APAR INDUSTRIES LTD.

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SEC/ 175 /2013 **By Fax & Hand Del.** 3rd June, 2013

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 **Fourth Quarter and Year ended 31.03.2013** of the 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
Q4 FY13

I. FINANCIAL PERFORMANCE

(Rs. in Crores)

Particulars	Q4 FY13	Q4 FY12	Variance	FY 13 (Audited)	FY 12 (Audited)	Variance	FY 13 (Consolidated and Audited)
Net Sales	1,154.77	1,015.51	13.7%	4497.66	3421.98	31.4%	4,612.92
Earning Before Finance Cost, Depreciation & Tax (EBFDT)	86.14	64.10	34.4%	303.11	196.93	53.9%	313.52
EBIDTA (%)	7.5%	6.3%		6.7%	5.8%		6.8%
PBT	38.31	50.93	-24.8%	140.31	59.57	135.5%	150.32
PAT	29.62	52.06	-43.1%	102.17	59.31	72.3%	110.15
EPS Rs :	7.70	13.53	-43.1%	26.56	15.55	70.8%	28.46

Note : *Standalone results for the year 2012-13 include effect of amalgamation of erstwhile Marine Cables & Wires Pvt Ltd, Wholly Owned Subsidiary Company (MCWPL) with the Company. However, the results for the year 2011-12 are without such inclusion and therefore, not comparable. (Please see para III (A) (ii) below)*

Highlights

Turnover higher by : 31.4% in FY13

EBFDT higher by : 53.9% in FY13

PBT higher by : 135.5% in FY13

PAT higher by : 72.3% in FY13

EPS higher by : 70.8% in FY13

II. SEGMENT PERFORMANCE ANALYSIS :

Rs in Crores

Particulars	Stand alone Financial results			Stand alone Financial results			Consolidated Financial Results		
	For Quarter Ended (Unaudited)			For The Year Ended (Audited)			For the Year Ended (Audited)		
	31.03.13	Var %	31.03.12	31.03.13	Var %	31.03.12	31.03.13	Var %	31.03.12
Segment Revenue									
Conductors	556.14	31.6%	422.53	2,226.26	63.4%	1,362.56	2,226.26	63.4%	1,362.56
Transformer & Speciality Oils	501.20	6.7%	469.92	1,920.86	5.7%	1,816.64	2,039.37	4.2%	1,958.03
Power & Telecom Cables	108.09	-19.9%	134.90	418.53	18.1%	354.30	418.53	18.0%	354.55
Total	1,165.43	13.4%	1,027.35	4,565.65	29.2%	3,533.50	4,684.16	27.5%	3,675.14
Less: Inter - Segment Revenue	5.15	3.6%	4.97	48.56	-44.4%	87.40	48.57	-44.4%	87.41
Revenue from Operations	1,160.28	13.5%	1,022.38	4,517.09	31.1%	3,446.10	4,635.59	29.2%	3,587.73
Segment Results before Interest and Tax									
Conductors	45.24	68.2%	26.89	197.08	237.5%	58.39	197.08	237.5%	58.39
Transformer & Speciality Oils	41.14	49.8%	27.46	113.17	-19.2%	140.10	123.43	-22.4%	159.02
Power and Telecom Cables	(1.66)	-114.0%	11.85	(0.86)	-130.2%	2.84	(0.86)	-134.1%	2.52
Others									
Total	84.72	28.0%	66.20	309.39	53.7%	201.33	319.65	45.3%	219.93
Interest (net) and other borrowing cost	(1.96)	-127.0%	7.24	9.32	-53.7%	20.13	9.58	-55.5%	21.54
Applicable net loss on foreign currency transactions and translation	37.78	62597.5%	0.06	124.99	33.0%	93.99	124.99	33.0%	93.99
Total Finance Cost	35.82	390.8%	7.30	134.31	17.7%	114.12	134.57	16.5%	115.53
Other Common expenses (net)	10.59	32.8%	7.97	34.77	25.8%	27.64	34.76	25.7%	27.64
Profit before Tax after exceptional items	38.31	-24.8%	50.93	140.31	135.5%	59.57	150.32	96%	76.76
Tax	8.69	-867.2%	(1.13)	38.14	14814.3%	0.26	40.17	1414.1%	2.65
PAT	29.62	-43.1%	52.06	102.17	72.3%	59.31	110.15	49%	74.11
Segment Results - as % to Segment Revenue									
Conductors	8.1%		6.4%	8.9%		4.3%	8.9%		4.3%
Transformer & Speciality Oils	8.2%		5.8%	5.9%		7.7%	6.1%		8.1%
Power and Telecom Cables	-1.5%		8.8%	-0.2%		0.8%	-0.2%		
Total	7.3%		6.4%	6.8%		5.7%	6.8%		6.0%

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

(i) **For the Fourth Quarter of FY 13** :

- Net Sales increased from Rs 1015.51 Crores to Rs 1154.77 Crores; representing a growth of 13.7% over corresponding period of previous year.
- Earning Before Finance Cost, Depreciation and Tax (EBFDT) increased from Rs 64.10 Crores to Rs 86.14 Crores , representing a growth of 35.4% over corresponding period of previous year.
- PBT stood at Rs 38.31 Crores; less by Rs 12.62 Crores over corresponding period of previous years, mainly due to net loss incurred on foreign exchange transactions of Rs 37.78 Crores.
- PAT stood at Rs 29.62 Crores as against Rs 52.06 Crores in the corresponding period of previous year. There were no tax expenses in Q4FY12 and for the previous financial year ended 2012 due to carried forward losses of erstwhile Uniflex Cables Limited; which then amalgamated with the Company w.e.f. from 01st April 2010. Correspondingly, EPS stood at Rs 7.70 as against Rs 13.53.

(ii) **For the Financial Year ended 2013:**

- Net Sales increased from Rs 3421.98 Crores in FY 12 to Rs 4497.66 Crores in FY 13; representing a growth of 31.4% over corresponding period of previous year.
- Earning Before Finance Cost, Depreciation and Tax (EBFDT) increased from Rs 196.93 Crores in FY 12 to Rs 303.11 Crores in FY 13 , representing a growth of 53.9% over corresponding period of previous year.
- PBT increased from Rs 59.57 Crores in FY12 to Rs 140.31 Crores in FY 13; increased by Rs 80.74 Crores (135.5%) over corresponding period of previous year.
- PAT increased from Rs 59.31 Crores in FY 12 to Rs 102.17 Crores in FY 13 ; increased by Rs 42.86 Crores (72.3%) over corresponding period of previous year and correspondingly, EPS increased from Rs 15.55 to Rs 26.56 ; increased by Rs 11.01 (70.8%) over corresponding period of pervious year.
- Hon'ble Board for Industrial and Financial Reconstruction (BIFR) sanctioned the Rehabilitation Scheme of Marine Cables & Wires Private Limited a wholly owned subsidiary company (MCWPL) envisaging its amalgamation with the Company w.e.f. 01st April 2012 (Transfer date). In terms of the Scheme of amalgamation, paid up capital of the MCWPL held by the Company has been cancelled.
- For the financial year 2013, Board of Directors of the Company recommended final dividend of Rs. 5.25 /- per share (previous year Rs 4 per share) on the paid up equity capital of the Company.

B. **Company on Consolidated Basis for the Financial Year ended 2013 :**

- Revenue increased from Rs 3562.23 Crores in FY 12 to Rs 4612.92 Crores in FY13; increased by 29.5%
- PBT increased from Rs 76.76 Crores in FY 12 to Rs 150.32 Crores in FY13 ; increased by 95.8%
- PAT increased from Rs 74.11 Crores in FY 12 to Rs 110.15 Crores in FY13 ; increased by 48.6% and correspondingly EPS increased from Rs 19.15 to Rs 28.46 ; increased by 48.6%.

IV **Segment overview :**

A. **Transformer and Specialty Oils :**

- Sales revenue on a standalone basis increased from Rs 469.92 Crores in Q4FY12 to Rs 501.20 Crores in Q4FY13; increased by Rs 31.28 Crores(6.6%).
- Sales revenue on standalone basis increased from Rs 1816.64 Crores in FY12 to Rs 1920.86 in FY 13 ; increased by Rs 104.22 Crores (5.7%).
- Segment Level profit on standalone basis increased from Rs 27.46 Crores in Q4FY12 to Rs 41.14 Crores in Q4FY13 ; increased by Rs 13.68 Crores (49.8%).
- Segment Lever Profit for FY13 stood at Rs 113.17 Crores as against Rs 140.10 Crores in FY 12.
- In the quarter under review, the total worldwide sales volume of total oils/lubricants sold increased to over 81,108 KL, which was the highest in any quarter for the division. However, given the adverse general market conditions due to restricted demand and liquidity issues, there continued to be margin pressures. The company was able to offset some of that with a better mix of product sold with higher volume sales of higher end transformer oils, Industrial lubricants and automotive oils.
- Debtors control remains a very critical part of the operation given the tight liquidity position and the poor health of the distribution utilities. The company had to limit sales to keep individual client exposures in check and ensure commensurate collection to sales. Inventory levels were higher in the quarter compared to normative levels, given that we are heading into the maintenance cycle for the company's major refinery suppliers. These levels will correct in Q1FY14.
- 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 (ACLL) increased to Rs 181.38 Crores in FY 13 from Rs 163.25 Crores in FY12. ACLL has earned a profit (after tax) of Rs 0.49 Crores in FY 13 as against Loss of Rs 1.57 Crores in FY 12. The company has added new distribution and new products to the existing line. There is an expectation that the compounded effect of these will result in better sales volume growth in FY14.
- As the company heads into FY14, there is still no visible growth momentum. The increases in volume the company is seeing is from increasing market share in its sub-product categories.

B. Conductor :

- Sales revenue increased from Rs 422.53 Crores in Q4FY12 to Rs 556.14 Crores in Q4FY13; representing a growth of 31.6% over corresponding period of previous year and for the financial year increased from Rs 1362.56 Crores in FY 12 to Rs 2226.26 Crores in FY 13; increased by Rs 863.70 Crores (63.4%) over corresponding period of previous year.

- Segment Level profit increased from Rs 26.89 Crores in Q4FY12 to Rs 45.24 Crores in Q4FY13 ; representing a growth of Rs 18.35 Crores (68.2%) over corresponding period of previous year.

- For the financial year; Segment Level profit increased from Rs 58.39 Crores in FY12 to Rs 197.08 Crores in FY 13; representing a growth of Rs 138.69 Crores (237.5%) .

- The Division had a strong year registering significant increases in sales turnover, segment profit & export turnover. The orders were generally profitable and allowed for optimum capacity utilization.

- During the year, the Division entered into an agreement with CTC Global, USA for the manufacture of a certain type of patented High Temperature Conductor called ACCC under CTC's license.

- The domestic orders executed included a large component from PGCIL which were booked in 2011-12. Unfortunately, PGCIL had not finalized many orders during 2012-13. PGCIL has been experiencing slowdown in execution of its projects on account of delays in generation projects, right of way issues & land acquisition problems. The Company has booked orders from other customers in the private sector which will be executed during 2013-14.

- During the year, the company embarked on expanding its capacity in Silvasa in order to improve its competitiveness in the domestic & export markets

- The order book as of 1st April 13 stood at Rs. 1132 Crores and the orders in pipeline stood at Rs. 256 Crores.

C Uniflex Cables :

- Net sales of the Cable division in Q4FY13 stood at Rs 108.09 Crores as against Rs 134.90 crores in the corresponding period of previous year and for the FY13 it stood at Rs 418.53 Crores as against Rs 354.30 Crores; increased by 18.1%.

- Segment level Profit in Q4FY13 stood at Rs (-) 1.66 Crores as against Rs 11.85 Crores in Q4FY12 and for the FY13 it stood at Rs (-) 0.86 Crores as against Rs 2.84 Crores in FY 12.

- The quarter under review for the cables division was not as good as the same period previous year. Some large export orders expected by the company have not materialized yet. However, the sales were more evenly spread through the year. There were several measure taken to increase production and reduce cost through productivity.

- The new production site at Khatalwad, Gujarat is ready with the 2 Electron beam machines. Trial production has been successful and some of the products have been accepted by the clients. In Q1FY14, we expect to receive the final formal confirmation to commercially operate the 1.5 MeV accelerator. The second accelerator is at an advance stage of commissioning.

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