

## **Annual Report 2021-22**

**The Invisible Bond in all walks of life**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

|                     |                    |
|---------------------|--------------------|
| Atul C. Choksey     | Chairman           |
| Dr. S. Sivaram      | Director           |
| Kamlesh S. Vikamsey | Director           |
| Shailesh S. Vaidya  | Director           |
| Priyamvada Bhumkar  | Director           |
| Amit C. Choksey     | Director           |
| Udayan D. Choksi    | Director           |
| Abhiraj A. Choksey  | Managing Director  |
| Ravishankar Sharma  | Executive Director |

## COMPANY SECRETARY

Anand V. Kumashi

## AUDITOR

S G D G & Associates LLP

## BANKERS

State Bank of India  
Citi Bank  
HDFC Bank

## REGISTERED OFFICE

49/53, Mahaveer Centre, Plot no. 77, Sector 17,  
Vashi, Navi Mumbai - 400 703.  
CIN: L99999MH1986PLC039199  
Telephone: (022) 27770800  
E-mail - redressal@apcotex.com  
Website: www.apcotex.com

## PLANT 1

Plot No.3/1, M I D C Industrial Area, P.O. Taloja,  
Dist - Raigad - 410 208, Maharashtra.  
Telephone: (022) 2740 3500

## PLANT 2

Village - Dungri, Tal - Valia, Ankleshwar - 393135.  
Dist - Bharuch, Gujarat.

## CORPORATE OFFICE

N. K. Mehta International House, 178,  
Backbay Reclamation, Babubhai M. Chinai Marg,  
Mumbai - 400 020  
Telephone: (022) 2283 8302 / 04

## AUDIT COMMITTEE

|                     |          |
|---------------------|----------|
| Kamlesh S. Vikamsey | Chairman |
| Priyamvada Bhumkar  | Member   |
| Udayan D. Choksi    | Member   |

## NOMINATION & REMUNERATION COMMITTEE

|                     |          |
|---------------------|----------|
| Dr. S. Sivaram      | Chairman |
| Atul C. Choksey     | Member   |
| Kamlesh S. Vikamsey | Member   |
| Priyamvada Bhumkar  | Member   |

## STAKEHOLDERS RELATIONSHIP COMMITTEE

|                    |          |
|--------------------|----------|
| Shailesh S. Vaidya | Chairman |
| Udayan D. Choksi   | Member   |
| Abhiraj A. Choksey | Member   |

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

|                    |          |
|--------------------|----------|
| Atul C. Choksey    | Chairman |
| Shailesh S. Vaidya | Member   |
| Abhiraj A. Choksey | Member   |

## RISK MANAGEMENT COMMITTEE

|                    |          |
|--------------------|----------|
| Dr. S. Sivaram     | Chairman |
| Abhiraj A. Choksey | Member   |
| Ravishankar Sharma | Member   |

## REGISTRARS AND SHARE TRANSFER AGENTS

LINK INTIME INDIA PVT LTD.  
C-101, 247 Park, L.B.S. Marg, Vikhroli (W),  
Mumbai - 400 083  
Tel. No.- 022 49186000, 49186270  
Fax - 022 49186060  
Email: rnt.helpdesk@linkintime.co.in  
Website: www.linkintime.co.in



# TABLE OF CONTENTS

01

## CORPORATE OVERVIEW

|                          |    |
|--------------------------|----|
| Company at a glance      | 02 |
| Financial Highlights     | 03 |
| Board of Directors       | 04 |
| Our Global Presence      | 06 |
| Manufacturing Facilities | 08 |
| R&D and Quality Control  | 09 |
| Product Mix              | 10 |

02

## STATUTORY REPORTS

|   |    |
|---|----|
| Management Discussion and Analysis Report | 18 |
| Directors' Report                         | 21 |
| Corporate Governance Report               | 43 |
| Business Responsibility Report            | 64 |

03

## FINANCIAL STATEMENT

|                                  |     |
|----------------------------------|-----|
| Independent Auditor's Report     | 72  |
| Financial Statement              | 80  |
| Notice of Annual General Meeting | 133 |

## COMPANY AT A GLANCE

Apcotex is one of the leading producers of Synthetic Rubber (NBR & HSR) and Synthetic Latex (Nitrile, VP latex, XSB & Acrylic latex) in India. The company has one of the broadest range of Emulsion Polymers available in the market today. The various grades of Synthetic Rubber find application in products such as Automotive Components, Hoses, Gaskets, Rice De-husking Rollers, Printing and Industrial Rollers, Friction Materials, Belting and Footwear. Apcotex's range of Latexes are used for Paper / Paperboard Coating, Carpet Backing, Tyre Cord Dipping, Construction, Gloves-examination, surgical and industrial use etc.

The company believes in implementing best practices across all departments and adhering to high quality, safety and environmental standards. Its state-of-the-art manufacturing plants are strategically located on the western coast of India. Over the past several years, Apcotex has developed a strong Research & Development base, which has enabled to develop, manufacture and export products and compete effectively against global players. Through its technical service team and well-equipped application laboratory, the company believes in providing value added services to enable customers to constantly improve the quality of their final product. Apcotex has significant global presence and for last few years has done business in all continents and several countries.

Apcotex has been awarded the prestigious "TPM Excellence Award, Category A" and "TPM Consistency Award" by the Japan Institute of Plant Maintenance (JIPM), Japan.

Apcotex, an ISO 9001:2015 certified company, is also certified for ISO 14001:2015 (Environmental Management Systems) and ISO 45001:2018 (Occupational Health and Safety Management Systems). Apcotex is a Responsible Care certified company. Apcotex Industries Limited is headed by Mr. Atul C. Choksey, former Managing Director of Asian Paints Limited.

## EVOLUTION

### 1980

Started as a division of Asian Paints. Pioneered the manufacturing of Vinyl Pyridine latex and Carboxylated Styrene-Butadiene latex in India.

### 1991

Constituted as a Public Limited Company listed on stock exchanges as Apcotex Lattices Limited.

### 1998

Started High Styrene Rubber production with 10,000 MT p.a. (dry) capacity.

### 2005

Name changed to Apcotex Industries Limited.

### 2009

Entered Acrylic Emulsion business to exploit synergies with other products and markets.

### 2013

Installed capacity of saleable latex increased at Taloja from 40,000 MT p.a. to 55,000 MT p.a. (wet).

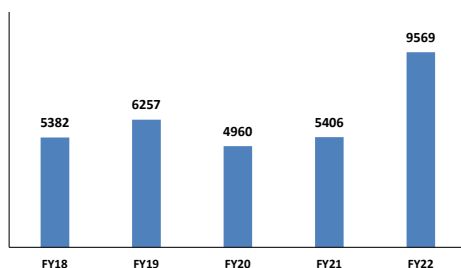
### 2016

Completed acquisition of Omnova Solutions Indian business of Nitrile Rubber of 16,000 MT p.a. (dry) and High Styrene Rubber to create synergy.

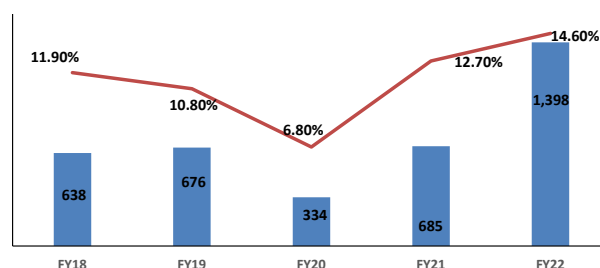


# FINANCIAL HIGHLIGHTS

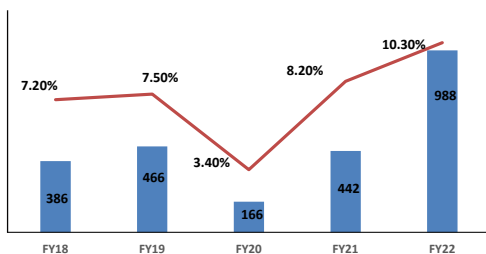
REVENUE (IN MN)



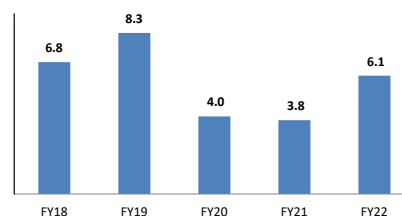
OPERATING EBITDA (INR MN) AND EBITDA MARGIN (%)



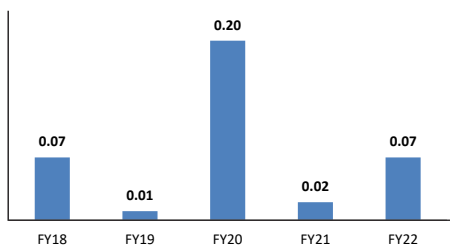
PAT (INR MN) AND PAT MARGIN (%)



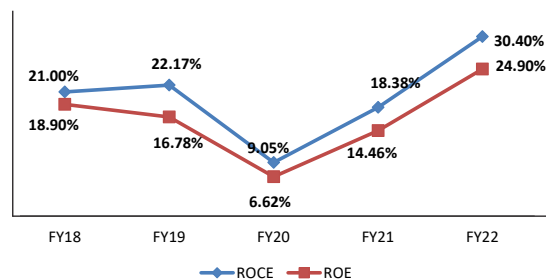
ASSET TURNOVER RATIO



DEBT TO EQUITY RATIO



RETURN RATIOS



## BOARD OF DIRECTORS



### MR. ATUL C. CHOKSEY

#### Chairman

He is a Chemical Engineer from the Illinois Institute of Technology, Chicago, USA. He joined Asian Paints (India) Limited as Junior Executive in 1973 and was subsequently appointed as Whole-time Director with effect from May 1979. He served as the Managing Director of Asian Paints Limited from April 1984 to August 1997. Over the years he has served on the Boards of Marico Limited, Finolex Cables Limited, Blue Star India Ltd. and the Asian Board of the Wharton Business School. He has served as the President of the Indian Paint Association and Bombay Chamber of Commerce and Industry (BCCI) as well as Deputy President of the Associated Chamber of Commerce and Industry of India. He is a member of Young Presidents' Organization (YPO). He is currently a Trustee of Shree Mahalakshmi Temple Trust located in Mumbai and an Independent Director on the Board of Ceat Ltd.



### DR. SWAMINATHAN SIVARAM

#### Independent Director

He obtained his MSc degree in chemistry from IIT-Kanpur followed by PhD and DSc degrees from Purdue University, W. Lafayette, Indiana, USA. He was the Director of CSIR-NCL from 2002-10 and is presently an INSA Honorary Scientist and Honorary Professor Emeritus at the Indian Institute of Science Education and Research, Pune. He has over fifty years of R&D experience, both in industry and academia, in the area of chemicals and polymers. He served on the Board of Asian Paints (India) Limited from 2002 to 2021 and currently serves on the Boards of Supreme Petrochem Limited, Deepak Nitrite Limited, GMM Pfaudler Limited and Gharda Chemicals Limited as an Independent Director. The President of India bestowed on him the coveted civilian honour Padma Shri in 2006.



### 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 an Advocate and Solicitor. He is one of the senior partners at Kanga & Co. He has served on the Board of Siyaram Silk Mills Limited, currently serving on the Board of Excel Industries Limited as an Independent Director. He was the President of Indian Merchants' Chamber for the year 2013-14 and continues to be the member of the Managing Committee of Indian Merchants' Chamber. He is presently Chairman of IMC International ADR Centre. He has also been the President in centennial year of the Rotary Club of Bombay Queen City and has been associated as trustee / advisor with several educational / social organizations.



### MR. AMIT C. CHOKSEY

#### Director

He is a Commerce Graduate from Bombay University and currently Chairman & Managing Director of Mazda Colours Limited in Mumbai, India. Mazda Colours is one of the leading manufacturers of Phthalocyanine Pigments and leading exporters of its products all over the world. He has over four decades of rich

experience in managing the Manufacturing Plants of Inorganic Pigments and Intermediates, Construction Chemicals, Specialty Water Proofing compounds. He hails from a family which promoted Asian Paints (I) Limited, the largest manufacturers of Paints in India. He is a member of the prestigious Young Presidents' Organisation (YPO is the Global Leadership Community of Extraordinary CEOs). He also holds the Diplomatic position as 'Honorary Consul of the Slovak Republic' in Mumbai.



### MR. KAMLESH S. VIKAMSEY

#### Independent Director

He is a Chartered Accountant and a Senior Partner in reputed firm of Khimji Kunverji & Co LLP. He was member of the Central Council of ICAI from 1998 to 2007 and held the post of president in 2005. He has served on the Board of GIC Housing Finance Limited, currently serving on the Board of Tribhovandas Bhimji Zaveri Limited, Navneet Education Limited as an Independent Director to name a few.



### 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.



### MR. UDAYAN D. CHOKSI

#### Independent Director

He is a graduate in Economics from Warwick University. In addition to his C.A. degree, he also holds an LL.B. from Mumbai University. He is a senior indirect tax professional and practising counsel, and was previously at Big 4 - accounting and prominent law firms. He is a Partner at Khaitan & Co.



### MR. ABHIRAJ A. CHOKSEY

#### Managing Director

He graduated from the University of Pennsylvania with degrees in Engineering and Business from Wharton. He worked in strategy consulting and IT in the United States for a few years before joining Apcotex in 2005. He is associated with the Company since 2005 in various capacities and has been the Managing Director since May 2010. He is on the Executive Committee of the Indian Chemical Council (ICC), and an active member of Young Presidents' Organization (YPO) and Entrepreneurs' Organization (EO).



### MR. RAVISHANKAR SHARMA

#### Executive Director

He is a Chemical Engineer from Laxminarayan Institute of Technology, Nagpur, passed out in 1988 and PGDBM from Goa Institute of Management, Goa (Executive MBA) in 2009 and has more than 30 years of rich experience in the field of Production, Projects, Specialty Chemicals, operations and Manufacturing.



## Aerial View of Valia Plant



# OUR GLOBAL PRESENCE

## SOME OF OUR MARQUEE CLIENTS







## MANUFACTURING FACILITIES

### **TALOJA PLANT, MAHARASHTRA**

(65,000 MT) Synthetic Latex

(7,000 MT) High Styrene Rubber



### **VALIA PLANT, GUJARAT**

(21,000MT) Nitrile Rubber and Allied Products

