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## **Avendus advises Kanoria Chemcials on its acquisition of APAG Holding, Switzerland**

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**Mumbai, April 20, 2012**

Kanoria Chemicals & Industries Limited (KCIL) today entered into a Share and Loan Purchase Agreement to acquire APAG Holding AG, Switzerland along with its wholly owned subsidiary APAG Elektronik AG, Switzerland. As per the terms of the agreement KCIL will acquire 90% stake in APAG Holding AG on closure of the transaction and the balance 10% stake will be acquired by 2014 on the basis of a pre-fixed pricing formula. The transaction is expected to be closed in May 2012 and is subject to customary closing conditions.

APAG Elektronik AG is engaged in development and sale of electronic and mechatronic modules and control devices for the automotive, consumer goods, power tool electronics and building automation industries. The designing and engineering facility of the company is located in Switzerland, whereas the manufacturing facility is located in the Czech Republic.

Commenting on the acquisition, Mr. R. V. Kanoria, Chairman & Managing Director of KCIL, said, "After the disinvestment of our Chloro Chemicals business in May'2011, KCIL has been exploring diversification in knowledge based high growth areas. APAG which is known for its acumen in product designing and engineering, and is a reliable partner to the high end automotive segment in Europe, fits well into KCIL's strategy. With fast increasing demand in the high end automotive segment both in India and the rest of the World, the knowledge base of APAG can be leveraged for future expansion in various geographical segments. KCIL is excited, as it is its first global foray in manufacturing apart from being the first move towards diversification, away from commodity chemicals into knowledge based high value addition sectors. "

Mr. Preet Mohan Singh, Executive Director at Avendus said, "Avendus is pleased to be associated with Kanoria Chemicals as they pursue their ambitions to create a global business based on technology and client servicing. We hope this is the first of other acquisitions they pursue in line with their inorganic growth strategy"

**Avendus Capital was the financial advisor to Kanoria Chemicals & Industries.**

**NEWS RELEASE**

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**Avendus Capital**

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## **About Kanoria Chemicals & Industries Ltd.**

Kanoria Chemicals & Industries Limited (KCI) (BSE: 506525; NSE: KANORICHEM) is a leading manufacturer of chemical intermediates in India. KCI is a major player in organic chemicals with manufacturing facilities at Ankleshwar in the state of Gujarat, which manufactures Alcohol and Alcohol based intermediates; and at Visakhapatnam in the state of Andhra Pradesh, which manufactures Formaldehyde and Hexamine. KCI enjoys leadership position in India for Pentaerythritol, Formaldehyde and Hexamine. The company has diversified in the renewable energy sector and is setting up a 5 MW grid-interactive solar power plant near Jodhpur in the state of Rajasthan. KCI has strong corporate governance and social responsibility practices that have been widely recognized and have won the company several awards.

For more information, please visit [www.kanoriachem.com](http://www.kanoriachem.com)

## **About Avendus Capital**

Avendus Capital is a leading financial services firm which together with its group companies provides customised solutions in the areas of financial advisory, equity capital markets, alternative asset management and wealth management. Avendus Securities through its Institutional Equities practice is able to offer clients best-in-class research-driven advice to help them take investment decisions, while Avendus PE Investment Advisors manages funds raised from its investors by investing in public markets. The Group relies on its extensive track record, in-depth domain understanding and knowledge of the economic and regulatory environment, to offer research based solutions to its clients that include institutional investors, corporates and high net worth families. Avendus Capital has consistently been ranked among the top-five corporate finance advisors in India and has emerged as the advisor of choice for cross-border M&A deals and has closed 36 cross-border transactions in the past 4 years. Headquartered in Mumbai, the firm has offices in New Delhi and Bangalore. Avendus Capital, Inc (US) and Avendus Capital (UK) Pvt. Ltd. located in New York and London, respectively, are wholly owned subsidiaries offering M&A and Private Equity syndication services to clients in the respective regions.

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