APAR INDUSTRIES LTD.

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SEC/120/2014 **By Fax & Hand Del.** 4th August, 2014

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 **First Quarter and Three Months ended 30.06.2014** of the current Financial Year 2014-15 for the information of members and the investors.

Thanking you,

Yours faithfully,
For Apar Industries Ltd.

(Sanjaya Kunder)
Company Secretary

Encl. : As above

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CIN No.: L91110GJ1989PLC012802

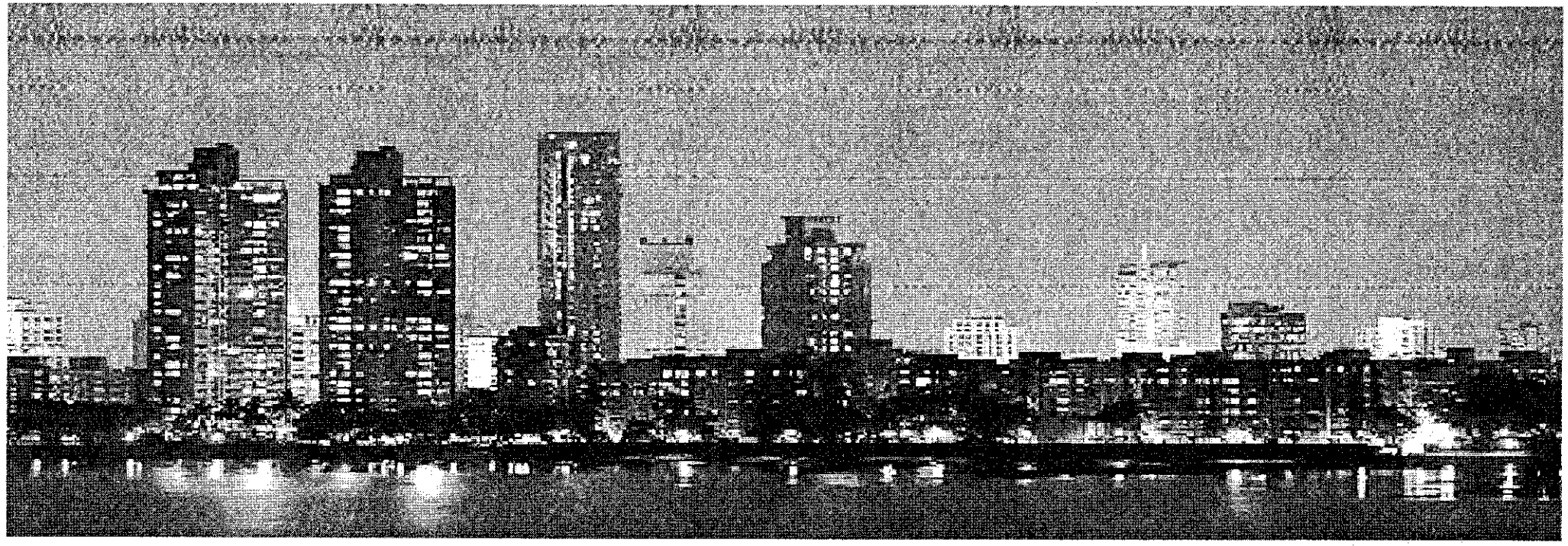
IRQS
A DEPARTMENT OF
INDIAN REGISTER OF
SHIPPING

MGMT. SYS.
RvA C 071

ISO 9001:2008
CERTIFIED COMPANY

Apar Industries Ltd.

Q1FY'15 Earnings Presentation

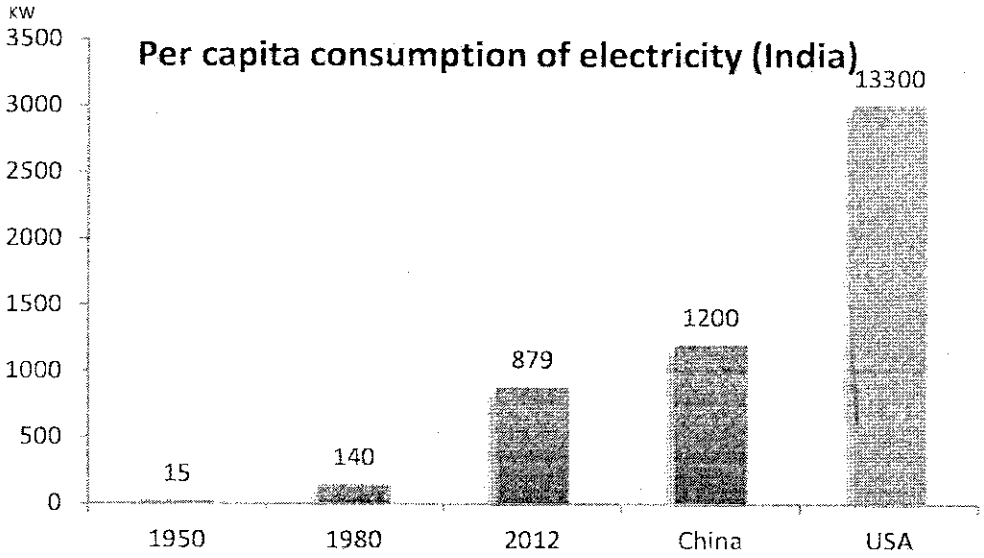


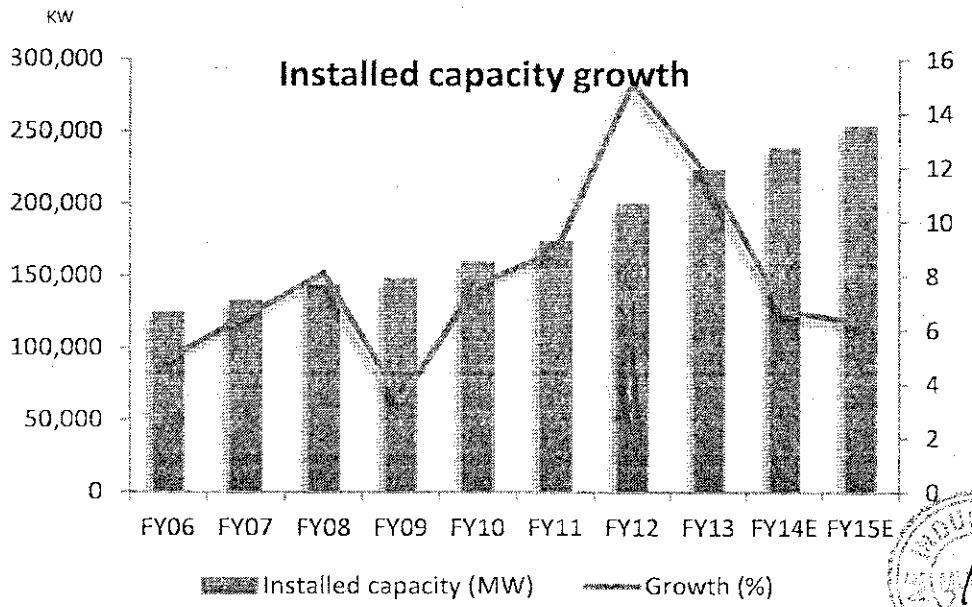
Tomorrow's Progress Today

Power sector expected to turnaround post recent govt initiatives

- **Coal imports issue resolved:** Government gives coal assurance to pre-2015 power plants; to allow power firms to pass on imported coal costs by raising tariffs
- **Discom's recovery plan:** Debt restructuring plan for Discoms to improve financial health
- **Pick up in demand from PGCIL expected:** With target to commission ~10,000 circuit kilometres in FY15 (50% increase over last year), PGCIL enters market after long gap. Major orders expected in H2FY15

Power sector expected to receive investment of about US$ 300bn due to large scale expansion plans over the next few years





Apar well poised with multiple growth drivers in place

Expansion of capacity

Domestic market turnaround on the horizon with renewed impetus from the Centre

- Apar well geared to meet growing demand post completion of Rs 250cr capacity expansion
- Conductors and oils expected to grow together despite different business cycles driven by growth in economy in next 4-5yrs

New products to cater to changing demand

Launched new products to cater to changing technologies

- High efficiency conductors (HeC) to meet power utilities demand for new gen equipment to increase transmission of power
- Higher grade 400KV and 765KV transmission oils & synthetic & semi-synthetic ind & auto oils to meet increased usage of high performance oils
- Optical Fibre Cables and elastomeric cables to meet the expansion of optic fibre networks and introduction of more complex cables in the country

Continuing focus on Exports

Increasing geographic reach – already exporting to 100 countries

- Exports have grown at a CAGR of 28% in the last 3 years buoyed by new technology products & low costs

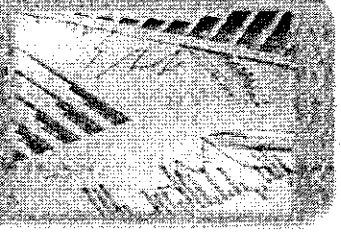
Turnaround of Cable division

Product mix change drives margins

- Elastomeric and Optical Fibre cables drive improvement in EBFTDA margin.
- High margin cables contribution to total cable sales increased from 22% in Q1 FY' 14 to 50% in Q1 FY'15.

EBFTDA – Earnings before finance cost, tax, depreciation and amortisation

Financial Performance



Business performance

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Annexure

Q1 FY'15 (Standalone): Revenue up 20% YoY

Standalone

Figures in Rs Cr

	Revenue	EBFTDA (Margin %)	PAT (Margin %)
Q1 FY'15	1,131	70 (6.2%)	20 (1.8%)
	↑ 20%	↓ 9%	↑ 94%
Q1 FY'14	945	77 (8.2%)	10 (1.1%)

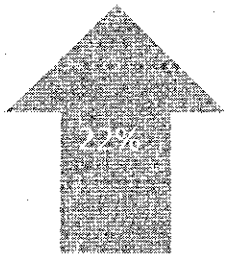
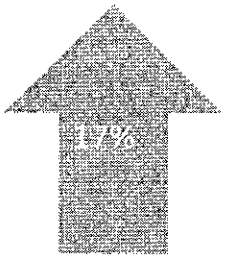
- Revenue up 20% YoY from Rs 945cr in Q1FY'14 to Rs 1,131cr in Q1FY'15 due to strong growth in conductors, oils & cables segment
- EBFTDA down 9% YoY from Rs 77cr in Q1FY'14 to Rs 70cr in Q1FY'15 due to drop in margins on account of sluggish market conditions
- PAT up 94% YoY from Rs 10cr in Q1FY'14 to Rs 20cr in Q1FY'15 (includes dividend from 2 wholly owned subsidiaries amounting to Rs 6.67cr)

EBFTDA – Earnings before finance cost, tax, depreciation and amortisation

Q1 FY'15 (Consolidated): Revenue up 21% YoY

Consolidated

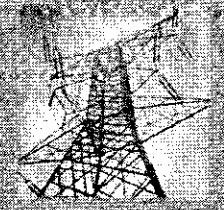
Figures in Rs Cr

	Revenue	PBT (Margin %)	Profit after Tax (Margin %)
Q1 FY'15	1,163	25 (2.2%)	17 (1.5%)
			
Q1 FY'14	965	21 (2.1%)	15 (1.5%)

- Revenue up 21% YoY from Rs 965cr in Q1FY'14 to Rs 1,163cr in Q1FY'15 due to growth in conductors, oils and cables segment
- PBT up 22% YoY from Rs 21cr in Q1FY'14 to Rs 25cr in Q1FY'15 with improved margins in cables segment and drop in foreign currency transaction loss
- PAT up 17% YoY from Rs 15cr in Q1FY'14 to Rs 17cr in Q1FY'15

Financial Performance

Business Performance



Company Overview

Annexure

Specialty Oils – Revenue up 11%, driven by industrial, process & auto oils

Standalone

Figures in Cr

	Revenue	EBFTDA (Margin %)	EBFTDA (Rs per KL)	EBFTDA (After adjustment *)	EBFTDA (After adjustment *) (Rs per KL)	Volume (KL)
Q1FY'15	562	34(6.1%)	4,254	25(4.5%)	3,097	79,700
	11%	21%	26%	32%	20%	7%
Q1FY'14	506	43(8.5%)	5,769	19(3.8%)	2,570	74,230

* After adjusting open time forex & dividend from subsidiary

- Revenue up 11% YoY from Rs 506cr in Q1FY'14 to Rs 562cr in Q1FY'15 driven by strong growth in Industrial, Automotive, Process oils and exports
- Total shipment up 7% YoY in Q1FY'15 from 74230 KL to 79700 KL
- Drop in unit margins due to business headwinds –inability to pass on increased costs in a sluggish market environment. However, effective sourcing of raw material and FX hedging provided a cushion

Specialty Oils – Revenue up 18% consolidated basis

Consolidated

Figures in Cr

	Revenue	EBFTDA (Margin %)	EBFTDA (Rs per KL)	EBFTDA (After adjustment*)	EBFTDA (After adjustment*) (Rs per KL)	Volume (KL)
Q1FY'15	594	32(5.4%)	3,829	30(5.1%)	3,527	84,421
	↑ 14%	↓ 32%	↓ 36%	↑ 27%	↑ 18%	↑ 8%
Q1FY'14	523	47(9.0%)	6,027	24(4.5%)	3,000	78,422

* After adjusting open period forex

- Revenue up 14% YoY from Rs 523cr in Q1FY'14 to Rs 594cr in Q1FY'15
- Total shipment up 8% YoY in Q1FY'15 from 78,422 KL to 84,421 KL

Conductors : Revenue up 22%

Standalone

Figures in Cr

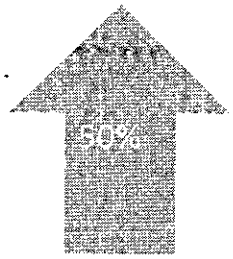
	Revenue	EBFTDA (Margin %)	EBFTDA (Rs per MT)	Order Book(Rs cr)
Q1FY'15	417	32(7.6%)	11273	2,164
	22%	22%	39%	94%
Q1FY'14	341	40(11.9%)	18304	1,117

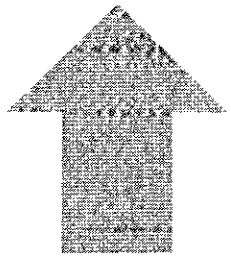
- Revenue up 22% YoY from Rs 341cr in Q1FY'14 to Rs 417cr in Q1FY'15 driven by strong exports contributing 52% of total sales
- EBFTDA down 22% from Rs 40cr in Q1FY'14 to Rs 32cr in Q1FY'15 due to weak domestic demand and competitive pricing for orders especially in the domestic market
- Order book up 94% from Rs 1,117cr as on 30 June 2014 to Rs 2,164cr as on 30 June 2014, on account of strong export order book of Rs 1106cr

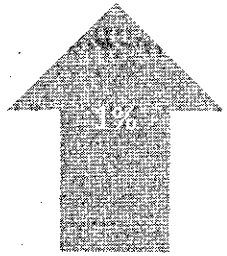
Power & Telecom Cables: Revenue up 50%

Figures in Cr

	Revenue	EBFTDA (Margin %)	Order Book
Q1FY'15	148	9(5.9%)	166
Q1FY'14	98	-5	164

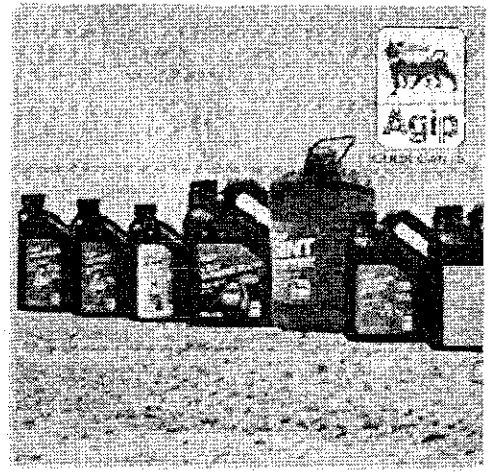


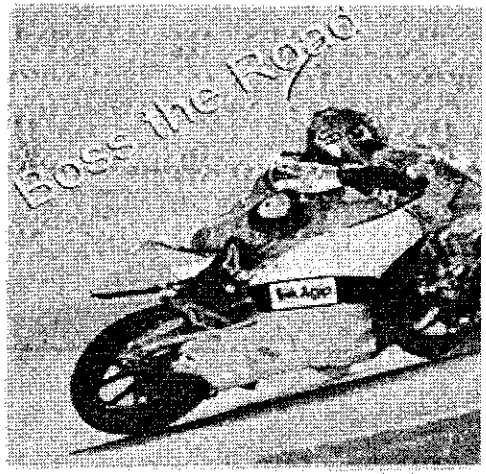


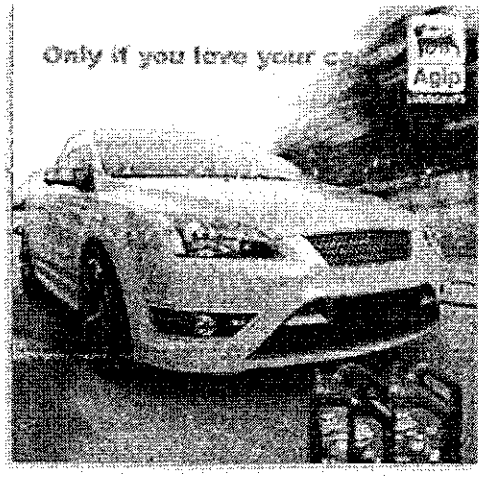


- Power & Telecom cables grew 50% YoY from Rs 98cr in Q1FY'14 to Rs 148cr in Q1FY'15 driven by strong growth in Elastomeric and Optical Fibre cables
- OFC cables grew with commencement of execution of BBNL & Reliance Infocom orders
- With a significant change in order mix to OFC, Elastomeric and E-Beam cables the segment posted improved revenue and profits
- Segment level profit at Rs 5.42cr in Q1FY'15 from a loss of Rs 7.35cr in Q1FY'14

Automotive Lubricants continues to grow





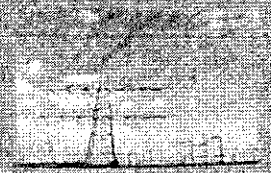


- Automotive group sales grew by 21% in Q1 FY15 compared to Q1 FY14
- Increased sales to OEM accounts and expansion in the retail distribution network
- Completed acquisition of the balance 2.5% equity stake in Apar Chematek Lubricants Limited to make it a wholly owned subsidiary
- Launched the change in brand of ENI from Agip with a larger range of high performance products, including the new range of 4T oils with "Clutch Lok" technology

Financial Performance

Business Performance

Company Overview



Annexure

Global leader in Conductors & Transformer Oils

Dominating global presence in power transmission & distribution

- 3rd largest conductors manufacturer and 4th largest transformer oil manufacturer in the world

Diverse Portfolio

- Over 400 types of specialty and automotive oils; largest range of conventional and new generation conductors and a comprehensive range of power and telecommunication cables

Driving growth through innovation

- Pioneer in adoption of new technologies and development of value added products creating new market segments through in-house research & development programmes

Trusted by prominent customers

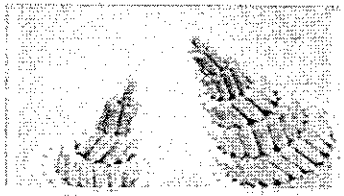
- Multi-year relationships with Indian and global majors. Exports to 100 countries; plants strategically located close to ports in India

Strong Alliances

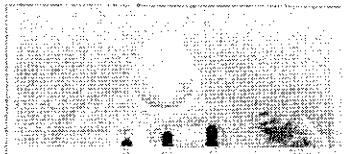
- Brand and manufacturing alliance with global energy leader ENI S.P.A Italy and technical alliance with CTC Global (USA) for manufacture of new generation carbon composite conductors

Expanding growth canvas on the back of robust financials

- Successfully entering and expanding new markets and business segments
- 20% 4-year CAGR in revenues, 21% 4 yr CAGR in EBITDA



Conductors



Transformer & Sp Oil



Auto Lubes

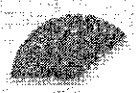


Cables

With established presence across diverse businesses

Conductors

23% market share
Total Capacity:
140,000MTA
Silvassa : 82629MT
Umbergaon : 20868MT
Athola : 36000MT



35% revenue contribution

Since 1958

Transformer & Sp Oils

45% market share
Total Capacity:4,44,000KL
Rabale : 222,000KL
Silvassa : 220,000 KL



47% revenue contribution

Since 1969

Power/Telecom Cables

Acquired Uniflex in 2008
Grew sales from Rs 129cr to Rs 597cr

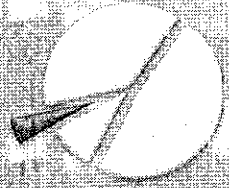


13% revenue contribution

Since 2008

Auto Lubes

Licensing Agreement with ENI, Italy for ENI brand
Successful national rollout
Registered sales of 243cr in FY14



5% revenue contribution

Since 2007

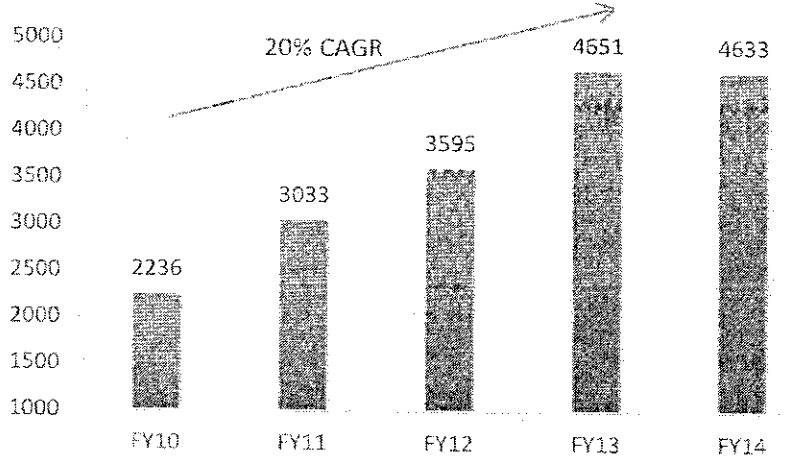
Competitive strengths

Market leader in key segments	Best in class technology & diversified products	Strong relationships with large clientele	Strong export market	Diversified into new business for growth
• Top 5 largest producer in conductors and Sp Oil in the world. • 60% market share in power transformer oil and 40% in distribution transformer oil in India • Among largest bare overhead aluminum conductor manufacturers in India with market share of 23%	• Technology tie up with CTC-Global, USA for ACCC conductors. • Pioneer in Aluminum alloy rod and conductors in India • Manufactures over 300 different types of Specialty Oils • Launched India's most advanced E-beam facility; will help make superior cables • Among first to test successfully 765KV & 800KV conductors in India • Best in class in-house R&D center and NABL accredited QC labs	• Preferred supplier to over 80 % of its speciality oil customers in India • Product & plant approvals from many large clients across the globe • Supplies conductors to all top 25 global turnkey operators and leading utilities	• Export products to over 100 countries across the world • Exports grew to 34% of total sales in FY14 from 30% in FY13 • Developed green field conductor plant in Athola with focus on exports • Largest Indian conductor exporter • Developing export market in new territories. Exported conductors to USA, EU, middle east, Africa and Latin America	• Entered Auto lubes in 2007 under Agip brand through Licensing Agreement with ENI Italy • Acquired Uniflex to enter Cables business • Has setup Electron Beam irradiation facility for cables and other products

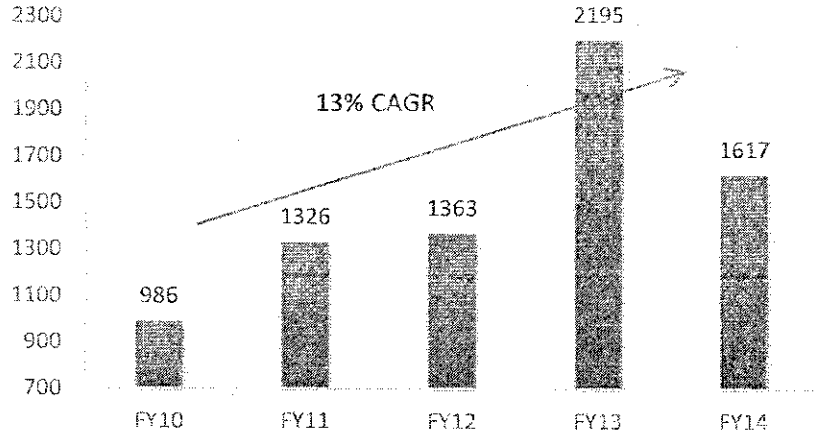
Strong revenue growth over the years

Figures in Rs Cr

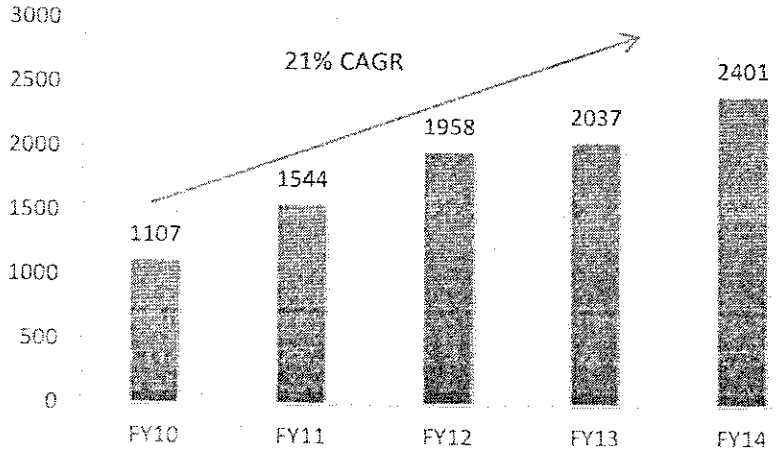
Consol Revenue



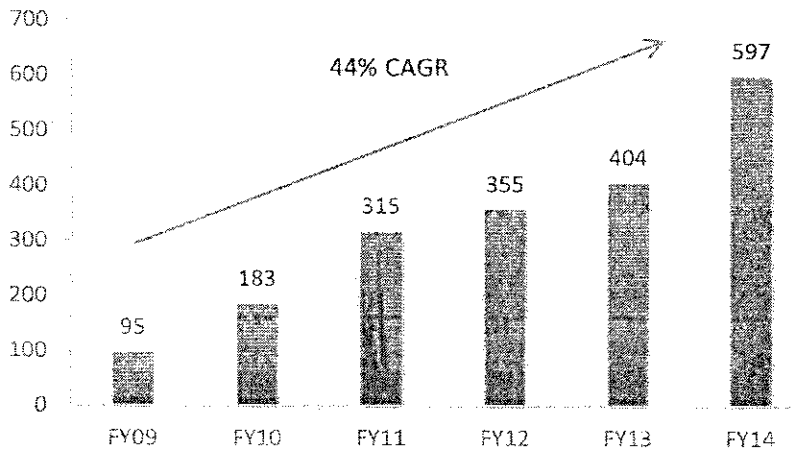
Conductor



Transformer & Sp Oil

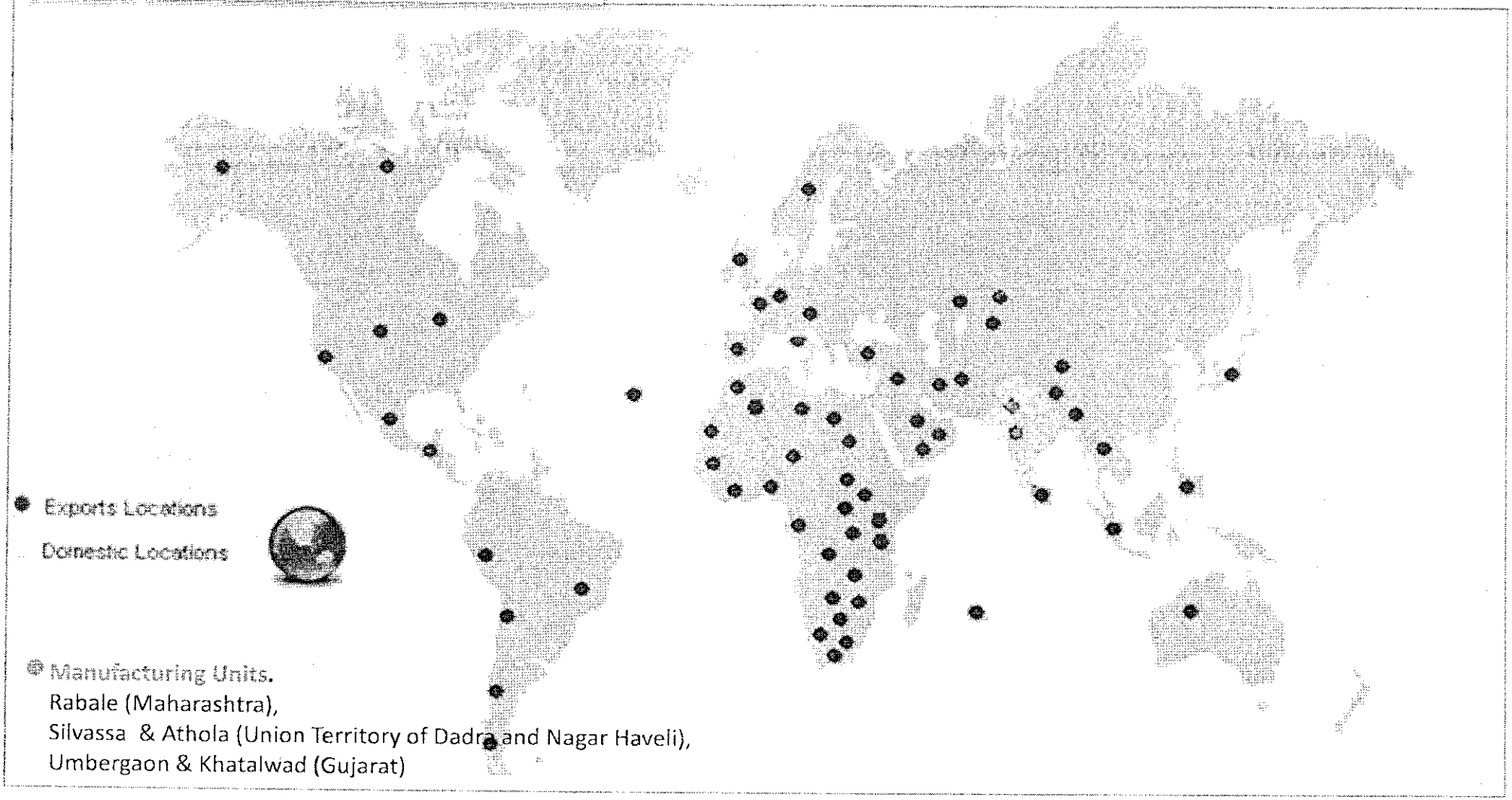


Power & Telecom Cables



Global Presence

Presence across 100 countries

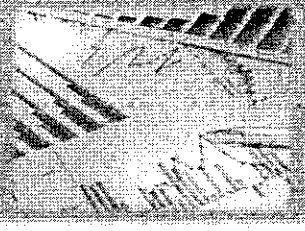


Financial Performance

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Annexure



Q1FY'15 : Profit & Loss Statement – Standalone

Particulars (Rs Cr)	Q1 FY'15	Q1 FY'14	% Chg YoY	Q4 FY'14	% Chg QoQ	FY'14
Net sales	1121.4	937.8	**19.6%**	1294.9	**-13.4%**	4434.2
Other Operating Income	9.2	7.6	21.2%	22.9	-59.9%	49.0
Total Operating Income	**1130.6**	**945.4**	**19.6%**	**1317.7**	**-14.2%**	**4483.2**
Total Expenditure	1067.2	869.9	22.7%	1276.2	-16.4%	4211.3
Cost of Raw Materials	882.4	731.2	20.7%	1098.8	-19.7%	3570.1
Employees Cost	16.7	13.7	22.1%	14.6	14.1%	59.2
Other Expenditure	168.2	125.9	33.5%	162.9	3.3%	585.6
Transfer to Capital Asset	0.0	-1.0	-100.0%	-0.2	-100.0%	-3.5
Profit from operations before other income, finance costs and exceptional items	**63.4**	**75.6**	**-16.1%**	**41.6**	**52.4%**	**271.9**
Other Income	6.9	1.9	268.1%	0.3	2062.5%	4.5
EBFTDA	**70.3**	**77.4**	**-9.2%**	**41.9**	**67.7%**	**276.4**
Depreciation	7.0	6.0	16.0%	7.5	-6.6%	26.9
EBIT	**63.3**	**71.4**	**-11.4%**	**34.4**	**83.8%**	**249.5**
Interest & Finance charges	17.0	-3.6	-574.9%	6.8	149.3%	-4.0
Applicable net loss on foreign currency transactions and translation	19.6	58.7	-66.6%	9.4	107.5%	149.8
Profit from ordinary activities after finance costs but before exceptional items	**26.7**	**16.3**	**63.8%**	**18.2**	**47.0%**	**103.7**
Exceptional items	0.0	0.2	NA	0.0	NA	0.9
PBT	**26.7**	**16.2**	**65.3%**	**18.2**	**47.0%**	**102.8**
Tax Expense	6.6	5.8	14.0%	6.3	4.9%	34.0
PAT	**20.1**	**10.4**	**93.8%**	**11.9**	**69.1%**	**68.8**

Q1FY'15 : Key Ratios – Standalone

Key Ratios (%)	Q1 FY'15	Q1FY'14	Q4FY'14
EBFTDA Margin	6.2	8.2	3.2
Net Margin	1.8	1.1	0.9
Total Expenditure/ Total Operating Income	94.4	92.0	96.8
Raw Material Cost/ Total Operating Income	78.0	77.3	83.4
Staff Cost/ Total Operating Income	1.5	1.4	1.1
Other Expenditure/ Total Operating Income	14.9	13.3	12.4

Q1FY'15 : Standalone Segment Analysis

Segment (Rs Cr)	Q1 FY'15	Q1 FY'14	%YoY	Q4 FY'14	% QoQ	FY14
Revenue						
Conductors	417	341	22.4%	548	-23.8%	1625
Transformer & Specialty Oils	562	506	10.9%	594	-5.4%	2253
Power & Telecom Cables	148	98	50.4%	174	-15.2%	601
Others/Unallocated	6	4	51.9%	4	33.9%	18
Total	1133	949	19.3%	1321	-14.2%	4497
Less: Inter - Segment Revenue	2	4	-45.5%	3	-24.1%	14
Revenue from Operations	1131	945	19.6%	1318	-14.2%	4483
Segment Results before Interest and Tax						
Conductors	30	39	-22.5%	21	41.3%	109
Transformer & Specialty Oils	32	41	-21.5%	20	60.0%	158
Power and Telecom Cables	5	-7	-173.7%	-3	-292.9%	-3
Others/Unallocated	1	0	116.1%	0	103.0%	1
Total	68.6	73.0	-6.1%	39.0	75.6%	266
Less : Finance costs (net)	37	55	-33.6%	16	125.0%	146
Less : Unallocable expenditure net of income	5	2	196.6%	5	13.9%	17
Profit before Tax	27	16	65.4%	18	47.1%	103
Segment Results – % to Segment Revenue						
Conductors	7.2%	11.3%		3.9%		6.7%
Transformer & Specialty Oils	5.8%	8.2%		3.4%		7.0%
Power and Telecom Cables	3.7%	-7.5%		-1.6%		-0.5%
Others	11.4%	8.0%		7.5%		7.0%
Total	6.1%	7.7%		3.0%		5.9%

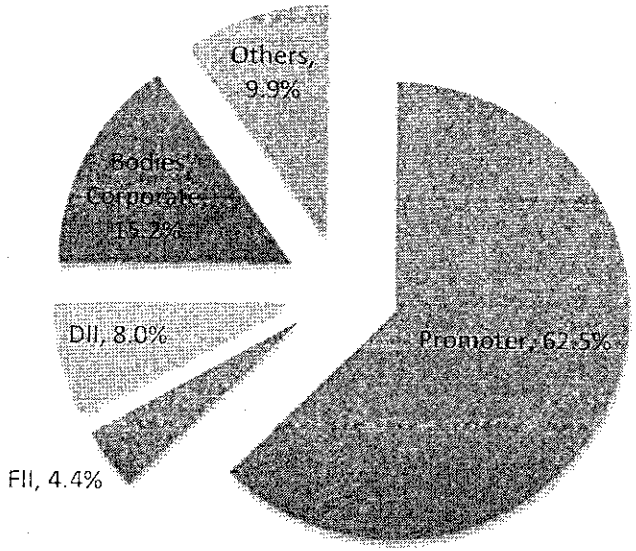
Segment contribution- as % to total revenue	Q1 FY'15	Q1 FY'14	Q4 FY'14	FY14
Conductors	36.9	35.9	41.5	36.1
Transformer & Specialty Oils	49.6	53.3	45.0	50.1
Power and Telecom Cables	13.1	10.4	13.2	13.4

Balance Sheet Statement : FY'14

	Standalone		Consolidated	
Particulars (Rs Cr)	As at 31.03.2014	31.03.2013	As at 31.03.2014	31.03.2013
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	38.5	38.5	38.5	38.5
Reserves and surplus	568.3	521.7	657.8	588.2
Total Shareholders' funds	**606.8**	**560.2**	**696.2**	**626.6**
Minority Interest	-	-	**1.8**	**1.8**
Non-current liabilities				
Long-term borrowings	70.1	32.9	70.1	32.9
Deferred tax liabilities (net)	22.5	11.0	22.5	10.3
Other long-term liabilities	6.6	13.8	6.6	13.8
Long-term provisions	2.9	2.6	3.1	2.8
Total Non-current liabilities	**102.1**	**60.3**	**102.3**	**59.8**
Current liabilities				
Short-term borrowings	708.0	940.3	708.0	940.3
Trade payables	1,386.4	1,503.8	1,367.2	1,484.1
Other current liabilities	97.3	117.2	98.1	121.5
Short-term provisions	24.3	24.2	24.3	24.3
Total Current liabilities	**2215.9**	**2585.6**	**2197.6**	**2570.2**
TOTAL - EQUITY AND LIABILITIES	**2,924.9**	**3,206.0**	**2,998.0**	**3,258.4**
ASSETS				
Non-current assets				
Fixed assets	355.8	287.7	356.1	288.0
Non-current investments	-	-	20.6	20.6
Long-term loans and advances	28.5	28.5	-	-
Total Non-current assets	44.6	45.7	45.3	50.0
Current assets				
Current investments	1.5	79.6	1.5	79.6
Inventories	1,010.4	740.8	1,017.0	751.5
Trade receivables	1,044.2	793.6	1,103.6	813.8
Cash and cash equivalents	227.2	1,032.1	230.6	1,054.9
Short-term loans and advances	164.2	131.5	175.4	133.5
Other current assets	48.3	66.5	48.3	66.5
Total - Current assets	**2,495.9**	**2,844.1**	**2,576.5**	**2,899.8**
TOTAL - ASSETS	**2,924.9**	**3,206.0**	**2,998.0**	**3,258.4**

Shareholding pattern

As on Jun 30, 2014
Outstanding shares – 3,84,70,431



Major Non-Promoter Shareholders	Shareholding (%)
Templeton Strategic Emerging Markets Funds	9.45
Reliance Capital	5.02
ICICI Lombard	2.60
Raiffeisen Kapitalanlage	2.60
Ashish Dhawan	1.38
Aadi Financial Advisors	1.11

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