APAR INDUSTRIES LTD.

CORPORATE OFFICE :
APAR HOUSE, CORPORATE PARK,
SION-TROMBAY ROAD, CHEMBUR,
MUMBAI - 400 071. INDIA.
PHONE : (+91) (22) 2526 3400
(+91) (22) 6780 0400
FAX : (+91) (22) 2524 6326
e-mail : corporate@apar.com
url : www.apar.com

SEC/ 360 /2012 **By Fax & Hand Del.** 12th November, 2012.

National Stock Exchange of India Ltd. "Exchange Plaza", C-1, Block G, Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051. **Scrip Symbol : APARINDS** **Kind Attn.: The Manager, Listing Dept.**	BSE Ltd. Corporate Relationship Department, 14th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. **Scrip Code : 532259** **Kind Attn. : Corporate Relationship Dept.**

SUB. : Investor Update.

Dear Sirs,

We are sending herewith an Investor Update for the **Quarter ended 30th September, 2012** of the Current Financial Year 2012-13 for the information of members and the investors.

Thanking you,

Yours faithfully,
For Apar Industries Limited

(Sanjaya Kunder)
Company Secretary

Encl. : As above

Apar Industries Ltd
Investor Update
Q2 FY13

I. FINANCIAL PERFORMANCE

(Rs. in Crores)

	STANDALONE (Unaudited)						Audited
Particulars	Q2 FY13	Q2 FY12	Variance	H1 FY 13	H1 FY12	Variance	FY 12(Audited)
Net Sales	1,094.92	790.68	38.5%	2211.84	1518.01	45.7%	3,421.98
Earning Before Finance Cost, Depreciation & Tax (EBFDT)	47.68	45.86	4.0%	118.29	89.65	32.0%	196.93
EBFDT (%)	4.4%	5.8%		5.3%	5.9%		5.8%
PBT	40.13	(2.68)		56.25	23.24	142.0%	59.57
PAT	28.95	(0.14)		40.88	17.36	135.5%	59.31
EPS Rs :	7.53	(0.04)		10.63	4.59	131.6%	15.55

Highlights

Turnover higher by	**:**	**38.5%** **45.7%**	**in Q2FY13** **in H1FY13**
EBFDT higher by	**:**	**4.0%** **32.00%**	**in Q2FY13** **in H1FY13**
PBT higher by	**:**	**142.0%**	**in H1FY13**
PAT higher by	**:**	**135.5%**	**in H1FY13**
EPS higher by	**:**	**131.6%**	**in HYFY13**



II. SEGMENT PERFORMANCE ANALYSIS :

Rs in Crores

	For Quarter Ended (Unaudited)			For Six Months Ended (Unaudited)			for the Year Ended (Audited)
	30.09.2012	Var %	30.09.2011	30.09.2012	Var %	30.09.2011	31.03.2012
Segment Revenue							
Conductors	569.00	101.9%	281.79	1,087.47	93.4%	562.30	1,362.56
Transformer & Speciality Oils	449.31	-1.8%	457.43	979.99	13.5%	863.46	1,817.92
Power & Telecom Cables	101.50	46.3%	69.38	195.90	47.5%	132.80	354.30
Total	1,119.80	38.5%	808.60	2,263.36	45.2%	1,558.56	3,534.79
Less: Inter - Segment Revenue	19.25	72.4%	11.17	40.37	48.8%	27.13	87.41
Revenue from Operations	1,100.55	38.0%	797.43	2,222.99	45.2%	1,531.43	3,447.38
Segment Results before Interest and Tax							
Conductors	41.94	279.6%	11.05	75.21	767.1%	8.67	58.39
Transformer & Speciality Oils	7.27	-81.5%	39.33	48.67	-46.7%	91.32	140.11
Power and Telecom Cables	1.28		(0.83)	(0.51)	-89.7%	(4.98)	2.84
Total	50.49	1.9%	49.55	123.36	29.8%	95.01	201.35
Interest (net) and other borrowing cost	2.12	-32.7%	3.15	8.40	25.2%	6.71	20.13
Applicable net loss on foreign currency transactions and translation	-		40.23	42.78	-13.1%	49.23	93.99
Total Finance Cost	2.12	-95.1%	43.38	51.18	-8.5%	55.94	114.12
Other Common expenses (net)	8.23	-7.0%	8.85	15.95	0.7%	15.83	27.65
Profit before Tax after exceptional items	40.13	-	(2.68)	56.25	142.0%	23.24	59.57
Tax	11.18		(2.54)	15.37	161.4%	5.88	0.26
PAT	28.95	-	(0.14)	40.88	135.4%	17.36	59.31
Segment Results - as % to Segment Revenue							
Conductors	7.4%		3.9%	6.9%		1.5%	4.3%
Transformer & Speciality Oils	1.6%		8.6%	5.0%		10.6%	7.7%
Power and Telecom Cables	1.3%		-1.2%	-0.3%		-3.8%	0.8%
Total	4.5%		6.1%	5.5%		6.1%	5.7%

III. A. **Company on Standalone Basis:**

For the Second Quarter :

- Net Sales increased from Rs 790.68 Crores to Rs 1094.92 Crores; representing a growth of 38.5% over corresponding period of previous year.
- Earning Before Finance Cost, Depreciation and Tax (EBFDT) increased from Rs 45.86 Crores to Rs 47.68 Crores , representing a growth of 4.0% over corresponding period of previous year.
- PBT increased from Rs (-) 2.68 Crores to Rs 40.13 Crores; increased by Rs 42.81 Crores over corresponding period of previous year.
- PAT increased from Rs (-) 0.14 to Rs 28.95 Crores; increased by Rs 29.09 Crores over corresponding period of previous year and correspondingly EPS increased from (-) Rs 0.04 to Rs 7.53; increased by Rs 7.57 over corresponding period of pervious year.

For the Half - Year end :

- Net Sales increased from Rs 1518.01 Crores to Rs 2211.84 Crores; representing a growth of 45.7% over corresponding period of previous year.
- Earning Before Finance Cost, Depreciation and Tax (EBFDT) increased from Rs 89.65 Crores to Rs 118.29 Crores , representing a growth of 32.0% over corresponding period of previous year.
- PBT increased from Rs 23.24 Crores to Rs 56.25 Crores; increased by Rs 33.01 Crores (142.00%) over corresponding period of previous year.
- PAT increased from Rs 17.36 Crores to Rs 40.88 Crores; increased by Rs 23.52 Crores (135.5%) over corresponding period of previous year and correspondingly EPS increased from Rs 4.59 to Rs 10.63 ; increased by Rs 6.04 (131.6%) over corresponding period of pervious year

B. **Company on Consolidated Basis (Unaudited):**

- Revenue increased from Rs 1601.60 Crores in HYFY 12 to Rs 2291.81 Crores in HYFY13; up by 43.1%
- PBT increased from Rs 31.92 Crores in HYFY12 to Rs 60.09 Crores in HYFY13; up by 88.2%
- PAT increased from Rs 24.38 Crores in HYFY12 to Rs 43.54 Crores in HYFY13; up by 78.6% and correspondingly EPS increased from Rs 6.45 to Rs 11.32 up by 75.5%.

IV **Segment overview** :

A. **Transformer and Specialty Oils** :

- Sales revenue in Q2FY13 on a standalone basis stood at Rs 449.32 Crores as against Rs 457.43 Crores in the corresponding period of previous year.
- Sales revenue in HYFY13 on standalone basis increased from Rs 863.46 Crores to Rs 979.99 Crores; increased by 13.5%.

- Segment Level profit for Q2FY13 stood at Rs 7.27 Crores as against Rs 39.33 Crores in the corresponding period of previous year.

- Segment Lever Profit for HYFY13 stood at Rs 48.67 Crores as against Rs 91.32 Crores in the corresponding period of pervious year.

- The results in the quarter for this segment were affected from a systematic slowdown in demand for oil products in all sub- segments - Transformers, Industrial, Automotive and FMCG. The supply of raw materials remained strong that resulted in reduction in raw material prices, but a sharper reduction in prices due to the muted demand fully offset the gains. The most affected sub- segment was transformer oils sold in the distribution transformer business, largely on account of the dismal health of the SEB distribution companies. The domestic transformer industry is also suffering from over capacity, poor margin orders and significant cash flow issues, consequences of which resulted in lower sales volume and margin erosion in the transformer oils.

- Against a backdrop of poor domestic demand, exports for both Transformer oils and White-oils had significant gains over the previous year. Total exports and overseas business was up by over 35%.

- The company completed the acquisition of the majority stake of Chematek Spa in the distribution joint venture Apar Chematek Lubricants Limited, for marketing Agip branded automotive and industrial lubricants. With this acquisition, the company will have more operating flexibility to grow the automotive side of the business, and increase its presence in the consumer/retail channel. This will help diversify the client mix and further derisk the business. The company sees this as a positive move with a potential to grow this sub-segment.

- The Net sales turnover of the "Agip" brand Automotive Lubricants produced by the Company with License and Technical Know-how of ENI-S.p.A of Italy and marketed by Apar ChemateK Lubricants Ltd, Subsidiary Company increased to Rs 43.64 Crores in Q2FY13 from Rs 39.92 Crores in Q2FY12 and for the HYFY 13 increased to Rs 89.64 Crores from Rs 78.51 Crores in HYFY12.

- The market scenario still looks challenging for Q3. However, there is an expectation that business volumes and margins should improve in Q4, which is usually the highest volume quarter in the year. If implementation of some of the measures announced to revive the SEBs take effect in the Q4, there could be a further positive upside.

B. <u>Conductor</u> :

- Sales revenue in Q2FY13 increased by 101.9 % over corresponding period of previous year; from Rs. 281.79 Crores to Rs. 569.00 Crores.

- Sales revenue in HYFY13 increased by 93.4% over corresponding period of previous year; from Rs. 562.30 Crores to Rs. 1087.47 Crores.

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- Segment Level profit for Q2FY13 increased by 279.5% over corresponding period of previous year; from Rs. 11.05 Crores to Profit of Rs. 41.93 Crores.

- Segment Level profit for HYFY13 increased by 767.5% over corresponding period of previous year; from Rs. 8.67 Crores to Profit of Rs. 75.21 Crores.

- In this quarter, the Conductor Segment had its best production capacity utilization with a mix of domestic & export orders. The Company continued to make efforts to improve its working capital

management in order to reduce its interest cost. Further, the Company took many steps to optimize its various costs of operation in order to improve the profitability.

- The Company is in the midst of expanding its capacities including that for the higher value added products. The R&D and business development efforts made since the past few years are expected to pay reasonable returns in the coming years.

- The coal related issues have been affecting fresh investment in the Power sector. If these problems are not addressed appropriately, the future demand of conductors will be adversely affected in the domestic market.

- The order book as of 1st October 12 stood at Rs 1559.32 Crores and the Orders in pipeline stood at Rs. 260.96 Crores.

C Uniflex Cables :

- Net sales of the Cable division in Q2FY13 increased from Rs 69.38 Crores to Rs 101.49 Crores; increased by 46.4% in the corresponding period of previous year and for HYFY13 increased from Rs 132.80 Crores to Rs 195.90 Crores.; increased by 47.5%.

- Segment level Profit stood at Rs 1.28 Crores in Q2FY13 as against Loss of Rs 0.83 Crores in the corresponding period of previous year; representing growth of Rs 2.10 Crores and for HYFY13 Segment Level Loss reduced from Rs 4.98 Crores to Rs 0.51 Crores .

- After the amalgamation of erstwhile Uniflex Cables Ltd with the Company , the stigma of being a Sick company has been removed. This will help in accelerating approvals and business from several organizations which erstwhile Uniflex was excluded from doing business with since it had a negative net worth.

- The Electron Beam project is likely to get commissioned in Q3. This will allow the company to make an entry into highly specialized cables and other services for the railways, defense, ship building, enhancement in treatment of polymer materials used in insulated pipes, auto components, diamond irradiation, precision engineering parts etc.

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