# APAR INDUSTRIES LTD.

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SEC/1711/2018

17th November, 2018

| National Stock Exchange of India Ltd.<br>"Exchange Plaza",<br>C-1, Block G,<br>Bandra- Kurla Complex,<br>Bandra (E),<br>**Mumbai – 400 051.**<br><br>**Scrip Symbol : APARINDS**<br><br>**Kind Attn.: The Manager, Listing Dept.** | BSE Ltd.<br>Corporate Relationship Department,<br>27th Floor, Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Fort,<br>**Mumbai - 400 001.**<br><br>**Scrip Code : 532259**<br><br>**Kind Attn. : Corporate Relationship Dept.** |
|---|---|

**Sub. : Apar Corporate Presentation – November, 2018**

Dear Sir,

We are sending herewith a Corporate Presentation of the Company for **November, 2018** for investors meet.

Thanking you,

Yours Faithfully,
**For Apar Industries Limited**

**(H. B. Trivedi)**
**Deputy Secretary**

**Encl. :** As Above

# Apar Industries Ltd.

Corporate Presentation

November 2018

# Company Overview

# Global leader in Conductors, Transformer Oils & domestic leader in Cables for renewables sector

| | |
|---|---|
| **Market Leadership** | 3rd largest manufacturer of Conductors, 4th largest manufacturer of transformer oil in the world, the largest domestic cable manufacturer for the renewables sector and a leading player in auto lubricants. |
| **Diverse Portfolio** | Over 400 types of specialty & automotive oils; largest range of conventional & high efficiency conductors and a comprehensive range of power & telecom cables. |
| **Driving growth through innovation** | Pioneer in new technologies & development of value added products creating new market segments through in-house R&D programmes. |
| **Long term relationships with marquee customers** | Multi-year relationships with Indian and global majors. Exports to 100 countries; plants strategically located close to ports. |
| **Strong Alliances** | Brand and manufacturing alliance with ENI S.P.A Italy and technical alliance with CTC Global (USA) for manufacture of new generation carbon composite conductors. |
| **Robust financials** | 14% average ROE for last 5 years, Volumes grow to record levels across segments. TTM Sep'18 consolidated revenue of Rs 6,654 crore, up 33% YoY. |

# Strong presence across diverse businesses

## Conductors

**23% market share**
Total Capacity: 180,000MT. Shifted 50,000 MT to Jharsuguda Plant (Total - 80,000 MT) in FY18.

## Specialty Oils

**45% market share**
Total Capacity: 5,42,000KL. Port based Al-Hamriyah (Sharjah) plant (100,000 Kl) commenced production in Jan'17.

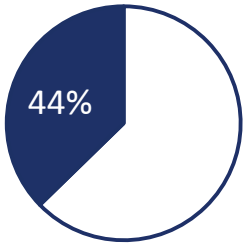
## Cables

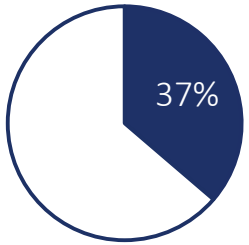
Acquired Uniflex in 2008. Grew sales from Rs 129 crore in FY09 to Rs 1,116 crore in FY18 at a CAGR of 27% (FY09-18).

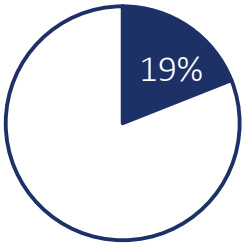
## Auto Lubes

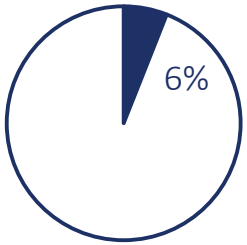
Renewed focus in auto lubes with licensing agreement from ENI, Italy for ENI brand. Rs 339 crore revenue in FY18

**Revenue Contribution (FY18)**



# And multiple growth drivers in place

## Power Sector

### High Focus on Transmission & Distribution (T&D)

- Regulatory initiatives undertaken via schemes such as Saubhagya (rural electrification), Ujwal Discom Assurance Yojana (reducing discom losses), Integrated Power Development Scheme (systems strengthening, smart metering)
- 13th five-year plan has announced Rs 2.6 tn investment in T&D including addition of ~102,651 ckm of transmission lines and 3,00,000 MVA of transformation capacity at 220kV and above. 37,297 ckm transmission lines added by Sep'18.
- Power Grid has set capex target at Rs 25,000 crore in FY19.

### Govt thrust on Renewable Energy

- India has a 175 GW clean energy target to be achieved by 2022, up from 71.33 GW (as of June 2018).
- Apar, being the largest supplier to Wind and Solar Power companies is well placed to monetise this opportunity.

### Growing demand from Automotive & Telecom sectors

- Apar targets these two high-demand sectors via automotive oils and Telecom cables.
- Govt's Automotive Mission Plan 2016–26 envisions the industry to grow ~4X by FY26, 10% CAGR for volumes. Passenger vehicle of ~29 mn in 2015 is expected to grow to 48 mn by 2020.
- In Telecom, Government's Bharat Net project that targets high-speed broadband connectivity infrastructure to 250,000 gram panchayats by March 2019, has achieved 50% completion.

### Increased Infrastructure Spending

- Indian Economy is expected to grow at 7.3% in FY19 and 7.4% in FY20 as per IMF forecasts.
- Strong spending is expected in Defence, Highways and Railways.
- 100% Railways electrification announced by 2022.

# Strategic investments to drive future growth

**Strategic investments of Rs 660+ crore since FY13 for innovative/higher value added products.**

## Conductors - Rs 267 crore

- **Commissioned Jharsuguda (Odisha) plant with 30,000 MT capacity in Sep'16, Further shifted 50,000 MT to Jharsuguda Plant (Total - 80,000 MT) in FY18.**
  - **Proximity to smelters, for logistical benefits;**
  - **Tap into increasing generation capacity in eastern India;**
- Started production in aluminium rod making & melting facility at Lapanga (Orissa) in FY18.
- Signed agreement with Hindalco for sourcing molten metal - cost saving of Rs 1,000 / MT.
- Set up manufacturing capacity for Railway Copper Conductors (7200 MT) and OPGW (7200 Km.)

## Oils - Rs 181 crore

- **Port based Hamriyah (Sharjah) plant became operational in Jan'17 and became cash positive with 50% capacity utilization in FY18**
  - **Proximity to customers in Middle East and East Africa.**
  - **Opens new avenues for bulk exports.**
- Expanded T-Oils capacity and range (including 765KV & 800KV HVDC), doubled Industrial and Automotive blending and automated packing capacity and established a new R&D facility at Rabale.

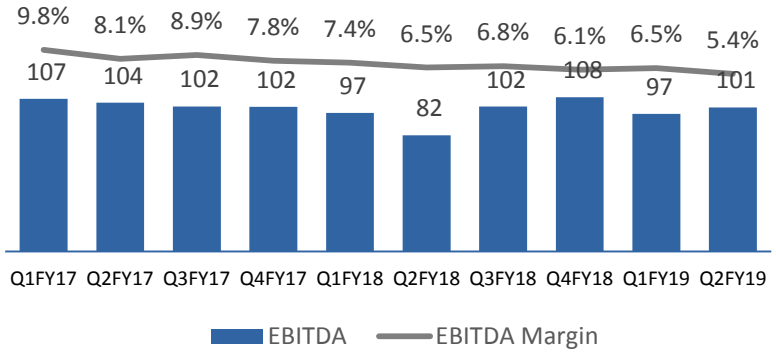
## Cables – Rs 220 crore

- **Capex focused around power cables to manufacture high-voltage cables using the latest CCV technology is completed in FY18.**
- **LT consolidation in Khatalwad**
- Setup green field Khatalwad plant for E-beam Elastomeric Cables, OFC Cables & other products.
- De-bottlenecking of HT/LT Cables capacity at Umbergaon plant.

# Macro headwinds impact margins, to recover in H2FY19

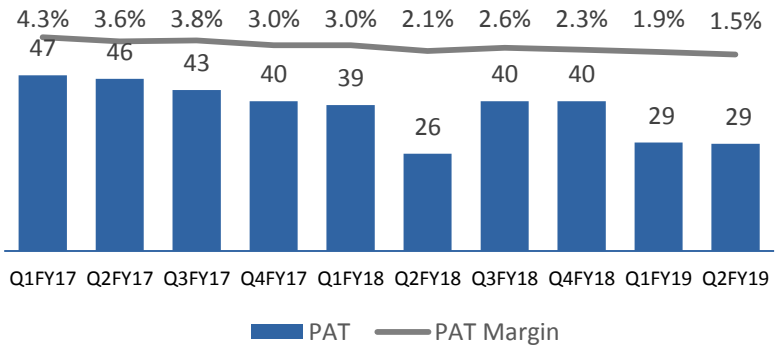
**Margins expected to improve in H2FY19 with stable base oil prices, catch up in formula based pricing in oils division, stable rupee and better product-mix overall.**

## EBITDA* / Margin

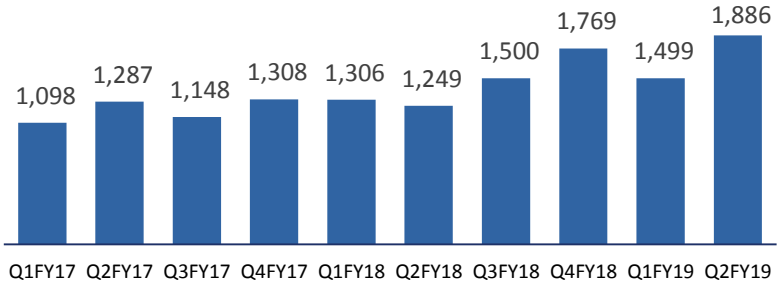



EBITDA

## PAT / Margin




## Revenue




Notes:
*EBITDA is post Forex adjustment
Consolidated financials. All Figures are in Rs crore

# Segmental Performance

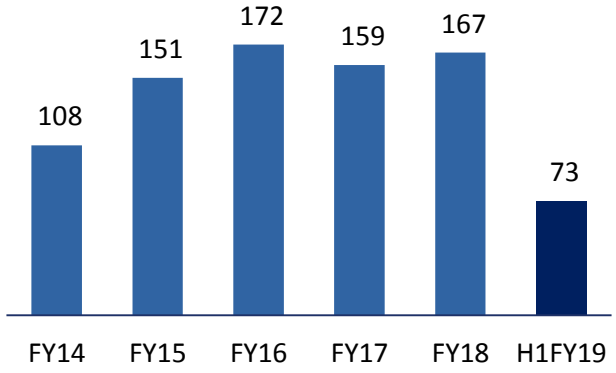
# Conductors: Largest manufacturer and exporter from India

## Rapid growth with improved demand scenario and investment in new products

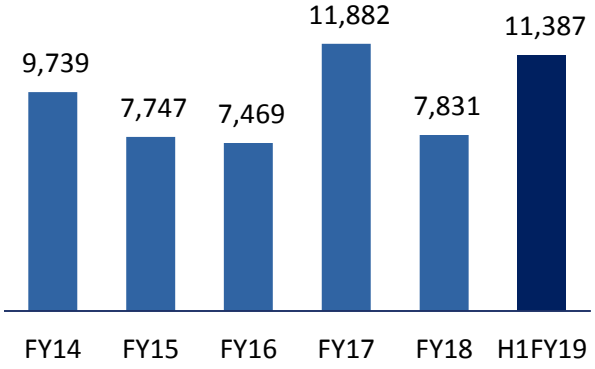
- Order book in Sep'18 at all-time high of Rs 2,696 crore, up 92% YoY.
  - New order inflow of Rs 2,817 crore in H1FY19 versus Rs 893 crore in H1FY18. Includes Copper conductor (new product) orders of Rs 420 crore for Railways.
- Revenue increased 14% YoY to reach Rs 2,567 crore in FY18. H1FY19 revenue up 48% YoY.
- High Efficiency Conductors (HEC) share at 12% in H1FY19.
  - Garnering higher traction in export markets like South Asia (Nepal & Bangladesh).
  - HEC contribution expected to increase to ~15% by FY19.
- Molten metal sourcing agreement signed with Hindalco – will help reduce cost of manufacturing by Rs 1,000 per MT.
- Shifted capacity of 50,000 MT from Silvassa to Jharsuguda, Odisha (total 80,000 MT) in FY18 to avail cost and logistic benefits.
- New molten metal facility commenced at Lapanga plant for manufacturing rods.
- Strategically invested in building capabilities for re-conductoring and new lines by taking turnkey projects, thus building service offerings, a key competitive advantage for HTLS business.
- Set up manufacturing capacity for Railway Copper Conductors (7200 MT) and OPGW (7200 KM). Execution started, both seeing good traction.
- Undertaken transpose copper conductor project, which will cater to the transformer industry, with specialized copper winding. Expected to be commissioned in April 2019.
- EBITDA / MT, post FX, recovers to Rs 11,387 in H1FY19, up 13% YoY.

### Volume (In '000 MT)

**12% CAGR (FY14-18), up 6% YoY in H1'FY19**




### EBITDA (Per MT)*




* After adjusting open period forex

# Driving growth through key strategic initiatives

## Developments for FY19

- Order book at Rs 2,696 crore as on Sep'18
- New business of Copper conductors for Railways received orders worth Rs 420 crore in H1FY19.
- New orders for HEC business received in India and from Bangladesh.
- Strong execution in all new businesses – copper conductors, Aluminium alloy rod.
- CTC for Transformer Industry project under execution (to be commissioned in April '19)

### Capacity Expansion

Jharsuguda Plant (80,000 MT) to cater to increasing demand in East and North East India. Logistics benefits resulting in lowest cost conductors manufacturing in India. Adding capacities for copper conductors for Railways and CTC for Transformer industry.

### Export market

Strong focus on exports, exports orders contribute 42% of order book.

### High-value products

HEC contributed 12% of conductors revenue in H1FY19; expected to increase to 20% by 2020.

### Strong T&D Investment in Domestic market

13th plan to involve investment of Rs 2.6 tn, including addition of ~100,000 ckm of transmission lines & 3,00,000 MVA of transformation capacity at 220kV & above.

### Strong thrust from Railway Electrification

Government planning to overhaul the railway's electric infrastructure (over 67,000 ckm) by incurring a capex of Rs. 35,000 crore over a five-year period

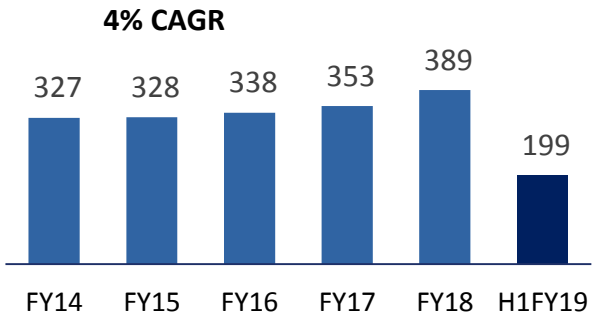
### Impact of UDAY

27 states & 5 union territories have Joined UDAY, with Bonds issued worth Rs 2.32 lakh crore till date. States losses have declined from Rs 51,590 crore to about Rs 36,905 crore, to have positive impact on T&D Spending.

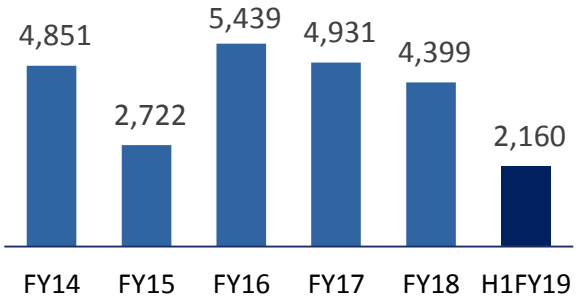
# Specialty Oils: Continued leadership with a global footprint

- Revenue increased 27% YoY to reach Rs 2,162 crore from Rs 1,699 crore in FY17 driven by record sales in transformer oil, white oil, industrial oil and automotive oils
  - FY18 volume at 3,88,513 KL, historical highest volume for the period.
  - Hamriyah (Sharjah) plant crossed 50,000 KL in its first year of operations with positive cash flow. Currently operating at ~61% utilisation.
  - H1FY19 Oils volumes up 3% YoY, revenue up 20% YoY.
- EBITDA per KL, post forex adjustment, steeply declines in H1FY19 due to external inflationary factors on account of Base oil prices, Rupee depreciation, Packing materials and Additive costs. Lag in passing the prices increase due to formula based pricing to Auto OEM'S
- H2FY19 expected to be better with stable base oil prices, catch up in pricing and stable rupee.
- Exports of Transformer Oils and White Oils to over 95 countries. Successful manufacturing and distribution tie-ups in South Africa, Australia & Turkey.

## Volume (In '000 KL)




## EBITDA Per KL*




* After adjusting open period forex

# Driving growth through capacity expansion and value added products

## Developments for FY19

- Only Indian company to win new business to supply all the major HVDC projects with transformer oil in FY19 & FY20.
  - Order of 10,000+ KL won from ABB and GE
- Margins to improve in H2FY19 with stable base oil prices, catch up in pricing and stable rupee.

### Capacity Expansion

Commissioning of state of the art Specialty oil, blending plant in Hamriyah, free zone Sharjah

### Increasing demand for High Voltage Oils

Increasing trend towards adaption of high Voltage transformers will drive demand for High Voltage Transformer Oils.

### Impact of UDAY

Will boost T&D investments; leading to increased distribution Transformer Oils demand.

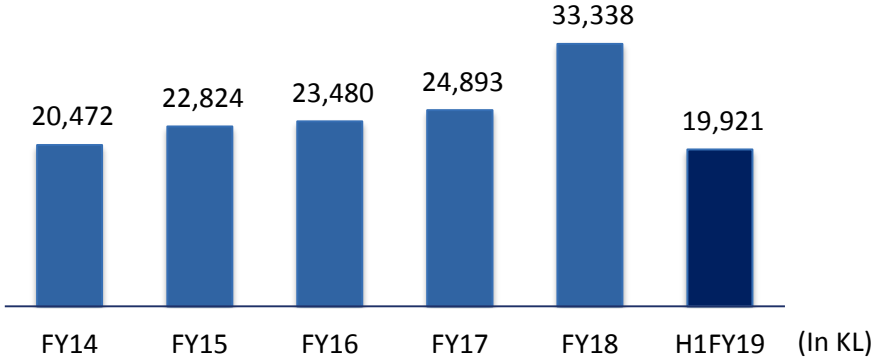
### Saubhagya Scheme

Will create demand for transformer oil to refurbish and maintain the transformers

# Auto Lubes: Strategic partnership & aggressive marketing driving growth

- Manufacturing and license agreement with ENI S.P.A to manufacture ENI branded lubricants, positioned at upper end of the market.
- Best in Class lubricants delivering great "Performance and Protection" across all transportation segments with Industry leading innovative products.
- 450 distributors and 15,000 stockists spread across India.
- Revenue of Rs 339 crore in FY18, up 32% from YoY. H1FY19 revenue up 28% YoY to reach Rs 206 crore.
- H1FY19 volumes up 29% YoY. Increased sales from Auto OEMs, continue to grow by optimising performance/value matrix.
- Volume share of high margin auto oil increased to 10% in H1FY19 vs 9% in FY18 and 7% in FY17.
-

## Volume growing at 13% CAGR (FY14-18)

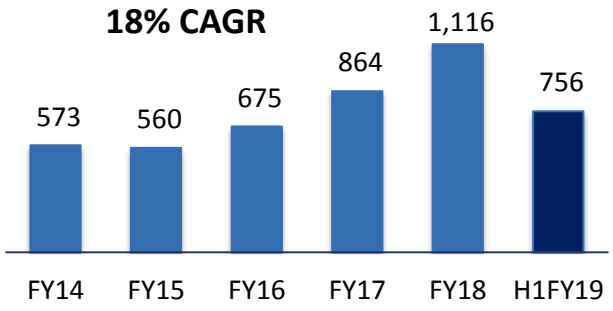



## Riding the high road with ENI

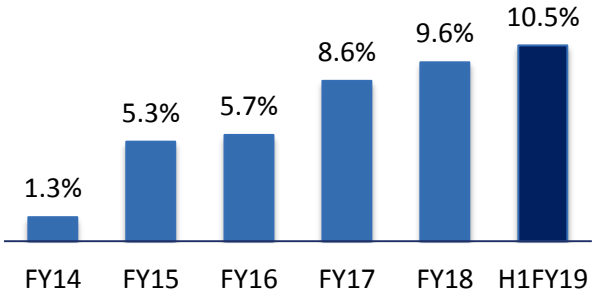
# Cables: continues ahead on a profitable growth path

- Revenue increased 29% YoY to reach Rs 1,116 crore in FY18 and 53% YoY in H1FY19 at Rs 756 crore.
  - All sub-segments delivered robust growth.
  - Power cables see increased demand from expansion and improvement in distribution networks.
  - Order book and execution increase for Railways and Defence sectors.
  - Increased ordering for our fibre optics cable from BBNL and BSNL as they look at connecting the villages under BharatNet project.
  - Steady demand from renewable energy, expect revival in demand for wind power infrastructure.
- EBITDA Margin, post forex adjustment, crosses double-digit in H1FY19 to reach 10.5%.
- New HT capex (completed in FY18) is focused around power cables to manufacture high-voltage cables using the latest CCV technology .
- LT Cable shifting to Khatalwad plant completed. Ongoing expansion of OFC cables in Khatalwad plant.

**Revenue (In Rs Crore)**




**EBITDA Margin***




* After adjusting open period forex

# New opportunities in the cables business

### Developments for FY19

- Exploring new opportunities in MVCC, Auto Cables & Railway harnesses.
  - Started getting approval for E-beam Auto cables
  - Execution started for Railway harness business
- Higher execution with added capacity at both HT & LT XLPE segments.

### Capacity Expansion

Doubled capacity in Medium and High voltage Power Cables

### Increasing exposure to high growth sectors

Elastomeric segment is expected to grow due to strong spending by Solar, Railways and Defence.

### Optical Fiber market to grow

Increased ordering from BBNL and BSNL.

### Impact of UDAY

The Power Cable segment is growing on account of improving discom's financial health from UDAY.

### BharatNet Project

Aims to add 10 lakh Km of optical fibre with a total capital investment of Rs. 45,000 crore

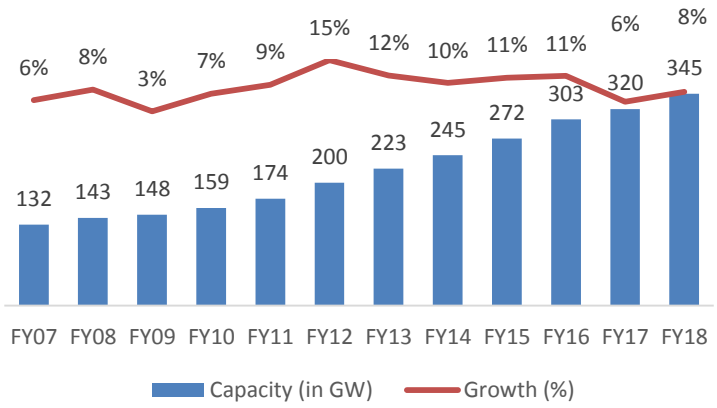
# Power Sector Overview

# Power sector on a turnaround post recent govt initiatives

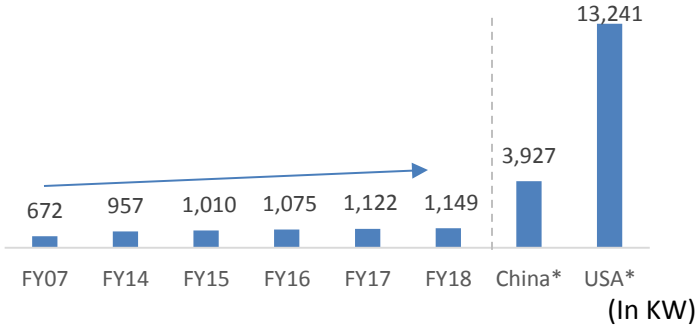
## Power sector expected to receive investment of about $1 trillion by 2030

- India's **power demand is expected to grow at 6.5-6.8% CAGR** in FY19-23 versus 3.8% CAGR in last five years, driven by high latent demand, rapid urbanization and the government's thrust on rural electrification.
- 13th National Electricity Plan targets **479 GW of Generation capacity** from current 345 GW. This includes 243 GW of thermal capacity (current 222 GW) and 175 GW of renewable capacity (current 71 GW).
- 13th Plan is estimated to involve **T&D investment of Rs. 2.6 lakh crore**. Out of the Plan's targeted addition of 1,02,651 ckms of AC transmission lines, 36% has already been achieved by September'18.
- **UDAY (Ujwal DISCOM Assurance Yojana)** aims at permanent resolution of DISCOMs issues, which are the weakest link. UDAY has helped debt laden discoms reduce annual losses by 70% to around Rs 17,350 crore in last two years. Discoms showed 5% reduction in AT&C losses to 19%. So far, 32 states/ Union Territory have joined UDAY.
- Rural electrification schemes such as **Rs 16,000 crore Saubhagya scheme for household electrification** in rural areas and poor urban areas. ~1.65 crore households have been connected. Under **Deen Dayal Upadhyaya Gram Jyoti Yojana** (Rs 75,893 crore) projects with total cost of Rs 42,565 crore have been sanctioned.
- In **Integrated Power Development Scheme** (Rs 65,424 crore) projects worth Rs 26,910 crore are sanctioned and 44% physical progress has been achieved till October 2018 in the system strengthening projects.
- **Rs 35,000 crore 100% Railway Electrification** plan to overhaul the railway's electric infrastructure (over 67,000 ckm) by 2022.
- 2018 budget has allocated Rs 2,045 crore to Solar power, 54% of total allocation for grid-interactive renewable energy schemes and projects.

### Installed capacity nears 350 GW




### Per capita consumption of electricity (India)




*China and US figures are as on 2014 (Worldbank data)

# UDAY- biggest policy initiative towards Ujwal Bharat

## Highlights

- Debt take over by the state resulting in reduction in interest cost
- Lower cost of power
- Operational efficiency
- Enabling quarterly Tariff Increase

## Expected Outcomes

- Reduction of AT&C loss to 15% in 2018-19 from 32% in 2013-14
- Reduction in gap between Average Revenue Realized & Average Cost of Supply to zero by 2018-19
- Almost all DISCOMs to be profitable by 2017-18, 3-4 by 2018-19

## Implementation Status

- 27 states & 5 UT's have signed MOUs
- 16 states have already issued bonds worth Rs 2.32 lakh crore (86% of target) till now for revival of debt-ridden discoms.
- As of March 31, 2018, the AT&C loss levels were 18.74%, across all states participating in the UDAY program.
- The combined accumulated losses of DISCOMs have slid to about Rs 1,730 billion in FY 2017-18. Restructuring of DISCOM debt resulted in moving the debt to state governments, which in turn resulted in reduced interest rates and lower cost of debt service.
- Gap between ACS (actual cost of supply of power) and ARR (Cost & Tariff rate) has reduced to Rs 0.24/kWh (by 57%) over two years.
- Tariff revision done for 25 out of 27 UDAY states/ UTs

# Govt's focus on transmission and distribution to drive growth

| System Type | End of 10th plan | End of 11th plan | End of 12th plan(Target) | As on Sep'18 | End of 13th plan |
|---|---|---|---|---|---|
| AC transmission Lines(In C Kms) | 1,92,535 | 2,48,049 | 3,48,049 | 3,85,346 | 4,50,700 |
| HVDC (In C Kms) | 5,872 | 9,432 | 16,872 | 15,556 | 19,815 |
| Total (In C Kms) | 1,98,407 | 2,57,481 | 3,64,921 | 4,00,902 | 4,70,515 |
| AC Substations Transformation Capacity (In MVA) | 2,49,439 | 3,99,801 | 6,69,801 | 8,36,408 | 9,79,637 |
| HVDC (In MVA) | 8,200 | 9,750 | 22,500 | 22,500 | 30,500 |
| Total (In MVA) | 2,57,639 | 4,09,551 | 6,92,301 | 8,55,508 | 10,10,137 |
| Inter-regional transmission Capacity (In MW) | 14,050 | 27,750 | 65,550 | 86,450 | 1,18,050 |

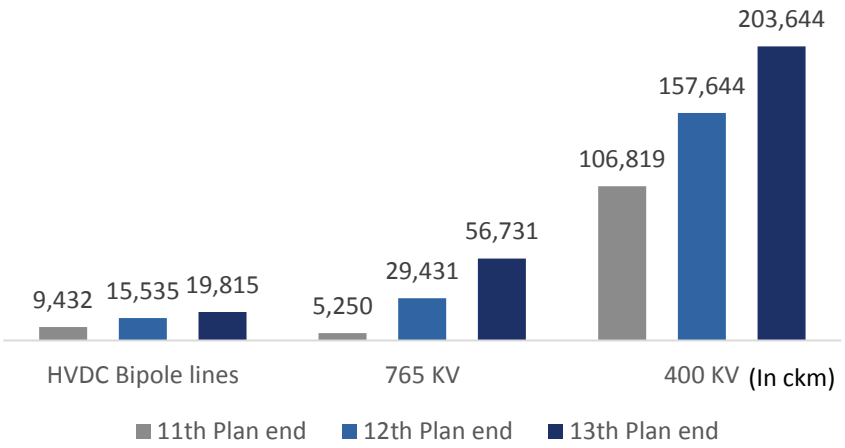
- Total Investment of Rs 2.6 tn expected during 13th Plan period.
  - Rs 1.6 tn for ISTS projects and the balance Rs 1 tn for the intra-state transmission network in the 13th plan.
- High capacity transmission corridors are in various stages of implementation and most are likely to be commissioned by 2021.
- Power Grid to spend Rs 1 tn over next 4 years to expand its T&D network. Power Grid has set FY19 capex target of Rs 25,000 crore.

# High voltage conductors & transformers to boost demand

## Planned improvements in transmission sector by Govt

- High capacity 400kV multi-circuit/bundle conductor lines.
- High Surge Impedance Loading (HSIL) Line.
- Increase in current High Temperature Low Sag (HTLS) conductor line.

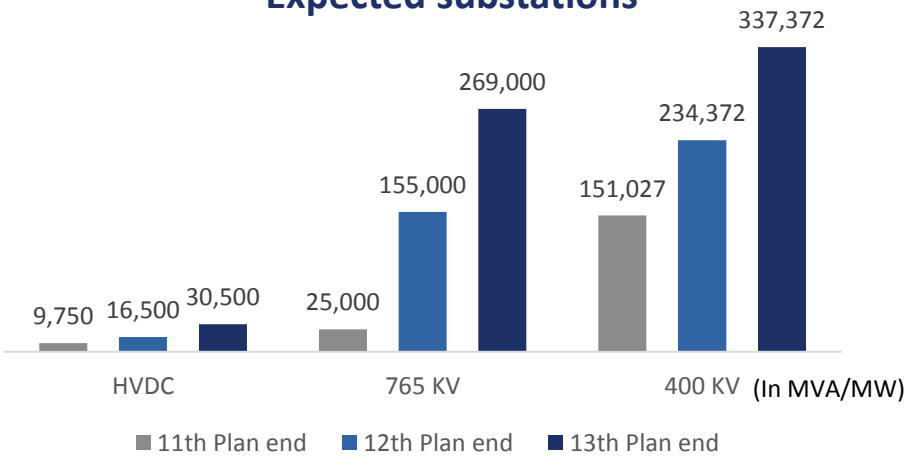
## Expected transmission lines




## Strong focus on 765KV & 400KV lines & Substations in 13th Plan

- 26% of new transmission lines are 765KV and 44% are 400KV.
- 39% of new substations planned are 765KV and 35% are 400KV.

## Expected substations

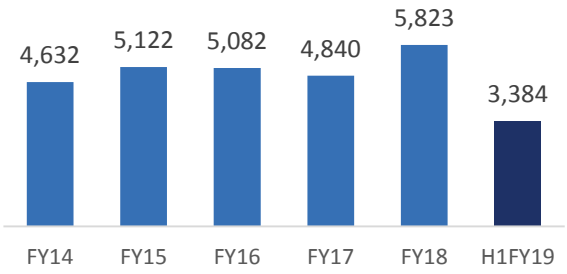



**Higher voltage equipment addition will boost growth for company. . .**

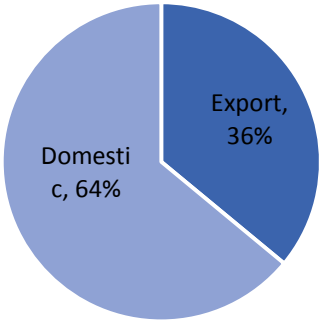
# Financial Performance

# FY18, H1FY19 deliver revenue growth in all segments – Cables, Speciality Oils and Conductors

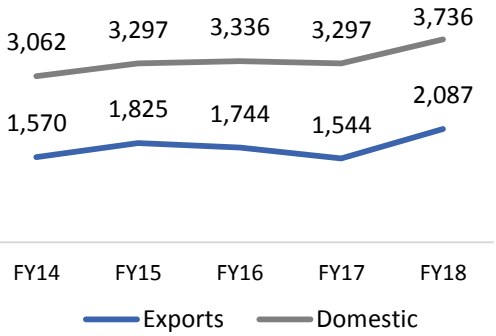
## Consolidated Revenue



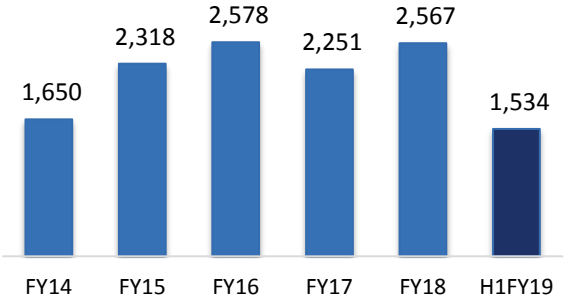

## Revenue Geographic Break-up (FY18)



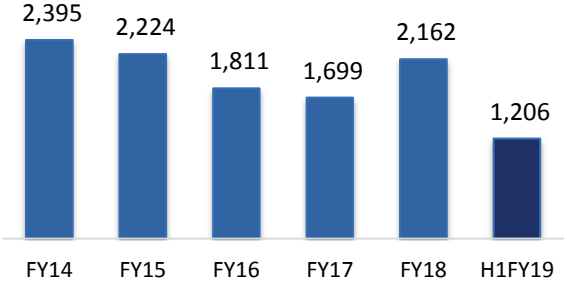

## Exports grew at 7% CAGR



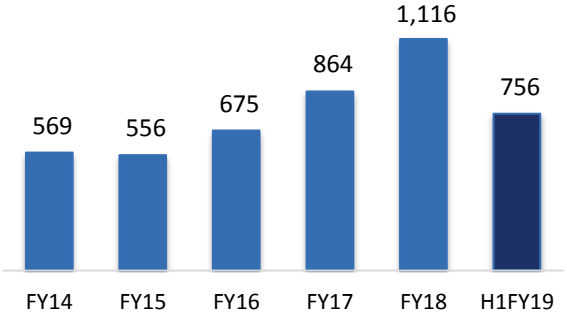

## Conductors




## Specialty Oils




## Cables

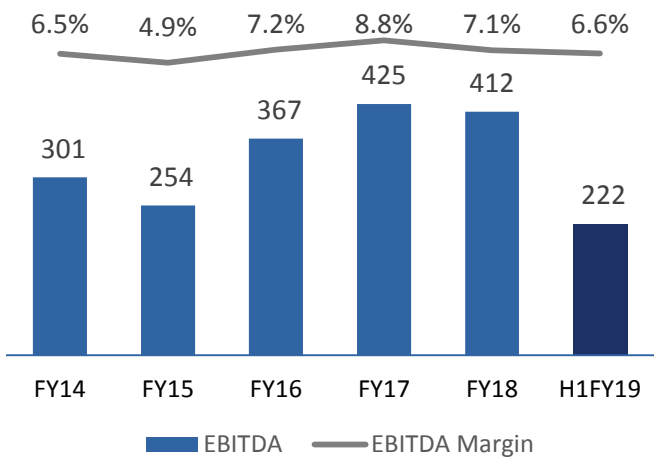



Figures in Rs crore

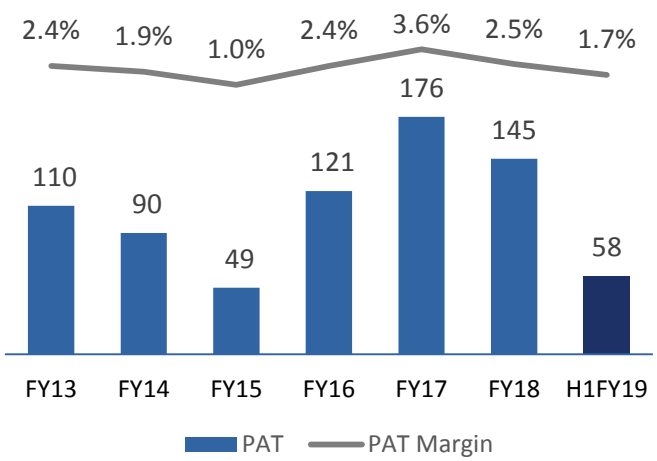
# Margins transiently impacted due to macro headwinds in Oils division, to improve in H2FY19.

Figures in Rs crore, consolidated financials

## EBITDA / Margin




## PAT / Margin




FY18 margins impacted on account of aggressive pricing, higher raw material prices, GST implementation and commencement of new manufacturing assets in Jharsuguda, Lapanga (Orissa), Umbergaon and new plant in Hamriyah.

H1FY19 EBITDA margins impacted due to Oils profitability being impacted by increased base oil prices, rupee depreciation, lag in passing price increase. Margins to improve with stable base oil prices and catch up in pricing in H2FY19.

Note: FY16 PAT excludes gain of Rs 43 Cr on sale of Treasury shares.

# Strong Balance Sheet

**Stringent credit control systems in place. . .**

| | FY14 | FY15 | FY16 | FY17 | FY18 | H1FY19 |
|---|---|---|---|---|---|---|
| Debtor Days | 87 | 90 | 78 | 95 | 108 | 101 |
| Inventory Days | 80 | 67 | 55 | 75 | 76 | 83 |
| Payables Days | 108 | 112 | 100 | 134 | 160 | 151 |

**Low debt /equity ratio. . .**

| | FY14 | FY15 | FY16 | FY17 | FY18 | H1FY19 |
|---|---|---|---|---|---|---|
| Current Ratio | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| D/E | 0.1 | 0.1 | 0.1 | 0.3 | 0.3 | 0.3 |
| Interest Coverage | 1.9 | 1.5 | 2.1 | 3.4 | 2.6 | 1.8 |

# Annexure

# Key Milestones

**1958**
Company Incorporated with Conductors business

**1969**
Transformer Oils, Refinery in Mahul, Chembur
Successfully diversified into Sp Oils business

**1998**
Setup Rabale Oils plant
Greenfield Expansion to meet growing demand

**2000-02**
Setup Silvassa Oils & Conductors plant
Greenfield expansion into tax free jurisdiction

**2007**
Entered into Auto Lubes segment via license agreement with ENI Italy
Diversification into large opportunity in Auto Lubes Segment

**2008**
Acquired Uniflex Cables to diversify into Cables manufacture
Entered Cables business to expand portfolio and forward integration

**2010**
Global Presence in 100 Countries
State of the art R&D unit set up at Rabale

**2012**
Installed 2 E-Beam Accelerators
New Generation Technology to build largest E-Beam facility in India

**2013**
Conductors plant set up at Athola
Greenfield Expansion to meet growing export & domestic demand

**2016**
Set up Conductors Plant in Jharsuguda
Proximity to smelters, for logistical benefits; Tap into increasing generation capacity in eastern India

**2018**
Commissioning of Sharjah Plant; Signed agreement with Hindalco for Conductors
To cater to reviving Domestic demand & move closer to International Oils clients; Reducing production costs for Conductors

# Wide and deep product mix

## Conductors

**High Efficiency**

- TACSR
- STACIR
- GZTACSR
- ACCC
- ACSS/TW
- AL59 & AL57

**Conventional**

- AAC
- ACSR
- AAAC
- AACSR/ACAR
- ACSR/AW
- Earth wires

## Specialty Oils

- **Transformer Oils** For insulation & cooling
- **Rubber Processing Oil:** For Tyre & Polymer Ind
- **Ind Oils**: For Industrial machinery lubrication & process Oils
- **Liquid Paraffin & White Oil**: In Cosmetics, Food Packaging & Pharma Ind

## Cables

**Power**

- Power Cables
- Elastomeric and Flexible Cables
- E-Beam Cables for Railways, Wind, Solar & Defence
- Anushakti E Beam House Wires

**Telecom**

- Optical Fiber Cables (OFC)
- Special Cables combining Power & Communication

## Auto Lubes

**Auto Lubes**

- Diesel Engine Oils for Commercial and Agriculture equipment
- Diesel Engine Oils for 3-wheelers Oils
- Motorcycle Oils
- Passenger Car Motor Oils
- Transmission Fluids and Greases

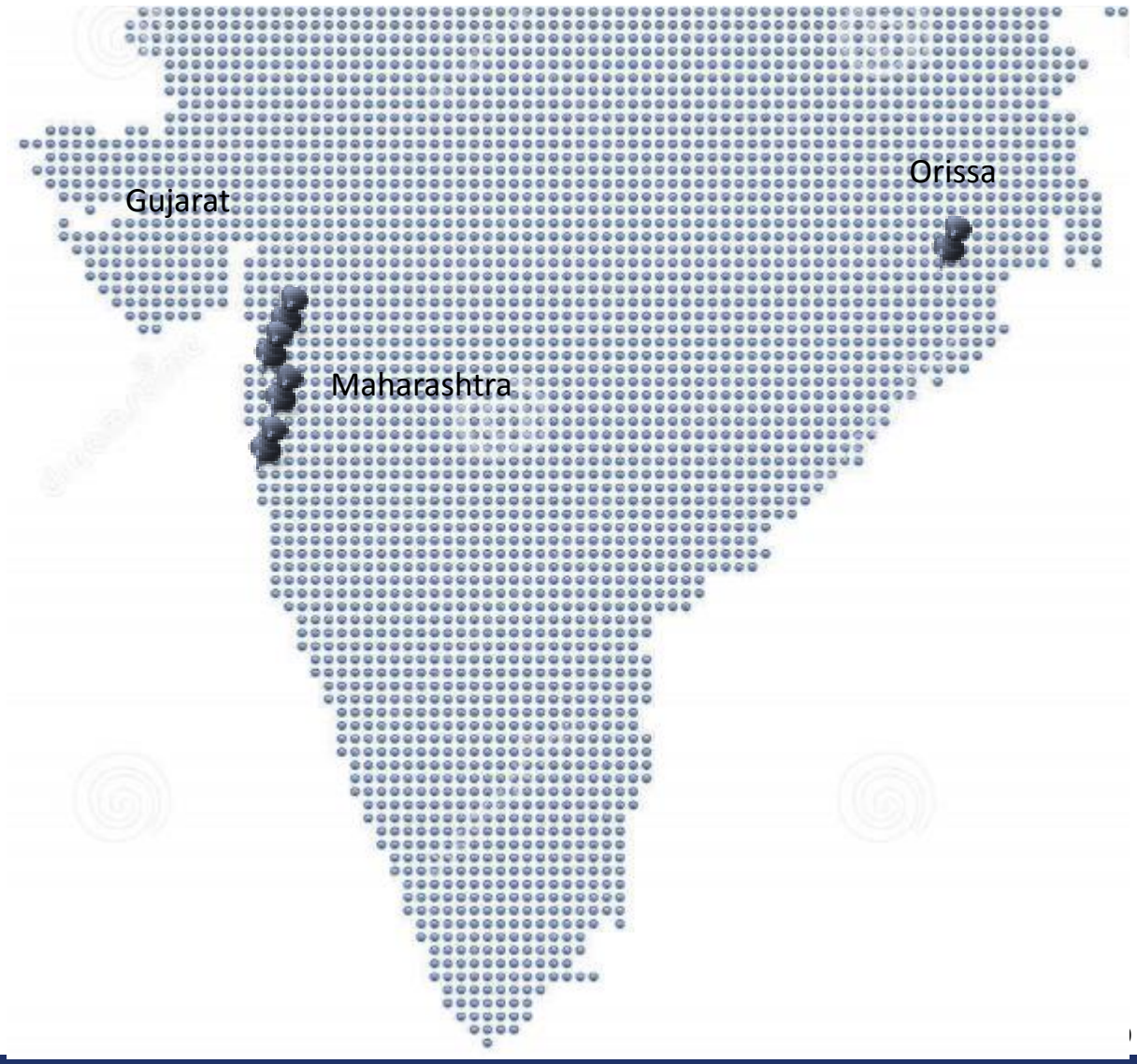
# Huge global presence driving exports

**Presence in 100 countries, Exports contributing 36% to FY18 Revenue**

- Adopted a hub and spoke manufacturing and distribution model for specialty oils - allows efficient delivery cycles to global transformer OEM's across Asia, Africa and Australia
- Presence in over 100 countries with a focus on South East Asia, Middle east, Africa and South America

# Strategically located manufacturing units a big strength

Proximity to major ports gives strategic advantage for exports




**Manufacturing Units:**
Rabale (Maharashtra),
Silvassa & Athola (Union Territory of Dadra and Nagar Haveli),
Umbergaon & Khatalwad (Gujarat)
Jharsuguda (Orissa)
Lapanga (Orissa)
Hamriyah (Sharjah)

# Strong clientele with long lasting relationships

पावरग्रिड

एनटीपीसी NTPC

NEPC

नीपको NEEPCO

PGCB

Société Tunisienne de l'Electricité et du Gaz

KEGOC

IBERDROLA

SAG

NamPower

Melbye Skandinavia

Kenya Power

Eskom

Ceylon Electricity Board (CEB)

الشركة السعودية للكهرباء
Saudi Electricity Company
طاقة مثمرة

RIO TINTO

# Annexure: Financials

# Consolidated Profit & Loss Statement (Historical)

| | FY14 | FY15 | FY16 | FY17 | FY18 |
|---|---|---|---|---|---|
| **Revenue from operations (net)** | 4,632 | 5,122 | 5,551 | 5,289 | 5,939 |
| Other income | 4 | 2 | 10 | 16 | 11 |
| **TOTAL REVENUE (i)** | **4,636** | **5,124** | **5,562** | **5,305** | **5,950** |
| **EXPENSES:** | | | | | |
| Cost of Raw Materials | 3,675 | 4,085 | 3,905 | 3,573 | 4,495 |
| Employee benefits expense | 67 | 79 | 91 | 107 | 126 |
| Other expenses | 595 | 705 | 721 | 748 | 793 |
| Excise Duty | | | 473 | 457 | 120 |
| Transfer to Capital Asset | -4 | - | 1 | 13 | 3 |
| **TOTAL EXPENSES (ii)** | **4,334** | **4,869** | **5,189** | **4,872** | **5,531** |
| **EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (EBITDA) (i-ii)** | 302 | 255 | 373 | 433 | 419 |
| Depreciation and amortisation expense | 27 | 31 | 38 | 45 | 56 |
| Finance costs | 145 | 150 | 157 | 114 | 140 |
| **Profit from ordinary activities after finance costs but before exceptional items** | **130** | **73** | **178** | **273** | **223** |
| Exceptional items | 1 | - | | | |
| **PBT** | **129** | **72** | **178** | **273** | **223** |
| TAX EXPENSES: | 39 | 23 | 57 | 97 | 78 |
| **PROFIT AFTER TAX BUT BEFORE MINORITY INTEREST FOR THE YEAR** | 90 | 49 | 120 | 176 | 145 |
| Minority Interest (Profit)/loss | 0 | 0 | 1 | 0 | 0 |
| **PROFIT FOR THE YEAR** | **90** | **50** | **122** | **177** | **145** |

Note: FY16,17&18 Financials are as per IND AS, earlier years are as per Indian GAAP

# Consolidated Balance Sheet Statement (Historical)

| (In Rs Cr) | FY14 | FY15 | FY16 | FY17 | FY18 |
|---|---|---|---|---|---|
| **Liabilities** | | | | | |
| **Total Shareholder's Funds** | **696** | **730** | **854** | **1,036** | **1,108** |
| Minority Interest | 2 | 1 | | | |
| Non-current Liabilities: | | | | | |
| (a) Long-term borrowings | 70 | 95 | 84 | 91 | 162 |
| (b) Deferred tax liabilities (net) | 23 | 27 | 31 | 46 | 35 |
| (c) Other-long term liabilities | 7 | 2 | 3 | 3 | 3 |
| (d) Long-term provisions | 3 | 4 | 4 | 4 | 5 |
| **Total Non-Current Liabilities** | **102** | **128** | **121** | **144** | **204** |
| Current Liabilities: | | | | | |
| (a) Short-term borrowings | 708 | 387 | 264 | 187 | 170 |
| (b) Trade payables | 1367 | 1,573 | 1,396 | 1,773 | 2,551 |
| (c) Other current liabilities | 98 | 121 | 283 | 309 | 235 |
| (d) Short-term provisions | 24 | 16 | 1 | 1 | 1 |
| **Total Current Liabilities** | **2198** | **2,096** | **1,944** | **2,269** | **2,957** |
| **Total Liabilities** | **2998** | **2,956** | **2,918** | **3,448** | **4,269** |
| Assets | | | | | |
| **Total Non-Current Assets** | **422** | **450** | **668** | **651** | **703** |
| Current Assets: | | | | | |
| (a) Current investments | 2 | 5 | 109 | 119 | 0 |
| (b) Inventories | 1017 | 944 | 770 | 994 | 1,212 |
| (c) Trade receivables | 1103 | 1,267 | 1,090 | 1,254 | 1,728 |
| (d) Cash and bank balances | 231 | 100 | 134 | 123 | 274 |
| (e) Short-term loans and advances | 175 | 151 | 147 | 49 | 19 |
| (f) Other current assets | 48 | 39 | | 259 | 333 |
| **Total Current Assets** | **2576** | **2,506** | **2,250** | **2,798** | **3,566** |
| **Total Assets** | **2998** | **2,956** | **2,918** | **3,448** | **4,269** |

Note: FY16, 17&18 Financials are as per IND AS, earlier years are as per Indian GAAP

# Q2 FY19: Consolidated Profit & Loss Statement

| Particulars (Rs Cr) | Q2 FY19 | Q2 FY18 | % Chg YoY | Q1 FY19 | % Chg QoQ | H1FY19 | H1FY18 | % Chg YoY |
|---|---|---|---|---|---|---|---|---|
| **Total Operating Income** | **1,884.7** | **1,247.8** | **51.0%** | **1,495.6** | **26.0%** | **3,380.2** | **2,672.3** | **26.5%** |
| Total Expenditure | 1,775.8 | 1,159.1 | 53.2% | 1,386.5 | 28.1% | 3,162.2 | 2,488.2 | 27.1% |
| Cost of Raw Materials | 1,505.0 | 951.9 | 58.1% | 1,147.3 | 31.2% | 2,652.3 | 1,943.3 | 36.5% |
| Employees Cost | 35.7 | 31.2 | 14.4% | 36.5 | -2.2% | 72.2 | 61.9 | 16.6% |
| Other Expenditure | 235.8 | 176.6 | 33.5% | 203.5 | 15.9% | 439.3 | 363.7 | 20.8% |
| Excise Duty | - | - | NM | - | NM | - | 120.2 | NM |
| Transfer to Capital Asset | 0.8 | 0.6 | 33.3% | 0.7 | 14.3% | 1.5 | 1.0 | 50.0% |
| **Profit from operations before other income, finance costs & exceptional items** | **108.9** | **88.7** | **22.8%** | **109.1** | **-0.2%** | **218.0** | **184.1** | **18.4%** |
| Other Income | 3.3 | 2.8 | 17.9% | 4.5 | -26.7% | 7.8 | 5.1 | 52.9% |
| **EBITDA** | **112.2** | **91.5** | **22.6%** | **113.6** | **-1.2%** | **225.7** | **189.2** | **19.3%** |
| Depreciation | 16.3 | 13.7 | 19.0% | 15.6 | 4.5% | 31.9 | 27.1 | 17.7% |
| **EBIT** | **95.9** | **77.8** | **23.3%** | **97.9** | **-2.0%** | **193.8** | **162.1** | **19.6%** |
| Interest & Finance charges | 52.6 | 36.6 | 43.7% | 54.2 | -3.0% | 106.8 | 60.7 | 75.9% |
| **Profit from ordinary activities after finance costs but before exceptional items** | **43.3** | **41.3** | **4.8%** | **43.8** | **-1.1%** | **87.0** | **101.4** | **-14.2%** |
| Exceptional items | - | - | NM | - | NM | - | - | NM |
| **PBT** | 43.3 | 41.3 | 4.8% | 43.8 | -1.1% | 87.0 | 101.4 | -14.2% |
| Tax Expense | 14.6 | 15.1 | -3.3% | 14.8 | -1.4% | 29.4 | 36.3 | -19.0% |
| **Net Profit** | **28.6** | **26.2** | **9.2%** | **29.0** | **-1.4%** | **57.6** | **65.2** | **-11.7%** |
| Minority Interest (profit)/loss | - | - | NM | - | NM | - | - | NM |
| **Net Profit after taxes, minority interest** | **28.6** | **26.2** | **9.2%** | **29.0** | **-1.4%** | **57.6** | **65.2** | **-11.7%** |
| Other comprehensive income | -10.0 | 4.1 | NM | 12.4 | NM | 2.4 | -12.2 | NM |
| **Total comprehensive income** | **18.6** | **30.3** | **-38.6%** | **41.4** | **-55.1%** | **60.1** | **53.0** | **13.4%** |

# Q2 FY19 Financials

## Key Ratios

| In %, Consolidated | Q2 FY19 | Q2 FY18 | Q1 FY19 | H1FY19 | H1FY18 |
|---|---|---|---|---|---|
| EBITDA Margin | 6.0% | 7.3% | 7.6% | 6.7% | 7.4% |
| Net Margin | 1.5% | 2.1% | 1.9% | 1.7% | 2.6% |
| Total Expenditure/ Total Net Operating Income | 94.2% | 92.9% | 92.7% | 93.6% | 92.8% |
| Raw Material Cost/ Total Net Operating Income | 79.9% | 76.3% | 76.7% | 78.5% | 76.1% |
| Staff Cost/ Total Net Operating Income | 1.9% | 2.5% | 2.4% | 2.1% | 2.4% |
| Other Expenditure/ Total Net Operating Income | 12.5% | 14.2% | 13.6% | 13.0% | 14.3% |

Note: All Ratio's are calculated on Net Operating Revenue (excluding Excise duty)

## Capital Employed

| Capital Employed in Rs crore | As at 30 Sep, 2018 | As at 31 March, 2018 | As at 30 Sep, 2017 |
|---|---|---|---|
| Conductors | 430.4 | 454.6 | 504.2 |
| Transformer & Specialty Oils | 519.0 | 416.5 | 468.4 |
| Power and Telecom Cables | 599.9 | 408.3 | 387.1 |
| Others | 129.6 | 210.6 | 118.7 |
| **Total** | **1,678.9** | **1,490.1** | **1,478.5** |

# Q2 FY19: Consolidated Segment Analysis

| Segment (Rs Cr) | Q2 FY19 | Q2 FY18 | %YoY | Q1 FY19 | % QoQ | H1FY19 | H1FY18 | % Chg YoY |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | |
| Conductors | 898.2 | 494.8 | 81.5% | 635.5 | 41.3% | 1,533.7 | 1,082.6 | 41.7% |
| Transformer & Specialty Oils | 630.1 | 506.2 | 24.5% | 576.3 | 9.3% | 1,206.4 | 1,061.5 | 13.7% |
| Power & Telecom Cables | 437.3 | 242.1 | 80.6% | 318.9 | 37.1% | 756.2 | 513.0 | 47.4% |
| **Others/Unallocated** | 12.3 | 12.5 | -1.6% | 15.5 | -20.6% | 27.8 | 25.5 | 9.0% |
| **Total** | **1,977.7** | **1,255.6** | **57.5%** | **1,546.3** | **27.9%** | **3,524.0** | **2,682.8** | **31.4%** |
| Less: Inter - Segment Revenue | 93.1 | 7.8 | 1093.6% | 50.7 | 83.6% | 143.8 | 10.4 | 1282.7% |
| **Revenue from Operations** | **1,884.7** | **1,247.8** | **51.0%** | **1,495.6** | **26.0%** | **3,380.2** | **2,672.3** | **26.5%** |
| **Segment Results before Interest and Tax** | | | | | | | | |
| Conductors | 42.1 | 29.1 | 44.7% | 41.1 | 2.4% | 83.2 | 68.0 | 22.4% |
| Transformer & Specialty Oils | 14.1 | 35.4 | -60.2% | 31.8 | -55.7% | 45.8 | 69.4 | -34.0% |
| Power and Telecom Cables | 45.7 | 17.2 | 165.7% | 27.4 | 66.8% | 73.1 | 33.6 | 117.6% |
| **Others/Unallocated** | 0.9 | 1.2 | NM | 1.7 | -47.1% | 2.7 | 1.5 | NM |
| **Total** | **102.8** | **82.8** | **24.2%** | **102.0** | **0.8%** | **204.7** | **172.5** | **18.7%** |
| Less : Finance costs (net) | 52.6 | 36.6 | 43.7% | 54.2 | -3.0% | 106.8 | 60.7 | 75.9% |
| Less : Unallocable expenditure net of income | 6.9 | 5.0 | 38.0% | 4.0 | 72.5% | 10.9 | 10.3 | 5.8% |
| **Profit before Tax** | **43.3** | **41.3** | **4.8%** | **43.8** | **-1.1%** | **87.0** | **101.4** | **-14.2%** |
| **Segment Results – % to Segment Revenue*** | | | | | | | | |
| Conductors | 4.7% | 5.9% | | 6.5% | | 5.4% | 6.6% | |
| Transformer & Specialty Oils | 2.2% | 7.0% | | 5.5% | | 3.8% | 6.9% | |
| Power and Telecom Cables | 10.4% | 7.1% | | 8.6% | | 9.7% | 6.8% | |
| Total | **5.2%** | **6.6%** | | **6.6%** | | **5.8%** | **6.7%** | |

| Segment contribution- as % to total revenue | Q2 FY19 | Q2 FY18 | Q1 FY19 | H1FY19 | H1FY18 |
|---|---|---|---|---|---|
| Conductors | 45.4% | 39.4% | 41.1% | 43.5% | 40.4% |
| Transformer & Specialty Oils | 31.9% | 40.3% | 37.3% | 34.2% | 39.6% |
| Power and Telecom Cables | 22.1% | 19.3% | 20.6% | 21.5% | 19.1% |

* % to segmental revenue is calculated on Net Revenue (excluding Excise duty) basis

# Consolidated Balance sheet Statement as on 30th Sep, 2018

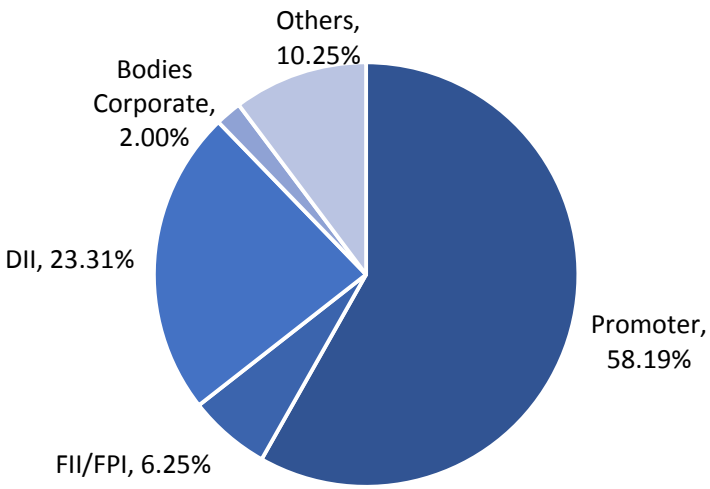
Figures in Rs crore

| Sr.No | Particulars | Consolidated | |
|---|---|---|---|
| | | As at 30 Sep, 2018 | As at 31 March, 2018 |
| **A** | **Assets** | | |
| 1 | Non-Current assets | | |
| | (a) Property, Plant and Equipment | 658.5 | 642.0 |
| | (b) Capital work-in-progress | 51.5 | 18.6 |
| | (c) Goodwill | 3.4 | 4.8 |
| | (d) Other intangible assets | 1.7 | 1.8 |
| | (e) Intangible assets under development | 0.9 | 0.9 |
| | (g) Financial Assets | | |
| | (i) Trade receivables | 0.0 | 0.9 |
| | (ii) Other non-current assets | 10.9 | 7.3 |
| | (g) Other non-current assets | 24.6 | 16.7 |
| | (h) Other Tax Assets | 9.3 | 10.1 |
| | Sub-total- Non-Current assets | **760.8** | **703.0** |
| 2 | Current assets | | |
| | (a) Inventories | 1527.1 | 1212.3 |
| | (b) Financial Assets | | |
| | (i) Investments | 0.0 | 0.0 |
| | (ii) Trade receivables | 1860.5 | 1727.9 |
| | (iii) Cash and Cash equivalents | 87.6 | 244.0 |
| | (iv) Bank balances other than (iii) above | 11.2 | 30.3 |
| | (v) Short-term loans and advances | 10.1 | 13.2 |
| | (vi) Derivatives | 18.4 | 6.1 |
| | (c) Other current assets | 269.0 | 275.9 |
| | (d) Other Tax assets | 69.8 | 56.7 |
| | Sub-total-Current assets | **3853.7** | **3566.3** |
| | **Total - Assets** | **4614.5** | **4269.3** |

| Sr.No | Particulars | Consolidated | |
|---|---|---|---|
| | | As at 30 Sep, 2018 | As at 31 March, 2018 |
| **B** | Equity And Liabilities | | |
| **1** | Equity | | |
| | (a) Equity Share capital | 38.3 | 38.3 |
| | (b) Other Equity | | |
| | (i) Reserves & Surplus | 1,049.5 | 1,035.6 |
| | (ii) Other reserves | 38.1 | 34.4 |
| | Total Equity | **1,125.9** | **1,108.3** |
| **2** | Non-Current liabilities | | |
| | (a) Financial Liabilities | | |
| | (i) Borrowings | 147.4 | 161.9 |
| | (ii) Other financial liabilities | 3.3 | 2.5 |
| | (b) Provisions | 5.4 | 4.9 |
| | (c) Deferred tax liabilities (Net) | 39.2 | 34.6 |
| | Sub-total-Non-Current liabilities | **195.3** | **203.9** |
| **3** | Current liabilities | | |
| | (a) Financial Liabilities | | |
| | (i) Borrowings | 234.2 | 169.8 |
| | (ii) Trade and other payables | 2,793.5 | 2,551.1 |
| | (iii) Other financial liabilities | 56.6 | 52.5 |
| | (iv) Derivatives | 12.7 | 15.2 |
| | (b) Other current liabilities | 92.9 | 92.5 |
| | (c) Short term provisions | 2.3 | 1.0 |
| | (d) Liabilities for current tax | 101.1 | 75.0 |
| | Sub-total-Current liabilities | **3,293.3** | **2,957.1** |
| | **Total - Equity And Liabilities** | **4,614.5** | **4,269.3** |

# Shareholding pattern

**As on Sep 30, 2018**
**Outstanding shares – 3,82,68,619**




| Major Non-Promoter Shareholders | Shareholding (%) |
|---|---|
| HDFC Trustee company | 7.87 |
| Reliance Capital | 6.25 |
| L & T Mutual Fund Trustee Ltd | 3.81 |
| Goldman Sachs | 2.96 |
| Raiffeisen Kapitalanlage | 1.52 |
| Aditya Birla Sun Life Trustee Pvt. Ltd. | 1.31 |

# Contact us

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