



TRANSPARENT CAPITAL

Resin & Plastics Limited



RESINS & PLASTICS LTD.

Business Overview:

- (i) Resins and Plastics Ltd. (RPL) is one of India's leading Synthetic Resin manufacturers catering to a wide range of industries today such as Adhesives, Coatings, Printing Inks, Insulating Varnishes, Wire Enamels, Lamination, Construction, Cosmetics, Textiles, and Foundries. RPL commenced its operations in 1971 for manufacturing Alkyd Resins, Epoxy Resins, Foundry Resins, Ketonic Resins, and Phenolic Resins some of which are import substitutes. RPL's manufacturing facilities are located at MIDC, Taloja in Maharashtra and GIDC, Ankleshwar in Gujarat, both of which are in close proximity to the shipping ports. RPL's strength lies in its manufacturing and strong distribution network that spans across India. RPL has its own sales offices and branches across the country and also deals through a few major distributors across different regions.
- (ii) RPL also has an associate company, Pragati Chemicals Ltd. (PCL) that focuses on the manufacturing of Amino Resins, Ketonic Resins, and Epoxy Resins. PCL has a plant in Ankleshwar in Gujarat that is eco-friendly using natural gas as a source for heat.
- (iii) RPL believes in leveraging technology to achieve a competitive advantage. It has a well-designed comprehensive in-house IT system that does demand generation and sales forecast projections. They also have an in-house CRM software that ensures efficient customer service and maintenance of long term business relations.
- (iv) Over the years, RPL has also established itself as a noteworthy exporter of synthetic resins to the Coatings and Printing Ink manufacturers of the neighboring countries. In the coming years, they are also focusing on expanding their wings further across Asia, Africa, and the Middle East and Southeast Asian countries.

Promoters And Management::

1. Shri Abhay A Vakil, Chairman, Qualification: B.SC and BS from Syracuse University, USA.
2. Shri Ashwin S Dani, Non-executive Director, Qualification: B.Sc. (Hons), B.Sc. (Tech) (Master's Degree in Polymer Science, Diploma in Colour Science
3. Shri Bharat B.Chovatia, Non-executive Independent Director
Qualification: Bachelor's Degree in Commerce and Law and is a practicing Chartered Accountant.
4. Shri Gobind J Lulla, Managing Director Qualification: B.Tech (Chemical Engg.) from I.I.T. Mumbai & PGDBM from IIM Ahmedabad.

Shareholding Pattern:

| S no | Name | No. of Shares | Percentage of Total Shares |
|------|--------------------------------------|---------------|----------------------------|
| 1 | Narendra Investments (Delhi) Limited | 42,000 | 1.17 |
| 2 | P P Zibi Jose | 26,465 | 0.74 |
| 3 | Pratik Dilipbhai Parikh | 9,500 | 0.26 |
| 4 | Sunil Kumar Gohel | 7,920 | 0.22 |
| 5 | Ashok Vishwanath Hiremath | 6,300 | 0.18 |
| 6 | Ajay Kumar | 5,150 | 0.14 |
| 7 | Shravan Kumar Bali | 5,000 | 0.14 |
| 8 | Sonal Dharmesh Shah | 5,000 | 0.14 |
| 9 | Vikash Kejriwal | 5,000 | 0.14 |
| 10 | Ranjitsinh Himmatsinh Chavda | 3,600 | 0.10 |

Financials:

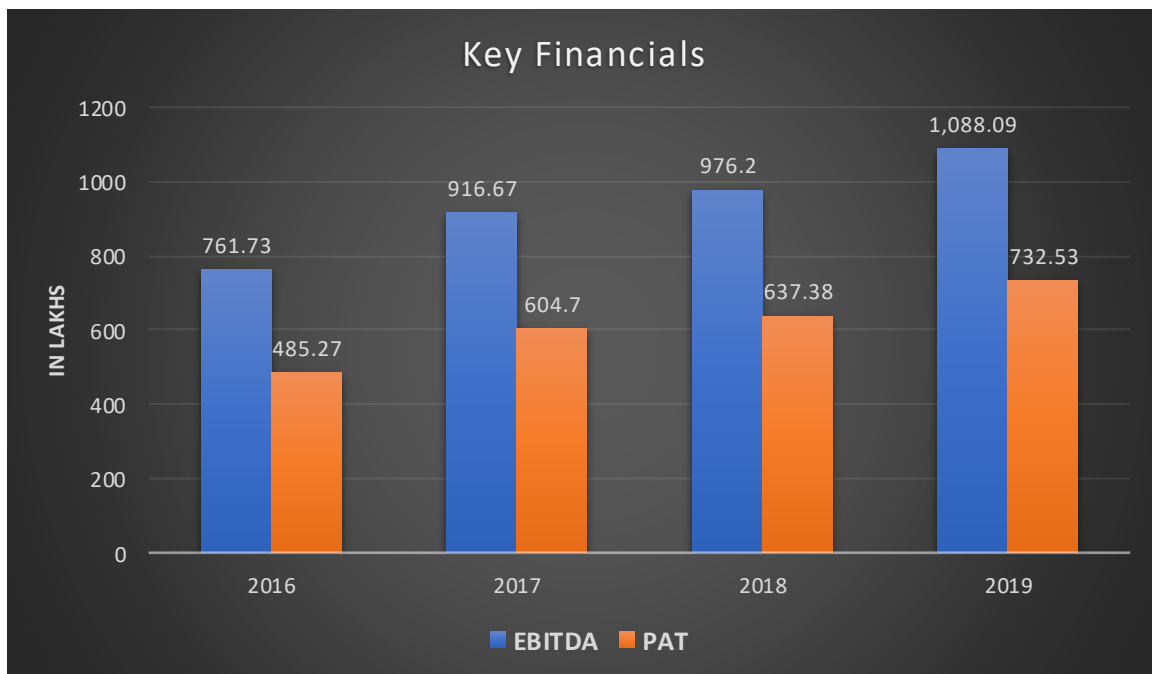
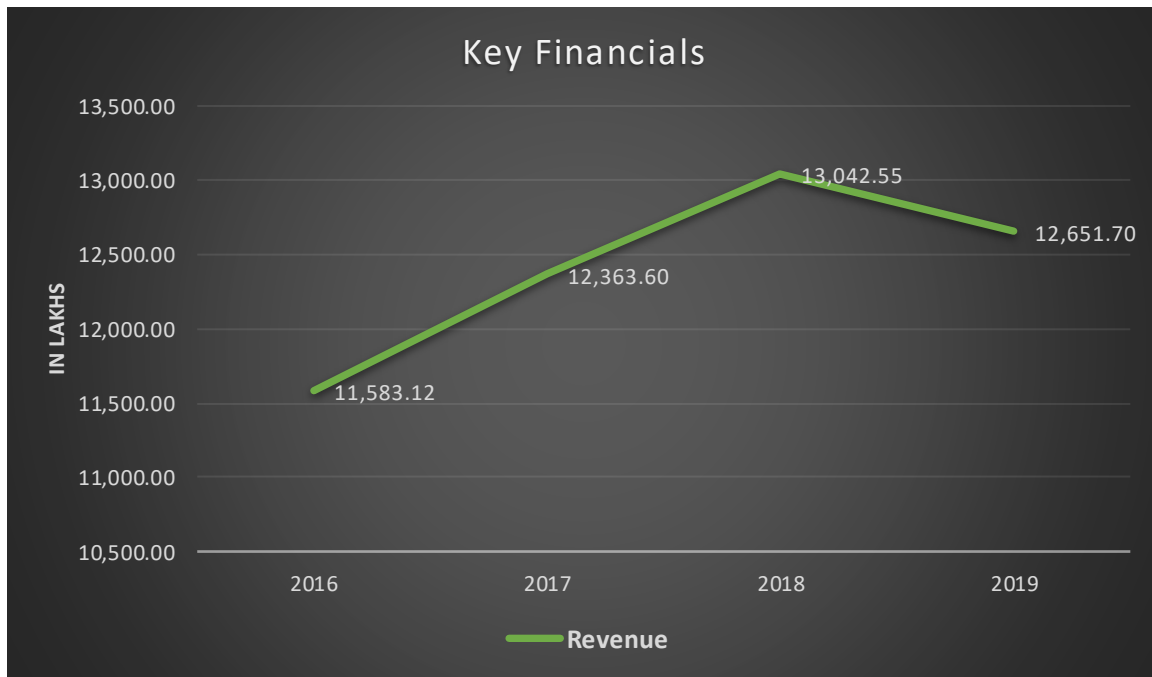
(Figures in Lakhs)

1. Revenue, PAT, EPS, and RoCE Analysis

| Year | Revenue | EBITDA | OPM | PAT | NPM | Shares | EPS |
|------|-----------|----------|-----|--------|-----|--------|-------|
| 2016 | 11,583.12 | 761.73 | 7% | 485.27 | 4% | 35.72 | 13.58 |
| 2017 | 12,363.60 | 916.67 | 7% | 604.70 | 5% | 35.72 | 16.93 |
| 2018 | 13,042.55 | 976.20 | 7% | 637.38 | 5% | 35.72 | 17.84 |
| 2019 | 12,651.70 | 1,088.09 | 9% | 732.53 | 6% | 35.72 | 20.51 |

2. Current Ratio & Net Worth

| Year | Current Assets | Current Liabilities | Current Ratio | NW | CFO |
|------|----------------|---------------------|---------------|----------|--------|
| 2016 | 3,956.07 | 1,042.35 | 3.80 | 3,496.65 | 246.45 |
| 2017 | 4,526.98 | 1,044.58 | 4.33 | 4,101.35 | 502.58 |
| 2018 | 5,217.10 | 1,222.91 | 4.27 | 4,609.74 | 848.83 |
| 2019 | 5,584.12 | 930.02 | 6.00 | 5,213.07 | 706.53 |



Performance:

1. The Company has **excellent growth** in Revenue and PAT.
2. The Company has zero debt on books and an excellent Current Ratio number of more than 4. Any current ratio above 2 is considered the safest company to invest in which no near-term danger in case of liquidity issue.
3. The EBITDA number is growing steadily in 5 years.

4. The Company has not diluted a single share in the last 5 years and still Net Worth is growing which shows the ability of the company to generate profits from operations.
5. The company is available at attractive P/E of 12.
6. The company is consistently paying dividends. In FY18-19 they have given a dividend of Rs.4 per share.

Financial Statements Summary

(₹ in Lakhs)

| DESCRIPTION | FY 2018-19 | FY 2017-18 | FY 2016-17 | FY 2015-16 | FY 2014-15 |
|--|------------------|------------------|------------------|------------------|------------------|
| SUMMARISED BALANCE SHEET | | | | | |
| Net Fixed Asset | 641.32 | 670.78 | 686.18 | 666.24 | 616.80 |
| Investments | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 |
| Long term loans and advances | 68.54 | 67.69 | 70.03 | 35.14 | 33.60 |
| Net Current Assets (Working Capital) | 4,654.10 | 3,994.19 | 3,482.40 | 2,913.72 | 2,619.96 |
| | 5,363.97 | 4,732.68 | 4,238.64 | 3,615.12 | 3,270.38 |
| Represented by : | | | | | |
| Deferred Tax Liability | 57.36 | 63.19 | 73.16 | 70.49 | 72.85 |
| Other long term liabilities | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |
| Long term provisions | 93.05 | 59.25 | 63.62 | 47.48 | 56.66 |
| Share Capital | 357.23 | 357.23 | 357.23 | 357.23 | 357.23 |
| Reserves | 4,855.84 | 4,252.51 | 3,744.12 | 3,139.42 | 2,783.15 |
| | 5,363.97 | 4,732.68 | 4,238.64 | 3,615.12 | 3,270.38 |
| SUMMARISED PROFIT AND LOSS ACCOUNT INCOME | | | | | |
| Sales (Net of taxes) | 12,536.39 | 12,967.86 | 12,311.38 | 11,571.83 | 11,264.87 |
| Misc. Income | 115.31 | 74.69 | 52.22 | 11.29 | 25.35 |
| TOTAL INCOME | 12,651.70 | 13,042.55 | 12,363.60 | 11,583.12 | 11,290.22 |
| EXPENDITURE | | | | | |
| Material Consumed | 9,657.16 | 10,008.24 | 9,526.30 | 9,113.73 | 8,947.20 |
| Overheads | 1,906.45 | 2,058.11 | 1,920.63 | 1,707.66 | 1,617.89 |
| Depreciation | 58.10 | 55.83 | 56.38 | 57.35 | 71.92 |
| Interest | 1.87 | 0.52 | 2.23 | 4.48 | 2.85 |
| TOTAL EXPENDITURE | 11,623.59 | 12,122.70 | 11,505.54 | 10,883.22 | 10,639.86 |
| Profit Before Tax | 1,028.12 | 919.85 | 858.06 | 699.90 | 650.36 |
| Operating Profit as % to Sales Revenue | 7.28 | 6.52 | 6.55 | 5.95 | 5.55 |
| Taxes | 295.60 | 282.47 | 253.36 | 214.63 | 198.39 |
| Profit after Tax | 732.53 | 637.38 | 604.70 | 485.27 | 451.97 |
| Dividend incl. Dividend Tax | 129.20* | 128.99 | - | 128.99 | 128.99 |
| Dividend Percentages | 30.00 | 30.00 | - | 30.00 | 30.00 |