Benefits of
~Rs. 10 - 14
Crores



Working Capital

Better working capital efficiency will release
~Rs. 12-15 Crores



Land

115 Acres of Land at Valia - ~23 Kms from Ankleshwar, Gujarat



*Incremental Capex of Rs 25- 30 Crores for modernisation & de bottlenecking
Accretive Acquisition – Operating Benefits will significantly improve Margins*



01

ENTRY BARRIERS

02

BUSINESS OUTLOOK



Handling of Raw Materials

- Ability to handle raw material which are explosive, toxic and inflammable
- Butadiene, Acrylic Acid Acrylonitrile, Styrene and 2 VP Monomer needs special handling

Customer Approvals

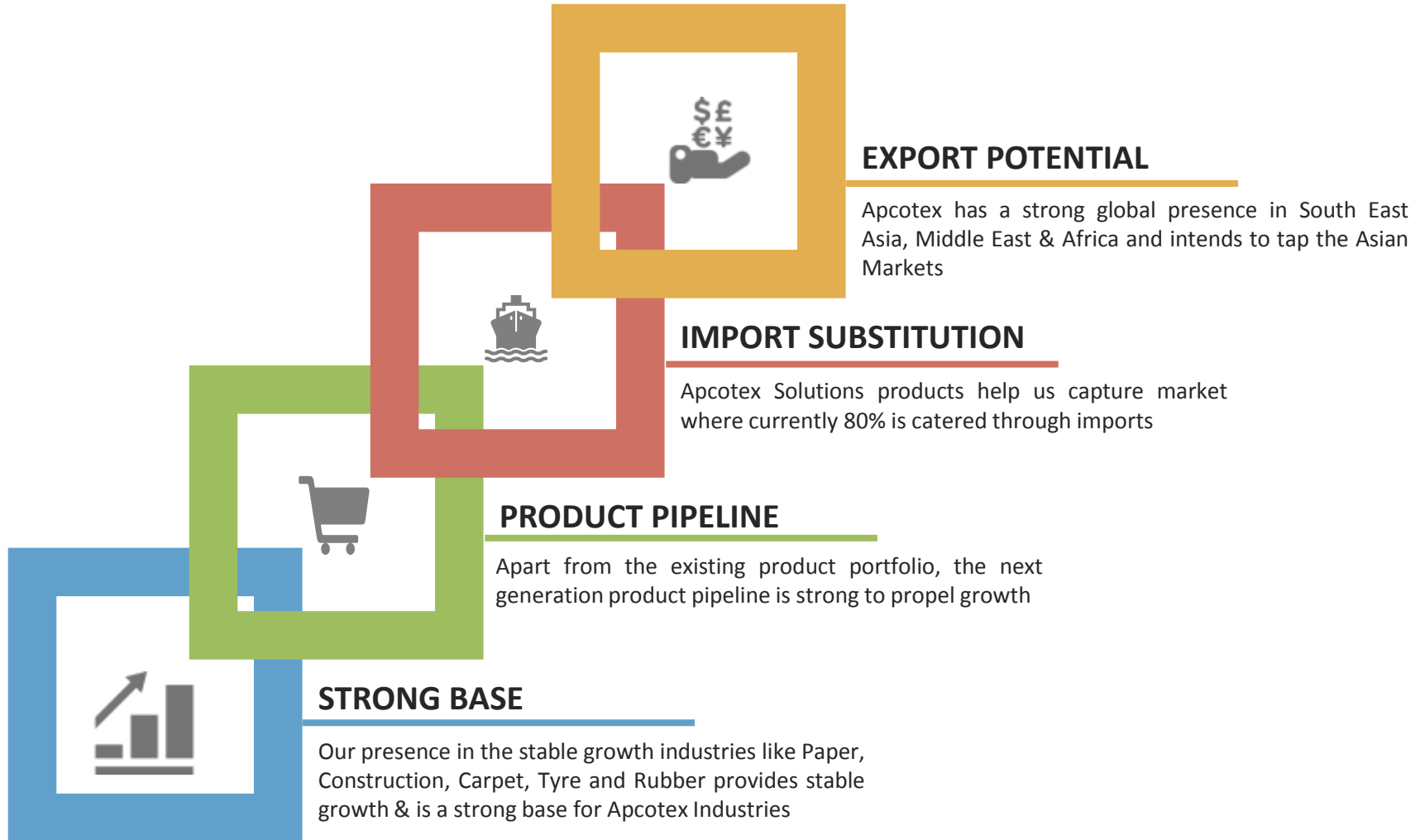
- Average customer approval cycle is from 6m to 3yrs
- The Approval Process ensures the stickiness of the Customer

Technology

- Technology is available with handful players only
- Technical service & product customization to customers

Plant Automation

- The new entrants in the industry will not be able to replicate automated plant setup
- Automation – Only way to scale operations





The Board of Directors of the Company, at its meeting held on 22nd April 2016, have approved the Scheme of Amalgamation of Apcotex Solutions India Private Limited (earlier known as OMNOVA Solutions India Private Limited), a wholly owned subsidiary of the Company with itself. The scheme shall be subject to the approval / sanction by the Hon’ble High Court of Judicature at Bombay and such other authorities, as may be necessary.

a) Name of the entities forming part of the amalgamation:

Transferor Company	Apcotex Soutions India Private Limited (earlier known as OMNOVA Solutions India Private Limited)
Transferee Company	Apcotex Industries Limited
Appointed Date	Closing hours of business on 31 st March, 2016

b) Details in brief of the companies involved in the scheme as on 31st December, 2015 are as under

Rs. Crores	Transferor Company	Transferee Company
Networth	Rs. 92.60	Rs. 115.86



For further information, please contact:

Company :

Apcotex Industries Limited
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