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**

Access Numbers	
Primary Number:	**+91 22 6746 8311**
Secondary Number:	**+91 22 3960 0711**
Toll Free Number:	**USA: 1 866 746 2133**
	UK: 0 808 101 1573
	Singapore: 800 101 2045
	Hong Kong: 800 964 448

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

Safe Harbor

This presentation and the accompanying slides (the "Presentation"), which have been prepared by Apcotex Industries Limited (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

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This presentation contains certain forward looking statements concerning the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.

Our Introduction

apcotex industries limited

One of the leading producers of Performance Emulsion Polymers in India

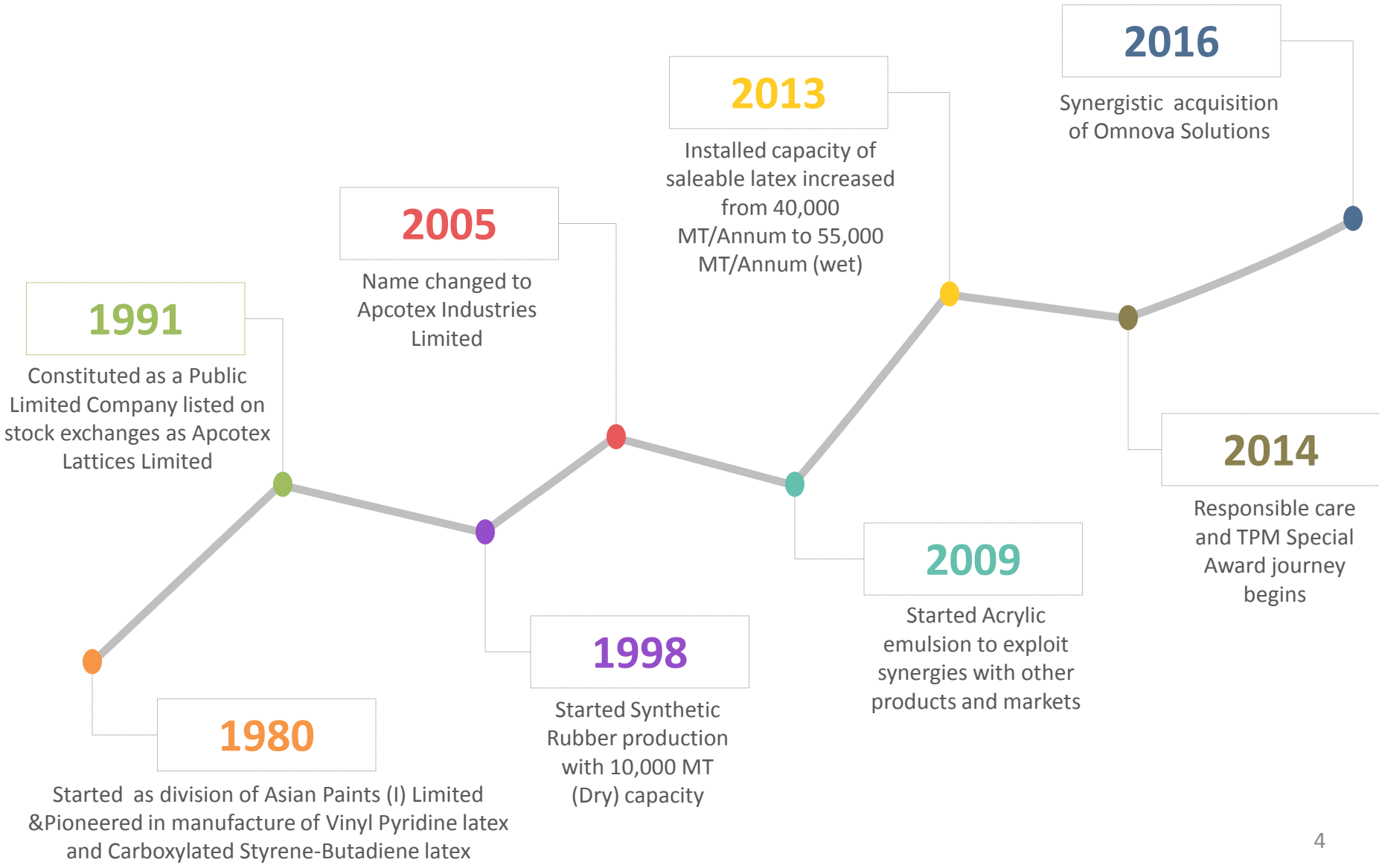


DIVERSIFIED PRODUCTS

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**

02 **DIVERSIFIED INDUSTRIES**

03 **DIVERSIFIED PRESENCE**

04 **STRATEGICALLY LOCATED FACILITIES**

05 **R&D AND QUALITY CONTROL**

06 **QUALITY CERTIFICATIONS**

07 **EXPERIENCED BOARD OF DIRECTORS**

08 **PROFESSIONAL MANAGEMENT TEAM**

Diversified Products

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



Erstwhile Omnova Solutions India Private Limited

Diversified Industries

apcotex industries

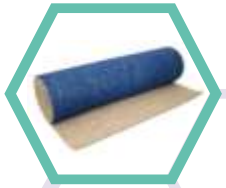
Carpet Backing
Carboxylated SB / Styrene Acrylic Latex

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

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









Textile Finishing & Non Woven
Carboxylated SB Latex

Footwear & Shoe Sole
High Styrene Rubber





Bonding & Waterproofing in Construction
SB / Styrene Acrylic Latex

apcotex solutions



Brakes & Jointing Sheets
NBR Bale Rubbers



Rice Roll & Hoses
NBR PVC Polyblends

✦ Erstwhile Omnova Solutions India Private Limited

Diversified Presence

apcotex industries

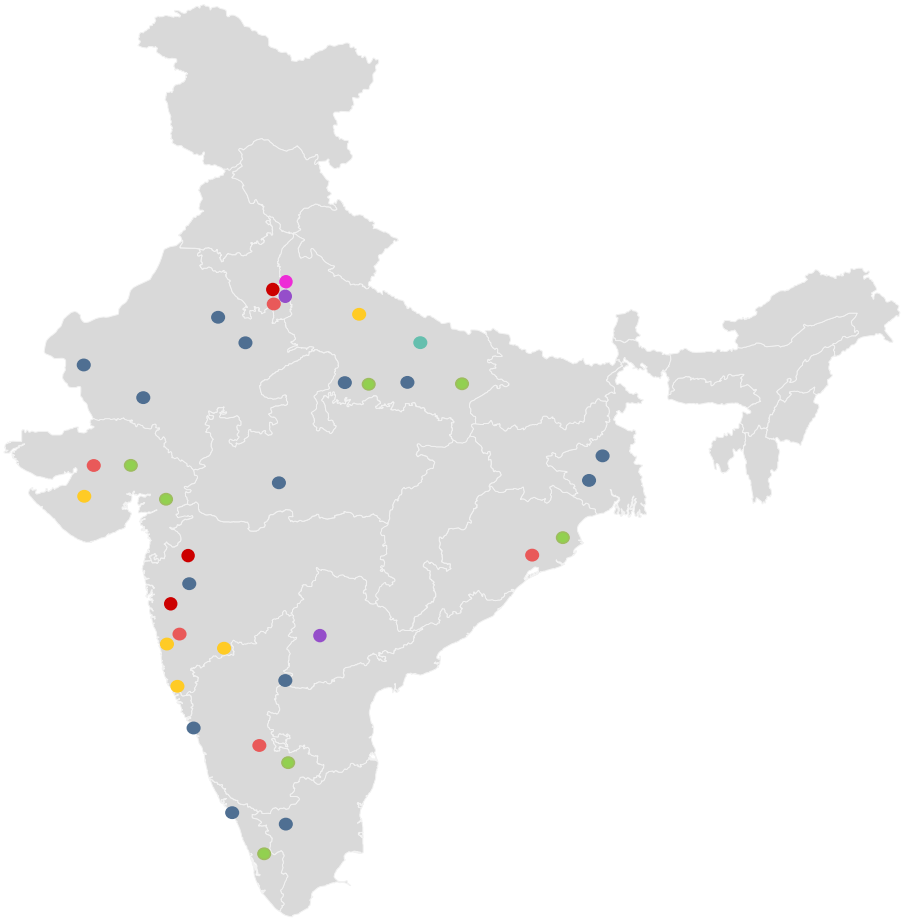
Paper
- ITC Ltd
- BILT
- JK PAPER
- NR Group

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

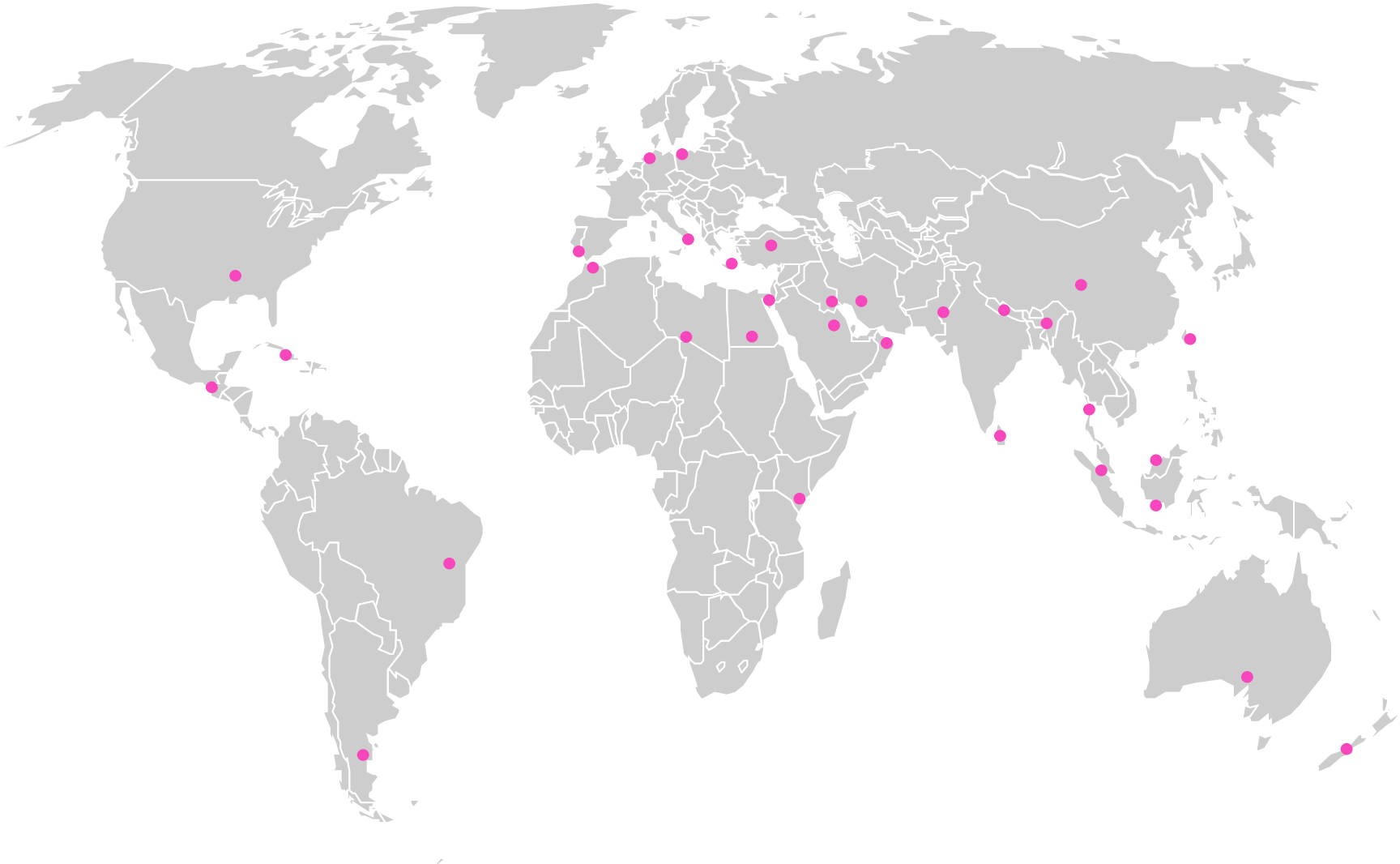
Hoses & LPG
- Vansh Industries
- Super Hoze
- Jugaltara
- Parker Hannifin India

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

✦ Erstwhile Omnova Solutions India Private Limited

Diversified Presence

INTERNATIONAL CUSTOMER BASE



Strategically Located Facilities



Taloja Facility

Maharashtra

Valia Facility

Gujarat



R&D and Quality Control

Product Development Lab



Product Application Lab



DCS Process Control

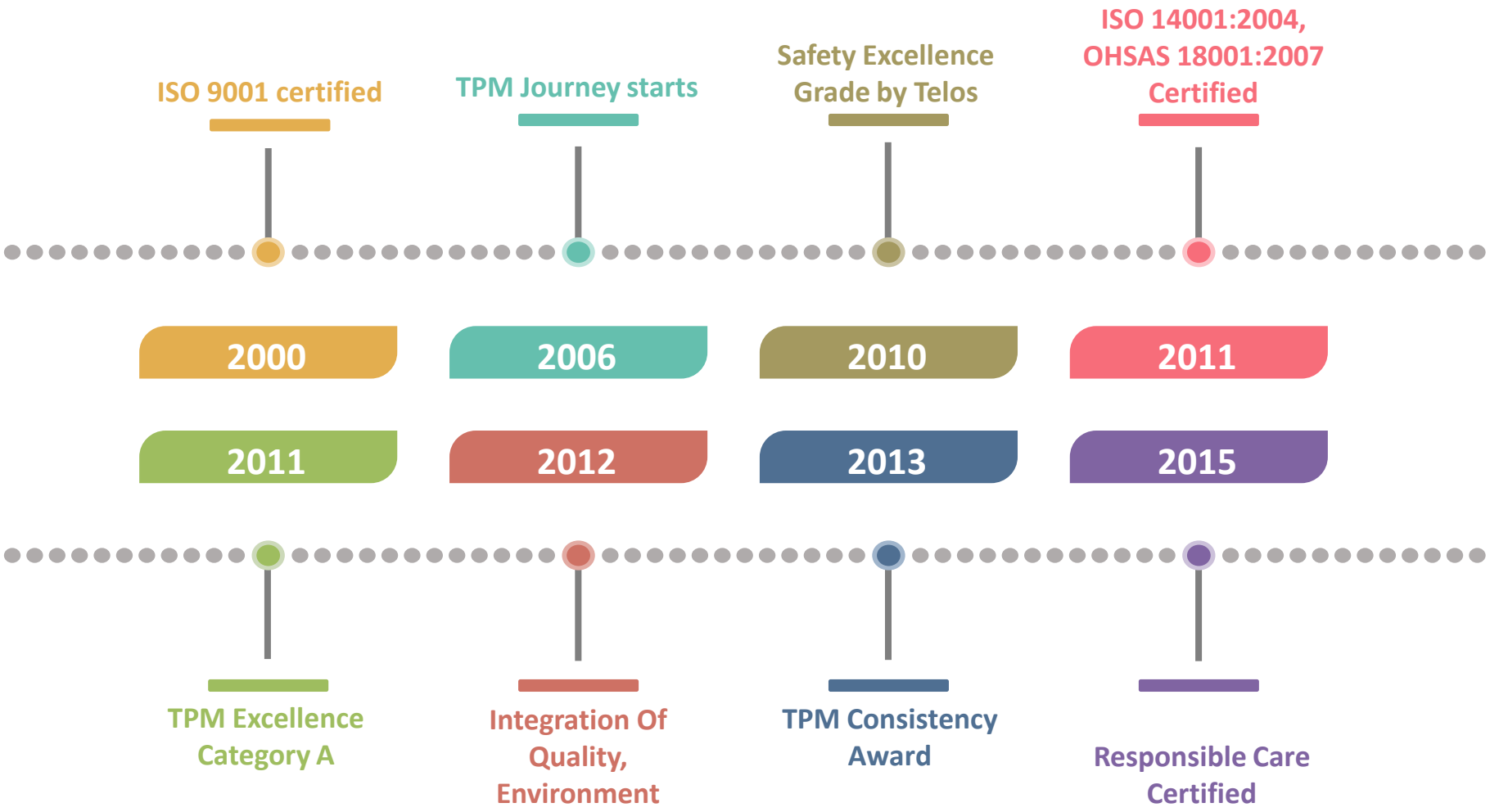


Quality Assurance Lab



*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
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. 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. 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. 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.

Board of Directors

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.

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. Lafayete, 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.

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.

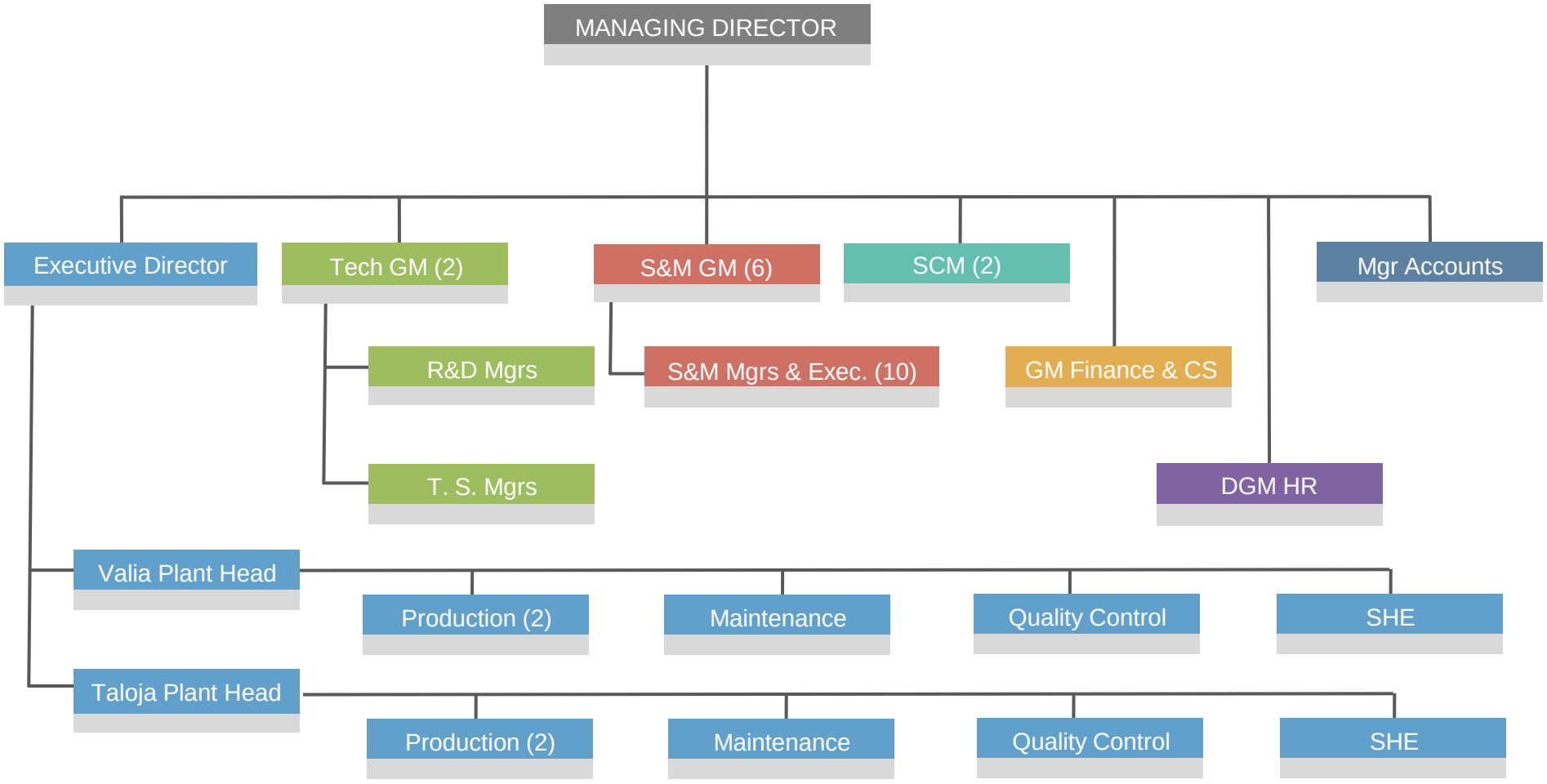
She was the chairperson of the IPA (Indian Paint Association) Western Region in the year 2010-2011 and is currently on the Governing Body of the IPA.

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

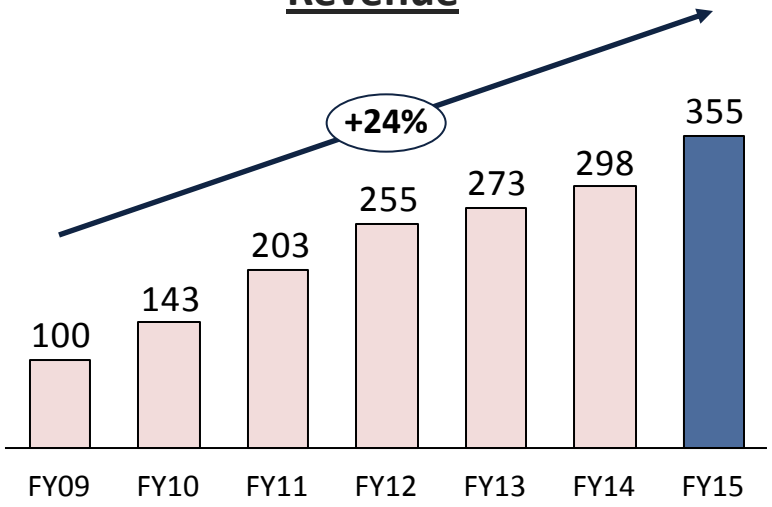
01 **KEY PERFORMANCE INDICATAORS**

02 **PROFIT & LOSS STATEMENT**

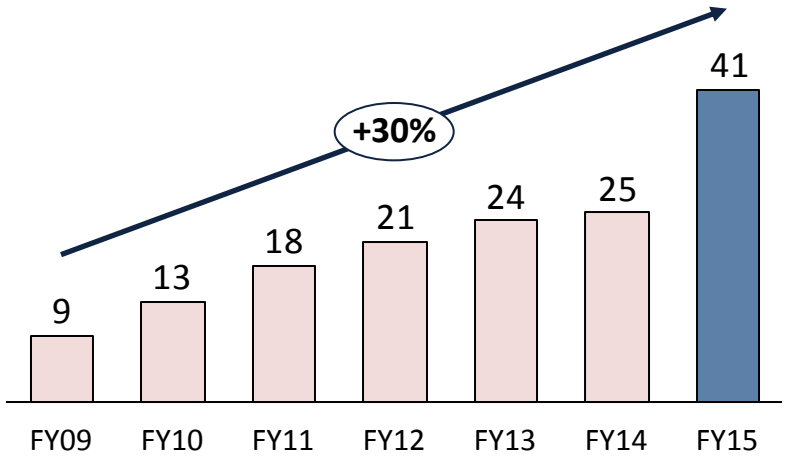
03 **BALANCE SHEET STATEMENT**

Key Performance Indicators

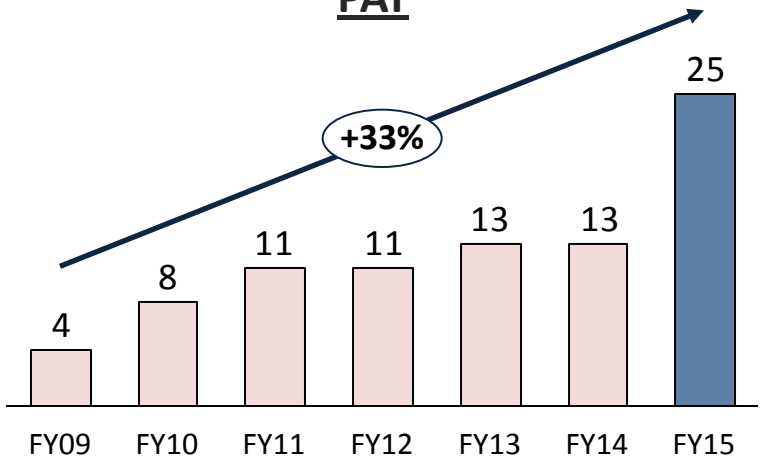
Revenue



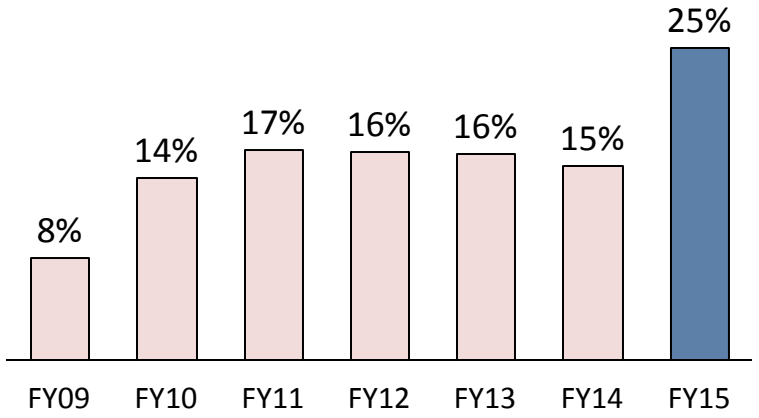
EBIDTA



PAT

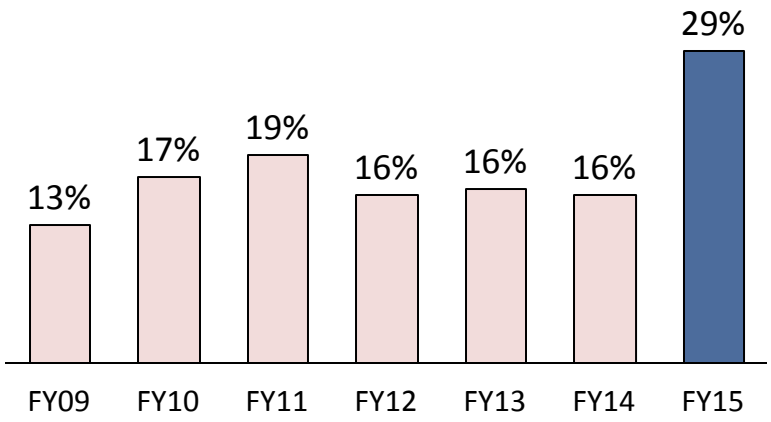


ROE

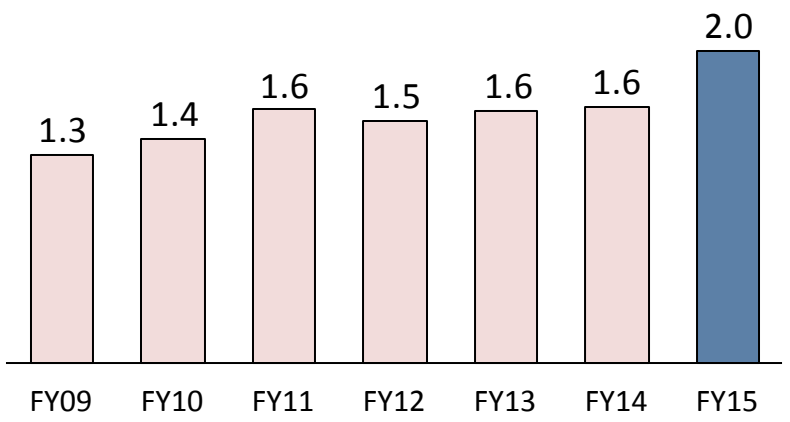


Key Performance Indicators

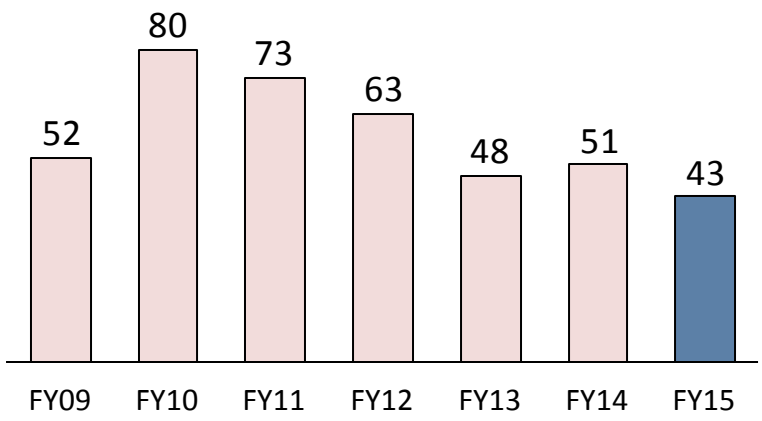
ROCE



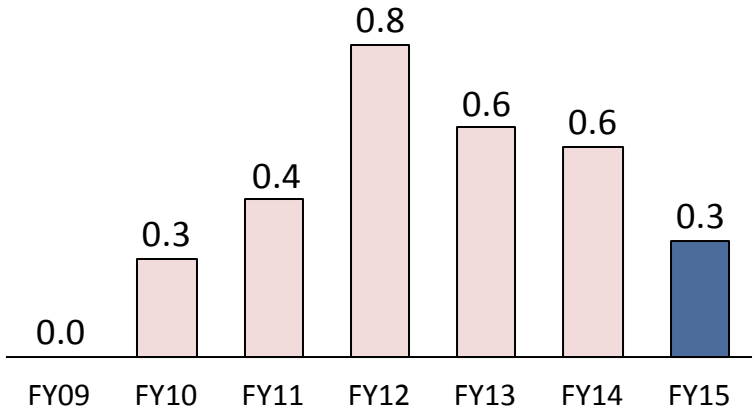
Asset Turnover Ratio



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***

Acquisition Details

01 **CONTOURS OF THE DEAL**

02 **ACQUISITION RATIONALE**

03 **ACQUISITION ASSETS & OPPURTUNITIES**

Contours of the Deal

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

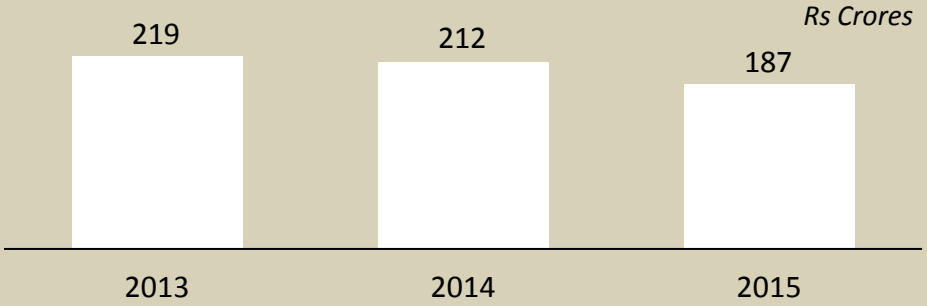
Additional Deployment

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

Long Term Strategy to tap
Full Potential
of
Emulsion Polymers Industry

Acquisition Rationale

PRODUCT

- Product Base Expansion
- Major Producer of HSR

MARKET

- Expansion in End User Market
- Expansion in Customer Base



OPERATIONAL

- Manufacturing & Process Synergies
- Operating Leverage

COST

- Optimization of Distribution Network
- Common Expenses & Contract Renegotiation

FINANCIAL

- Working Capital Efficiency
- Margin Expansion

Acquisition Assets & Opportunities

BUSINESS OPPORTUNITIES

Major Producer of High Styrene Rubber in India

Expansion of Product Range - Nitrile Rubber, Nitrile Powder and Polyblends

New industries/ markets/ customers

- Automotive Components
- Rice Roll Manufacturers
- Rubber Component Manufacturers etc.

New technologies in Emulsion Polymerization

- Monomer Recovery System
- Powder Manufacturing etc

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

Sustainable Competitive Advantages

01 **ENTRY BARRIERS**

02 **BUSINESS OUTLOOK**

Entry Barriers



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



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

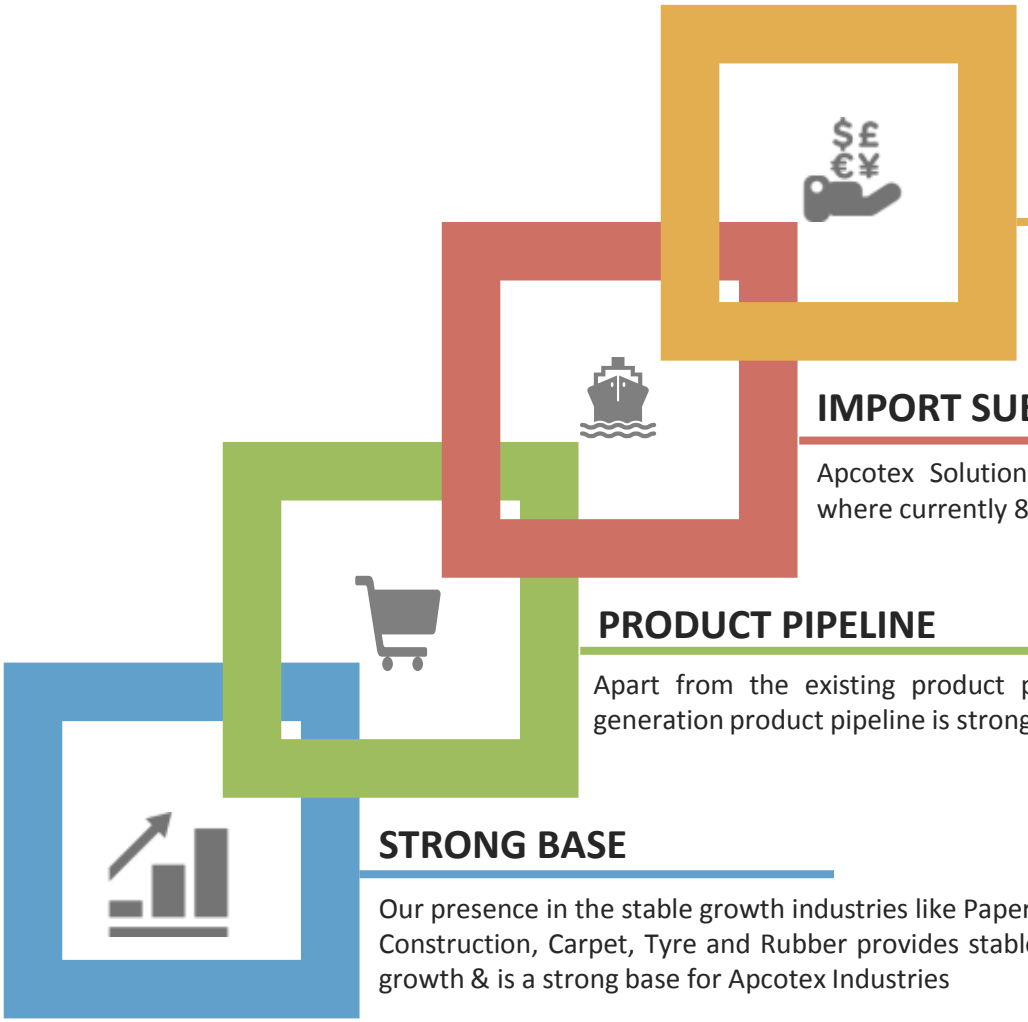


- Technology is available with handful players only
- Technical service & product customization to customers



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

Business Outlook



EXPORT POTENTIAL

Apcotex has a strong global presence in South East Asia, Middle East & Africa and intends to tap the Asian Markets

IMPORT SUBSTITUTION

Apcotex Solutions products help us capture market where currently 80% is catered through imports

PRODUCT PIPELINE

Apart from the existing product portfolio, the next generation product pipeline is strong to propel growth

STRONG BASE

Our presence in the stable growth industries like Paper, Construction, Carpet, Tyre and Rubber provides stable growth & is a strong base for Apcotex Industries

Business Update

The Board of Directors of the Company, at its meeting held on 22nd April 2016, have approved the Scheme of Amalgamation of Apoctex 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 31st 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 :	Investor Relations Advisors :
Apcotex Industries Limited CIN: L99999MH1986PLC039199	**Strategic Growth Advisors Pvt. Ltd.** CIN: U74140MH2010PTC204285
Mr. Anand Kumashi avkumashi@apcotex.com	Mr. Ayush Jain / Ms. Payal Sheth jayush@sgapl.net / ps@sgapl.net
www.apcotex.com	www.sgapl.net