

Ascending
Passionately,
Achieving
Responsibly.

APAR Industries Limited

Annual Report 2022-23



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The term “**APAR**,” which is the Sanskrit word for limitless, appropriately expresses our relentless dedication to significantly enhance the energy efficiency, environmental sustainability and safety of our world. It embodies the idea of making boundless contributions to these aspects.

Our determination of staying ahead of market trends and anticipating future needs has propelled us to become a leading market player across seven diverse business portfolios, encompassing cable solutions, conductors, lubricants, specialty oils, specialty automotive, polymers and telecom solutions.

For more than 64 years, we have pursued prowess in manufacturing and distribution, catering to the energy sector’s production, distribution and consumption demands of tomorrow. Our contribution has led us to grow into the 1.75-billion-dollar diversified company present in over 140 countries.

In the fiscal year 2023, we achieved remarkable top-line and bottom-line performance expansion, driven by factors such as heightened demand for green energy, globalisation, elevated export revenue, premiumisation and the provision of unique custom-made products.

As we continue to grow, we remain committed to making a positive impact on the world around us, upholding the highest standards of integrity and social stewardship. Our Corporate Social Responsibility (CSR) programs ensure that it is our core morality to give back to society, transforming over one million lives each year and extending our achievements beyond business success.

Therefore, APAR embodies the endless pursuit of excellence, where our DNA drives us to keep **Ascending Passionately, Achieving Responsibly.**

India and the world are currently experiencing a surge in power generation requirements, an immense drive towards renewable energy and rapid advancements in the infrastructure sector. By effectively meeting this escalating demand and delivering impactful solutions to our valued clients, we achieved a consolidated revenue growth of 54% to reach ₹ 14,352 crore in FY23. Furthermore, our net profit reached an all-time high of 638 crore, representing a 148% increase from the previous fiscal year.

Over the years, APAR has solidified its reputation as a trusted leader, serving prominent companies in power generation, transmission, distribution, automotive, telecom, railways and defence sectors globally.

This annual report emphasises our unwavering dedication to exemplifying our company tagline of “Tomorrow’s solutions today” while placing utmost importance on customer satisfaction and longevity in every aspect of our operations.

Leading the Innovation Curve

At APAR, we are passionately gearing up to tackle the biggest challenges of the 21st century, including fair global business practices and sustainability. Fuelled with an innovation-first mindset to deliver solutions that make anything possible has led us to become:

#1

World's Largest aluminium & alloy conductor manufacturer

India's largest and world's 3rd Largest transformer oils manufacturer

India's largest exporter and producer of renewable & speciality cables

Top 10

Lubricant players in India

1st

and only Indian company to provide end-to-end telecom solutions in copper and fibre

Indian company to get AdBlue certification by VDA, Germany



Key Highlights of FY23

Financials (₹ in Crore)

14,352

Revenue from operations

1,320

EBITDA

638

Profit after tax

People

1,600+

Employees

10,00,000+

Lives impacted

Environmental highlights

25% ↓

in carbon intensity

12% ↓

Water footprint

10% ↓

GHG (greenhouse gas) emission

15%

Energy from renewable sources

Operational (₹ in Crore)

6,994

Export business

140+

Countries active presence

7,358

Domestic business

248

Capex

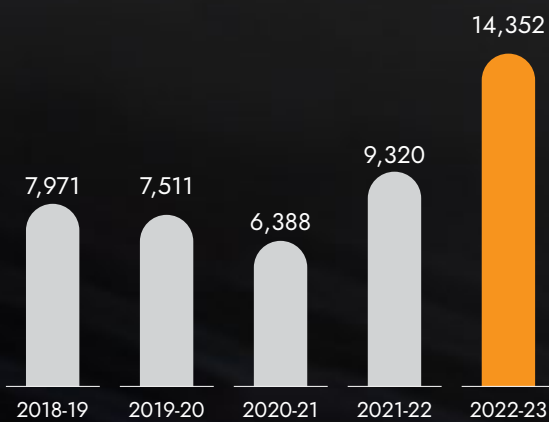
The Ascending Journey

The transformational journey over the past decade and investment in R&D made during the past several years has helped us achieve an all-time high on top-line, bottom-line and export revenues in FY23.

Here is a synopsis of how we have ascended over the years delivering sustainable and customised solutions to our customers:

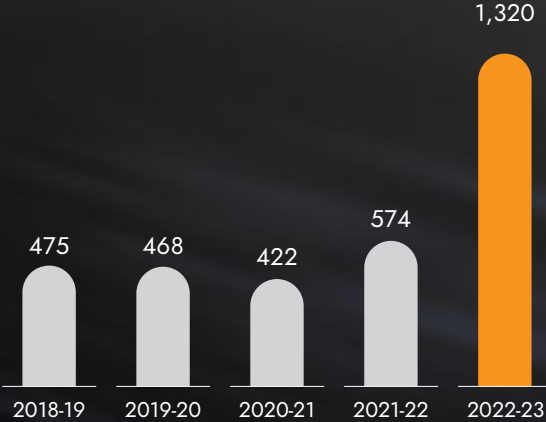
Revenue from operations

(₹ in Crore)



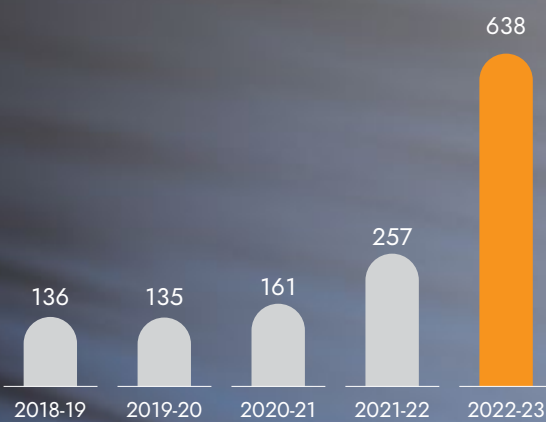
EBITDA

(₹ in Crore)



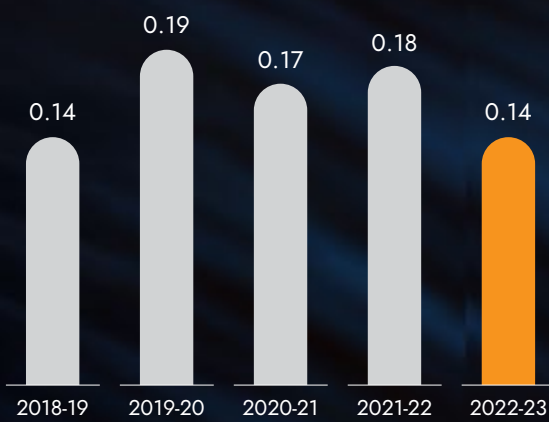
Net Profit

(₹ in Crore)



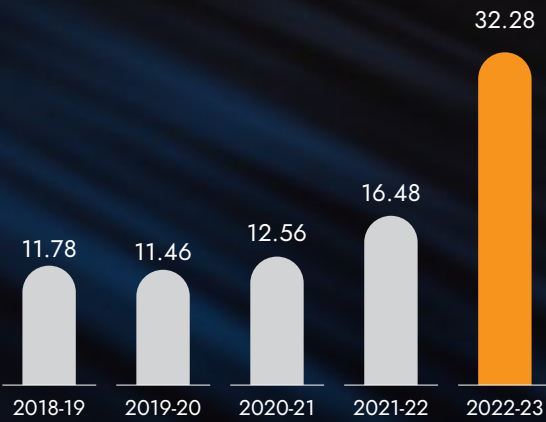
Debt/Equity Ratio

(in %)

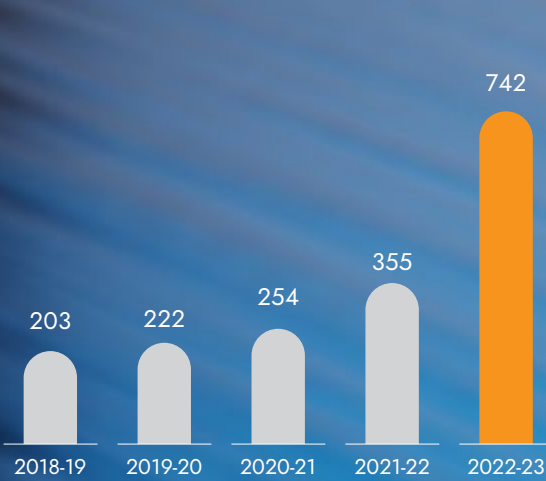


ROE

(in %)



Cash Profit (PAT+Dep.)



Breaking Barriers

DEFYING LIMITS

APAR Industries was founded in 1958 in India. Over 60 years later, we have grown into a diversified 1.75-billion-dollar company present in over 140 countries as a highly trusted manufacturer and supplier of conductors, a wide variety of cables, speciality oils, polymers and lubricants. At APAR, we have excelled at what we do because of who we are: relentless pioneers who constantly push ourselves to discover, perfect and deliver **"Tomorrow's solutions today."**

EMBRACING OPPORTUNITIES

Our single-minded focus on problem-solving to deliver the best results takes on several forms. We emphasise consistently optimising our manufacturing facilities (NABL, ISO 9001, ISO 14001 and ISO 45001 accredited) and testing centres to ensure better costs for our clients. We seek to find solutions that align with our core values of integrity, honesty and accountability to every stakeholder: our customers, employees and shareholders.



> Our Mission

To design & manufacture Building Blocks for Energy Infrastructure, Transportation & Telecommunication Sectors that contribute meaningfully to make this world a more energy efficient, environmentally sustainable and safer place.

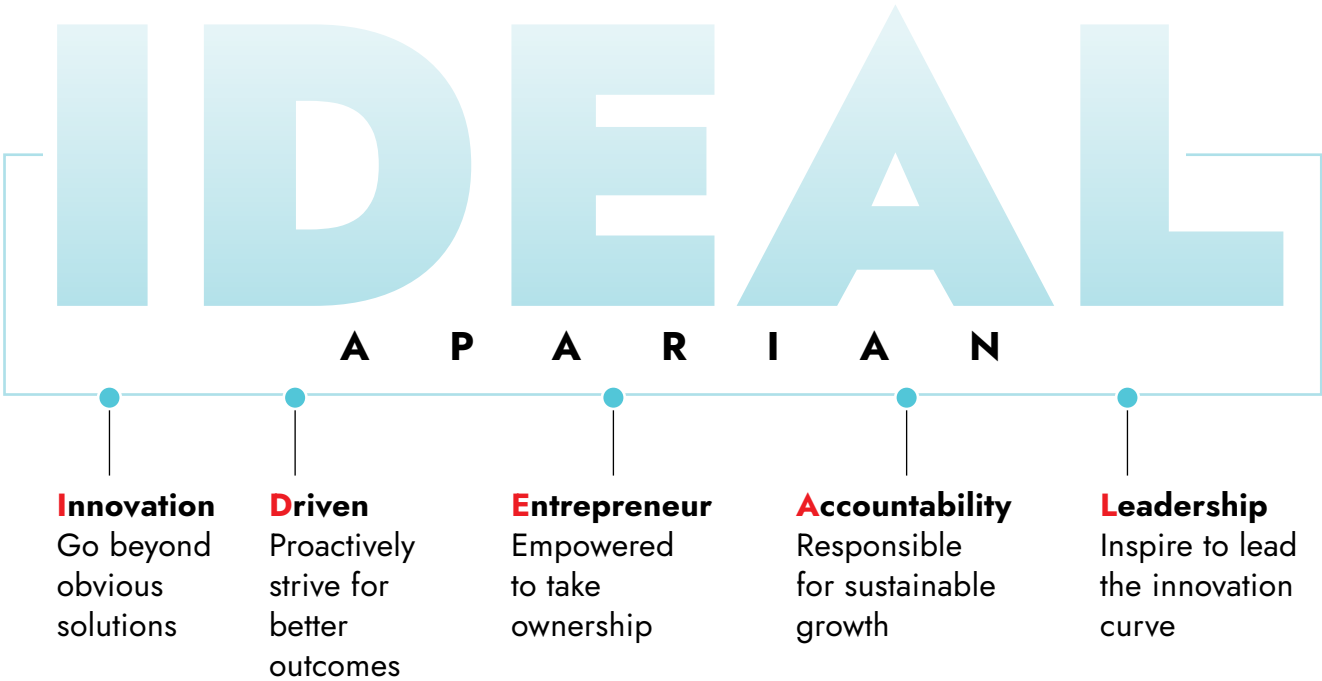


> Our Vision

To be a Global Leader in the Energy Infrastructure, Transportation & Telecommunication Sectors by providing the best solutions & value creation for our stakeholders.



> Our Values:



Our Holistic Offerings for the Energy Sector

APAR Industries' journey began in **1958**, started by the founder 11 years after independence by **Shri Dharmsinh**.

He envisioned noteworthy progress in the power sector for the betterment of the nation.

→ **1969**, A decade later we diversified into the oil business, which began with Transformer oils. As the success of the business grew in oils and the power segment

Over the next **3 decades**, APAR grew its oil and conductors' business to offer more value-added products.

We broadened our oil portfolio to an extensive array of transformer oils, white oils, petroleum jelly, industrial lubricants and automotive lubricants.

2007, APAR tied up with Eni, the internationally renowned lubricant brand. Thus, diversifying into the premium automotive lubricants & industrial lubricants segment.

→ **2008, APAR entered the cable business** with an acquisition and now services the B2B and B2C segments

→ **2014 backward integrated into the polymers business**, acquiring expertise in polymer compounding for self-consumption as a raw material in the production of specialised cables.

→ **2017, APAR enters the light-duty cables industry,**

2020, APAR Anushakti was launched as the official flagship house wire.

→ **2023** Released our first Pan-India TV ad campaign on the WPL (Women's Cricket League)

→ **2022** Launched special EV tyres and harness for cables in electric vehicles.

→ **2021 entered Speciality Automotive Business** under the brand name ARKOS offering holistic mobility solutions including AdBlue and car Batteries and tyres.

→ **2020 APAR powered through the pandemic.** Throughout the organisation, there were zero layoffs. APAR underwent a brand transformation to meet the future-forward vision.

Industries we catered to



The Pillars of APAR

As a technology-driven and customer-centric organisation, we provide cutting-edge, value-driven solutions that effectively address the genuine business challenges faced by our clients. In this pursuit, our expertise, manufacturing excellence, strong market presence and diversified product portfolio have been pivotal in more than 140 countries worldwide.

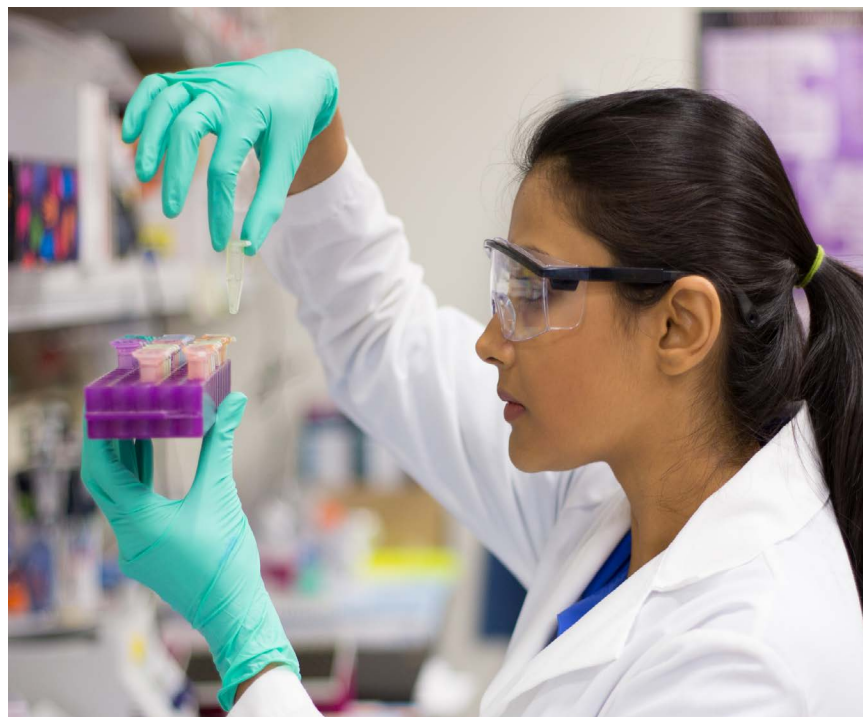
Let us delve into these four cornerstones of novelty and notable achievements that have been instrumental in our extraordinary journey, establishing a solid groundwork for sustained success in the years to come.

R&D Prowess

Driven by our unwavering promise of innovation, our Research & Development (R&D) endeavours serve as the driving force behind our continuous quest to discover, perfect and deliver "Tomorrow's solutions today." With relentless dedication, we strive to push the boundaries of engineering with groundbreaking advancements that shape the landscape of the energy sector, improve profitability and ensure customer satisfaction.

- Innovated best-in-class 99% biodegradable natural ester transformer oil
- Designed special solid shaped conductors for low, medium and high voltage multi-core power cables

- First cable company to prepare the component specs and assembly drawings of electric passenger vehicles in India (EV wiring solutions and harness)
- Introduced TPE, TPV and TPO and speciality polymers for Automobile sector
- Launched a special premium grade of lubricants to support tractors and its equipment to function at optimum state



Manufacturing Excellence

APAR today stands firm on the back of its strong manufacturing capabilities (nine manufacturing facilities in India and one in Sharjah, UAE) for each business portfolio that meets the stringent national and international parameters.



4
Conductors

Athola Silvassa, Jharsuguda, Lapanga



2
Cables

Khatalwada, Umbergaon



3
Oils

Rabale, Silvassa, Sharjah

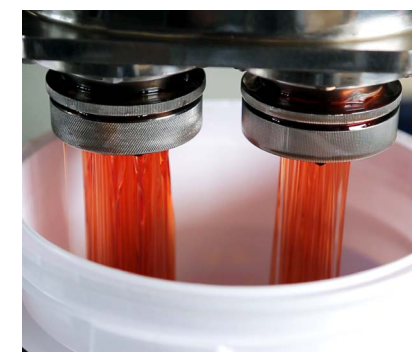


1
Polymers

Umbergaon

At APAR, we place great emphasis on achieving manufacturing excellence in our production facilities. We strive to maximise operational efficiency, reduce costs, minimise waste, augment product features and exceed customer expectations. Our holistic approach aligns people, processes, technologies and resources to optimise production and deliver superior results, quality and after sales value.

- Six sigma and kaizen initiatives driving continuous improvement and reducing inefficiencies
- Speciality Oil plant at Rabale achieves over 150 days of zero-defect production



- Proud to own India's largest electron beam facility dedicated for the irradiation of cables (4 electron beam machines, one 1.5 MeV, two 2.5 MeV and one 3 MeV)
- Received the highest number of UL approvals in India for export of wires and cables to USA
- 1st Indian company to get an approval from Hasbro Inc. for supplying Speciality Thermoplastic Elastomer
- Hamriya plant operating at 104% capacity, while the petroleum jelly plant at Rabale is running at 100%, full capacity

Strong Market Presence

We have solidified our market presence by diligently securing necessary approvals from esteemed buyers and regulatory authorities. Even during times of crisis and supply chain disruptions, we have delivered high-quality products to clients across all seven continents, ensuring timely and reliable service.

- Exporting to over 140+ countries globally
- India's largest exporters, a leader in CATV/broadband fibre optic cables

- Export cables sales contribution of 51%, largely serving developed countries
- Sharjah speciality oils plant serves Middle East & East Africa regions
- Pioneer in transformer oils in India, 60% market share in power transformers
- First Indian wire and cable company to venture into the harness segment for diverse applications such as electric vehicles (EV), solar energy, locomotives and more



Diversified Product Portfolio

We possess a diverse product portfolio that caters to an array of customer requirements for both traditional and specialised products. By comprehensively understanding their challenges and bring forth customised solutions that precisely address every specific requirement.

- 400+ different types of Speciality Oils
- A leading player in the automotive lubricants industry, with over 1,200 products available under Eni, ARKOS and POWEROIL brands
- Offering specialised EV tyres and batteries for two and four-wheeler segment under the ARKOS brand



- Manufacturing various bare overhead conductors including traditional and new generation
- Completed over 150+ HTLS turnkey solutions projects in last 5 years with zero-accidents
- As India's top-rated manufacturer of renewable and specialised cables, we are paving our expansion into the B2C segment, introducing APAR Anushakti house wires with 50 years of life and high safety features

The Collective Power Of Our Brands



With a capacity of over 1,80,000 MT, we are world's largest manufacturer of conductors. Our conductors' business places an increasing emphasis on the premiumization of products and a leading provider of highly safe and efficient specialised turnkey solutions.

Read more on page 16



With a total volume surpassing 4,00,000 KL, APAR is gratified to be world's 3rd largest producer of transformer oil and India's largest private blender and marketer of speciality oils.

Our esteemed brand POWEROIL, encompasses over 350 grade oils, offering more than 500 variants of transformer oils, white oils, petroleum jelly and process oils.

Read more on page 20



We are India's foremost exporter of wires and cables and take pride in offering the largest range of specialty cables catering to a wide spectrum of industrial verticals, public and private utilities, industrial applications and telecommunications.

Our Light Duty brands under this vertical

Read more on page 28



As premier manufacturers of automotive and industrial lubricants, we are the largest marketers of metalworking fluids, hydraulic and turbine oils in India.

Our distinguished brands, POWEROIL and Eni (under a licensed agreement with Eni S.p.A., Italy for the Indian and other South Asian markets) have garnered a loyal customer base spanning across the globe.

Read more on page 34



Our newest brands, ARKOS (tie-up with PSPL, Singapore) offers a holistic spectrum of batteries, tyres and lubricants, and POWEROIL AdBlue (agreement with VDA Germany) additive, fulfilling anticipated mobility needs of tomorrow.

Read more on page 38



Our polymer division has built a standing for the highest quality, timely delivery and competitive prices. Our brand APARPrene® is India's leading manufacturer of ISO certified thermoplastic elastomers, thermoplastic vulcanizates, and various other polymer compounds and customisable products.

Read more on page 40

APAR Conductors Business

World’s largest aluminium & alloy conductor manufacturer

Since its establishment in 1958, APAR’s conductor business has made significant contributions to the development of India’s power transmission and distribution infrastructure. We have consistently remained at the forefront of technology, pioneering the manufacturing and supply of a diverse bare overhead aluminium conductors.

Our offerings encompass both traditional conductors and progressive new generation conductors such as High Temperature Low Sag (HTLS) conductors.

Conductors are crucial in efficiently transmitting electrical energy from power generation sources to end consumers, primarily through overhead power lines. Our comprehensive range of conductors have been well-received in the market and caters to the evolution of the power industry. We have obtained product approvals from leading EPC contractors worldwide, further establishing our credibility.

As the demand for electricity continues to grow, we have established ourselves as the world’s largest producers of aluminium conductors. We are actively involved in uplifting India’s power grids and distribution infrastructure through our turnkey solutions vertical. With strategically located production facilities in Silvassa and Odisha, India, we ensure efficient manufacturing and supply of conductors by maintaining a geographically well-distributed presence.

FY 23 highlights

(₹ in Crore)

7,013
Revenue

67%
YoY

716
EBITDA

267%
YoY
margin at 10.2%

706
EBITDA post adj*

284%
YoY
margin at 10.1%
*After adjusting open period forex, before unallocable expenditure (net of income)

1,60,131
MT Volume

49%
YoY

44,700
EBITDA per MT

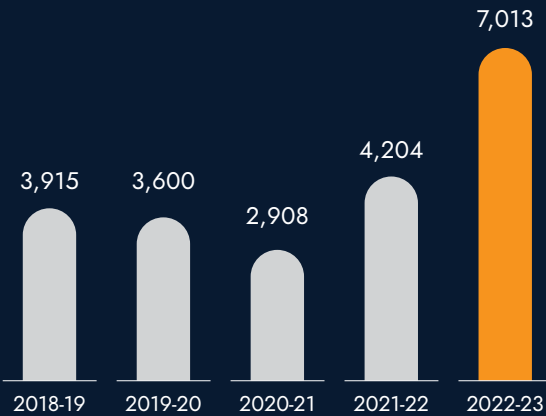
147%
YoY

44,114
EBITDA* per MT

158%
YoY

Revenue from operations

(₹ in Crore)



Key growth Drivers

In FY 2023, by leveraging these growth drivers, we have broadened our market presence, attracted new customers and successfully catered to the increasing demand for upgraded power transmission and distribution systems globally:



Companies adopting China plus one policy:

The “China Plus One” policy refers to companies diversifying and reducing their dependence on China by establishing alternative manufacturing sources. Post Covid, as companies seek alternative suppliers for conductors, we quickly capitalised on this market opportunity.

This trend has been observed in a steep growth in demand for our OPGW (Optical Ground Wire) conductors, a combination of optical fibres with overhead power conductors for communication and power transmission purposes.



Upgrade and uprate of power transmission & distribution:

As the power transmission and distribution infrastructure ages or becomes inadequate to meet the growing energy demands, there is a need for upgrading and uprating the systems. This includes replacing old conductors with advanced ones that can handle higher power capacity and reduce transmission losses.

As companies and utilities seek premium and efficient conductors for infrastructure improvement projects, APAR has positioned itself as a steadfast counterpart for executing large-scale projects. We offer comprehensive solutions that entail designing, engineering, manufacturing and turnkey services, providing an end-to-end project advantage.



Government investing in infrastructure:

Governments of both developed and developing nations have made substantial investments in infrastructure of power, railway and metro projects. APAR has positioned itself as a trusted partner by actively participating in these infrastructure projects and offering tailor-made solutions.

Infrastructure projects, including the construction of renewable power plants, substations and transmission lines, necessitate using high-quality conductors to ensure reliable and efficient energy transmission. APAR has successfully catered to these requirements by supplying superior conductors for such projects.

We are the first Indian company to design, manufacture and supply indigenous copper-silver contact wire and flexible dropper wire for fast trains as per RDSO specifications. We have actively contributed to the electrification project of Indian Railways, playing a key role in providing the necessary conductors for this initiative. Furthermore, we are the sole approved Indian manufacturer to supply 12 sq.mm Cu-Mg catenary wire to Delhi Metro, meeting their specific requirements.

