



09th May 2017

The Manager - Listing Department,
The National Stock Exchange of India Ltd
Exchange Plaza, 5th floor, Plot no. C/1, "G"
Block, Bandra-Kurla Complex,
Mumbai-400051
Symbol: APCOTEXIND

Manager - Department of Corporate Services
Bombay Stock Exchange Ltd.
Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001
Security Code : 523694

Subject: Investor Presentation – May 2017

Dear Sir/Madam,

Please find enclosed herewith Investor Presentation – May 2017. The same is for your reference and records.

Thanking you,

Yours truly,

For Apcotex Industries Limited

**Anand Kumashi
Company Secretary**

Enclosed

apcotex industries limited

REGD. OFFICE & TALOJA PLANT : Plot No. 3/1, MIDC Industrial Area, Talaja-410 208, Dist-Raigad, Maharashtra, India. Tel:+91-22-27403500 Fax:+91-22-27412052

CORPORATE OFFICE : NKM International House, 178, Backbay Recl., B. M. Chinai Marg, Mumbai-400 020, Maharashtra, India. Tel:+91-22-22838302/04.

CIN NO. L99999MH1986PLC039199

Website: www.apcotex.com



apcotex industries ltd.

Investor Presentation

May 2017



Our Performance



INR in Crores	Q4 FY17	Q4 FY16	FY17	FY16
Revenue*	87	68	390	268
EBIDTA	8	9	29	38
PAT	4	9	19	25

Note:

Apcotex Industries Limited acquired Apcotex Solution India Private Limited (Erstwhile known as Omnova Solution) on 5th February 2016.

Hence the financials for Q4 FY17 and FY17 are not directly comparable.

** Excluding other income*



Key Updates



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 Hon'ble High Court of Judicature at Bombay ('High Court') on October 27, 2016 has approved the Scheme of Amalgamation.

The Scheme has become effective post filing with the Registrar of Companies / Ministry of Corporate Affairs on 1st December, 2016

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	31 st March, 2016

a) Details in brief of the companies involved in the scheme as on 31st March, 2016 are as under

INR Crores	Transferor Company	Transferee Company
Networth	INR 113.19	INR 94.68



Q4 and FY17 Key Highlights



- Incurred Sale Loss of around INR 26-30 cr in Q4 due to strike at Taloja plant for a period of 52 days from January 9, 2017 to March 2, 2017
- Better Margins in Q4 due to efficient RM buying
- Lower volumes in Paper and Paperboard industry due to temporary shutdown of one of the largest customers
- Capex for FY18 INR 25 to 30 cr



Positives and Challenges for FY18



Positives

- i. Union agreement settled – normalcy restored in March 2017 and production running smoothly
- ii. HSR production re-started in Taloja from April 2017 after a year – will lead to margin expansion due to lower operating costs in Taloja
- iii. Strong pipeline of export orders in Q1
- iv. Paper and Paperboard volumes looking stronger in Q1
- v. Further exploit synergies of acquisition to reduce costs in FY18
- vi. New supplier of a key raw material (Butadiene) has started production in Gujarat leading to more options and better buying
- vii. GST to have an overall positive impact for the Company

Challenges

- i. Business from one of our largest customers remains uncertain
- ii. Cheap Imports being dumped in India from time to time especially in NBR business
- iii. RM prices crashing in Q1 could lead to some pressure in margins in the short term
- iv. Implementation of FY18 Capex plan INR 25 to 30 cr



Profit & Loss Statement



INR Crores	Q4 FY17	Q4 FY16*	Y-o-Y	Q3 FY17	Q-o-Q	FY17	FY16*	Y-o-Y
Total Revenue	87.1	68.0	28.09%	104.2	-16.41%	390.1	268.4	45.34%
Operating Expenses	56.2	43.6		73.9		269.2	175.5	
Employees Expenses	7.9	3.8		6.2		29.3	15.2	
Other Expenditure	15.5	11.7		18.0		62.6	40.2	
EBITDA	7.5	8.9	-15.73%	6.1	22.95%	29.0	37.5	-22.67%
EBITDA Margin	8.61%	13.09%		5.85%		7.43%	13.97%	
Other Income	1.1	5.2		2.2		8.2	7.3	
Depreciation	3.0	2.2		3.0		12.1	8.9	
Interest	0.7	0.7		0.8		2.9	2.4	
PBT	4.9	11.2	-56.25%	4.5	8.89%	22.2	33.5	-33.73%
Tax	1.3	2.6		-0.6		3.1	8.8	
Profit After Tax	3.6	8.6	-58.14%	5.1	-29.41%	19.1	24.7	-22.67%
PAT Margin	4.13%	12.65%		4.89%		4.90%	9.20%	

Note: Negative tax is due to reversal of the tax provision made in earlier quarters

* - Not Comparable due to acquisition of Apcotex Solutions (now merged with the company) on 5th February 2016



Balance Sheet Statement



INR Crores	Mar - 17	Sep - 16
Shareholders Fund	206.3	197.6
Share Capital	10.4	10.4
Reserves & Surplus	195.9	187.2
Total Non Current Liabilities	9.1	5.6
Long Term Borrowings	0.0	0.0
Deferred Tax liabilities	3.4	0.0
Other Long Term Liabilities	3.1	3.1
Long Term Provision	2.6	2.5
Total Current Liabilities	66.8	85.7
Short Term Borrowings	22.2	32.4
Trade Payables	22.2	29.1
Other Current Liabilities	22.1	24.0
Short term provision	0.3	0.2
TOTAL EQUITY & LIABILITIES	282.2	288.9

INR Crores	Mar - 17	Sep - 16
Total Non Current Assets	128.1	134.4
Fixed Assets	93.7	94.2
Non Current Investments	23.6	20.4
Deferred Tax Assets (Net)	0.0	5.3
Long term loans & advances	8.6	8.5
Other Non Current assets	2.2	6.0
Total Current Assets	154.1	154.5
Inventories	44.5	35.6
Trade Receivables	78.2	79.3
Cash & Cash Equivalents	6.2	25.0
Short Term loans & Advances	19.1	7.7
Other current asset	6.1	6.9
TOTAL ASSETS	282.2	288.9



About Apcotex



apcotex industries limited

One of the leading producers of Performance Emulsion Polymers in India

DIVERSIFIED PRODUCTS

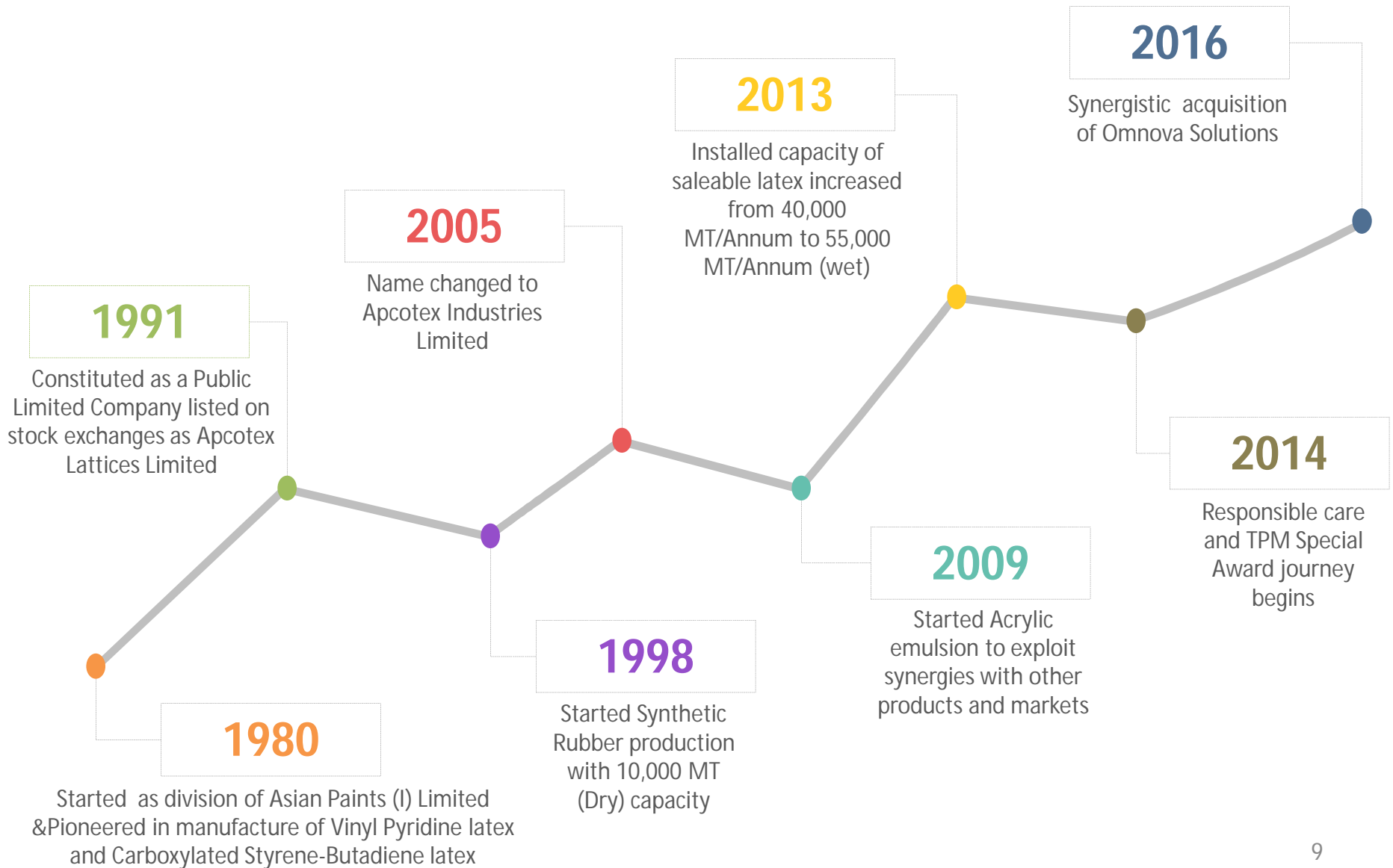
DIVERSIFIED INDUSTRIES

DIVERSIFIED PRESENCE





Our Evolution





Our Performance



INR in Crores	FY09	FY17	CAGR
Revenue	100	390	19%
EBIDTA	9	29	16%
PAT	5	19	18%
ROE	8%	2%	
ROCE	13%	17%	



Performance Drivers



Performance Drivers Slides	Slide No.
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R&D And Quality Control	16
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Experienced Board Of Directors	18
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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





Diversified Presence



apcotex industries

Paper

- ITC Ltd
- BILT
- JK PAPER
- NR Group

Carpet

- Obeetee Industries
- ABC Industries

Rubber

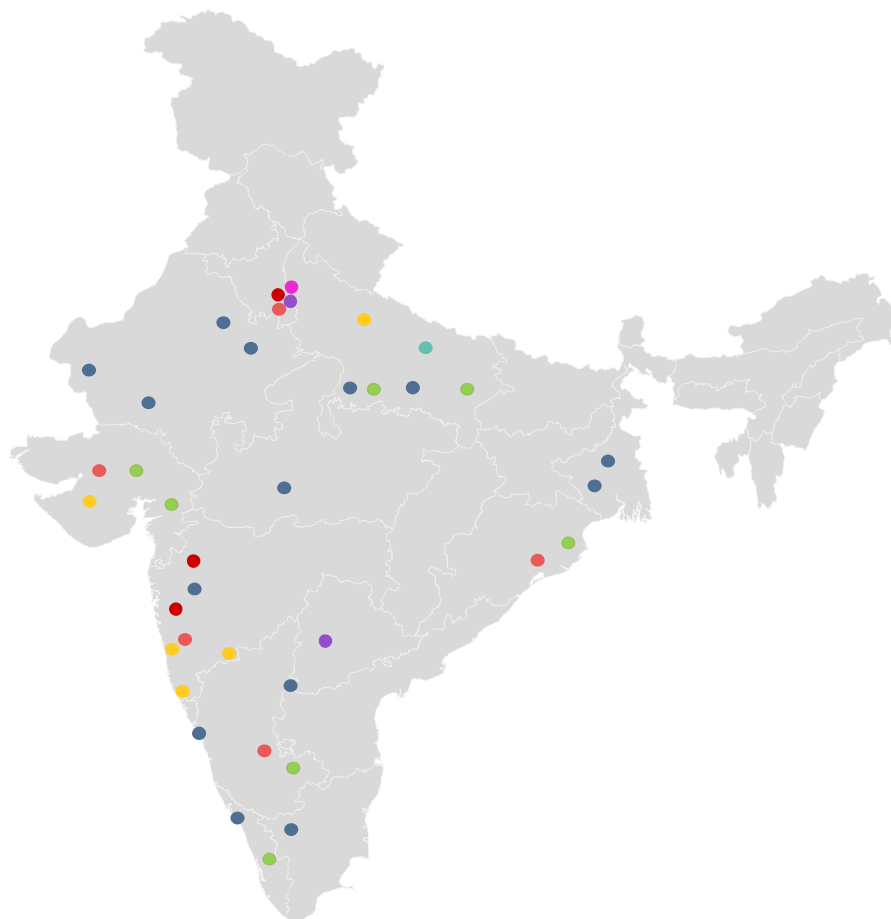
- Paragon Footwear
- Relaxo Footwear
- Banik Rubber
- Distributors all over India

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

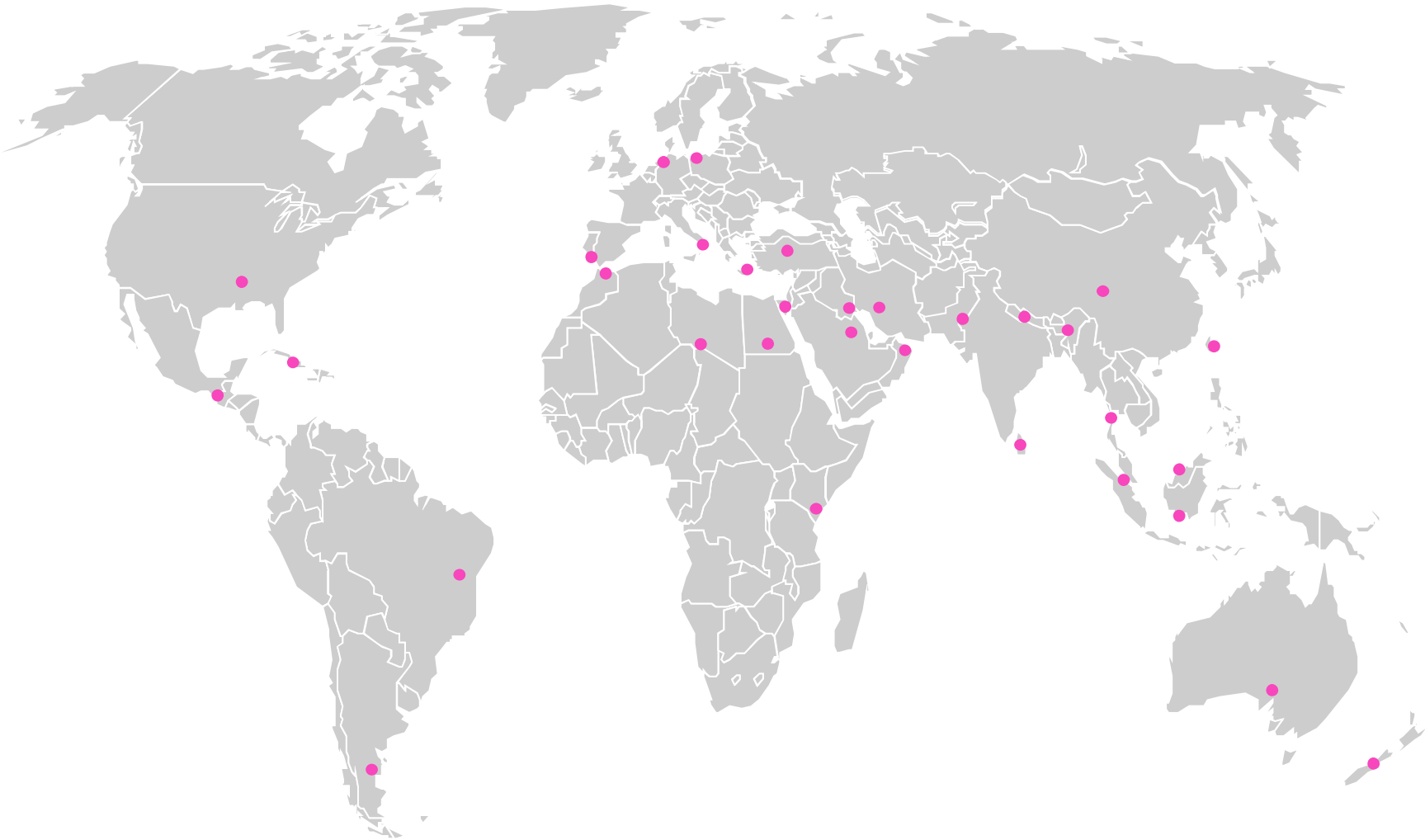
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Diversified Presence



INTERNATIONAL CUSTOMER BASE



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Strategically Located Facilities



Taloja
Facility
Maharashtra

Valia
Facility
Gujarat



Product Development Lab



Product Application Lab



DCS Process Control



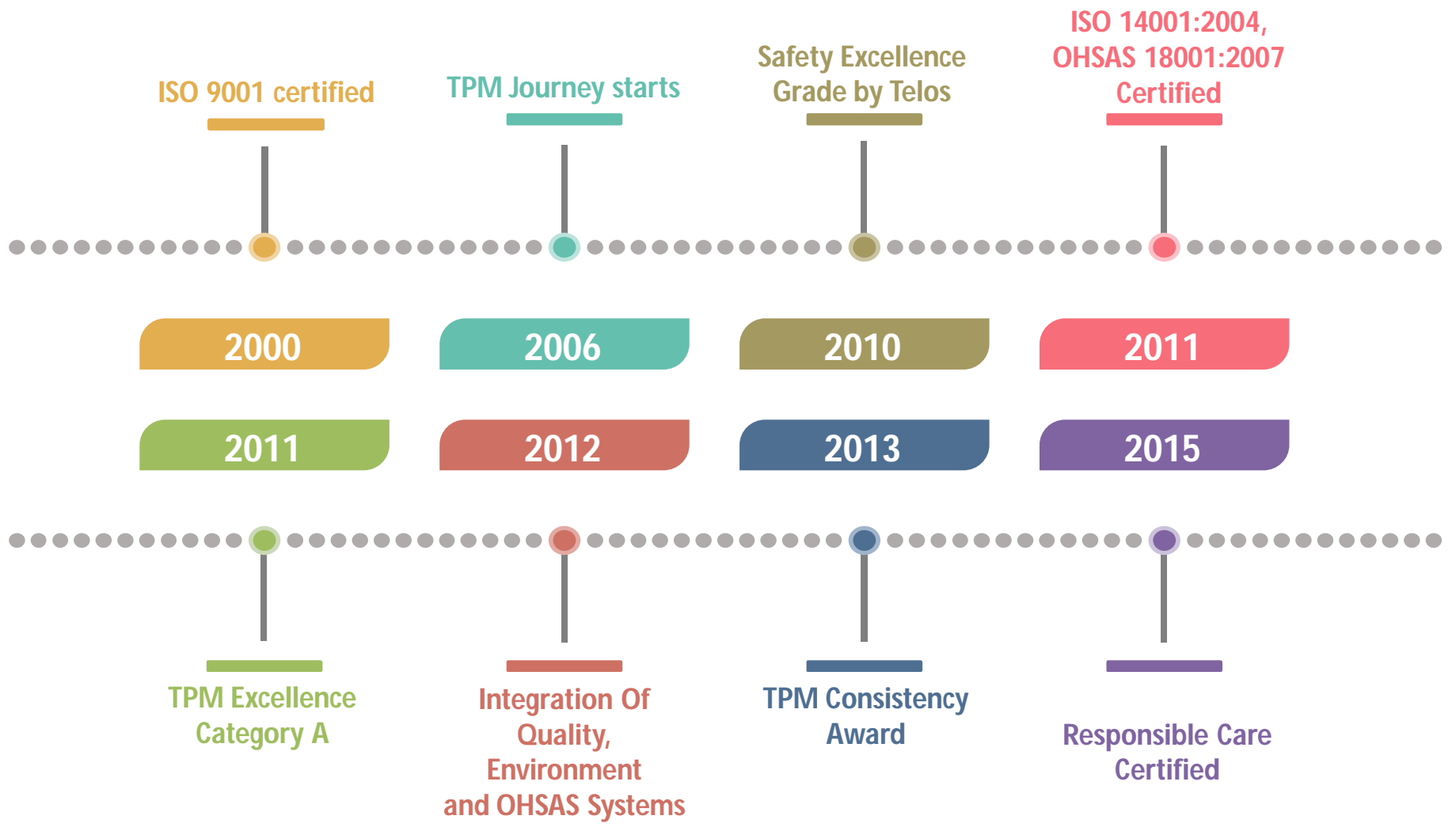
Quality Assurance Lab



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



Quality Certifications





Board of Directors



MR. ATUL CHOKSEY

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

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. GIRISH C. CHOKSEY

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. MANUBHAI G. PATEL

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. SHAILESH S. VAIDYA

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.



Board of Directors



MR. KAMLESH S. VIKAMSEY

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

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

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

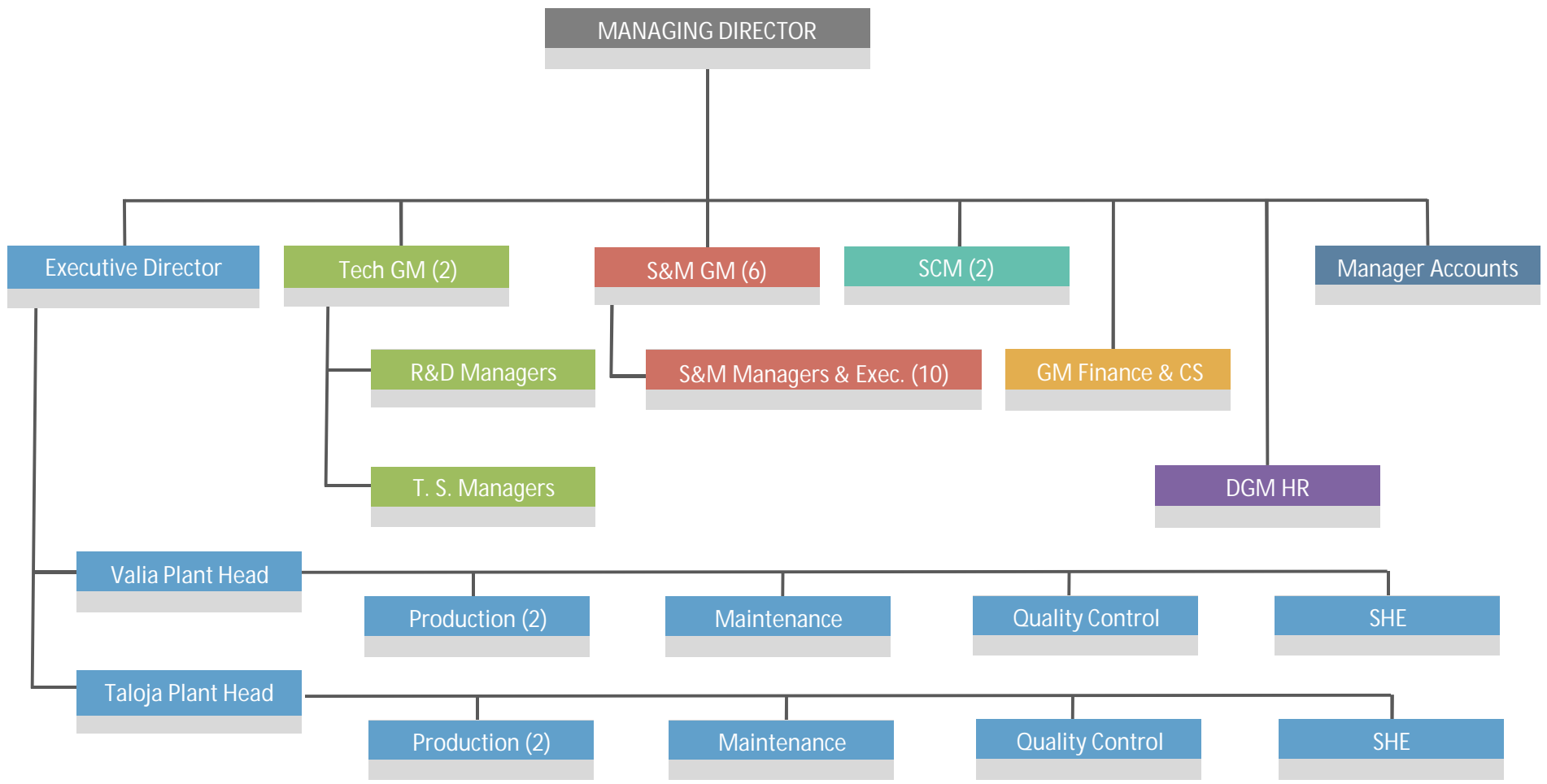
Executive Director

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





Financial Performance



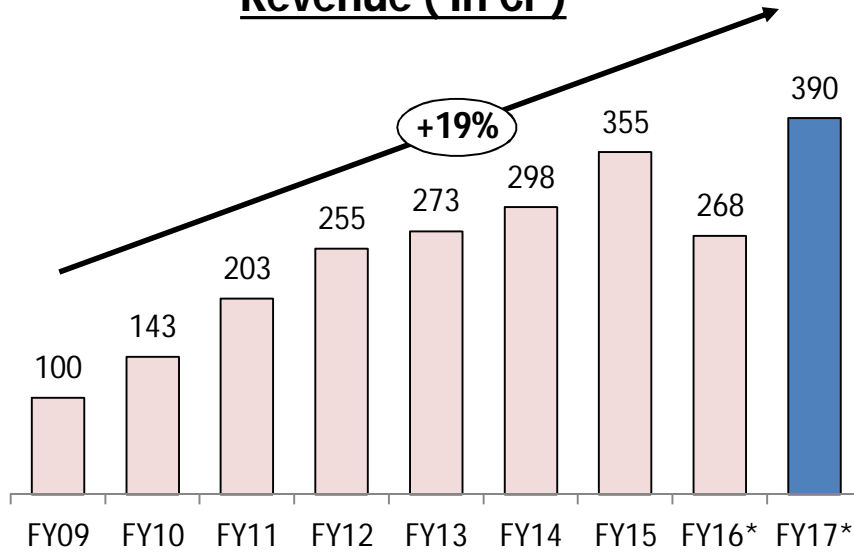
Financial Performance	Slide No.
Key Performance Indicators	24 & 25
Balance Sheet	26



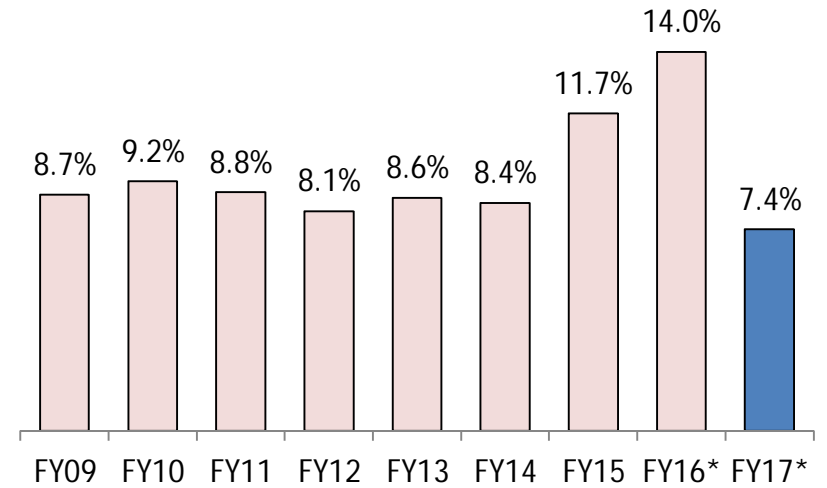
Key Performance Indicators



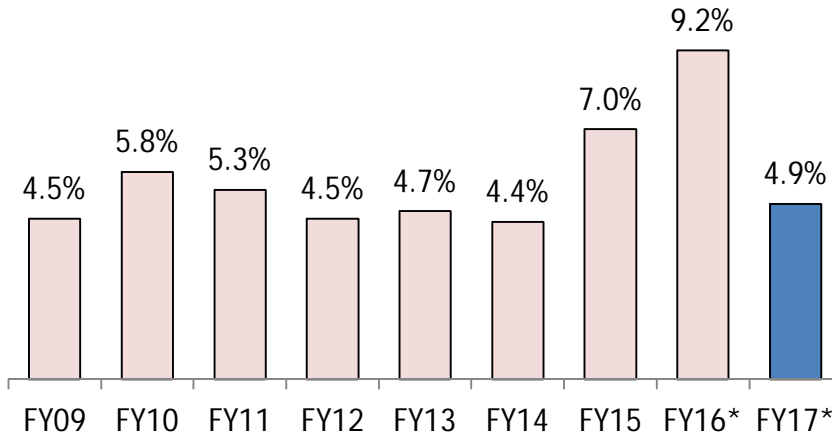
Revenue (In Cr)



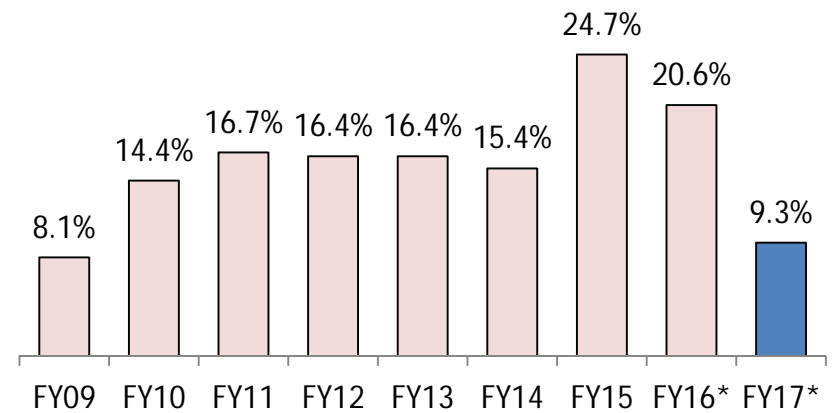
EBIDTA Margin



PAT Margin



ROE



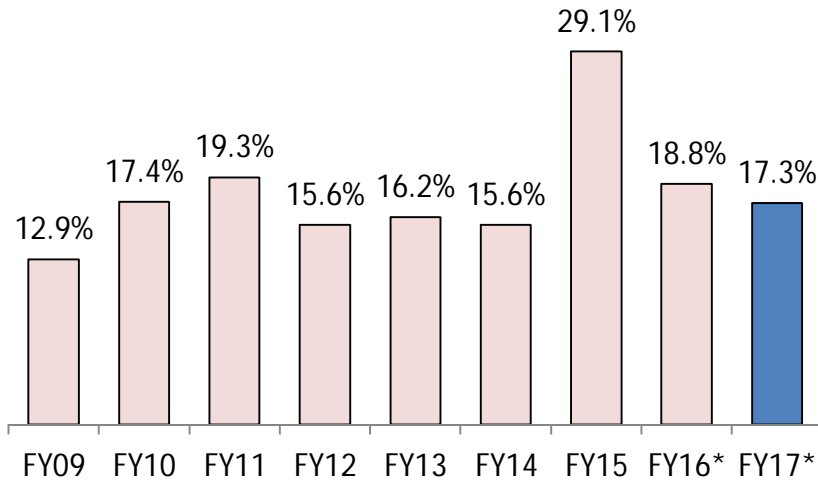
*FY16 & FY17 figures are on consolidated basis.



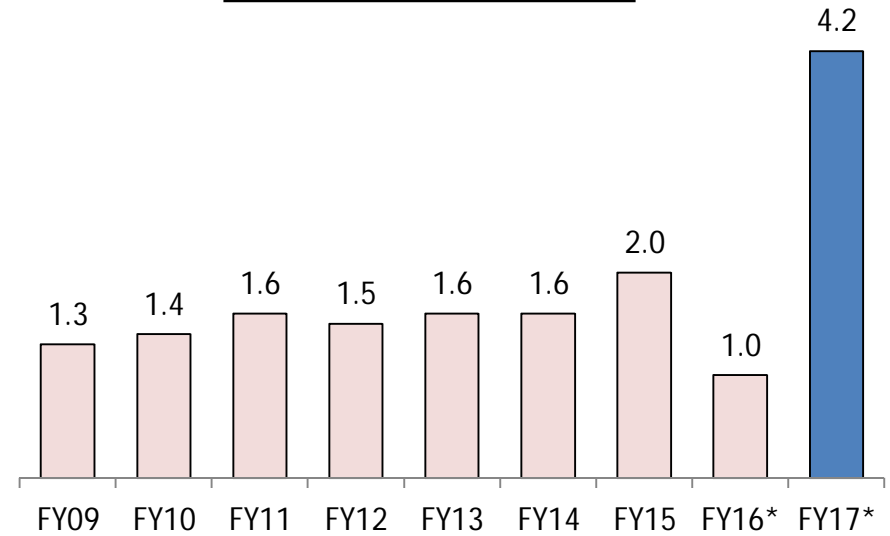
Key Performance Indicators



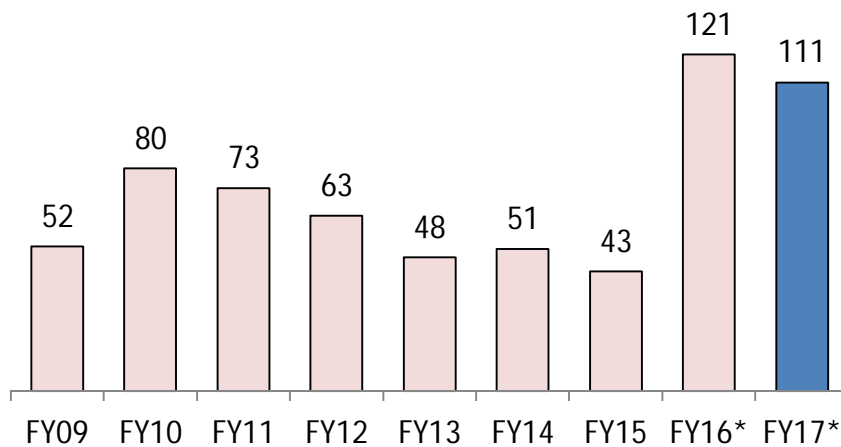
ROCE



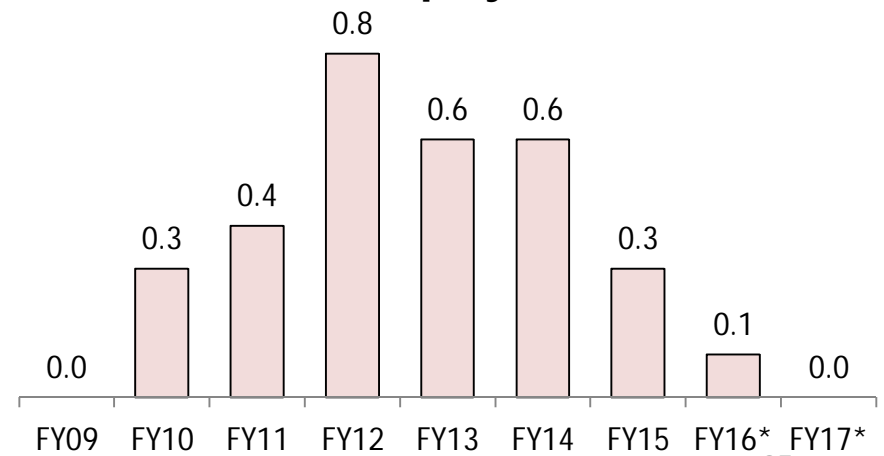
Asset Turnover Ratio



Net Operating Working Capital Days



Debt to Equity Ratio



*FY16 & FY17 figures are on consolidated basis.



Balance Sheet Statement



INR Crores	Mar - 17	Mar - 16
Shareholders Fund	206.3	187.2
Share Capital	10.4	10.4
Reserves & Surplus	195.9	176.8
Total Non Current Liabilities	9.1	3.4
Long Term Borrowings	0.0	0.0
Deferred Tax liabilities	3.4	0.0
Other Long Term Liabilities	3.1	1.4
Long Term Provision	2.6	2.0
Total Current Liabilities	66.8	97.5
Short Term Borrowings	22.2	17.1
Trade Payables	22.2	34.1
Other Current Liabilities	22.1	31.9
Short term provision	0.3	14.4
TOTAL EQUITY & LIABILITIES	282.2	288.1

INR Crores	Mar-17	Mar - 16
Total Non Current Assets	128.1	136.0
Fixed Assets	93.7	94.8
Non Current Investments	23.6	17.8
Deferred Tax Assets (Net)	0.0	6.7
Long term loans & advances	8.6	10.6
Other Non Current assets	2.2	6.1
Total Current Assets	154.1	152.1
Inventories	44.5	43.3
Trade Receivables	78.2	83.9
Cash & Cash Equivalents	6.2	9.8
Short Term loans & Advances	19.1	7.4
Other current asset	6.1	7.7
TOTAL ASSETS	282.2	288.1



Sustainable Competitive Advantages



Financial Performance	Slide No.
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Business Outlook	28

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

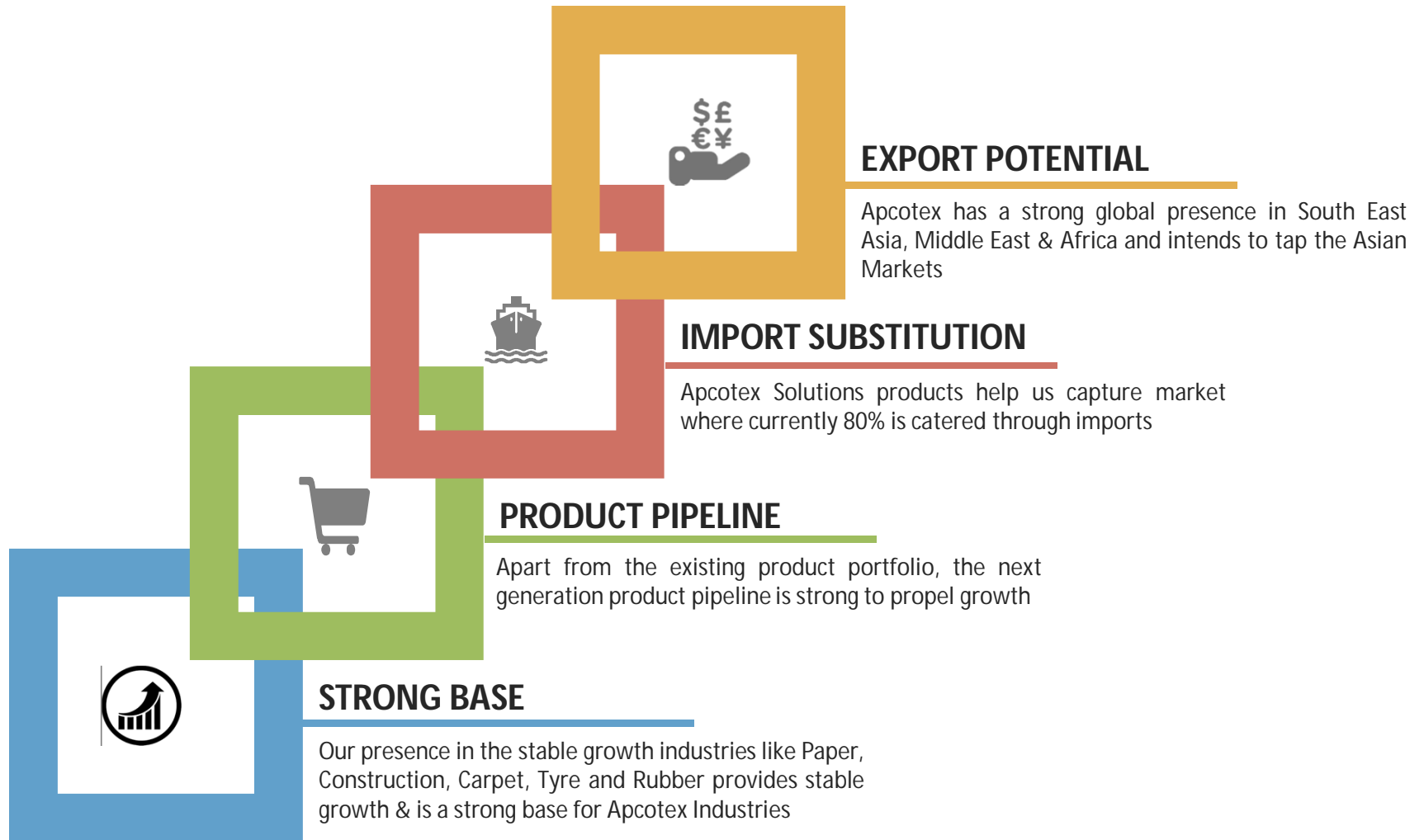
- Average customer approval cycle is from 6m to 3yrs
- The Approval Process ensures the stickiness of the Customer

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





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