

## Avendus Advises Kanoria Chemicals on Its Acquisition of APAG Holding, Switzerland.

April 2012 • Mumbai



DEAL VALUE	USD 8.46 mn
SERVICE	Mergers & Acquisitions
SECTOR	Industrials

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.

| 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

**Avendus Group** is a leading financial services firm with a presence in the areas of Investment Banking, Institutional Equities, Wealth Management, Credit Solutions and Asset Management. Established in 1999 in Mumbai, India, Avendus is today present in 10 cities across India, US and Singapore. Avendus partners with the Indian entrepreneur ecosystem to provide differentiated solutions that enable clients to meet their strategic aspirations.

**Avendus Capital**, the investment banking arm, is consistently ranked among the top investment banks in the country on the back of its in-depth domain understanding and a best in the class track record of domestic and cross-border transactions. Avendus' wide range of clients is testimony to its ability to serve its corporates throughout their life cycle – from growth stage funding to large-sized transactions, M&A advisory and access to public markets.

**Avendus Capital Inc.**, New York and **Avendus Pte Ltd.**, Singapore are both Avendus Group entities offering services to clients in the US and Southeast Asia respectively. For more information, please visit [www.avendus.com](http://www.avendus.com)

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