Preliminary Placement Document
Subject to Completion
Not for circulation
Private and confidential
Serial No.________

This Preliminary Placement Document relates to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made through this Preliminary Placement Document to the public or any other categories of investors other than the Eligible QIBs. This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to buy securities in any jurisdiction where such offer or sale or subscription is not permitted. The information in this Preliminary Placement Document is not complete and may be changed.

APAR INDUSTRIES LIMITED

Our Company was incorporated on September 28, 1989, as 'Gujarat Apar Polymers Limited', as a public limited company under the Companies Act, 1956 and received certificate for commencement of business on November 7, 1989, from the Registrar of Companies, Gujarat. Power Cables Private Limited was originally incorporated on January 24, 1958. The name of Power Cables Private Limited was changed to Apar Private Limited on September 27, 1974, and further changed to Apar Limited on November 7, 1988. Pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Bombay order dated January 14, 1999 and the Hon'ble High Court of Gujarat order dated January 18, 1999 the industrial business of Apar Limited amalgamated with the Gujarat Apar Polymers Limited with effect from April 1, 1997 being the appointed date of Scheme of Arrangement between Apar Limited and Gujarat Apar Polymers Limited. Subsequent to aforesaid amalgamation, the name of the Gujarat Apar Polymers Limited was changed to "Apar Industries Limited" under the provision of the Companies Act, 1956 and fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli on April 19, 1999. For further details of changes in the names of our Company and a brief history of our Company, see "***General Information***" on page 464.

CIN: L91110GJ1989PLC012802

Registered Office: 301, Panorama Complex, Near Race Course, R. C. Dutt Road, Vadodara, - 390 007 (Gujarat), India; **Corporate Office**: APAR House, Bldg. No. 4&5, Corporate Park, Sion – Trombay Road, Chembur, Mumbai – 400 071 (Maharashtra), India
Tel.: +91 0265 6178700; **Email**: com.sec@apar.com; **Website:** www.apar.com

Issue of up to [●] equity shares of face value of ₹ 10 each (the "**Equity Shares**") at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share (the "**Issue Price**"), aggregating up to ₹ [●] crores (the "**Issue**"). For further details, see "***Summary of the Issue***" on page 33.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT, 2013"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER.

The Equity Shares of our Company are listed on the National Stock Exchange of India Limited (the "**NSE**") and the BSE Limited (the "**BSE**" and together with NSE, the "**Stock Exchanges**"). The closing prices of the Equity Shares on the NSE and the BSE as on November 22, 2023 were ₹ 5,577.65 and ₹ 5,532.90 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to this Issue, from each of BSE and NSE on November 23, 2023. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS, SECTION 42 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND OTHER RULES MADE THEREUNDER. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN THE SEBI ICDR REGULATIONS. YOU ARE NOT AUTHORIZED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILIZE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS, THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" BEGINNING ON PAGE 41 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT ITS OWN DUE DILIGENCE ON US AND THE EQUITY SHARES AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges and a copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, Gujarat at Ahmedabad ("**RoC**"), within the stipulated period as required under the Companies Act, 2013 and PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, please see the section titled "***Issue Procedure***" on page 196. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The information on the websites of our Company and Subsidiaries, or any other website directly or indirectly linked to the websites of our Company and Subsidiaries, or the website of the Book Running Lead Managers (as defined hereinafter) or its affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "*offshore transactions*", as defined in and in reliance on Regulation S under the Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made. For the selling restrictions in certain other jurisdictions, please see the section titled, "***Selling Restrictions***" on page 212 of this Preliminary Placement Document. Also see, "***Transfer Restrictions and Purchaser Representation***" on page 219 of this Preliminary Placement Document for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

BOOK RUNNING LEAD MANAGERS	
ICICI SECURITIES LIMITED	IIFL SECURITIES LIMITED

This Preliminary Placement Document is dated November 23, 2023

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, and its Subsidiaries and the Equity Shares which our Company considers material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, and its Subsidiaries and the Equity Shares are, in all material respects, true and accurate and are not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, and its Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to our Company, and its Subsidiaries and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company nor the BRLMs have any obligation to update such information to a later date.

ICICI Securities Limited and IIFL Securities Limited (collectively, the "**Book Running Lead Managers**" or the "**BRLMs**") have not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLMs or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with the Issue or the distribution of the Equity Shares. Each person receiving this Preliminary Placement Document acknowledges that such person has neither relied on the BRLMs nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates other than our Company in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and the merits and risks involved in investing in the Equity Shares.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling prospective Eligible QIBs to consider subscribing for the particular securities described herein. Distribution of this Preliminary Placement Document to any person other than the Eligible QIBs specified by the Book Running Lead Managers or its representatives, and those persons, if any, retained to advise such investor with respect thereto, is unauthorised, and any disclosure of its contents, without prior written consent of our Company, is prohibited. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Equity Shares.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by, or on behalf of the BRLMs. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue in consultation with the Book Running Lead Managers or their representatives and those retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission, any other federal or

state authorities in the United States, the securities authorities of any non-United States jurisdiction and any other United States or non- United States regulatory authority. No authority has passed on or endorsed the merits of this Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary may be a criminal offence in certain jurisdictions.

Subscribers and purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgements and agreements set forth in **"*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations***" on pages 5, 212 and 219 respectively of this Preliminary Placement Document**.**

The Equity Shares offered in the Issue have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares in certain jurisdictions may be restricted by law. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company or the BRLMs which would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction other than India where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any Issue materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction that would require registration of the Equity Shares in such country or jurisdiction.

In making an investment decision, investors must rely on their own examination of our Company, the Equity Shares and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the BRLMs are making any representation to any offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable laws or regulations.

Each Bidder in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under Indian laws, including Chapter VI of the SEBI ICDR Regulations and Section 42 (read with Rule 14 of the PAS Rules) and other applicable provisions of the Companies Act, 2013, and is not prohibited by SEBI or any other regulatory authority from buying, selling or dealing in securities. This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents and disclosures included in the section titled "*Risk Factors*" on page 41.

The information on our Company's website at www.apar.com, the websites of any of its Subsidiaries or any website directly or indirectly linked to our Company's website or the website of each of the BRLMs, its associates or its affiliates, or the website of the Stock Exchanges does not constitute or form part of this Preliminary Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, see "***Selling Restrictions***" and ***Transfer Restrictions and Purchaser Representations***" on pages 212 and 219 respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in the Issue. By Bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have made the representations, warranties, acknowledgements, and agreements set forth in the sections titled "***Notice to Investors***", "***Selling Restrictions***" and "***Transfer Restrictions and Purchase Representations***" on pages 3, 212 and 219, respectively, and you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Managers, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company which is not set forth in this Preliminary Placement Document;

2. You are a "Qualified Institutional Buyer" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013, to the extent applicable, and all other applicable laws; and (ii) comply with all requirements under applicable law, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue;

3. You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India. Additionally, you are aware that, in terms of the SEBI FPI Regulations, you are not permitted to acquire 10% or more of the post-Issue Equity Share capital of our Company;

4. If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Preliminary Placement Document and have a valid and existing registration with SEBI under the applicable laws in India, or (ii) a multilateral or bilateral development financial institution and are eligible to invest in India under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You have not been prohibited by SEBI, RBI or any other regulatory authority, from buying, selling or dealing in securities or otherwise accessing the capital markets. You confirm that you are not a FVCI;

5. You are eligible to invest in and hold the Equity Shares of our Company in accordance with the Consolidated FDI Policy and FEMA Rules, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules. You confirm that neither is your investment as an entity from a country which shares a land border with India nor is the beneficial owner of your investment situated in or is a citizen of such country (in each which case, investment can only be through the Government approval route);

6. You will provide the information as required under the Companies Act, 2013 and the PAS Rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

7. If you are Allotted Equity Shares pursuant to the Issue, you shall not sell the Equity Shares so acquired, for a period of one year from the date of Allotment (hereinafter defined), except on the Stock Exchanges. Please note additional requirements or requirements apply if you are in certain other jurisdictions and in accordance with any other resale restrictions applicable to you. For details, see "***Selling Restrictions***" and "***Transfer Restrictions and Purchaser Representations***" on pages 212 and 219 respectively;

8. You are aware that this Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other

law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors other than Eligible QIBs. You acknowledge that this Preliminary Placement Document has not been reviewed, verified or affirmed by SEBI, the RoC, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Placement Document shall be filed with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;

9. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and authorisations, as may be required and complied with and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

10. Neither our Company, nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Managers. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

11. All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Preliminary Placement Document. Neither our Company, nor the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

12. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than the Eligible QIBs and the Allotment shall be on a discretionary basis at the discretion of our Company in consultation with the Book Running Lead Managers;

13. You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out under "***Selling Restrictions***" and "***Transfer Restrictions and Purchaser Representations***" on pages 212 and 219 respectively;

14. You have been provided a serially numbered copy of this Preliminary Placement Document, and have read it in its entirety, including the "***Risk Factors***" on page 41;

15. You understand that the Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws. For more information, see "***Selling Restrictions***" and "***Transfer Restrictions and Purchaser Representations***" on pages 212 and 219, respectively;

16. You are outside the United States and are purchasing the Equity Shares in an 'offshore transaction' as defined in and in reliance with Regulation S, and are not our Company's or the BRLM's affiliate or a person acting on behalf of such an affiliate;

17. You are not acquiring or subscribing for the Equity Shares as a result of any "general solicitation" or "general advertising" (as those terms are defined in Regulation D under the Securities Act) or "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the Securities Act. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "***Selling Restrictions***" and "***Transfer Restrictions and Purchaser Representations***" on pages 212 and 219, respectively;

18. In making your investment decision, you have (i) relied on your own examination of our Company, and its Subsidiaries and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Company, its Subsidiaries and the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

19. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from sale of the Equity Shares). You waive, and agree not to assert any claim against, either of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

20. You are a sophisticated investor and have such knowledge and experience in financial business and investment matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any managed accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances or any accounts for which you are subscribing, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

21. If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

22. You are not a 'promoter' of our Company (as defined under the SEBI ICDR Regulations or the Companies Act, 2013), and are not a person related to the Promoters (as defined hereinafter), either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any Promoters or members of the Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

23. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding

any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

24. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the levels permissible as per any applicable law;

25. To the best of your knowledge and belief, your aggregate holding, together with other Eligible QIBs in the Issue that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size (as defined hereinafter). For the purposes of this representation:

    a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

    b. 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations.

26. You are aware that (i) applications for in-principle approval, in terms of Regulation 28 of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges, and (ii) final applications will be made for obtaining listing and trading approvals from the Stock Exchanges, and that there can be no assurance that such approvals will be obtained on time or at all. Neither our Company nor the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

27. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

28. You are aware that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Book Running Lead Managers;

29. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013;

30. You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

31. You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted 5% or more of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by our Company;

32. You are aware and understand that the Book Running Lead Managers have entered into a Placement Agreement with our Company, whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

33. The contents of this Preliminary Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Managers nor any person acting on its or their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers or our Company or any other person and neither the Book Running Lead Managers nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, and the Book Running Lead Managers and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

34. Neither the Book Running Lead Managers nor any of their respective affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

35. You acknowledge that (i) an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Equity Shares;

36. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Companies Act, 2013;

37. Either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue ("**Company Presentations**"); or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have the knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such meetings or presentations included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Managers have advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

38. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue. You agree to indemnify and hold our Company and the Book Running Lead Managers and their respective affiliates and their respective directors, officers, employees and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

39. Our Company, the Book Running Lead Managers, their respective affiliates, directors, officers, employees and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and are irrevocable;

40. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document;

41. The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations; and

42. You have no right to withdraw your Application Form or revise your Bid downwards after the Issue Closing Date (as defined hereinafter).

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines, and approvals in terms of Regulation 21 of the SEBI FPI Regulations and the SEBI circular dated November 5, 2019 on operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), FPIs, including the affiliates of the Book Running Lead Managers, who are registered as Category I FPIs can issue, subscribe and deal in offshore derivative instruments (as defined under the SEBI FPI Regulations, i.e., as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes, provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPIs may receive compensation from the purchasers of such P-Notes. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to persons eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of our post-Issue Equity Share capital on a fully diluted basis. The SEBI has issued the FPI Operational Guidelines to facilitate implementation of the SEBI FPI Regulations. In terms of the FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of offshore derivative instruments and two or more subscribers of offshore derivative instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the offshore derivative instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of offshore derivative instruments, these investment restrictions shall apply on the aggregate of the FPI and offshore derivative instruments investments held in the underlying company. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with the FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by and are the sole obligations of third parties that are unrelated to our Company. Our Company, and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and does not constitute any obligations of or claims on the BRLMs.

Bidders interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Bidders are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Please also see "***Selling Restrictions***" and "***Transfer Restrictions and Purchaser Representations***" on pages 212 and 219, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

(a) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;

(b) warrant that the Equity Shares to be issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

(c) take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company,

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/ acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER FINANCIAL INFORMATION

Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to "you", "your", "offeree", "purchaser", "subscriber", "recipient", "investors", "prospective investors" and "potential investor" are to the Eligible QIBs in the Issue and references to the "Issuer", "the Company", "our Company" refers to APAR Industries Limited and references to "we", "us", or "our" are to our Company together with its Subsidiaries, on a consolidated basis.

Unless otherwise specified or the context otherwise requires, all references in this Preliminary Placement Document to (i) the 'US' or 'U.S.' or the 'United States' or the 'U.S.A' are to the United States of America and its territories and possessions; (ii) 'India' are to the Republic of India and its territories and possessions; and (iii) the 'UK' or 'U.K.' or the 'United Kingdom' are to the United Kingdom of Great Britain and its territories and possessions; and (iv) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

In this Preliminary Placement Document, references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India, references to "GBP" or "£", are to the legal currency of United Kingdom and references to 'USD', 'U.S. Dollars' and 'US$' are to the legal currency of the United States.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. The amounts derived from Financial Statements included herein are presented in ₹ crores, as presented in the Audited Consolidated Financial Statements and the Limited Review Financial Results. Unless stated otherwise, throughout this Preliminary Placement Document, all figures have been expressed in Rupees in ₹ crores.

In this Preliminary Placement Document, references to "Lakh" represents "100,000", "million" represents "1,000,000", "crore" represents "10,000,000", and "billion" represents "1,000,000,000".

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Page Numbers

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

Financial and Other Information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise. The terms "Fiscal", "Financial Year", "Fiscals" or "Fiscal Year", refer to the 12 month period ending March 31 of that particular year. Unless stated otherwise, the financial data in this Preliminary Placement Document is derived from the Financial Statements.

This Preliminary Placement Document includes the following:

- Fiscal 2021 Audited Consolidated Financial Statements
- Fiscal 2022 Audited Consolidated Financial Statements
- Fiscal 2023 Audited Consolidated Financial Statements
- Limited Review Financial Results

The Audited Consolidated Financial Statements should be read along with the respective audit reports, and the Limited Review Financial Results should be read along with the respective limited review report. Further, our

Limited Review Financial Results are not necessarily indicative of results that may be expected for the full financial year or any future reporting period and are not comparable with the annual financials.

Our Company prepares its financial statements in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Indian Rupees. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Also see, "***Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition***" on page 62.

Our Audited Consolidated Financial Statements and the Limited Review Financial Results are prepared in ₹ crores and have been presented in this Preliminary Placement Document in crores, unless otherwise stated. All the numbers in this Placement Document have been presented in crores unless otherwise stated. However, where any figures that may have been sourced from third-party sources are expressed in denominations other than crores expressed in such denominations as provided in their respective sources, such as ***"Market Price Information"*** and ***"Industry Overview"*** has been provided in million.

Non-GAAP Financial Measures

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance such as EBITDA post open period forex, EBITDA post open period forex Growth (CAGR), Average Capital Employed, Return on Capital Employed, Capital Expenditures, Return on Equity, Debt to Equity Ratio, Adjusted Net (cash) / Debt, Interest Coverage Ratio and Net fixed asset turnover ratio have been included in this Preliminary Placement Document. These may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Unless stated otherwise, the statistical information included in this Preliminary Placement Document relating to the industry in which we operate has been reproduced from various trade, industry and government publications and websites more particularly described in the section titled "***Industry Overview***" on page 120.

The industry, market and economic data included in this Preliminary Placement Document has been derived from the report titled "*Assessment of power cables, conductors & specialty oils industry in India*" dated November 23, 2023 by CRISIL (the **"CRISIL Report**"). Our Company has commissioned and paid for the CRISIL Report pursuant to the engagement letter dated October 6, 2023. CRISIL is not related in any manner to our Company, our Directors, our Key Managerial Personnel, members of our Senior Management, our Promoters or the book running lead managers to the Issue.

This data in the CRISIL Report is subject to change and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe its internal estimates to be reasonable, such estimates have not been verified by any independent sources and neither we nor the BRLMs can assure Bidders as to their accuracy.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "***Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by CRISIL which has been commissioned and paid for by us for such purpose***" on page 55.

Disclaimer of the CRISIL Report

The CRISIL Report is subject to the following disclaimer:

"*CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Apar Industries Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval*."

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "can", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- Any adverse development in our performance in the conductors business, which contributes a significant portion to our revenue from operations could have an adverse effect on our business, cash flows, results of operation and financial condition.
- If we are unable to handle risks associated with our export sales, our sales to customers in foreign countries, as well as our operations and assets in such countries could be negatively affected.
- We may not be able to meet evolving customer requirements or guarantee the success of new technology and products.
- We may require additional financing to meet our substantial capital expenditure and working capital requirements, which could have a material adverse effect on our results of operations, cash flows and financial condition.
- If we are unable to maintain our quality accreditations and certifications, which are subject to strict quality requirements, our brand and reputation may be negatively affected which might adversely affect our business, results of operations, financial condition, cash flows and reputation.
- Volatility in costs of the raw materials or increases or fluctuations in prices of raw material that we use in our manufacturing process may have a material adverse effect on our business, financial condition, results of operations and cash flows.
- Any adverse changes in the conditions affecting the energy infrastructure sector such as geopolitical tensions affecting the price of commodities can adversely impact our business, financial condition, results of operations, cash flows and prospects.

- Any slowdown or shutdown in our manufacturing operations, including due to labor unrest, or any inability to obtain adequate electricity, fuel or water with respect to such operations, could have an adverse effect on our business, results of operations, financial condition and cash flows.

- If we are unable to effectively manage our growth, expansion or implementation of our business plans and growth strategies, including in relation to the expansion of our direct-to-consumer products, our business, results of operations and financial condition could be adversely affected.

- There are risks arising from credit terms extended to our customers comprising distributors, retailers and end users.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled "***Risk Factors***", "***Industry Overview***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 41, 120, 163 and 84, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as on the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI and Stock Exchange requirements, our Company and the BRLMs will ensure that the eligible equity shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. Except for Rishabh Kushal Desai who is a non-resident Indian, all our Directors, the Key Managerial Personnel and the members of our Senior Management are residents of India and all or a substantial portion of the assets of our Company and such persons are located in India**.** As a result, it may be difficult or may not be possible for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India predicated upon civil liabilities of our Company or such directors and executive officers under laws other than Indian laws, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908, as amended (the "**Civil Procedure Code**"), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. India is not a party to any multilateral international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Among other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, United Arab Emirates and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Rupee and the U.S. dollar will affect the U.S. dollar equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into U.S. dollar of any cash dividends paid in Rupees on the Equity Shares.

INR to USD

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and the U.S. dollar (in ₹ per U.S.D) based on the reference rates released by the RBI/FBIL. No representation is made that the Indian Rupee amounts actually represent such amounts in U.S. dollar or could have been or could be converted into USD at the rates indicated, any other rates, or at all.

	(₹ Per US$)			
	Period end(^)	**Average(1)**	**High(2)**	**Low(3)**
Financial Year:				
2023	82.22	80.39	83.20	75.39
2022	75.81	74.51	76.92	72.48
2021	73.50	74.20	76.81	72.29
Six months ended:				
September 30, 2023	83.06	83.05	83.26	82.66
Month ended:				
Oct, 2023	83.27	83.24	83.27	83.15
Sep, 2023	83.06	83.05	83.26	82.66
Aug, 2023	82.68	82.79	83.13	82.28
July, 2023	82.25	82.15	82.68	81.81
Jun, 2023	82.04	82.23	82.64	81.88
May, 2023	82.68	82.34	82.80	81.74

(Source: www.fbil.org.in)

(^) *The price for the period end refers to the price as on the last trading day of the respective fiscal year or quarterly or monthly periods.*

(1) *Average of the official rate for each working day of the relevant period.*

(2) *Maximum of the official rate for each working day of the relevant period.*

(3) *Minimum of the official rate for each working day of the relevant period.*

Notes:

- *If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.*
- *The RBI reference rates are rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

*The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations framed thereunder. Notwithstanding the foregoing, terms used in the sections titled "**Taxation**", "**Industry Overview**", "**Capital Structure**", "**Financial Information**" and "**Legal Proceedings**" on pages 229, 120, 79, 241 and 234, respectively, shall have the meaning given to such terms in such sections.*

General Terms

Term	Description
"Our Company", "the Company", "the Issuer" or "AIL"	APAR Industries Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at 301, Panorama Complex, Near Race Course, R. C. Dutt Road, Vadodara, - 390 007 (Gujarat), India
"We", "Our", or "Us"	Unless the context otherwise indicates or implies, refers to our Company along with its Subsidiaries, on a consolidated basis

Company related terms

Term	Description
Articles or Articles of Association	The Articles of Association of our Company, as amended from time to time
Audit Committee	The Audit Committee of our Board, as disclosed in "***Board of Directors and Senior Management***" on page 177
Audited Consolidated Financial Statements	Collectively, the Fiscal 2021 Audited Consolidated Financial Statements, the Fiscal 2022 Audited Consolidated Financial Statements and the Fiscal 2023 Audited Consolidated Financial Statements
Auditors or Statutory Auditors	The current statutory auditors of our Company namely, M/s. C N K & Associates LLP, Chartered Accountants
Board of Directors or Board	The board of directors of our Company, including any duly constituted committee thereof, as disclosed in "***Board of Directors and Senior Management***" on page 177
Corporate Office	The corporate office of our Company located at APAR House, Bldg. No. 4&5, Corporate Park, Sion – Trombay Road, Chembur, Mumbai – 400 071 (Maharashtra), India
Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee of our Board, as disclosed in "***Board of Directors and Senior Management***" on page 185
Director(s)	The directors on the Board of our Company, as may be appointed from time to time
ESOP Scheme	The employee stock option plan of our Company titled APAR Industries Limited Stock Option Plan 2007
Equity Shares	The equity shares of a face value of ₹ 10 each of our Company
Financial Statements	Limited Review Financial Results, Fiscal 2023 Audited Consolidated Financial Statements, Fiscal 2022 Audited Consolidated Financial Statements and Fiscal 2021 Audited Consolidated Financial Statements
Fiscal 2021 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company, its Subsidiaries and its associates for Fiscal 2021, comprising the consolidated balance sheet as at March 31, 2021, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement for the year then ended, the consolidated statement of changes in equity and a summary of the significant accounting policies and other explanatory information, prepared in accordance with accounting principles generally accepted in India, including Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the report dated May 31, 2021 issued thereon by M/s. C N K & Associates LLP, Chartered Accountants, our Statutory Auditors

Term	Description
Fiscal 2022 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company, its Subsidiaries and its associate for Fiscal 2022, comprising the consolidated balance sheet as at March 31, 2022, and the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement for the year then ended, the consolidated statement of changes in equity and a summary of the significant accounting policies and other explanatory information, prepared in accordance with accounting principles generally accepted in India, including Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the report dated May 27, 2022 issued thereon by M/s. C N K & Associates LLP, Chartered Accountants, our Statutory Auditors
Fiscal 2023 Audited Consolidated Financial Statements	Audited consolidated financial statements of our Company, its Subsidiaries and its associates for Fiscal 2023, comprising the consolidated balance sheet as at March 31, 2023, and the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity for the year then ended and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information, prepared in accordance with accounting principles generally accepted in India, including Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the report dated May 8, 2023 issued thereon by M/s. C N K & Associates LLP, Chartered Accountants, our Statutory Auditors
Independent Director(s)	Independent directors of our Company, unless otherwise specified
Issue Documents	The Preliminary Placement Document and the Placement Document
Key Managerial Personnel	The key managerial personnel of our Company in accordance with the provisions of the Companies Act, 2013 and as described in "***Board of Directors and Senior Management***" on page 182
Memorandum or Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nomination and Compensation-cum-Remuneration Committee	The Nomination and Compensation-cum-Remuneration Committee of the Board of our Company as disclosed in "***Board of Directors and Senior Management***" on page 185
Non-Executive Director(s)	Non-executive directors of our Company, unless otherwise specified
Promoters	The promoters of our Company, namely Kushal Narendra Desai, Chaitanya Narendra Desai, Smt. Maithili N. Desai, Rishabh Kushal Desai, Gaurangi K Desai, Noopur Kushal Desai, Jinisha C. Desai and Devharsh C. Desai
Promoter Group	The individuals and entities forming part of the promoter group of our Company in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	The registered office of our Company located at 301, Panorama Complex, Near Race Course, R. C. Dutt Road, Vadodara, - 390 007 (Gujarat), India
Risk Management Committee	The Risk Management Committee constituted our Board as disclosed in "***Board of Directors and Senior Management***" on page 185
Scheme of Arrangement	Refers to the scheme of amalgamation between Apar Limited and Gujarat Apar Polymers Limited approved by the Gujarat High Court on January 18, 1999 and came into effect from April 1, 1997
Senior Management	The members of the senior management of our Company in accordance with Regulation 2 (1) (bbb) of the SEBI ICDR Regulations
Share Issue Committee	The Share Issue Committee constituted for the purposes of the Issue by our Board through its resolution dated September 28, 2023, comprising of Kushal Narendra Desai, Chaitanya Narendra Desai, Rajesh Narayan Sehgal and Kaushal Jaysingh Sampat
Shareholders	Shareholders of our Company from time to time
Share Transfer & Shareholders Grievance cum Stakeholders Relationship Committee	The Share Transfer & Shareholders Grievance cum Stakeholders Relationship Committee of our Board as disclosed in the section titled "***Board of Directors and Senior Management***" on page 185
Subsidiaries	The subsidiaries of our Company (including step-down subsidiaries) in accordance with the Companies Act, 2013 as on the date of this Preliminary Placement Document, namely: • APAR Transmission and Distribution Projects Private Limited • Petroleum Specialities Pte Limited • APAR Distribution and Logistics Private Limited • CEMA Wires and Cables INC • Petroleum Specialities FZE
Limited Review Financial Results	Unaudited consolidated and standalone financial results of our Company and its Subsidiaries as of and for the six months ended September 30, 2023, comprising the consolidated and standalone balance sheet as at September 30, 2023, the consolidated

Term	Description
	and standalone statement of profit and loss (including other comprehensive income), and the consolidated and standalone statement of cash flow for the period then ended, prepared in accordance with in accordance with the recognition and measurement principles laid down as per the requirements of Ind AS 34 "*Interim Financial Reporting*" prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and the report dated October 26, 2023 issued thereon by M/s. C N K & Associates LLP, our Statutory Auditors

Issue related terms

Term	Description
Allocated or Allocation	The allocation of Equity Shares, by our Company in consultation with the BRLMs, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued pursuant to the Issue
Application Amount	The aggregate amount paid by a Bidder at the time of submitting a Bid in the Issue
Application Form	Form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue at the time of submission of the Application Form
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bidder	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Book Running Lead Managers or BRLMs	ICICI Securities Limited and IIFL Securities Limited
CAN/ Confirmation of Allocation Note	Note, advice or intimation confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●], 2023
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under the applicable laws. In addition, QIBs, outside the United States in "offshore transactions" in reliance on Regulation S under the Securities Act. Further, FVCIs are not permitted to participate in the Issue and accordingly, are not Eligible QIBs
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, to be opened in the name and style "Apar Industries Ltd Qip Escrow Ac" with the Escrow Bank, subject to the terms of the Escrow Agreement into which the Application Amount in connection with the subscription to the Equity Shares pursuant to the Issue shall be deposited by the Bidders
Escrow Agreement	Agreement dated November 23, 2023, entered into by and amongst our Company, the Escrow Bank and the Book Running Lead Managers for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	Kotak Mahindra Bank Limited
Floor Price	Floor price of ₹ 5,540.33 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Board may, in consultation with the Lead Managers, offer a discount of not more than five per cent on the Floor Price in accordance with the approval of our Board dated September 28, 2023 and the Shareholders (through postal ballot) dated November 11, 2023 and in terms of the SEBI ICDR Regulations
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company

Term	Description
Issue	Offer and issuance of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], 2023, the date after which our Company (or Book Running Lead Manager on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount
Issue Opening Date	November 23, 2023, the date on which our Company (or the Book Running Lead Manager on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ [●]
Issue Size	Aggregate size of the Issue, up to ₹ [●] crores
Monitoring Agency	CARE Ratings Limited, being a credit rating agency registered with SEBI, appointed by our Company in accordance with the provisions of the SEBI ICDR Regulations
Monitoring Agency Agreement	Monitoring agency agreement dated November 23, 2023, entered into between our Company and the Monitoring Agency
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Placement agreement dated November 23, 2023 by and among our Company and the Book Running Lead Managers
Preliminary Placement Document	This Preliminary Placement Document along with the Application Form dated November 23, 2023 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
Placement Document	The placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules prescribed thereunder
QIBs or Qualified Institutional Buyers	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP or Qualified Institutional Placement	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with applicable rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all, or part, of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The intimation from our Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts
Relevant Date	November 23, 2023, which is the date of the meeting in which our Share Issue Committee decided to open the Issue
Securities Act	The United States Securities Act of 1933, as amended
Stock Exchanges	BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount with the Application Form and who are Allocated Equity Shares pursuant to the Issue
U.S. / United States	The United States of America
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorized or obligated by law to remain closed in Mumbai, India

Business, technical and industry related terms

Term	Description
Adjusted Net (Cash)/ Debt	Net Debt is equal to sum of short term debt, long term debt, current portion of long term debt minus cash and cash equivalent
Average Capital Employed	Average of Opening and Closing Capital Employed, Capital Employed = Total Segment Assets less Total Segment Liabilities
Capital Expenditures	Addition to property plant & equipment, intangible assets adjusted for movement in capital-work-in progress, intangible assets under development, capital advance and creditors for capital expenditure
Debt to Equity Ratio	Debt /Equity is calculated as debt divided by Shareholder's equity

Term	Description
EBITDA post open period forex	Calculated as profit before tax plus depreciation and amortisation expense, finance cost and unallocable corporate expenditure net of unallocable corporate income less interest income add or less open period forex, where open period forex is exchange losses / gain which is treated as finance cost adjusted for forward premium cost
EBITDA post open period forex Growth (CAGR)	EBITDA post open period forex at the end of the period divided by EBITDA post open period forex at the beginning of the year raised to one divided by no of years over which growth is computed minus one
Equity Shareholders Fund	Share capital plus other equity
Interest Coverage Ratio	Interest coverage ratio is calculated as EBITDA post open period forex divided by finance cost
Net fixed asset turnover ratio	Net fixed asset turnover ratio is calculated as closing net block affixed assets (comprising of property, plant & equipment, capital work in progress, intangible assets, intangible assets under development, right to use assets) divided by revenue from operation
Return on Equity	Calculated as PAT divided by average equity shareholders fund
Return on Capital Employed	Profit before tax plus interest on long term and short term borrowing divided by Average Capital Employed

Conventional and general terms

Term	Description
AGM	Annual General Meeting
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compound annual growth rate
Calendar Year	Year ending on December 31
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CFO	Chief Financial Officer
CIN	Corporate Identification Number
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act	The Companies Act, 2013 and applicable provisions of the Companies Act, 1956
Companies Act, 1956	The Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013, along with the relevant rules made and clarifications issued thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
Cr.PC	The Code of Criminal Procedure, 1973
Depositories	CDSL and NSDL
Depositories Act	The Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DP ID Number	Depository participant identification number
DPIIT	Department for Promotion of Industry and Internal Trade
EGM	Extraordinary general meeting
EU	European Union
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FIR	First information report
Financial Year or Fiscal	The period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investor, as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, registered with SEBI
GAAP	Generally Accepted Accounting Principles

Term	Description
GDP	Gross Domestic Product
General Meeting	AGM or EGM
GoI or Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
HNI	High net-worth individual
I.T. Act	The Income-tax Act, 1961
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian accounting standards, as per the roadmap issued by the Ministry of Corporate Affairs, Government of India, notified by the MCA under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Indian Generally Accepted Accounting Principles (GAAP) as notified under Section 133 of the Companies Act read with Companies (Accounts) Rules, 2014
IRDAI	Insurance Regulatory and Development Authority of India
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, GoI
MoEF	Ministry of Finance, GoI
MoU	Memorandum of Understanding
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NEFT	National Electronic Fund Transfer
Non-Resident Indian or NRI	An individual resident outside India who is citizen of India
Non-Resident or NR	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P.A. or p.a.	Per annum
PAN	Permanent Account Number allotted under the I.T. Act
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit after tax
RBI	Reserve Bank of India
RoC or Registrar	Registrar of Companies, Gujarat at Ahmedabad
Regulation S	Regulation S under the Securities Act
SCR (SECC) Regulations	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2018
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India established under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Mutual Fund Regulations	The Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Securities Act	The United States Securities Act of 1933, as amended
U.S.	United States of America
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCF	Venture capital fund
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

SUMMARY OF BUSINESS

Overview

We are a diversified manufacturer primarily serving customers in the global energy infrastructure sector. As per CRISIL, we are India’s largest player in terms of sales of conductors in Fiscal 2023, one of the leading exporters of conductors and cables from India in Fiscal 2023, and also one of the three key players in the domestic renewable cables segment. We are also India’s largest private manufacturer of specialty oils in terms of manufacturing capacity as of Fiscal 2023. (*Source: CRISIL Report*)

Globally, renewable energy share is expected to increase from 28% in 2021 to 38% in 2027 curbing coal, gas, stabilizing emissions, lowering CO2 intensity. Additionally, this increase in share of renewable energy is expected to offer business opportunities in the cables, conductors as well as transformer oil segment among others. Globally, capacity additions in renewable power were ~1,300 giga watts (GW) between 2016-2021. It is expected to post a robust growth and grow by ~90% to 2,350-2,450 GW between 2022-2027. The IEA's World Energy Outlook 2023 report states that renewables will provide 50% of the world's electricity by 2030. Total final energy consumption (TFC) was 442 EJ in 2022. The energy mix in 2022 was skewed towards fossil fuels, with oil & coal contributing to ~54% of the TFC. Share of electricity and hydrogen in TFC was ~21% in 2022. Going forward, share of electricity and hydrogen in final consumption may grow to ~45% under the APS by 2050, ~60% under the NZE by 2050. TFC is expected to rise by 20-25% in 2050 compared to 2022 based on STEPS scenario. Solar installed capacity and wind installed capacity in India are expected to grow by 200 GW and 55 GW respectively from 2024 to 2030. Such multi fold generation expansion plans also require large-scale development in the transmission sector because grid-connected solar and wind plants are usually located in far-flung areas which have limited transmission infrastructure. Extensive transmission and cable infrastructure transmit power from remote generation sites to consumption centres. This in turn is expected to drive the demand of cables and conductors. (*Source: CRISIL Report*)

Infrastructure investments in Indian railways, Metros and High-speed rail are expected to grow exponentially, which will further boost the conductor industry. In India, domestic market for electric vehicles (EVs) is expected to grow at a CAGR of 49% between 2022 and 2030. As of Jan 23, 2023, India had 5,254 public electric vehicle (EV) charging stations, to cater to a total of 20.65 lakh EVs. Additionally, expansion of electric vehicle market is highly cable intensive expansion; which will notably accelerate growth of cables market in India. Based on investment needs to achieve sustainable development goals, investments in the transport sector between 2016 and 2040 should be ~USD 49,875 billion, at an annual average of USD 1,995 billion. With increase in manufacturing opportunity in India, capacity, speed and automation in manufacturing industry will increase. The rise in capacity, speed and automation in the manufacturing industry will lead to higher consumption of lubricants as well as higher value for performance and protection of more sophisticated equipment. CRISIL MI&A expect a pickup in demand for high-voltage conductors, given increasing focus on adding transmission lines of higher voltage levels, for evacuation of bulk power. Also, the importance of high-voltage (HV) lines of 400 kV and 765 kV in the intra-state transmission network is also increasing, as higher voltage level enhances power density, reduces losses and efficiently delivers bulk power. Also, as electric consumption in urban areas goes higher, there is a need for higher ampacity transmission lines through limited ROW-HTLS conductors and reconducting turnkey solutions. GEC (Green Energy Corridor) and railway electrification will provide necessary boost to the power conductor sector. Average annual investment in telecommunication sector to increase from USD 233 billion to USD 314 billion leading to higher requirement of power & electric equipment. Additionally, the emergence of data centres and cloud computing also presents promising opportunities for growth and development within the cable sector. (*Source: CRISIL Report*)

We cater to customers in the energy infrastructure sector through our wide range of conductors, specialty oil and power cables, which are essential to power transmission and distribution infrastructure. We have also launched specialised solar and windmill cables to meet customer requirements, and offer products serving renewable energy infrastructure covering generation, transformation, transmission and distribution. In addition to the energy infrastructure sector, our products are also used for a range of applications across diverse sectors, including network and telecommunications, defence, automotive, and industrial sectors.

We operate through three key business segments, namely (i) conductors, (ii) transformer and specialty oils, and (iii) power/ telecom cables.

(i) *Conductors*

Conductors are crucial in efficiently transmitting electrical energy from power generation sources to end consumers, primarily through overhead power lines.

We are India's largest player in terms of sales of conductors in Fiscal 2023, and one of the leading exporters of conductors and cables from India in Fiscal 2023. (*Source: CRISIL Report*) We supply conductors to customers, including in the renewable energy space. We manufacture conventional conductors and premium conductors, including HTLS conductors, ACCC conductors, solid shaped conductors, railway conductors, specialty alloy rods; CTC/PICC, BUSBAR, air expanded conductors, and dull finished conductors. In line with our increased focus on premiumization, we have also added copper conductors for railways, copper transpose conductors for transformers, and OPGW wires for power and telecommunication to our product offerings. For our ACCC conductors, we have entered into a technology tie-up with a US based company.

We have also leveraged our experience in the conductors business to provide end-to-end turnkey solutions, such as reconductoring with HTLS and live line installation with OPGW. As on September 30, 2023, we have successfully completed over 150 power lines reconductoring projects of setting up of HTLS conductors over 35,000 circuit kilometers. We also possess expertise in hotline stringing and live line replacement of OPGW.

Our revenue from conductors segment (before eliminating inter-segment revenue) was ₹ 7,013.05 crores and ₹ 3,717.48 crores for Fiscal 2023 and the six-month period ended September 30, 2023, respectively, aggregating to 46.63% and 46.35% of our total revenue from operations (before eliminating inter segment revenue) for such periods.

(ii) *Transformer and specialty oils*

Specialty oils refer to a group of mineral oil based products used across diverse sectors, including for cooling and heat transfer, chemical characteristic alteration of compounds, lubrication and wear-and-tear protection, and product finishing.

We are India's largest private manufacturer of specialty oils in terms of manufacturing capacity in Fiscal 2023. (*Source: CRISIL Report*) We manufacture transformer oils, automotive and industrial lubricants, hydraulic and turbine oils, transformer oils for upto 800KV voltage class , technical grade and food grade white oils, petroleum jelly and metalworking fluids under this segment. Our transformer and specialty oils, sold under the 'Poweroil' brand and related sub-brands, have diverse industry applications, including use in power generation, transformation, transmission and distribution systems. We also have a licensing agreement with a European company for our auto lubricants.

Our revenue from our transformers and specialty oils segment (before eliminating inter-segment revenue) was ₹ 4,656.69 crores and ₹ 2,396.67 crores for Fiscal 2023 and the six-month period ended September 30, 2023, respectively, aggregating to 30.96% and 29.88% of our total revenue from operations (before eliminating inter segment revenue) for such periods. In Fiscal 2023, 49% of our transformer oils were sold to overseas markets.

(iii) *Power/ telecom cables*

As per CRISIL, we are one of the leading exporters of conductors and cables from India in Fiscal 2023 We are also one of the three key players in domestic renewable cables segment in India. (*Source: CRISIL Report*)

We manufacture specialized cables and wires which include high-voltage power cables, medium-voltage and low voltage XLPE cables, elastomeric cables, hybrid cables fibre optic cables and specialty cables. Our cables have a diverse range of applications across industries, including in power transmission and distribution, nuclear power, railways, and defence sectors. As per the CRISIL Report, we are one of the key suppliers of cables for railways and Vande Bharat trains. We also possess a presence in the retail market through our light duty cables powered by e-beam technology, sold under the *APAR Anushakti* brand of house wires, *APAR Mahashakti, APAR Shakti* and *APAR Tarang Shakti* brands. We have also introduced automotive cables and harnesses for electric buses, as well as harnesses for EV charging.

Our revenue from our power/ telecom cables segment (before eliminating inter-segment revenue) was ₹ 3,263.45 crores and ₹ 1,849.01 crores for Fiscal 2023 and the six-month period ended September 30, 2023, respectively, aggregating to 21.70% and 23.05% of our total revenue from operations (before eliminating inter segment revenue) for such periods.

Additionally, we have also introduced telecom solutions as a separate vertical, under which we provide various solutions to customers, including OFC solutions, LAN and 5G solutions, convergence solutions and network services to customers. Hybrid cables address telecom and power convergence across 5G, IOT and M2M.

We have robust product research and development capabilities, which we believe have been a cornerstone of our performance. We work closely with our customers in developing customised products and providing solutions that meet their specific requirements for end applications. We have a track record of introducing various premium and innovative products, including to meet our customers' specific requirements. We have supplied air expanded conductors tailored to meet the unique requirements of a client in the USA. We have also supplied specialised 96 fibre-count OPGW conductors to safeguard power transmission and communication networks and developed solid-shaped conductors for the export market. We also developed solid sector shaped aluminium conductors for multi-core power cables for fixed installation, meeting international standards, to expand our customer base. In addition, we have also introduced e-beam technology for housing wires, under our light duty cables product line, and presently have e-beam irradiation facilities.

We have an extensive global presence, as on September 30, 2023. Our revenue from exports contributed to 48.73% and 51.14% of our revenue from operations in Fiscal 2023 and six-month period ended September 30, 2023, respectively.

We own and operate eight manufacturing facilities in India and one manufacturing facility in Sharjah, UAE, which are strategically located to receive materials from our suppliers as well as deliver products to our customers. For details regarding our manufacturing facilities, including installed capacity and capacity utilization, please see "— *Our Manufacturing Facilities*" on page 172.

Our revenue from operations was ₹6,388.02 crores, ₹9,316.57 crores, ₹14,352.15 crores, and ₹7,698.99 crores for Fiscals 2021, 2022 and 2023, and six-month period September 30, 2023, respectively. Our profit after tax was ₹160.50 crores, ₹256.73 crores, ₹637.72 crores, and ₹371.31 crores for Fiscals 2021, 2022 and 2023, and six-month period ended September 30, 2023, respectively. Our EBITDA post open forex adjustment was ₹455.94 crores, ₹587.06 crores, ₹1,291.19 crores, and ₹743.13 crores for Fiscals 2021, 2022 and 2023, and six-month period ended September 30, 2023, respectively. Our revenue from operations, profit after tax and EBITDA grew at a CAGR of 30.97%, 58.39% and 41.48%, respectively, from Fiscal 2021 to Fiscal 2023. For further details of our financial and operational performance, see "— *Our Strengths— Track record of consistent financial performance and growth*" on page 168.

Our Strengths

Diversified product offerings with market leading presence across business segments

We operate through three key business segments, namely conductors, transformer and specialty oils, and power /telecom cables. We offer a wide range of products through each such segment, catering across industries, which we believe has helped us retain and increase our market share.

The following table depicts our revenue from each segment (including inter-segment revenue) for Fiscal 2023 and the six-month period ended September 30, 2023:

Business Segment	Fiscal 2023		Six-month period ended September 30, 2023	
	Segmental Revenue* (₹ crore)	Revenue Contribution** (%)	Segmental Revenue (₹ crore)*	Revenue Contribution** (%)
Conductors	7,013.05	46.63%	3,717.48	46.35%
Transformer and specialty oils	4656.69	30.96%	2,396.67	29.88%
Power and telecom cables	3263.45	21.70%	1,849.01	23.05%
Others	107.27	0.71%	58.15	0.72%

* *Including external revenues (gross) and inter-segment revenue.*
** *As a percentage of total segment revenue, before eliminating inter-segment revenue.*

For details of our revenue from each segment for Fiscal 2021, 2022, 2023, and the six-month period ended September 30, 2023, see "- *Our Products and Services*" on page 170.

We are India's largest player in terms of sales of conductors in Fiscal 2023, and one of the leading exporters of conductors and cables from India in Fiscal 2023. (*Source: CRISIL Report*) We offer a wide range of both conventional and premium conductors, maintaining total in-house control over the design, manufacturing and testing process. Our premium conductors enable us to offer differentiated specialty products to our customers, helping us further retain and grow our market share. For instance, we have introduced HTLS conductors. We have also leveraged our experience in the conductors business to provide end-to-end turnkey solutions, such as reconductoring with HTLS and live line installation with OPGW. As of September 30, 2023, turnkey solutions projects in India, having set up HTLS conductors. We also possess expertise in hotline stringing and live line replacement of OPGW.

We are India's largest private manufacturer of specialty oils in terms of manufacturing capacity as of Fiscal 2023. (*Source: CRISIL Report*) Our flagship product is sold under the 'POWEROIL TO NE PREMIUM' brand is an eco-friendly bio-degradable transformer oil formulated from renewable plant-based feedstocks, with excellent cooling characteristics, high oxidation stability, fire resistance. We also offer a wide range of food-grade, pharma-grade and technical-grade white oils, as well as petroleum jelly and lubricants, which are used across industries.

As per the CRISIL Report, we are one of the leading exporters of conductors and cables from India in Fiscal 2023. We are also one of the three key players in domestic renewables cables segment in India. (*Source: CRISIL Report*) Under our retail offerings, drawing upon our experience in the cables business, we have also introduced e-beam powered light duty cables. We are one of the key suppliers of cables for railways and Vande Bharat trains. We are one of the key suppliers of conductors for Indian railway electrification & development of new product for Bullet trains. (*Source: CRISIL Report*) We also supply specialized cables such as OFC cables, and submarine cables.

Strong global footprint, with preparedness to capture growing global demand

We have an extensive global presence, as on September 30, across Europe, Africa, Asia (including the Middle East), North America and South America. We operate a manufacturing plant for specialty oils in Sharjah, to be able to better serve customers in Middle East and East Africa regions. Our revenue from exports for Fiscal 2023 and six-month period ended September 30, 2023 amounted to ₹6,994.20 crores and ₹3,933.56 crores, aggregating to 48.73% and 51.14% of our total revenue from operations for the respective periods.

We constantly endeavor to comply with international norms pertaining to the products we export. Our focus on developing and offering premium products has helped us supply customised solutions to international clients in accordance with their requirements. For instance, in the recent past, we have supplied air expanded conductors tailored to meet the unique requirements of a client in the USA. We have also supplied specialised 96 fibre-count OPGW conductors to safeguard power transmission. We also developed solid sector shaped aluminium conductors for multi-core power cables for fixed installation, meeting international standards, to expand our customer base.

We have obtained UL certificates of compliance for sale of cables in the USA. We have also successfully obtained product approvals from various global wind turbine manufactures, which will help us further strengthen our presence in the growing renewable power sector.

Strong manufacturing capabilities, through strategically located manufacturing facilities

We own and operate strategically located state-of-the-art manufacturing facilities to enable us to manufacture our diversified products efficiently. As of September 30, 2023, we have eight manufacturing facilities in India, which include three dedicated facilities for conductors, one facility for conductors and transformer and specialty oils, one dedicated facility for transformer and specialty oils, two dedicated facility for cables and wires, and one facility for polymers. We have also established a dedicated facility in Sharjah, UAE for manufacturing specialty oils and lubricants. With e-beam irradiation facilities, we have been able to further bolster our manufacturing capabilities for cables and conductors.

The table below provides an overview of our manufacturing capacities, as on September 30, 2023:

Segment	Relevant facilities	Installed Capacity

Conductors	Athola, Silvassa, Jharsuguda, Lapanga	1,01,191
Transformer and specialty oils	Silvassa, Rabale, Sharjah	4,67,300
Power/ Telecom Cables	Umbergaon, Khatalwada	3,18,000

We expand the production capacity in our facilities from time to time, in order to meet anticipated demand. For further details regarding our manufacturing capacities, including production capacity and capacity utilization for Fiscals 2021, 2022, 2023 and the six-month period ended September 30, 2023, please see "— *Our Manufacturing Facilities*" on page 172.

Our manufacturing facilities are located in geographically strategic locations, to efficiently receive materials from our suppliers as well as deliver products to our customers. Six of our plants are located in Daman and Diu, Gujarat, and Maharashtra, in proximity to ports in Mumbai, facilitating our exports. Another two conductor plants are located in Odisha, in proximity to aluminium smelters giving us the advantage of using liquid molten aluminium as direct raw material as against procuring aluminium ingots and then melting it before use. Our plant in Sharjah allows us to be proximate to our customers located in the Middle East and East Africa.

Robust in-house technology and R&D capabilities

We have robust product research and development capabilities, which we believe have been a cornerstone of our performance. We work closely with our customers in developing products and providing solutions that meet their specific requirements for end applications. Our research and development capabilities allow us to offer our customers with customised solutions to meet their specific requirements. We have a track record of introducing various premium and innovative products, including to meet our customers' specific requirements in each of our business segments through our internal research and development. We develop new products through our research and development facility at Rabale.

In the conductors segment we have successfully tested 765KV conductor. For instance, we have introduced HTLS conductors We also developed solid sector shaped aluminium conductors for multi-core power cables for fixed installation, meeting international standards, to expand our customer base .

In the cables segment, we have introduced e-beam technology for housing wires, under our light duty cables product line, and have e-beam irradiation facilities. We also supply specialized cables such as OFC cables, and submarine cables .

Track record of consistent financial performance and growth

Our diversified product offerings along with strong manufacturing capabilities and strong global footprint has enabled us to deliver strong and consistent financial growth since Fiscal 2021. The following table depicts certain of our financial performance indicators for the periods indicated:

Particulars	**Units**	**Fiscal Year**			**Six-month period ended September 30, 2023**
		2021	**2022**	**2023**	
Revenue from operations	*₹ crores*	6,388.02	9,316.57	14,352.15	7,698.99
Profit after tax	*₹ crores*	160.50	256.73	637.72	371.31
EBITDA[1] post open forex adjustment	*₹ crores*	455.94	587.06	1,291.19	743.13
ROE [2]	%	12.56	16.48	32.28	31.52
ROCE[3]	%	13.61	18.69	37.51	37.93
EPS (Basic and Diluted)[7]	₹	41.94	67.09	166.64	97.03

Fixed assets (net block) (*in ₹ crore*)	*₹ crores*	906.62	919.73	1,049.79	1,159.49
Net fixed asset turnover ratio[8]	-	7.05	10.13	13.67	13.24
Adjusted net (cash)/ debt[4]	*₹ crores*	57.15	38.75	(194.65)	(65.03)
Adjusted net (cash)/ debt to adjusted equity ratio[5]	%	0.04	2.38	(8.76)	(2.67)
Debt/ equity ratio	-	0.19	0.17	0.14	0.14
Interest coverage ratio[6]	-	3.22	4.13	4.14	4.22

1. *EBITDA post open forex adjustment is calculated as profit before tax adding thereto finance cost, depreciation, Unallocable corporate expenditure net of income, forex adjustment (being foreign exchange gain / loss which is treated as finance cost) and subtracting therefrom interest income*
2. *ROE is calculated as profit after tax divided by average equity*
3. *ROCE is calculated as profit before tax adjusted for interest on borrowings divided by average capital employed*
4. *Adjusted net cash / debt is borrowings (non current + current) minus cash and cash equivalent at the end of the year*
5. *Adjusted equity is total closing equity adjusted for cash flow hedge reserves*
6. *Interest coverage ratio is calculated as EBITDA divided by finance cost. EBITDA for the purpose of interest coverage ratio is profits before tax adding thereto finance cost and depreciation*
7. *EPS for the period six month ended September 30, 2023 is not annualized.*
8. *Net fixed asset turnover ratio is calculated as closing net block of fixed assets (comprising of property, plan & equipment, capital work in progress, intangible assets, intangible assets under development, right to use assets) divided by revenue from operation*

Experienced management team, supported by skilled workforce

We are led by an experienced management team consisting of our promoters, executive directors and senior management. Kushal Narendra Desai, our Chairman and Managing Director, holds a bachelor's degree of science in engineering (electrical engineering) and a bachelor's degree of science in economics from the Wharton Business School of University of Pennsylvania, USA. Chaitanya Narendra Desai, our Managing Director, has a bachelor's degree of science in chemical engineering from the University of Pennsylvania and a bachelor's degree of science in economics from the Wharton Business School of University of Pennsylvania, USA. Further, our Board currently comprises a majority of independent directors to ensure compliance and review the governance of our Company. For further details regarding our senior management, please see "*Board of Directors and Senior Management*" on page 177.

Our experienced management team is supported by a skilled workforce. As on March 31, 2023, we employed 1,659 permanent employees. We also organize external training programs on personal productivity, performance management systems and finance and senior leadership conclaves. We have training programs in place for our contractual workers which includes an up-skilling and multi-skilling program for contractual workers at the factories and training for women employees to train them to take up more senior roles. We consider our employees' welfare to be a priority and have introduced policies for group mediclaim, updates to our policies on leave and continuing education assistance for the welfare of our employees. We also value the safety of our employees and have implemented a health and safety policy.

For further details regarding our employees and employee policies, please see "- *Employees*" on page 176.

Our Strategies

Product diversification, with focus on premium offerings

Our diverse and successful product portfolio has enabled us to expand our sources of revenue. We will continue to diversify our product portfolio to prevent concentration of our revenue from operations, and to provide wide range of solutions to our customers. We have also introduced premium offerings across our portfolio, aimed at improving our margins and continuing our growth globally. For instance, we have added copper conductors for railways, copper transpose conductors for transformers, and OPGW wires for power and telecommunication to our product offerings. Further, improving our mix of naphthenic and special grades of oil has led to higher margins. We have developed and supplied air expanded conductors tailored to meet the unique requirements of a client in the USA. We have also supplied specialised 96 fibre-count OPGW conductors to safeguard power transmission and communication networks. We also developed solid sector shaped aluminium conductors for multi-core power cables for fixed installation, meeting international standards, to expand our customer base. We have also introduced new products, such as solid sector shaped aluminium conductors for multi-core power cables meeting international standards, to expand our customer base. In addition, we have also introduced e-beam technology for housing wires, under our light duty cables product line, and presently have e-beam irradiation facilities. Additionally, we also offer end to end, comprehensive turnkey solutions such as reconductoring and live line installation as part of our conductors business. We intend to continue investing in the diversification and premiumization of our offerings across business segments.

Continue to invest in R&D, design, and engineering

Our ability to innovate and develop products and solutions is critical to our success. Our research and development prowess has enabled us to adapt to unique challenges and introduce new products, such as HTLS conductors. We also supply specialized cables such as OFC cables, and submarine cables. For further details of our research and development capabilities, please see "*— Our strengths — Robust in-house technology and R&D capabilities*" on page 167.

We will continue to remain focused on our research and development capabilities, which we believe helps us offer differentiated products and solutions and helps us grow our business and margins.

Enhancing operational efficiency, with a focus on responsible manufacturing and sustainable growth

We have established systems to maintain and grow our operational efficiency at our manufacturing facilities. We were ranked 3rd among industrial sector players with an ESG score rating of 59 as per the CRISIL Sustainability Yearbook, 2022, which is based on fiscal 2021 data of companies. We were ranked 148th amongst top 586 companies covered in the CRISIL Sustainability Yearbook, 2022. (*Source: CRISIL Report*) We disclose our climate related emissions to CDP (Carbon Disclosure Projects). We were awarded a score of 'B' in 2022 by CDP. In this respect, we have introduced products such as ACCC conductors. We have also commissioned a wind-solar hybrid power (3.30 MW wind-turbine and 2.80 MWp of solar energy) project in partnership with a leading supplier, which is expected to save 10,000 tCO2e GHG emission per year. Additionally, we have engaged an organization for independent GHG verifications at our conductor and cable plants, and have identified various GHG reduction projects which are at various stages of implementation.

We will continue to take steps towards efficient, responsible manufacturing, including through our ESG initiatives. For further details on our ESG initiatives, see "*—Environmental, Social and Governance Practices*" on page 175.

Export-led focus on B2B segments, with focus on increasing global presence and entering new markets

For Fiscal 2023 and the six-month period ended September 30, 2023, our revenue from exports contributed to 48.73% and 51.14% of our total revenue from operations, respectively. We have an extensive global presence, across Europe, Africa, Asia (including the Middle East), North America and South America, as on September 30, 2023. We are able to export to foreign countries due to our preparedness in terms of qualifications and certifications required to manufacture and export to foreign markets, including customer-specific requirements of international customers.

We intend to continue to focus on the exports of our conductor, transformer and specialty oils and power and telecom cables business segments, and will continue to invest in the research and development of products for such export. For instance, we supplied air expanded conductors tailored to meet the unique requirements of a client in the USA. We have also supplied specialised 96 fibre-count OPGW conductors to safeguard power transmission. We also developed solid sector shaped aluminium conductors for multi-core power cables for fixed installation, meeting international standards, to expand our customer base. We also intend to continue leveraging global tailwinds policy to enter new markets including supplying to customers who adopt a China plus one policy.

Strengthen distribution network for B2C model and increase retail presence in the light duty cables business

We have introduced e-beam technology for housing wires and have e-beam irradiation facilities. As on September 30, 2023, our retail presence in the light duty cables business comprised 223 distributors and 3,371 retail outlets, across 18 states. In the six month ended September 30, 2023, we conducted 31,616 demos and 2,984 electrician meets under this product vertical. We have also taken strategic steps to boost our digital presence and effectively communicate with our target audience for our retail brands. These initiatives are aimed at targeting electricians and raising product awareness about our cables offerings. We have also invested in marketing our light duty cables through television and digital advertisements and sponsorships. We intend to continue to invest towards increasing our retail presence and increase our market share in the light duty cables business.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections titled "***Risk Factors***", "***Use of Proceeds***", "***Placement***", "***Issue Procedure***" and "***Description of the Equity Shares***" on pages 41, 74, 210, 196 and 225, respectively.

Issuer	APAR Industries Limited
Face Value	₹10 per Equity Share
Issue Size	Issue of up to [●] Equity Shares at a premium of ₹ [●], aggregating to up to ₹ [●] crores A minimum of 10% of the Issue Size i.e. at least [●] Equity Shares, shall be made available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be made available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution	September 28, 2023
Date of Shareholders' Resolution	November 11, 2023
Floor Price	₹ 5,540.33 per Equity Share The Floor Price for the Issue has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Board may, in consultation with the Lead Managers, offer a discount of not more than five per cent on the Floor Price in accordance with the approval of our Board dated September 28, 2023 and the Shareholders accorded through their special resolution passed (through postal ballot) on November 11, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Price	₹ [●] per Equity Share of our Company (including a premium of ₹ [●] per Equity Share)
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, please see the sections titled "***Issue Procedure – Eligible Qualified Institutional Buyers***" and "***Transfer Restrictions and Purchaser Representations***" on pages 200 and 219, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and the Application Form is delivered shall be determined by our Company in consultation with the BRLMs, at their sole discretion.
Equity Shares issued and outstanding immediately prior to the Issue	382,68,619 Equity Shares of face value of ₹ 10 each, being fully paid-up
Subscribed and paid-up Equity Share capital prior to the Issue	₹ 38.27 crores
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Issue procedure	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act, read with Chapter VI of the SEBI ICDR Regulations. For details, please see the section titled "***Issue Procedure***" on page 196.
Listing	Our Company has received in-principle approvals dated November 23, 2023 from BSE and NSE in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue. Our Company shall make applications to each of the Stock Exchanges after Allotment to obtain final listing approval for the Equity Shares.
Trading	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.

	Our Company will make applications to each of the Stock Exchanges after credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final trading approval for the Equity Shares to be issued pursuant to this Issue.
Lock-in	See "***Placement – Lock-up***" on page 210 for a description of restrictions on our Company and Promoters in relation to Equity Shares.
Transferability Restrictions	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For further details, please see "***Transfer Restrictions and Purchaser Representations***" on page 219.
Use of Proceeds	The Gross Proceeds from the Issue aggregate to ₹ 1,000 crores. Subject to compliance with applicable laws, the Net Proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue of approximately ₹ [●] crores, shall be approximately ₹ [●] crores. For additional information on the use of the Net Proceeds from the Issue, please see "***Use of Proceeds***" on page 74.
Risk Factors	Please see "***Risk Factors***" on page 41 for a discussion of risks you should consider before deciding whether to subscribe for the Equity Shares.
Dividend	See "***Description of the Equity Shares***" and "***Dividends***" on pages 225 and 83, respectively
Taxation	Please see "***Taxation***" on page 229.
Closing Date	The Allotment is expected to be made on or about [●]
Status, Ranking and dividends	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including rights in respect of dividends. Our Shareholders (as on record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Our Shareholders may attend and vote in shareholders' meetings on the basis of one vote for every Equity Share held. For details, please see "***Description of the Equity Shares***" and "***Dividends***" on pages 225 and 83.
Voting Rights	See "***Description of the Equity Shares – Voting rights***" on page 228
Security Codes for the Equity Shares	ISIN: INE372A01015 BSE Code: 532259 NSE Symbol: APARINDS

SELECTED FINANCIAL INFORMATION

*The following tables set out selected financial information as extracted from our Audited Consolidated Financial Statements and presented in "**Financial Information**" on page 241. The selected financial information presented below should be read in conjunction with "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Financial Information**", on pages 84 and 241, respectively, for further details.*

SUMMARY OF THE LIMITED REVIEW FINANCIAL RESULTS AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Summary of unaudited consolidated balance sheet as at September 30, 2023 and audited consolidated balance sheet as at March 31, 2023, March 31, 2022 and March 31, 2021

(₹ crores)

Particulars	As at			
	September 30, 2023 (limited reviewed)	**March 31, 2023 (audited)**	**March 31, 2022 (audited)**	**March 31, 2021 (audited)**
ASSETS				
Non-current assets				
Property, plant and equipment	939.63	884.42	817.50	819.10
Right-of-use asset	64.42	64.95	62.26	57.00
Capital work-in-progress	154.02	99.07	38.33	28.71
Other intangible assets	0.89	1.11	1.48	1.81
Intangible asset under development	0.53	0.24	0.16	-
Financial assets				
Investments	3.65	4.18	0.52	0.40
Trade receivables	23.86	27.51	11.29	7.69
Loans	1.44	2.51	0.83	0.89
Derivatives assets	7.98	-	42.80	4.25
Other financial assets	39.68	10.81	14.91	12.51
Non-current Tax Assets (net)	55.71	54.27	24.10	15.67
Other non-current assets	64.96	61.02	35.49	8.38
Total non-current assets	**1,356.77**	**1,210.09**	**1,049.67**	**956.41**
Current assets				
Inventories	2,457.52	2,575.64	2,138.65	1,562.71
Financial assets				
Investments	2.01	50.10	30.00	60.00
Trade receivables	3,479.70	3,198.07	2,531.13	1,860.57
Cash and cash equivalents	408.62	498.81	253.16	207.02
Bank balances other than above	46.51	31.29	13.25	15.43
Loans	3.23	5.20	7.40	8.85
Derivatives assets	33.91	34.53	161.07	24.21
Other financial assets	49.82	47.61	22.81	37.23
Other current assets	497.01	566.31	400.38	266.55
Total current assets	**6,978.33**	**7,007.56**	**5,557.85**	**4,042.57**
Total assets	**8,335.10**	**8,217.65**	**6,607.52**	**4,998.98**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	38.27	38.27	38.27	38.27
Other equity	2,425.06	2,198.12	1,676.96	1,361.25
Total equity	**2,463.33**	**2,236.39**	**1,715.23**	**1,399.52**
Non-current liabilities				
Financial liabilities				
Borrowings	245.70	151.37	195.37	191.59
Lease liabilities	62.86	63.70	60.93	55.11
Derivatives liabilities	0.16	-	-	0.72
Other financial liabilities	7.99	10.35	3.13	3.11
Provisions	10.86	12.18	12.32	8.13
Deferred tax liabilities (net)	21.46	21.70	52.34	20.18
Total non-current liabilities	**349.03**	**259.30**	**324.09**	**278.84**
Current liabilities				
Financial liabilities				
Borrowings	97.89	152.79	96.54	72.58

Particulars	As at			
	September 30, 2023 (limited reviewed)	**March 31, 2023 (audited)**	**March 31, 2022 (audited)**	**March 31, 2021 (audited)**
Lease liabilities	9.47	8.37	6.35	5.53
Trade and other payables				
a) Total Outstanding dues of micro and small enterprises	14.58	84.90	20.01	27.77
b) Total outstanding dues other than micro and small enterprises	4,997.18	5,121.67	4,063.40	3,010.31
Derivatives liabilities	7.83	21.42	89.00	46.92
Other financial liabilities	96.75	71.81	30.15	18.12
Other current liabilities	229.10	209.01	243.47	125.01
Provisions	10.98	4.26	6.37	3.05
Current tax liabilities (net)	58.96	47.73	12.91	11.33
Total current liabilities	**5,522.74**	**5,721.96**	**4,568.20**	**3,320.62**
Total liabilities	**5,871.77**	**5,981.26**	**4,892.29**	**3,599.46**
Total equity and liabilities	**8,335.10**	**8,217.65**	**6,607.52**	**4,998.98**

Summary of unaudited consolidated statement of profit and loss as at six months ended September 30, 2023 and audited consolidated statement of profit and loss as at financial years ended March 31, 2023, March 31, 2022 and March 31, 2021

(₹ crores)

Particulars	As at			
	Six months ended September 30, 2023 (limited reviewed)	**Financial year ended March 31, 2023 (audited)**	**Financial year ended March 31, 2022 (audited)**	**Financial year ended March 31, 2021 (audited)**
Sales	7,635.20	14,272.63	9,287.20	6,359.51
Other Operating Income	63.79	79.52	29.37	28.51
Revenue from operations	7,698.99	14,352.15	9,316.57	6,388.02
Other income	32.62	37.47	32.49	18.61
Total Income	**7,731.61**	**14,389.62**	**9,349.06**	**6,406.63**
Expenses				
(a) Cost of materials consumed	5,703.97	10,973.96	7,418.32	4,675.78
b) Purchases of stock-in-trade	81.56	69.45	130.71	78.97
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	41.25	(334.66)	(341.21)	45.35
(d) Employee benefits expense	138.02	220.50	172.49	160.38
(e) Finance costs	172.68	305.50	140.62	136.04
(f) Depreciation and amortisation expense	55.40	104.34	97.84	93.44
(g) Other expenses	1,038.27	2,195.95	1,388.41	1,008.40
Total expenses	**7,231.15**	**13,535.04**	**9,007.18**	**6,198.36**
Profit before tax & share in net profit (loss) of associate	**500.46**	**854.58**	**341.88**	**208.27**
Share in net profit (loss) of associate	(0.54)	(0.02)	0.12	0.00
Profit before tax	**499.92**	**854.56**	**342.00**	**208.27**
Tax expense				
(a) Current Tax	131.37	221.80	83.61	51.45
(b) Deferred Tax	(2.76)	(6.81)	1.29	(4.20)
(c) Taxes of earlier years		1.85	0.36	0.52
Profit after tax	**371.31**	**637.72**	**256.73**	**160.50**
Other comprehensive income (OCI)				
Items that will not be reclassified to profit or loss				
(i) Items that will not be reclassified to profit or loss	(2.70)	(0.15)	(6.28)	0.73
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.68	0.04	1.58	(0.18)
Items that will be reclassified to profit or loss				
(i) Items that will be reclassified to profit or loss	13.92	(82.87)	132.48	105.27
(ii) Income tax relating to items that will be reclassified to profit or loss	(3.20)	23.79	32.44	(23.52)
Other comprehensive income (OCI)	**8.70**	**(59.19)**	**95.34**	**82.30**
Total comprehensive income for the period/year	**380.01**	**578.53**	**352.07**	**242.80**
Profit for the period/year attributable to				
a) Owners of the Company	371.31	637.72	256.73	160.50
b) Non-Controlling Interest	-	-	-	-
Other comprehensive income attributable to				
a) Owners of the Company	8.70	(59.19)	95.34	82.30
b) Non-Controlling Interest	-	-	-	-
Total comprehensive income attributable to				
a) Owners of the Company	**380.01**	**578.53**	**352.07**	**242.80**
b) Non-Controlling Interest	-	-	-	-

Particulars	As at			
	Six months ended September 30, 2023 (limited reviewed)	Financial year ended March 31, 2023 (audited)	Financial year ended March 31, 2022 (audited)	Financial year ended March 31, 2021 (audited)
Earnings Per Share (EPS) (face value of ₹ 10 each)				
Basic and Diluted	97.03	166.64	67.09	41.94

Summary of unaudited consolidated cash flow statement as at ended September 30, 2023 and audited consolidated cash flow statement as at financial years ended March 31, 2023, March 31, 2022 and March 31, 2021

(₹ crores)

Particulars	As at			
	Six months ended September 30, 2023 (limited reviewed)	**Financial year ended March 31, 2023 (audited)**	**Financial year ended March 31, 2022 (audited)**	**Financial year ended March 31, 2021 (audited)**
Cash flow from operating activities				
Profit before tax	500.46	854.58	341.88	208.27
Adjustments for				
Depreciation / amortisation	55.40	104.34	97.84	93.44
(Gain)/loss on sale of property, plant and equipment	0.05	1.51	(0.22)	(0.49)
Interest costs	130.34	174.75	67.10	161.59
Interest income	(13.74)	(19.41)	(6.27)	(5.40)
Provision for Doubtful Debts / advances (net)	5.41	46.09	42.69	19.34
Unrealised exchange loss/(gain)	8.57	33.42	12.97	(3.11)
Profit on sale of investments	(4.42)	(1.66)	(7.40)	(1.05)
Movement in working capital				
(Increase) / decrease in trade and other receivables	(263.52)	(836.23)	(999.46)	(67.89)
(Increase) / decrease in inventories	119.34	(424.40)	(575.96)	(231.27)
Increase/ (decrease) in trade and other payables	(174.04)	984.34	1,361.41	252.07
Tax paid	(124.28)	(218.99)	(90.83)	(44.14)
Net cash generated from / (used in) operating activities	**239.57**	**698.34**	**243.75**	**281.37**
Cash flow from investing activities				
Acquisition of property, plant and equipment	(152.62)	(247.83)	(130.03)	(55.57)
Acquisition of intangible assets		-	(0.44)	(0.24)
Proceeds from sale of property, plant and equipment	0.42	1.13	1.22	0.68
Sale / (purchase) of investment in associate	-	(3.80)	-	(0.40)
Sale / (purchase) of investments - net	52.48	(18.44)	38.64	(59.17)
Net cash generated from / (used in) investing activities	**(99.72)**	**(268.94)**	**(90.61)**	**(114.70)**
Cash flow from financing activities				
Proceeds/(repayments) from short-term borrowings - net	(54.67)	57.50	(21.49)	(72.53)
Proceeds/(repayments) of long-term borrowings - net	94.50	(54.19)	4.44	21.09
Repayment of Lease Liabilities	(5.93)	(10.03)	(5.59)	(5.31)
Interest received/(paid) - net	(112.18)	(119.98)	(47.35)	(66.29)
Dividend Payment	(152.82)	(57.36)	(36.36)	(0.12)
Net cash (used in) / generated from financing activities	**(231.10)**	**(184.06)**	**(106.35)**	**(123.16)**
Net increase / (decrease) in cash and cash equivalents	(91.26)	245.34	46.79	43.51
Effect of exchanges rate changes on cash and cash equivalents	1.06	0.31	(0.65)	(0.41)
Cash and cash equivalents at the beginning of the year	498.81	253.16	207.02	163.92
Cash and cash equivalents at the end of the year	**408.62**	**498.81**	**253.16**	**207.02**

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the Fiscals 2023, 2022 and 2021 as per the requirements under Indian Accounting Standard *(Ind AS) 24– Related Party Disclosures*, please see "***Financial Information***", on page 241 for the above mentioned fiscal years respectively.

RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this. Preliminary Placement Document, including the risks and uncertainties described below, before making an investment decision in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry and segments in which we currently operate or propose to operate. While we have described the risks and uncertainties that our management believes are material, the risks set out in this Preliminary Placement Document may not be exhaustive. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a more complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 163, 120 and 84, respectively, as well as the financial, statistical and other information contained in this Preliminary Placement Document. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. Prospective investors should consult their own tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares.

Unless otherwise stated, references in this section to "we", "our" or "us" are to our Company together with its Subsidiaries and Associates, on a consolidated basis.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Consolidated Financial Statements and Limited Review Financial Results included in this Preliminary Placement Document. For further information, see "Financial Information" on page 241.

*Unless otherwise indicated, all industry and market data used in this section has been derived from the report "Assessment of power cables, conductors & specialty oils industry in India" dated November 23, 2023 (the "**CRISIL Report**") prepared and released by CRISIL Research and commissioned by us. Our Company commissioned and paid for the CRISIL Report pursuant to the engagement letter dated October 6, 2023. For risks in relation to commissioned reports, see "Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by CRISIL which has been commissioned and paid for by us for such purpose." on page 55.*

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment that may differ from that of other countries. This Preliminary Placement Document also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. See "Forward-Looking Statements" on page 16.

Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other implications or any of the risks described in this section.

INTERNAL RISK FACTORS

1. ***Our conductors business contributes a signification portion to our revenue from operations. Any adverse development in our performance in the conductors business could have an adverse effect on our business, cash flows, results of operation and financial position.***

We operate through four business segments, namely conductors, transformer and specialty oils, power and telecom cables, and others. The following table sets forth certain information relating to the revenue from operations from the segments for the periods indicated:

Reportable Segment	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six-month period ended September 30, 2023

	Segmental Revenue (₹ crore)	Revenue Contribution* (%)	Segmental Revenue (₹ crore)	Revenue Contribution* (%)	Segmental Revenue (₹ crore)	Revenue Contribution* (%)	Segmental Revenue (₹ crore)	Revenue Contribution* (%)
Conductors	2,908.03	44.17%	4,200.43	42.81%	7,013.05	46.63%	3,717.48	46.35%
Transformer and speciality oils	2,363.83	35.90%	3,544.19	36.12%	4656.69	30.96%	2,396.67	29.88%
Power and telecom cables	1,269.51	19.28%	1,993.74	20.32%	3263.45	21.70%	1,849.01	23.05%
Others	42.95	0.65%	73.01	0.75%	107.27	0.71%	58.15	0.72%

**As a percentage of total segment revenue, before eliminating inter-segment revenue*

For Fiscal 2021, 2022, 2023 and six-month period ended September 30, 2023, respectively, our revenue from our conductors business has contributed to 44.17%, 42.81%, 46.63% and 46.35% of our revenue from operations before eliminating inter segment revenue. Our conductor business is subject to various risks, including those flowing from volatility or increase in raw material costs and scarcity of raw material needed for our manufacturing. Our conductors business may also be affected by any increase in prevailing interest rates which affects the financing pattern of infrastructure projects, leading to delays and possible cancellations of announced projects. Further, an increase in commodity prices, spread of counterfeit products and weakening financial health of distribution could also adversely affect our performance in this segment. Any decrease in revenue or margins from the conductors business, including due to the abovementioned factors, may have an adverse effect on our business, cash flows, results of operation and financial position.

2. ***Our inability to handle risks associated with our export sales could negatively affect our sales to customers in foreign countries, as well as our operations and assets in such countries.***

We have an extensive global presence, as on September 30, 2023, across Europe, Africa, Asia (including the Middle East), North America and South America. For Fiscal 2021, 2022, 2023 and six-month period ended September 30, 2023, respectively, our export revenues amounted ₹2,602.26 crore, ₹ 3,525.07 crore, ₹6,994.20 crore and ₹3,933.56 crore, representing 40.74%, 37.84%, 48.73% and 51.14% respectively, of our revenue from operations.

Our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations in general. Our international operations are subject to, among other risks and uncertainties, the following:

- demand for our products by our customers located outside India;
- social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action would affect our business and operations and may also prevent us from production or delivery of our products to our customers;
- compliance with local laws, including legal constraints on ownership and corporate structure, environmental, health, safety, labor and accounting laws, may impose onerous and expensive obligations on our foreign subsidiaries. If we are unable to comply with such laws, our business, results of operations, financial condition and cash flows could be adversely affected;
- changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies, may affect our ability to both operate and the way in which we manage our business in the countries in which we operate;
- fluctuations in foreign currency exchange rates against the Indian Rupee, may affect our results of operations, the value of our foreign assets, such as export receivables, the relative prices at which we and our competitors sell products in the same markets and the cost of certain inventory and non-inventory items required for our operations. For instance, fluctuation of the U.S Dollar, Pound Sterling and Euro, among others, would have an impact on the export revenues and profits of our operations;

- anti-competitive behaviour, money laundering, bribery and corruption by third parties as well as crime and fraud;
- de-inventorization trends;
- disruption in the supply chain; and
- inability to effectively enforce contractual or legal rights and adverse tax consequences; differing accounting standards and interpretations.

We are required to comply with a broad range of legal and regulatory requirements in a number of jurisdictions, including in the areas of anti-corruption, anti-money laundering, anti-trust and competition. While there have been no past instances of non-compliance, there can be no assurance that in the future we will not violate regulatory requirements due to changes in regulation. Any failure to effectively prevent, identify or address violations as a result of inadequate internal controls, procedures, compliance systems and risk management systems could result in penalties and other sanctions, liabilities, the assertion of damages claims by third parties, and reputational damage, each of which could have a material adverse effect on our business, operations, financial condition or prospects.

Further, we are also required to comply with prescribed quality norms and obtain relevant approvals to be able to export to certain jurisdictions. For instance, we have obtained UL certificates of compliance for sale of cables in the USA. Any failure to validly maintain or renew such existing approvals, or to obtain any new approvals that may be required, will have an adverse impact on our ability to export to such jurisdictions. Additionally, our ability to innovate and develop products and solutions to ensure we are first to market is critical to our success. We may not perform as expected in our international markets, if our competitors and the established players in these markets are able to reach the market first or are able to introduce products similar to us. Any of these risks, should they materialize, could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

3. While we continue to invest in research and development of new technology and products, we cannot guarantee the success of these products, or that we will be able to meet evolving customer requirements.

Our business is characterized by rapid and frequent advancements in technology and changes in market demand can often render existing technologies and solutions obsolete and could require substantial new R&D and capital expenditures. Our future growth depends on our ability to continue to develop and commercialize innovative, viable and sustainable software and other solutions offerings in a timely and cost-effective manner, improve our existing systems and components, or to develop process improvements that can improve time, quality and cost efficiency. While we aim to plan the development of our product portfolio based on known and anticipated customer needs, the development and commercialization of new products and services could be complex, time-consuming and costly, and its outcome is inherently uncertain. Our inability to accurately estimate the cost to design, develop and new offerings could result in our failure to effectively manage our customers' expectations.

Moreover, if we do not appropriately innovate and offer our customers comprehensive solutions and otherwise invest in new technologies, our offerings may become less desirable in the markets we serve, and our customers could move to new technologies offered by our competitors or make products themselves. Without the timely introduction of new products, our offerings may become less competitive over time, in which case our competitive position and results of operations could suffer. Accordingly, we focus significant efforts and resources on the development and identification of new products. To the extent we fail to timely introduce new and innovative products, offer enhancements to our existing products, adequately predict our customers' needs or fail to obtain desired levels of market acceptance, our business and our operating results could be adversely affected. Further, our research and development of new products may not lead to the development of any viable products and may divert resources away from better opportunities.

Additionally, some of the products that we are developing are based upon new technologies or approaches. As a result, there can be no assurance that these new products and services, even if successfully developed and introduced, will be accepted by customers. If customers do not adopt our new products, services and technologies, our results of operations may suffer and, as a result, our business, financial condition, results of operations and cash flows may be affected adversely. Our new products may not be profitable, and even if they are profitable, operating margins for new products may not be in line with the margins we have experienced for our existing or historical products.

4. ***We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have a material adverse effect on our results of operations, cash flows and financial condition.***

For Fiscals 2021, 2022 and 2023 and six months ended September 30, 2023, our capital expenditures, reflected in our financial statements, were ₹55.81 crore, ₹130.03 crore, ₹247.83 crore, ₹152.62 crore, representing 0.87%, 1.39%, 1.72%, and 1.98% of our revenue from operations, respectively. Further, for Fiscals 2021, 2022 and 2023 and six months ended September 30, 2023, our working capital requirements, were ₹716.85 crore, ₹1,109.22 crore, ₹1,458.17 crore and ₹1,663.23 crore. The actual amount and timing of our future capital expenditure or working capital requirements may differ from estimates due to, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes, additional market developments and new opportunities in our relevant markets. Our sources of additional financing, in the event that we need to draw on them to meet our working capital or capital expenditure needs, may include the incurrence of debt, the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt or issuance of debt securities or a combination of both, our interest and debt repayment obligations will increase, which could have a significant effect on our profitability and cash flows. If we do incur debt in the future, our interest and debt repayment obligations will increase, which may adversely affect our profitability and cash flows. We may also become subject to restrictive covenants in our financing agreements, which could limit our ability to access cash flows from operations and undertake certain types of transactions. Please see "*– Our financing agreements contain covenants that limit our flexibility in operating our business. If we are not in compliance with certain of these covenants and are unable to obtain waivers from the respective lenders, our lenders may accelerate the repayment schedules, and enforce their respective security interests, leading to a material adverse effect on our business and financial condition.*" on page 56. Any issuance of equity to raise additional funds, on the other hand, would result in a dilution of the ownership of existing shareholders and our earnings per Equity Share. Additionally, our Company intends to utilize ₹ [●] crore from the Net Proceeds to fund working capital requirements of our Company in Fiscal 2024. For details, "*Use of Proceeds*" on page 74.

Additionally, our ability to obtain additional financing on favorable commercial terms, if at all, will depend on a number of factors, including, amongst others:

- our results of operations and cash flows;
- the amount and terms of our existing indebtedness;
- general market conditions in the markets where we operate; and
- general condition of the debt and equity markets.

In many cases, a significant amount of our working capital is also required to finance our operations. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations –Liquidity and Capital Resources*" on page 115.

Our working capital requirements may increase if the payment terms in our agreements with our customers or purchase orders include reduced advance payments or longer payment schedules, or if our customers' access to channel financing is reduced. These factors may result in increases in the amount of our receivables and current borrowings. Continued increases in our working capital requirements or our inability to obtain financing at favorable terms, or at all may have a material adverse effect on our financial condition, results of operations and cash flows.

5. ***We are subject to strict quality requirements and any product defect issues or failure by us or our raw material suppliers to comply with quality standards may lead to the cancellation of existing and future orders, recalls or exposure to potential product liability claims. The strict quality requirements required to be complied with by us result in us incurring significant expenses to maintain our product quality.***

Any failure in maintaining our quality accreditations and certifications may negatively impact our brand and reputation may adversely affect our business, results of operations, financial condition, cash flows and reputation.

We face an inherent business risk of exposure to product defects and subsequent liability claims if the use of any of our products results in personal injury or property damage. We and our suppliers may not be able to meet regulatory quality standards in India or abroad, or the quality standards imposed by our customers and applicable to our manufacturing processes, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. We are also required to obtain material approvals and certifications for product quality verification in India and other jurisdictions Further, our manufacturing facilities are subjected to rigorous quality control checks, accreditation requirements, and periodic inspections from various regulatory agencies that have issued us product and system certifications. If any of our products do not meet regulatory standards or are defective, we may be, inter alia, (i) responsible for damages relating to any defective products, (ii) required to replace, recall or redesign such products, (iii) incur significant costs to defend any such claims or (iv) restricted from producing or marketing such products to our customers.

While there have not been any material returns, material product liability claims made against our products or any cancellation of existing or future orders resulting in a material adverse impact on our business, financial condition, results of operations and cash flows, there can be no assurance that this will continue in the future. There can be no assurance that we or our suppliers comply or can continue to comply with all regulatory requirements or the quality requirement standards of our customers. It is possible that latent defects in our long-term use products might not appear for several years. There is no guarantee that any future non-compliance with quality standards will not result in a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

The failure by us or any of our suppliers to achieve or maintain compliance with regulatory requirements or quality standards may disrupt our ability to supply products sufficient to meet demand until compliance is achieved or, with a supplier, until a new supplier has been identified and evaluated. The quality of raw materials and the goods we trade in will have an impact on the quality of the finished products and in turn affect our brand image, business and revenue. There is no assurance that our products will always meet the satisfaction of our customers' quality standards. Our supplier's failure to comply with applicable regulations could cause adverse consequences to be imposed on us, including warning letters, fines, injunctions, civil penalties, the refusal of regulatory authorities to grant approvals, delays, suspensions or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions and criminal prosecutions, all of which could harm our business. There can be no assurance that if we need to engage new suppliers to satisfy our business requirement, we will be able locate new suppliers in compliance with regulatory requirements in a timely manner, or at all. Failure to do so could lead to the cancellation of existing and future orders and have a material adverse effect on our business and revenue.

6. ***The costs of the raw materials that we use in our manufacturing process are subject to volatility due to factors beyond our control. Increases or fluctuations in raw material prices may have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Our operations are dependent upon the price and availability of the raw materials that we require for the manufacturing of our conductors, transformer and specialty oils, and cables. Our primary raw materials include aluminum, copper, base oils, zinc and steel. Any volatility in the prices of these raw materials, including copper, aluminum, base oils, zinc and steel, could adversely affect our financial performance.

The following table sets forth the details of our total cost of materials for the periods indicated:

Particulars	**For Fiscal**			**Six months ended September 30, 2023**
	2021	**2022**	**2023**	
Cost of MaterialsConsumed (₹ *crore*)	4,675.78	7,418.32	10,973.96	5,703.97

Cost of MaterialsConsumed as a percentage of Total Expenses (%)	75.44%	82.36%	81.08%	78.88%

In respect of aluminum, copper and zinc, price risk is mitigated by hedging on London Metal Exchange, whereas steel and base oils are not hedgeable as there is no active market for these materials. These risks are managed through other business means such as inventory and sales pricing. We cannot assure you that we will be able to successfully manage price risk in the event of volatility in the future.

The prices and supply of these raw materials are also affected by, among others, general economic conditions, competition, production costs and levels, the occurrence of pandemic (such as COVID-19), transportation costs, indirect taxes and import duties, tariffs and currency exchange rate.

In the event of an increase in the prices of raw material, there can be no assurance that we will be able to pass such cost increases on to our customers. Any increase in the cost of inputs to our production could lead to higher costs for our products. If we increase the prices of our products to offset the impact of higher costs, this may cause certain of our customers to cancel orders or refrain from purchasing our products, which may materially and adversely reduce the demand for our products, and thus, negatively impact our operating results. If we are unable to pass on cost increases to our customers or are unsuccessful in managing the effects of raw material price fluctuations, our business, financial condition, results of operations and cash flows could be materially and adversely affected. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations- Expenses"* on page 107.

7. ***We are dependent on the growth of the power sector. Any adverse changes in the conditions affecting the power sector can adversely impact our business, financial condition, results of operations, cash flows and prospects. The energy market may be affected by geopolitical tensions affecting the price of commodities and may have a material adverse impact on our business and results of operations.***

As a manufacturer of conductors, transformer oil and cables, our business and financial condition is heavily dependent on the performance of the power sector globally and in India, and we are exposed to fluctuations in the performance of this sector. In Fiscal 2021, as a result of reduced economic activities arising from the general impact of COVID-19, we experienced reduced demands for our conductors and cables, which impacted our revenue and our results of operation in Fiscal 2021. If demand for our products in India or abroad decreases in the future, our business, results of operations, financial condition, cash flows and prospects may be materially and adversely affected.

The power sector may be affected by, among others, changes in government policies, government initiatives, economic conditions, income levels and interest rates, which may negatively affect the demand for and the valuation of our products. These and other factors may negatively contribute to changes in the prices of and demand for our products and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

8. ***Any slowdown or shutdown in our manufacturing operations, including due to labor unrest, or any inability to obtain adequate electricity, fuel or water with respect to such operations, could have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence, labor disputes, natural disasters, industrial accidents, outbreaks such as COVID-19 and the need to comply with the directives of relevant government authorities. For further details, please see "*– We operate in a labor-intensive industry and are subject to stringent labor laws and any strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition, results of operations and cash flows.*" on page 50.

In addition, our facilities and operations require constant power supply. Any disruption in the supply of power may disrupt our operations, which may interfere with manufacturing process, requiring us to either stop our operations or repeat activities which may involve additional time and increase our costs. While we believe we have adequate stand-by power supply, this may not be adequate if the disruption in the supply of the power is for a longer period. Additionally, such standby power supply may not be sufficient to enable us to operate our facilities at full capacity and any such disruption in the primary power supply available at our production facilities could materially and adversely affect our business, financial condition, results of operations and cash flows.

Our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. While we seek to ensure a continuous supply of products to our customers, our customer relationships, business and financial results may be materially adversely affected by any disruption of operations of our product lines, including due to any of the factors mentioned above.

9. ***Our inability to effectively manage our growth and expansion or to successfully implement our business plans and growth strategies, including in relation to the expansion of our direct-to-consumer products, could have an adverse effect on our business, results of operations and financial condition.***

We have experienced significant growth since Fiscal 2021 and we have significantly expanded our operations. Details of the growth of our revenue from operations, profit after tax and EBITDA post open period forex from Fiscal 2021 to Fiscal 2023 are set forth below:

Particulars	**Revenue from Operations**	**PAT**	**EBITDA post open period forex[1]**
	In crore (except for %)		
Fiscal 2021	6,388.02	160.5	455.94
Fiscal 2023	14,352.15	637.72	1,291.19
CAGR (%)	30.97	58.39	41.48

1. EBITDA post open period forex = Profits before tax + Depreciation + Finance costs – Interest Income + Unallocable Expenditure net of Unallocable Income +/- open period forex being exchange losses or gains treated as finance cost adjusted for forward premium cost

We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand further, or at the same rate. The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy involves premiumisation of our product portfolio, increased focus on exports, and strengthening our direct-to-consumer portfolio, among other strategies. For further details, see "*Our Business – Strategies*" on page 169. Our success in implementing our growth strategies may be affected by our ability to identify new markets, maintain the quality of our products, increase our existing consumer base and changes in the Indian or international regulatory environment applicable to us. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy.

We have invested in marketing our light duty cables through television and digital advertisements. We also intend to expand the distribution network of our light duty cables and increase our presence in the retail market. These expansion plans will result in additional costs of investment in fixed assets and new equipment as well as additional working capital requirements. In the event that we fail to achieve a sufficient level of revenue or manage our costs efficiently, our future financial performance may be materially and adversely affected. Further, we may fail to enter into arrangements for strengthening our distribution network, which may impact our growth prospects.

10. ***We are exposed to risks arising from credit terms extended to our customers comprising distributors, retailers and end users.***

Due to the nature of, and the inherent risks in, the agreements and arrangements with customers, distributors, dealers and retailers, we are subject to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our results of operations and cash flows. As on March 31, 2021, March 31, 2022, March 31, 2023 and six-month period ended September 30, 2023, our trade receivables past due more than six months amounted to ₹ 216.37 crores, ₹ 177.78 crores, ₹198.08 crores and ₹ 235.78 crores, respectively.

There is no assurance that we will accurately assess the creditworthiness of our customers, distributors, dealers and retailers. Macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, distributors, dealers and retailers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause them to delay payment, request modifications of their payment terms, default on their payment obligations to us, or default their payment obligations under channel financing facilities to financial institutions, all of which could increase our receivables or our liabilities. Timely collection of dues from customers, distributors, dealers and retailers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from them. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our balances and our results of operations and cash flows scould be adversely affected. In addition, if we experience delays in billing and collection for our services, our cash flows could be adversely affected.

11. ***Our focus on premiumization may not lead to anticipated benefits if it is not received well by our customers or if it does not align with our customers' requirements***

We have introduced premium offerings across our portfolio, with a focus on improving margins and continuing our growth in international markets. For instance, in the recent past, we have added copper conductors for railways, copper transpose conductors for transformers, OPGW wires for power to our product offerings. We have also been investing in higher margin products in the transformer and special oil segment and believe that premiumization of such products will allow us to grow our margins in this segment. In the cables segment, we have invested towards developing new age solutions, and our current offerings include high voltage power cables using latest CCV technology, and increased safety and uninterrupted power distribution in high population density and forest areas. While we have introduced these products based on our understanding of our customers' needs, if we cannot adequately predict our customers' needs or if such products fail to obtain desired levels of market acceptance, our business and our operating results could be adversely affected.

We may also face competition for these premium products and may not be able to compete at the same price bands of our competitors who may have a presence in these sectors.

12. ***We are exposed to foreign currency fluctuation risks, particularly in relation to import of raw materials, export of products and our borrowings, which may adversely affect our results of operations, financial condition and cash flows.***

We present our financial statements in Indian Rupees. However, given that we export our products to the overseas market, a portion of our business transactions is denominated in foreign currencies. Our revenue from operations from outside India geographical segment, amounted to ₹ 2,602.26 crores, ₹ 3,525.07 crores, ₹ 6,994.20 crores, and ₹ 3,993.56 crores, representing 40.74%, 37.84%, 48.73%, and 51.14% of our revenue from operations in Fiscals 2021, 2022 and 2023 and six-month period ended September 30, 2023, respectively. Further, our raw materials such as aluminum and copper are priced by reference to benchmarks quoted in US dollars, and hence our expenditures are largely influenced by the value of the US dollar. We have also incurred certain external commercial borrowings including from State Bank of India, Gift City and State Bank of India, Tokyo which are subject to fluctuations in foreign currency. For details on the exchange rates between the Indian Rupee and the USD, Euro and British Pound, see "*Management's Discussion and Analysis of Financial Condition and* Results *of Operations – Foreign Currency*" and "*Exchange Rate Information*" on page 92 and 19.

Depreciation of the Indian Rupee against the US dollar, the Euro, the British Pound and other foreign currencies may adversely affect our results of operations by increasing the cost of the raw materials we import or any proposed capital expenditure in foreign currencies. Although we generally seek to pass exchange rate fluctuations through to our customers through increases in our prices, there can be no assurance that we will be able to do so immediately or fully, which could adversely affect our business, financial condition, results of operations and cash flows.

Further, while we seek to hedge our foreign currency risk by entering into foreign exchange forward contracts, any steps undertaken to hedge the risks due to fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. While we have not faced any adverse effects due to fluctuation in foreign exchange, there can be no assurance that in the future we will not be affected.

13. ***We have non-exclusive arrangements with our customers. In case they choose to enter into an agreement with a competitor for full or part of their requirements, it could have an adverse effect on our business, results of operations and financial condition.***

Our customers purchase products from us through purchase orders. Our relationships with customers is typically on a non-exclusive basis through purchase orders and accordingly, our customers may choose to cease sourcing our products and choose to source alternative options. We rely on purchase orders to govern the volume and other terms of our sales of products. Many of the purchase orders we receive from our customers specify a price per unit and delivery schedule. However, such orders may be amended or cancelled prior to finalization, and such amendments or cancellations may adversely impact our production schedules and inventories. Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in a mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our operating margins, which may adversely affect our profitability and liquidity. Further, we may not find any customers or purchasers for the surplus products manufactured, which may result in a loss. Our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future, adversely affecting our business, financial condition and results of operations.

14. ***We face competition from both domestic as well as international markets and our inability to compete effectively may have a material adverse impact on our business and results of operations.***

Competition in our business is based on the diverse pace of innovations in product development. We face pricing pressures from our customers who aim to produce their products at competitive costs and competitors who are able to source their raw materials at cheaper prices or are able to offer more favorable pricing terms to customers. We are unable to assure you that we shall be able to meet the pricing pressures imposed by such customers which would adversely affect our profitability. Additionally, some of our competitors may have greater financial, research and technological resources, larger sales and marketing teams and more established reputation. They may also be in a better position to identify market trends, adapt to changes in industry, innovate new products, offer competitive prices due to economies of scale and also ensure product quality and compliance, which may adversely affect our business and financial condition.

15. ***We depend on a limited number of third parties for the supply of our raw materials and delivery of products and such third parties could fail to meet their obligations, which may have a material adverse effect on our business, results of operations, financial condition and cash flows.***

Our primary raw materials include aluminum, copper, base oils, zinc and steel. We are dependent on a limited number of third-party suppliers for the supply of our raw materials. As a result of such dependence, our supply chain may be interrupted by circumstances beyond our control. Poor quality roads and other transportation-related infrastructure and logistics problems, inclement weather and road accidents may disrupt the transportation of raw materials.

Further, we procure raw materials from certain suppliers through purchase orders. Discontinuation of production by these suppliers, failure of these suppliers to adhere to any delivery schedule, failure to provide materials of the requisite quality and quantity, import restrictions or any discontinuation of these supplies as result of a breach of the supply contracts either by our Company or by the suppliers, could hamper our production schedule and therefore have a material adverse effect on our business, results of operations and cash flows.

This dependence may also adversely affect the availability of raw materials to us at reasonable prices, thus affecting our margins, and may have a material adverse effect on our business, financial condition, results of operations and cash flows. Please see "*– The costs of the raw materials that we use in our manufacturing process are subject to volatility due to factors beyond our control. Increases or fluctuations in raw material prices may have a material adverse effect on our business, financial condition, results of operations and cash flows.*" on page 45. There can be no assurance that high demand, capacity limitations or other problems experienced by our suppliers such as plant shutdown or transportation strikes will not result in occasional shortages or delays in their supply of raw materials. We cannot assure you that a particular supplier will continue to supply the required raw materials to us in the future or at a reasonable price. Further, any change in the supply pattern of our raw materials or the delivery of our products can adversely affect our business and profits.

If we were to experience a significant or prolonged shortage of our primary raw materials from any of our suppliers, and we cannot procure such raw materials from other sources, we would be unable to meet our production schedules for some of our key products and deliver such products to our customers in timely fashion, which would adversely affect our sales, margins and customer relations.

We also use third-party services for the transport of raw materials to our manufacturing plants and finished goods to our customers, distributors and dealers, as well as between production facilities. If the third-party deliveries are delayed due to transportation strike, vehicle breakdown, theft or other quality maintenance issues, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

16. ***We operate in a labor-intensive industry and are subject to stringent labor laws and any strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition, results of operations and cash flows.***

Our manufacturing processes are labor intensive in nature. In the summer months or during the harvesting season, a significant portion of our labor force return to their hometowns, resulting in a temporary labor shortage which may affect the production in our manufacturing facilities. Further, if we or our contractors are unable to negotiate with the labor or their sub-contractors, it could result in work stoppages or increased operating costs due to higher than anticipated wages or benefits.

There can be no assurance that we will not experience any strike or work stoppage in the future. In addition, work stoppages or slowdowns experienced by our customers or key suppliers could result in slow-downs or closures of our units where our products are included in the end products. If we or one or more of our customers or key suppliers experience a work stoppage, such work stoppage could have an adverse effect on our business, financial condition, cash flows and results of operations. During periods of shortages in labor, we may not be able to manufacture our products according to our previously determined time frames, at our previously estimated product costs, or at all, which may adversely affect our business, results of operations, cash flows and reputation.

We are also subject to a number of stringent labor laws that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. If labor laws become more stringent, it may become more difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

In addition, we have entered into contracts with independent contractors under the Contract Labor (Regulation and Abolition) Act, 1970, who in turn engage on-site contract labor for performance of certain of our ancillary operations in India. Although our Company does not engage these laborers directly, we may be held responsible for any wage payments to be made to such laborers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. If we are unable to renew the contracts with our independent contractors at commercially viable terms or at all, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

17. ***We are highly dependent on our Key Managerial Personnel and our Senior Management for our business. The loss of or our inability to attract or retain such persons, as well as other employees, could have a material adverse effect on our business performance.***

Our business and the implementation of our strategy is dependent upon our Key Managerial Personnel and members of Senior Management, who oversee our day-to-day operations, strategy and growth of our business. If one or more members of our Key Managerial Personnel and our Senior Management are unable or unwilling to continue in their present positions, such members could be difficult to replace in a timely and cost-effective manner. There can be no assurance that we will be able to retain these personnel. The loss of our Key Managerial

Personnel or members of our Senior Management or our inability to replace such Key Managerial Personnel or members of Senior Management may restrict our ability to grow, to execute our strategy, to raise the profile of our brand, to raise funding, to make strategic decisions and to manage the overall running of our operations, which would have a material adverse impact on our business, results of operations, financial position and cash flows.

Our success in expanding our business will also depend, in part, on our ability to attract, retain and motivate skilled personnel. Competition for skilled personnel in our industry is intense. Our competitors may offer compensation and remuneration packages beyond what we are offering to our employees. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. Because of these factors, there is no assurance that we can effectively attract and retain sufficient number of skilled personnel to sustain our expansion plans, which would have a material adverse impact on our business, results of operations, financial position and cash flows.

18. ***We regularly work with hazardous materials and activities in our operation which can be dangerous and could cause injuries to people or property.***

Our business requires individuals to work under potentially dangerous circumstances or with flammable materials. For example, if improperly handled, base oil used in production of transformer and specialty oils and moving machineries such as stranding machines can injure or kill employees or other persons, and cause damage to our properties and the properties of others Despite compliance with requisite safety requirements and standards, our operations are subject to significant hazards, including explosions, fires, mechanical failures and other operational problems, discharges or releases of hazardous substances, chemicals or gases and other environmental risks. For further details in relation to our insurance coverage, see "*Our Business — Insurance*" on page 176.

These hazards can cause personal injury and loss of life or destruction of property and equipment as well as environmental damage. In addition, the loss or shutting down of our facilities resulting from any accident in our operations could disrupt our business operations and adversely affect our results of operations, financial condition and reputation. We could also face claims and litigation filed on behalf of persons alleging injury predominantly due to occupational exposure to hazards at our facilities. If these claims and lawsuits, individually or in aggregate, are resolved against us, our business, financial condition, results of operations and cash flows could be adversely affected.

19. ***There are pending litigations against our Company, certain Promoters and Directors. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, cash flows, financial condition and reputation.***

Our Company, certain Promoters and Directors are involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals or other governmental authorities. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally from usand other parties. Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities. Any adverse decision in such legal proceedings may have a material adverse effect on our business, financial condition, results of operations and cash flows. We also investigate and resolve internalcomplaints we receive in accordance with our policies and as required by law including in relation to complaints from employees including inter-employee related complaints and any failure to investigate and resolve them adequately or at all may result in additional legal proceedings.

A summary of outstanding litigation proceedings involving our Company, our Promoters, our Directors and our Subsidiaries as on the date of this Preliminary Placement Document and as disclosed in the section titled "*Legal Proceedings*" on page 234 is provided below:

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory actions	Material civil litigation	Other material litigation	Aggregate amount involved (in ₹ crores)
Company						

By the Company	3	Nil	Nil	5	Nil	181.1
Against the Company	Nil	74	4	1*	Nil	206.94
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	1**	Nil	1	Nil	Nil	Negligible***
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	2^	Nil	Nil	Nil	2.13

** Also included in material civil litigation. For further details, please see "Legal Proceedings – Civil proceedings above the Materiality Threshold" on page 236".*

*** Also included in statutory or regulatory actions against the Director. For further details, please see "Legal Proceedings – Litigation involving our Directors" on page 238".*

**** The total amount involved in this case against our director is ₹ 25,000.*

^ While we have included a consolidated disclosure regarding tax litigation involving our Promoters in the table above, a disclosure has not been made been made for litigations against the Promoters in the section titled "Legal Proceedings" on page 234 as it does not form part of the Materiality Policy adopted by the Board of our Company.

There can be no assurance that these litigations will be decided in favor of our Company, Directors, Promoters and Subsidiaries and such proceedings may divert management time and attention and consume financial resources in their defense or prosecution. An adverse outcome in any of these proceedings may affect our reputation, standing and future business, and could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. We cannot assure you that any of these proceedings will be decided in our favor or that no further liability will arise out of these proceedings.

20. The improper handling, storage or processing of our raw materials or transformer and specialty oils products, or any spoilage thereof, or any real or perceived contamination in our products, could adversely affect our business, results of operations and financial condition.

The transformer and specialty oils products that we manufacture or process are subject to risks such as contamination during their manufacturing or processing, adulteration and product tampering, and atmospheric degradation during their transport or storage. Apart from base oils, certain other raw materials such as additives and our products are required to be stored, handled and transported under certain safety conditions. These raw materials and our transformer and specialty oils are corrosive and flammable in nature and require expert handling and storage. Any failure to appropriately store, handle and transport such materials and products could cause industrial accidents, fires, loss of human life and damage to our facilities and the environment. Such risks may be controlled, but not eliminated, by adherence to good manufacturing practices and finished product testing. We have little, if any, control over proper handling once our products are transported to our customers. We face the risk of legal proceedings and product liability claims being brought by our customers or end consumers, for various reasons including for defective or contaminated products sold or services rendered.

In addition, if any of our transformer and specialty oils products are, or are alleged to be, defective, we may voluntarily recall, or be required by applicable regulators, to recall that product if the defect or the alleged defect relates to safety. In the event of a recall, we may experience lost sales and be exposed to litigation and contractual claims and reputational risk. Also see "— *We are subject to strict quality requirements and any product defect issues or failure by us or our raw material suppliers to comply with quality standards may lead to the cancellation of existing and future orders, recalls or exposure to potential product liability claims. The strict quality requirements required to be complied with by us result in us incurring significant expenses to maintain our product quality. Any failure in maintaining our quality accreditations and certifications may negatively impact our brand and reputation may adversely affect our business, results of operations, financial condition, cash flows and reputation.*" on page 44. Any product recall, product liability claim or adverse regulatory action may adversely affect our reputation and brand image, business, results of operations and financial condition. While there have been no past instances of accidents due to improper handling of raw materials and products, there can be no assurance that in the future our controls will be able to prevent such accidents.

21. Non-compliance with and changes in, safety, health and environmental laws, and other applicable regulations in our manufacturing operations, the laws affecting our exports in foreign jurisdictions and other applicable laws may adversely affect our business, results of operations and financial condition.

We are subject to laws and government regulations, including in relation to safety, health and environmental protection. These safety, health and environmental protection laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. We have made and will continue to make capital and other expenditure to comply with environmental, health and safety standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being commenced against us, third party claims or the levy of regulatory fines. A negative outcome in any such proceedings may adversely *affect* our business, results of operations and financial condition. Additionally, we cannot assure you that we will not be involved in future litigation or other proceedings or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant. The loss or shutdown of our operations over an extended period of time could have an adverse effect on our business and operations. The possible impact of any non-compliance on our business, results of operations and financial condition is not ascertainable as of now and can only be determined once an actual event takes place. While there have been no past instances of non-compliance with safety, health and environmental regulations, there can be no assurance that we will continue to remain compliant in the future.

We are also subject to laws regulating export and import. Any change in the laws regarding eligibility for the export or import may affect our *ability* to export. Further, a change in law regarding exports or the power sector, may require us to obtain additional approvals from authorities which may result in us incurring costs and affect our exports. We are also required to be compliant with other applicable laws such as in relation to insider trading by employees of our Company. In the past we have issued notices to our employees for violation of our insider trading policy. While we have not received any communication from any regulatory authority or the Stock Exchanges, there can be no assurance that we will continue to remain compliant in the future.

22. ***We may be unable to obtain, renew or maintain statutory and regulatory permits, licenses and approvals required to operate our business and operate our manufacturing facilities, which could have an adverse effect on our results of operations. Further, certain of our manufacturing properties are located on leased premises. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be a material adverse effect on our business, financial condition and operations.***

Our operations are subject to extensive government regulations, and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, *generally* for carrying out our business and for our manufacturing units. We also require approvals and licenses for the export of our products. Several of these approvals are granted for a limited duration. Some of these approvals have expired and we have either made or are in the process of making an application for obtaining the approval for its renewal. However, we are yet to make applications for renewal of certain approvals that have expired such as the fire NOC for the manufacturing facility at Silvassa, certificate of registration issued by the Union Territory administration of Dadra and Nagar Haveli as per Section 7 of the Contract Labour (Regulation & Abolition) Act, 1970 for the manufacturing facilities at Rakholi and Athola, and the certificate from the Bureau of Indian Standards for the manufacturing facilities at Rakholi and Athola. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in *the* event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations or growth prospects.

Two of our manufacturing facilities, namely our Rabale Facility and Umbergaon Facility, are located on leasehold lands. The lease term for the *Rabale* land is 95 years, with effect from January 7, 2011, and the lease terms for Umbergaon land are 99 years. For further details, see *"Our Business – Immovable Property"* on page 176.

In case of any encumbrance or adverse impact or deficiency in the title of the owners or development rights from whose premises we operate, breach of the contractual terms of any lease, or if any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavorable to us, or if they terminate our agreements, we may suffer a disruption in our operations and shall have to look for alternate premises. In the event of relocation, we may be required to obtain fresh regulatory licenses and approvals. Until we receive these, we may suffer disruptions in our operations and our business which may adversely affect our financial condition.

If we are unable to renew certain or all of the aforementioned leases on commercially reasonable terms or at all, we may suffer a disruption in our operations or be unable to continue to operate from those locations in the future and may, to that extent, need to revise our raw material sourcing, product manufacturing and raw material and product inventory schedules and/or incur significant costs to relocate or expand our operations elsewhere in order to continue to honor our commitments to our customers.

23. We have entered into exclusive licensing and distribution agreements, which if terminated or renewed on terms that are not favorable to us which could affect our business and results of operations.

We have entered into a non- exclusive licensing agreement and a non-exclusive distribution agreement ("**Licensing Agreements**") for one of our lubricant brands. As per the terms of the Licensing Agreements, the licensor is entitled to terminate the agreements in case we are unable to maintain the minimum overall sales of the products being distributed. Given that our ability to manufacture, market and distribute these products is dependent on these agreements, any breach of the contractual terms of the agreements, or any inability to renew such agreements on acceptable terms or at all, suspension or termination thereof may adversely affect our business, results of operations and financial condition.

24. Our failure to maintain optimum inventory levels could adversely affect our business, financial condition, results of operation and cash flow.

While we manufacture a significant portion of our products for sale based on confirmed orders under direct contractual arrangements, we determine the quantities manufactured for sales and distribution through our distribution networks pursuant to management estimates based on historical levels of sales, actual sale orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay.

Our future earnings through the sale and distribution of our products may not be realized as forecasted, due to cancellations or modifications of firm orders or our failure to accurately prepare demand forecasts. If we are unable to appropriately estimate the demand for our products for any reason, it could result in excess inventory levels or the unavailability of our products during increased demand, resulting in loss in potential sales.

Our ability to accurately forecast customer demand for our products is affected by various factors, including:

- a substantial increase or decrease in the demand for our products or for similar offerings of our competitors;
- changes in customer requirements;
- de-inventorization trends;
- aggressive pricing strategies employed by our competitors;
- failure to accurately forecast or changes in customer acceptance of our products;
- limited historical demand and sales data for our products in newer markets;
- fluctuations in foreign currencies; and
- weakening of general economic conditions or customer confidence that could reduce the sale of our products.

We maintain an inventory level that we think is appropriate to meet our customer demands. Our Inventory Days for Fiscals 2021, 2022 and 2023 and six months ended September 30, 2023, was 89 days, 84 days, 66 days and 58 days, respectively.

Inventory levels that exceed customer demand may result in inventory write-downs or write-offs or we may be required to sell our excess inventory at discounted prices, which will adversely affect our gross margins and negatively impact our reputation and brand exclusivity. On the other hand, if we face demand in excess of our production, we may not be able to adequately respond to the demand for our products. This could result in delays in delivery of our products to our customers and we may suffer damage to our reputation and customer relationships. In addition, our customers may be driven to purchase products offered by our competitors, thereby affecting our market share. There can be no assurance that we will be able to manage our inventories at optimum levels to successfully respond to customer demand.

25. ***Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by CRISIL which has been commissioned and paid for by us for such purpose.***

Certain sections of this Preliminary Placement Document include information based on, or derived from, the CRISIL Report or extracts of the CRISIL Report prepared by CRISIL Limited. We exclusively commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Issue. All such information in this Preliminary Placement Document indicates the CRISIL Report as its source. Industry sources and publications are prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Further, the CRISIL Report is not a recommendation to invest / disinvest in any company covered in the CRISIL Report. The CRISIL report should not be construed as an expert advice or investment advice. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information, and any information in this Preliminary Placement Document derived from, or based on, the CRISIL Report should be read taking into consideration the foregoing.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Preliminary Placement Document based on, or derived from, the CRISIL Report. You should consult your own advisors and undertake an independent assessment of information in this Preliminary Placement Document based on, or derived from, the CRISIL Report before making any investment decision regarding the Issue. For further details, please see "*Industry Overview*" on page 120.

26. ***If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks. Despite our internal control systems, we may be exposed to operational risks, including fraud, petty theft and embezzlement, which may adversely affect our reputation, business, financial condition, results of operations and cash flows.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions.

Notwithstanding that the auditors' report issued on the internal financial controls over financial reporting of our Company for Fiscals 2021, 2022 and 2023 did not contain a qualified opinion or disclaimer of opinion, there can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud, each of which may have an adverse effect on our business, financial condition, results of operations and cash flows.

Further, given the high volume of transactions we process on a daily basis, notwithstanding the internal controls that we have in place, we may be exposed to the risk of fraud or other misconduct by employees, contractors, customers, distributors or dealers. Fraud and other misconduct can be difficult to detect and deter. Certain instances of fraud and misconduct may go unnoticed or may only be discovered and successfully rectified after substantial delays. Even when we discover such instances of fraud or theft and pursue them to the full extent of the law or with our insurance carriers, there can be no assurance that we will recover any of the amounts involved in these cases.

27. ***We do not hold any patents or other form of intellectual property protection in relation to our manufacturing processes, and our inability to maintain the integrity and secrecy of our manufacturing processes may adversely affect our business. Further, our inability to protect or use our trademarks may also adversely affect our business***

We possess technical knowledge about the manufacturing of our products. Our know-how is not specifically registered as an intellectual property right under applicable law in India. We rely in part on mutual trust for protection of our trade secrets and confidential information relating to our manufacturing processes. It is our policy to take precautions to protect our trade secrets and confidential information against breach of trust by our employees, consultants, job workers, customers and suppliers. However, it is possible that unauthorized disclosure of our trade secrets or confidential information may occur. We cannot assure you that we will be successful in the protection of our trade secrets and confidential information.

Our manufacturing processes may not be eligible for intellectual property protection and others may be able to use the same or similar production processes, thereby undermining any competitive advantage we may have derived from such processes and adversely affecting our financial condition and results of operations.

Further, our trademarks are also important for our business and operations. The use of our brand name or logo by third parties could adversely affect our reputation, which could in turn adversely affect our financial performance and the market price of our Equity Shares. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition. For details of our trademarks, see "*Our Business — Intellectual Property*" on page 175.

28. ***A downgrade in our credit ratings could materially adversely affect our business and financial condition and our ability to raise capital in the future***

Our Company has received the following credit ratings from CARE Ratings Limited vide its letter dated September 22, 2023:

Particulars	Ratings
Long term banking facilities	CARE A+ ; Stable
Long term/ Short term banking facilities	CARE A+; Stable/ CARE A1

Our Company has also received the following credit ratings from ICRA Limited vide its letter dated October 27, 2023:

Particulars	Ratings
Long term fund-based - Cash credit	ICRA A+ ; (Stable); reaffirmed
Long term fund-based - Term loan	ICRA A+ (Stable); reaffirmed and assigned for enhanced amount
Long term/Short term - Non-fund based - BG/LC	ICRA A+ (Stable)/ICRAA1; reaffirmed and assigned for enhanced amount

Our credit ratings, which are intended to measure our ability to meet our debt obligations, are a significant factor in determining our finance costs. The interest rates of certain of our borrowings may be significantly dependent on our credit ratings. A downgrade of our credit ratings could lead to greater risk with respect to refinancing our debt and would likely increase our cost of borrowing and adversely affect our business, financial condition, results of operations and prospects.

29. ***Our financing agreements contain covenants that limit our flexibility in operating our business and impose monetary obligations. If we are not in compliance with certain of these covenants and are unable to obtain waivers from the respective lenders, our lenders may accelerate the repayment schedules, and enforce their respective security interests, leading to a material adverse effect on our business and financial condition.***

As of September 30, 2023, our outstanding borrowings, on a consolidated basis, were ₹ 343.59 crore. A portion of these borrowings is secured by mortgage of immovable properties, hypothecation of current assets and fixed immovable assets. Pursuant to terms prescribed under the loan documentation of facilities availed by our

Subsidiaries, our Company has provided corporate guarantees to lenders of our Subsidiaries amounting to ₹ 811.43 crore as on March 31, 2023.

Our existing financing arrangements contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to, without prior consents from the lenders, engage in acts that may be in our long-term best interest, including restrictions on our ability to, among other matters, make loans and investments, change our capital structure, undertake merger or amalgamation, change our ownership and composition of our board of directors, issue further Equity Shares, make certain payments (including payment of dividends in the event of default and prepayment of indebtedness), alter the business we conduct, carry out modifications, amendments or alterations to the constitutional documents of the Company, enter into borrowing arrangements with any other bank, financial institution, company or otherwise, create any charges, lien or encumbrances over our assets or undertaking or any part thereof in favor of any third party, or sell, assign, mortgage or dispose of any fixed assets charged to a lender or wind-up, liquidate or dissolve affairs or take steps for voluntary winding up or liquidation or dissolution.

If we are not in compliance with certain of these covenants and are unable to obtain waivers from the respective lenders or if any events of default occur, our lenders may accelerate the repayment schedules or terminate our credit facilities. Further, certain of our subsisting loans may be recalled at any time at the option of the lender, in case of default. There can be no assurance that the lenders will not recall such borrowings or if we will be able to repay loans advanced to us in a timely manner or at all. Subsequently, if we are unable to pay our debt, affected lenders could also proceed against any collateral granted to them to secure such indebtedness. Further, such covenant defaults could result in cross-defaults in our other debt financing agreements. In the event our lenders accelerate the repayment of our borrowings, there can be no assurance that we will have sufficient assets to repay our indebtedness.

If our future cash flows from operations and other capital resources become insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets, our financial condition at such time and the terms of our other outstanding debt instruments. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness or credit rating, which could harm our ability to incur additional indebtedness on acceptable terms.

30. ***The proposed deployment of Net Proceeds has not been appraised by any bank or financial institution or any other independent agency. Any variation in the utilization of our Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***

We intend to use the Net Proceeds for funding working capital requirements of our Company. Our proposed deployment of Net Proceeds has not been appraised by any bank or financial institution or any other independent agency and is based on management estimates. The deployment of the Net Proceeds will be at the discretion of our Board. Furthermore, the planned use of the Net Proceeds is based on current business plan, current conditions and other commercial and technical factors including interest rates and other charges, our business strategies, the financing and other agreements entered into by our Company and the receipt of requisite consents from our lenders and is subject to changes in external circumstances, and other factors beyond our control such as general economic conditions, inflation, technological changes, changing customer preferences and competitive landscape, credit availability and interest rate levels. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates and budgets from time to time and consequently our funding requirements may also change. Any variation in the planned use of the Net Proceeds will be undertaken in accordance with applicable law, including compliance with requirements for prior shareholders' approval, where required. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed by us pursuant to the SEBI ICDR Regulations. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to deploy the proceeds of the Issue in a timely or an efficient manner, it may affect our business and results of operations.

31. Information relating to our production capacities and the historical capacity utilization of our manufacturing facilities included in this Preliminary Placement Document is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.

For details of certain information relating to our capacity utilization of all our manufacturing units for our business verticals, calculated on the basis of total installed production capacity and actual production as of/ for Fiscals 2021, 2022, 2023 and six months ended September 30, 2023, please see "*Our Business – Our Manufacturing Facilities*" on page 172. Information relating to the historical installed capacity and capacity utilization of our manufacturing units included in this Preliminary Placement Document is based on various assumptions and estimates of our management and an independent chartered engineer, including assumptions relating to expected operations, availability of raw materials, expected unit utilization levels, downtime resulting from scheduled maintenance activities, downtime resulting from change in stock keeping units for a particular product and unscheduled breakdowns. Actual production volumes and capacity utilization rates may differ significantly from the estimated production capacities and historical capacity utilization of our manufacturing units. Investors should therefore not place undue reliance on our historical installed capacity information for our existing manufacturing facilities included in this Preliminary Placement Document.

32. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.

As of September 30, 2023, we operate eight manufacturing facilities in India and one facility in Sharjah, UAE. Our ability to maintain our profitability depends on our ability to optimize the product mix to support high-margin products and products with consistent long-term demand and the demand and supply balance of our products in the principal and target markets. In particular, the level of our capacity utilization can affect our operating results. Capacity utilization is also affected by our product mix and the demand and supply balance.

The table below provides an overview of the manufacturing capacities and capacity utilization of our various facilities, for Fiscals 2021, 2022, 2023 and six months ended September 30, 2023:

Segment*	Unit of Measurement	Fiscal 2021			Fiscal 2022			Fiscal 2023			Six-month period ended September 30, 2023		
		Installed Capacity	Actual Production	Capacity Utilisation (%)	Installed Capacity	Actual Production	Capacity Utilisation (%)	Installed Capacity	Actual Production	Capacity Utilisation (%)	Installed Capacity	Actual Production	Capacity Utilisation (%)
Conductors	MT	183,291	128,460	70.09%	1,84,521	1,07,464	58.24%	1,70,391	166,008	97.43%	101,191	98,307	97.15%
Transformer and specialty oils	KL	934,600	394,872	42.25%	9,34,600	4,70,419	50.33%	934,600	487,955	52.21%	467,300	226,604	48.49%
Power / telecom cables	KM	366,000	210,142	57.42%	3,66,000	2,86,304	78.23%	479,000	380,634	79.46%	318,000	204,131	64.19%

** For details of relevant facilities under each segment, see Note (1) below.*

Note (1)

Manufacturing facilities

Segment	*Relevant facilities*
Conductors	1. *Athola, Daman and Diu* 2. *Silvassa, Daman and Diu* 3. *Jharsuguda, Odisha* 4. *Lapanga, Odisha*
Transformer and specialty oils	1. *Silvassa, Daman and Diu* 2. *Rabale, Maharashtra* 3. *Sharjah, UAE*
Power/ Telecom cables	1. *Umbergaon, Maharashtra* 2. *Khatalwada, Maharashtra*

2) Installed capacity for the period six month ended September 30, 2023 is calculated on proportionate basis.

3) Our Company has different capacity for different products for each project and the same is not comparable on a year on year basis

For further details regarding our manufacturing plants, including capacity utilization, please see "*Our Business - Our Manufacturing Facilities*" on page 172.

Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at our manufacturing facility, the availability of raw materials, industry/ market conditions and the product requirements of our customers. In the event we face prolonged disruptions at our facilities including due to interruptions in the supply of water, electricity or as a result of labor unrest, or are unable to procure sufficient raw materials, we may not to achieve full capacity utilization of our current manufacturing facilities, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition.

Our expansion plans are typically based on demand forecasts that are subject to various assumptions including product trends in the industry and management estimates that are based on prevailing economic conditions. Adequate utilization of our expanded capacities is therefore subject to various factors beyond our control and in case of oversupply in the industry or lack of demand, we may not be able to utilize our expanded capacities efficiently. The success of any capacity expansion and expected return on investment on capital invested is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner, recruit and ensure satisfactory performance of personnel to further grow our business, and the ability to absorb additional infrastructure costs and develop new expertise and utilize the expanded capacities as anticipated.

33. ***We have certain contingent liabilities and commitments, which, if they materialize, may adversely affect our results of operations, financial condition and cash flows.***

The table below sets forth the principal components of our contingent liabilities as of September 30, 2023, as per the Limited Review Financial Results:

Particulars	**Amount (₹ in crore)**
Excise Duty	7.08
GST	1.18
Custom Duty	2.08
Sales Tax	12.18
Income Tax	21.08
Arbitration award regarding dispute of alleged contractual nonperformance by the Group, against which the Group is in appeal before Bombay High Court	14.07
Labour Matters	0.05
Others	7.33

The contingent liability of amounts disclosed in our financial statements represents estimates and assumptions of our management based on advice received. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected. For further information on our contingent liabilities, see "*Financial*

Information – Fiscal 2023 Audited Consolidated Financial Statements – Note 45: Contingent Liabilities" beginning on page 323.

34. Our government contracts are obtained through a competitive bidding process. There can be no assurance that we will qualify for, or that we will successfully compete and win such tenders or maintain these customer relationships.

In the course of our business operations, we also supply to government entities, including the railways and defence sectors. These contracts are typically awarded through a competitive bidding process. Our ability to bid for these contracts depends on us meeting the prescribed pre-qualification criteria or eligibility criteria which may vary depending on the nature of size of the contract. If we are able to qualify for the bid on the specified parameters, we then compete with other interested bidders on, among other things, pricing, track record and experience. There can be no assurance that we would be able to successfully bid for such contracts, or at all. In addition, the bidding and selection process for any government contract is affected by a number of factors, including factors which may be beyond our control, such as market conditions or government budget allocations. Government conducted tender processes may also be subject to change in qualification criteria, unexpected delays and uncertainties. Therefore, while we incur costs in the preparation and submission of bids, there can be no assurance that we will be successful in such bids. We are also exposed to the risk of cancellation of the contract and subsequent blacklisting by such agencies in case we fail to provide our services effectively, which would adversely affect our ability to obtain new government contracts in the future.

Any adverse change in the policies adopted by the government regarding award of its contracts or our existing relationship with the government may adversely affect our ability to win such contracts. To the extent that any of the contracts awarded to us by the government entities are delayed, disrupted or cancelled, or subject to fund reallocation or insufficiency, our cash flows, business, results of operations and financial condition may be adversely affected.

35. We have undertaken certain ESG initiatives which may not yield the expected benefits.

In recognition of our responsibility in the protection of our environment, we have undertaken various ESG initiatives in the recent past. With the objective of reducing the environmental impact of our operations, we are working towards decreasing our energy consumption, increasing the use of renewable and clean energy, reducing emissions, lowering fresh water intake, enhancing rain harvesting and limiting waste generation. For instance, we have also commissioned a wind-solar hybrid power (3.30 MW wind-turbine and 2.80 MWp of solar energy) project in partnership with a leading supplier, which is expected to save 10,000 tCO_2e GHG emission per year For further details regarding our ESG initiatives, please see "*Our Business — Environmental, Social and Governance Practices*" on page 175.

While we expect these investments to improve our environmental impact and our image regarding social responsibility, there can be no assurance that our investments will have the anticipated impact corresponding to the amount invested. Our initiatives are dependent on third parties, including our supply chain partners, and our investors' perception of our initiatives. In case we are not able to realise the potential benefits of our ESG initiatives, we may have to make further investments in this respect.

36. Failure or disruption of our information technology systems may adversely affect our business, financial condition, results of operations, cash flows and prospects.

We have implemented various information technology solutions to cover key areas of our operations including accounting, distribution network and data security. For further details, see "*Our Business – Information Technology*" on page 175. However, these systems are potentially vulnerable to damage or interruption from a variety of sources, which could result in a material adverse effect on our operations. A large-scale information technology malfunction could disrupt our business or lead to disclosure of, and unauthorized access to, sensitive Company information. Our ability to keep our business operating depends on the proper and efficient operation and functioning of various information technology systems, which are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems). Such malfunction or disruptions could interrupt our business operations and result in economic losses. Any failure of our information technology systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

There is no assurance that we will not experience disruption in our information technology systems in the future and we will be able to remedy such disruption in timely manner, or at all. Any such disruption of our information technology systems could have a material adverse effect on our business, results of operation and financial condition. Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our information technology systems may lead to inefficiency or disruption of our information technology systems, thereby adversely affecting our ability to operate efficiently.

Any failure in overhauling or updating our information technology systems in a timely manner could cause our operations to be vulnerable to external attacks and inefficient. Hence, any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to conduct our normal business operations, which may materially adversely affect our business, financial condition, results of operations, cash flows and prospects. In addition, technological advances from time to time may result in our systems, methods or processing facilities becoming obsolete.

37. ***Our Promoters and Promoter Group will continue to retain a majority shareholding in our Company after the Issue, which will allow them to exercise significant influence over us.***

Following the completion of the Issue, our Promoters and members of our Promoter Group will continue to hold approximately [●]% of our post-Issue Equity Share capital. Our Promoters will, therefore, be able to control the outcome of matters submitted to our Board or Shareholders for approval. Our Promoters will continue to exercise significant control or influence over our business and major policy decisions. Accordingly, the interests of our Promoters in the capacity of a shareholder may conflict with your interests and the interests of our other shareholders. The trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoters.

38. ***We are unable to trace certain documents in relation to regulatory filings and corporate actions taken by our Company. Consequently, we may be subject to adverse regulatory actions and penalties for any past or future non-compliance and our business, financial condition and reputation may be adversely affected***

We are unable to trace certain documents in relation to regulatory filings and corporate actions taken by our Company. For instance, we are unable to trace the, (i) relevant Board and Shareholders' resolutions for the appointment of our Directors, Kushal Narendra Desai and Chaitanya Narendra Desai, in 1999 and 1993, respectively, (ii) the form filing under the Companies Act, 1956 and challan in relation to the regularization of Kushal Narendra Desai as Managing Director and Chief Executive Officer. and (iii) the form filing under the Companies Act, 1956 and challan in relation to the regularization of Chaitanya Narendra Desai as a Managing Director. Further, in relation to the allotments of Equity Shares dated March 19, 1991, and August 17, 1995, we are unable to trace the list of allottees filed as an attachment to Form-2 for the respective allotments. Consequently, we do not possess complete documentation to evidence compliances with certain provisions of the Companies Act, 1956. For further details, please see "*Capital Structure*" and "*Board of Directors and Senior Management*" on pages 79 and 177.

We cannot assure you that the secretarial records or regulatory filings which we have not been able to locate or inaccurately filed will be available in the future, or that the regulatory filings were done in accordance with applicable law or at all or in timely manner. Additionally, while no disputes or penalties have arisen or been imposed in connection with these secretarial records as on the date of this Preliminary Placement Document, we cannot assure you that no dispute or penalties shall arise or be imposed in the future, including for any delay in statutory filings. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business, reputation, operations, prospects or financial results.

39. ***Our ability to pay dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.***

We have declared and paid dividends in Fiscals 2021, 2022 and 2023. For details, see "*Dividends*" on page 83. However, the amount of our future dividend payments, if any, will depend on our future earnings, cash flows, financial condition, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that we will pay dividends. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders.

40. We have entered, and will continue to enter, into related party transactions which may involve conflicts of interest.

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties. For details, see "*Financial Information – Fiscal 2023 Audited Consolidated Financial Statements – Note 44: Related Party Transactions in ordinary course of business*" on page 321. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future subject to compliance with the SEBI Listing Regulations, applicable accounting standards and other statutory requirements. However, we cannot assure you that such transactions, individually or in the aggregate, will perform as expected or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties. Further, while there are no materially significant related party transactions of the Company in Fiscals 2021, 2022 and 2023 which have potential conflict with the interests of the Company at large, we cannot assure you that there will be no conflict of interest between our Company and its related parties in the future.

41. Significant differences exist between Ind AS and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.

Our Audited Consolidated Financial Statements and our Limited Review Financial Results have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting standards on the financial disclosures presented in this Preliminary Placement Document should be limited accordingly.

42. We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Ind AS.

This Preliminary Placement Document includes our EBITDA post open period forex, EBITDA post open period forex Growth (CAGR), Average Capital Employed, Return on Capital Employed, Capital Expenditures, Return on Equity, Debt to Equity Ratio and Adjusted Net (Cash)/Debt (collectively "**Non-GAAP Measures**") and certain other industry measures related to our operations and financial performance, which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with, Ind AS, IFRS or U.S. GAAP. For further details in relation to reconciliation of non-GAAP measures, please see "*Financial Information*" on page 241.

Further, these Non-GAAP Measures and industry measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS or U.S. GAAP. In addition, such Non-GAAP Measures and industry measures are not standardized terms and may vary from any standard methodology that is applicable across the Indian financial services industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies, and hence a direct comparison of these Non-GAAP Measures and industry measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures and industry measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures and industry measures are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

EXTERNAL RISK FACTORS

RISKS RELATING TO INDIA

43. *Our growth depends on the sustained growth of the Indian economy and may be impacted by an economic slowdown in India*

Macroeconomic factors that affect the Indian economy and the global economic scenario have an impact on our business. Factors that may adversely impact the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- occurrence of natural or man-made disasters or outbreak of an infectious diseases, such as COVID-19;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- any downgrading of India's debt rating by a domestic or international rating agency.

Any slowdown in the Indian economy may have a direct impact on the demand for conductors, specialty oils and wires and cables, thereby adversely impacting our profitability and growth plans. As a result, we are dependent on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Furthermore, any fluctuation in rate of exchange with foreign currency transactions or devaluation of the Indian Rupee may adversely impact our revenue and profit margins.

Our performance and the growth of our business also depends on the performance of the economies of the regional markets we serve from our Indian manufacturing facilities. Any slowdown or perceived slowdown in the Indian economy or those of our regional markets, could adversely impact our business, results of operations and financial condition.

44. *We are subject to changes in Indian taxation laws or their interpretation*

Any change in Indian tax laws could adversely affect our operations. For instance, the Government of India introduced the Finance Bill, 2023, which after receiving assent from the President of India, has been enacted as the Finance Act 2023. The Finance Act, 2023, proposes various amendments to taxation laws in India. As such, there is no certainty on the impact that the Finance Act, 2023 may have on our business and operations or on the industry in which we operate. Any such future amendments may affect certain benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax-free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, including by reason of absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

The Government of India has also implemented a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (One hundred and first Amendment) Act, 2016 enables the Government of India and state governments to introduce GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

Furthermore, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Similarly, the Finance Act, 2020, had notified changes and provided several amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and exemption from dividend distribution tax ("**DDT**"), in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020.

We cannot predict whether any new tax laws or regulations impacting our operations will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

45. Changes in trade policies may adversely affect our profitability.

There have been on-going discussions and commentary regarding changes to Indian trading policies, treaties and tariffs, which could create uncertainties about the future relationship between India and other countries with respect to trade policies, treaties and tariffs. Any such change in policies by India, such as the lapse of anti-dumping duty on polyvinyl chloride imports from China in 2022, and any such changes by the countries, in terms of tariff and non-tariff barriers, from which our suppliers import their raw materials, components and/or countries to which we export our products, may increase our operating costs, reduce our margins and make it more difficult for us to compete in the Indian and overseas markets, and our business, financial condition and results of operation could be severally impacted.

46. ***If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate to pass costs on to our customers.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Furthermore, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

47. ***Our business may be adversely impacted by civil unrest, terrorist attacks and war or natural disasters or unfavourable climatic changes, health epidemics or pandemics***

Terrorist attacks and other acts of violence, war or conflicts, particularly those involving India may adversely affect Indian and global financial markets. Such acts may negatively impact business sentiment, which could adversely affect our business and profitability. India has from time to time experienced, and continues to experience, social and civil unrest, terrorist attacks and hostilities with neighbouring countries. In the past, India has had military confrontations and experienced cases of ceasefire violations with Pakistan and has had territorial and border disputes with neighbouring countries such as China. As a consequence of the conflict between Indian and Chinese troops in the Galwan River Valley, both governments in India and in China have taken various measures to establish the status quo of their presence in the territory. We cannot predict how these or similar geopolitical events will pan out in future, however such geopolitical events may have negative impact on the Indian economy and our business, operation and the market for the Equity Shares. Additionally, some of India's neighbouring countries have experienced, or are currently experiencing, internal unrest. This, in turn, could have a material adverse effect on the Indian economy and in turn may adversely affect our operations and profitability and the market for the Equity Shares.

As a consequence of this, our Company may be unable to pass on the cost to our customers in order to remain competitive in our prices, which may adversely impact our margins and business prospects. There can be no assurance that there will be no such disruptions and in such a scenario, our business, financial condition and operations may be adversely affected.

Natural disasters such as floods, earthquakes, famines and droughts have in the past had a negative impact on the Indian economy. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Furthermore, health epidemics and pandemics like the recent COVID-19 pandemic have also affected the Indian economy negatively. If any such natural disaster, unfavourable climatic changes or health epidemics and pandemics were to occur or continue, our business could be affected due to the event or due to the inability to effectively manage the effects of the particular event. India, Bangladesh, Pakistan, Indonesia, Japan and other Asian countries have experienced natural calamities such as earthquakes, floods, droughts and a tsunami in recent years. Prolonged spells of abnormal rainfall, draught and other natural calamities could have an adverse impact on the economy, which could in turn adversely affect our business and the price of our Equity Shares.

48. ***Any downgrading of India's sovereign rating by an international rating agency may affect our business and our liquidity***

Our customers' and our borrowing costs and access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional finances at favourable interest rates and other commercial terms. This could have an adverse effect on our growth, financial performance and our operations.

49. ***Investors may have difficulty enforcing foreign judgments in India against our Company or our management***

Our Company is a public limited company incorporated under the laws of India. Most of our Company's Directors and Key Managerial Personnel and members of Senior Management named herein are residents of India and a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors to effect service of process on our Company or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India. In addition, India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The manner of recognition and enforcement of foreign judgments in India is dependent on whether the country in which the foreign judgment has been pronounced is a reciprocating territory or not. For further information on recognition and enforcement of foreign judgments in India, please see "*Enforcement of Civil Liabilities*" on page 18.

A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999 to repatriate outside India any amount recovered pursuant to execution of such a judgment. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

50. ***We may be subject to changes in legislation or policies applicable to our Company***

Our business and operations are governed by various laws and regulations. Our business and financial performance could be materially adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to the business. The Government or state governments could implement new regulations and policies, which could require our Company to obtain approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our Company's business, prospects, financial condition and results of operations.

The Government of India has recently introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. The Social Security Code aims to provide uniformity in providing social security benefits to employees which were previously segregated under different acts and had different applicability and coverage. Further, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws has the ability to increase our employee and labour costs, thereby adversely impacting our profit margins, results of operations, cash flows, business and financial performance.

Further, Competition Act, 2002, as amended (the "**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. An adverse application or interpretation of the Competition Act could adversely affect our business, financial condition, cash flows and results of operations.

RISKS RELATING TO THE EQUITY SHARES AND THE ISSUE

51. ***Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.***

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on NSE and BSE, which would adversely affect your ability to sell the Equity Shares. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for such Equity Shares issued pursuant to the Issue. Furthermore, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

52. ***The trading volume and market price of the Equity Shares may be volatile following the Issue, and you may not be able to sell your Equity Shares at or above the Issue Price.***

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- actual or anticipated quarterly variations in our results of operations, including compared to expectations of securities analysts and investors and those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by analysts and investors;
- announcements about our earnings that are not in line with analyst expectations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- complaints from our customers, shortages or interruptions in the availability of raw materials, or reports of incidents of tampering of raw materials;
- announcements by third parties or governmental entities of significant claims or proceedings against us;

- new laws and governmental regulations applicable to our industry;
- additions or departures of senior management;
- changes in our shareholder base;
- changes in our dividend policy;
- changes in accounting standards, policies, guidance, interpretations or principles;
- the public's reaction to our press releases, other public announcements, and filings with the regulator;
- adverse media reports about us or our industry;
- changes / volatility in exchange rates;
- changes in the regulatory and legal environment in which we operate;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Any of these factors listed above could result in large and sudden changes in the volume and trading price of the Equity Shares and adversely affect the price of the Equity Shares. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell the Equity Shares at or above the Issue Price. Furthermore, the Issue Price which may include a discount of not more than five percent on the Floor Price in accordance with the SEBI ICDR Regulations, which will be determined by our Board in consultation with the Lead Managers may not be necessarily indicative of the market price of the Equity Shares after this Issue is complete.

53. ***An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognized Indian stock exchange for a period of one year from the date of allotment of such Equity Shares.***

Pursuant to the SEBI ICDR Regulations, for a period of one year from the date of the allotment of the Equity Shares in the Issue, eligible QIBs subscribing the Equity Shares in the Issue may only sell such Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of such Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares subscribed by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares subscribed by investors.

54. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares or dividend paid thereon.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realised on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Furthermore, any capital gains realised on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non -delivery basis is specified at 0.003% of the consideration amount. These amendments were notified on December 10, 2019 and have come into effect from July 1, 2020.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, the likely nature and impact of the specific terms of any such laws or regulations or whether if at all, any laws or regulations would have an adverse effect on our business.

55. ***Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding. Furthermore, any such further issuance of our securities and/or sale of Equity Shares by the Promoters or members of our Promoter Group may adversely affect the trading price of our Equity Shares.***

We cannot assure you that we will not issue additional Equity Shares. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares may lead to the dilution of your shareholding in our Company. Furthermore, any future equity issuances by us or sale of our Equity Shares by the Promoters or members of our Promoter Group or any of our other principal shareholders or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. Thus, there can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

56. ***There may be less information available about companies listed on Indian securities markets than companies listed on securities markets in other countries.***

There may be less publicly available information about Indian public companies, including our Company, than is regularly disclosed by public companies in other countries with more mature securities markets. There is a difference between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants in those markets, and that of markets in other more developed economies. In India, while there are certain regulations and guidelines on disclosure requirements, insider trading and other matters, there may be less publicly available information about Indian companies than is regularly made available by public companies in many developed economies. As a result, you may have access to less information about our business, results of operations and financial condition, and those of our competitors that are listed on the Stock Exchanges, on an ongoing basis, than you may in the case of companies subject to the reporting requirements of certain other countries.

57. ***Under Indian law, foreign investors are subject to investment restrictions that may limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.***

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Furthermore, the Indian Government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian Government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian Government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Transfer Restrictions and Purchaser Representations*" on page 219.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade ("**DPIIT**"), the Consolidated FDI Policy and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India.

58. ***Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act 2013, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

59. ***Applicants to the Issue are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to 10 days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operations and financial condition of our Company, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

60. ***Our Equity Shares are quoted in Indian rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian rupee and risks associated with the conversion of Indian rupee proceeds into foreign currency.***

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees and subsequently may need to be converted into the relevant foreign currency for repatriation. The exchange rate between the Indian Rupee and other foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. Any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. The volatility of the Indian rupee against other currencies may subject investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

If you purchase Indian Rupees to purchase our Equity Shares, fluctuations in the exchange rate between the Indian Rupee and the foreign currency with which you purchased the Indian Rupees may affect the value of your investment in our Equity Shares, including, specifically, such foreign currency equivalent of:

- the Rupee trading price of our Equity Shares in India;
- the proceeds that you would receive upon the sale in India of any of our Equity Shares; and
- cash dividends, if any, on our Equity Shares, which will be paid only in Rupees.

61. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our articles of association, regulations of our Board of Directors and the Indian law govern our corporate affairs. Legal principles related to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

62. Your ability to acquire and sell Equity Shares is restricted by the distribution and transfer restrictions set forth in this Preliminary Placement Document and the Placement Document.

No actions have been taken to permit a public offering of the Equity Shares in any jurisdiction, including India. Furthermore, the Equity Shares are subject to restrictions on transferability and resale. You are required to inform yourself about and observe these restrictions, which are set forth in "*Transfer Restrictions and Purchaser Representations*" on page 219. Our Company, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions set forth in this Preliminary Placement Document.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, our Company's issued, subscribed and paid-up capital comprises 38,268,619 Equity Shares of face value of ₹ 10 each are subscribed and paid-up.

On November 22, 2023, the closing price of the Equity Shares on BSE and NSE was ₹ 5,532.90 and ₹ 5,577.65 respectively per Equity Share. Since the Equity Shares are available for trading on the Stock Exchanges, the market price and other information for each of BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for the Financial Years ended March 31, 2023, March 31, 2022, and March 31, 2021:

BSE									
Financial Year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹)**
2023	2503.35	March 31, 2023	50,802	125.51	590.25	May 11, 2022	3,408	1.98	1375.72
2022	826.25	Decembe r 21, 2021	51,390	41.59	446	April 19, 2021	4,020	1.79	631.31
2021	478.2	March 16, 2021	17,286	8.223	282.75	October 20, 2020	1,141	0.322	340.78

NSE									
Financial Year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹)**
2023	2,504.90	March 31, 2023	5,31,313	1305.97	590.55	May 11, 2022	77,709	45.38	1376.11
2022	822.75	January 25, 2022	1,52,932	125.10	447.35	April 19, 2021	24,182	10.79	631.43
2021	477.85	March 16, 2021	1,48,461	71.03	282.45	October 19, 2020	12,821	3.629	340.80

(Source: www.bseindia.com and www.nseindia.com)

Notes:
1. *High and low prices are calculated based on daily closing prices, as against previously mentioned intraday high and low.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*
3. *In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.*

The following table sets forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2023, 2022 and 2021:

Fiscal	**Number of Equity Shares Traded**		**Turnover (In ₹ million)**	
	BSE	**NSE**	**BSE**	**NSE**
2023	43,31,562	5,35,74,622	5807.96	70141.08
2022	29,01,394	3,25,17,830	1885.19	21368.05
2021	17,04,472	1,94,22,621	647.27	7396.74

(ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months:

BSE											
Month year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ million)**
October, 2023	5494.30	October 16, 2023	5,717	31.11	4984.85	October 25, 2023	5,813	29.52	5288.9	3,03,276	1580.94
September, 2023	5804.70	September 26, 2023	13,394	76.52	4865.25	September 13, 2023	3,671	17.88	5187.28	2,43,067	1301.89
August, 2023	5044.95	August 28, 2023	7,596	38.46	3621.1	August 2, 2023	16,309	59.15	4415	2,26,090	1019.43
July, 2023	3864.10	July 28, 2023	70,907	256.02	3380.8	July 10, 2023	10,975	37.41	3600.24	1,68,026	606.14
June, 2023	3472.40	June 30, 2023	8,530	29.53	2705.7	June 2, 2023	5,109	13.78	3049.03	1,90,510	587.88
May, 2023	3052.40	May 8, 2023	51,325	158.80	2569.2	May 11, 2023	8,309	21.59	2778.27	2,71,398	764.54

NSE											
Month year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ million)**
October, 2023	5,496.50	October16, 2023	57,680	314.57	4,992.85	October 25, 2023	1,26,214	639.56	5,288.51	25,74,934	13331.61
September, 2023	5,805.05	September 26, 2023	5,44,392	3103.14	4,870.75	September 8, 2023	85,648	418.35	5,189.07	49,45,463	26442.98
August, 2023	5,047.45	August 28, 2023	1,41,714	717.49	3,622.30	August 2, 2023	1,12,192	407.76	4,416.64	38,71,895	17875.92
July, 2023	3,858.15	July 28, 2023	4,41,124	1623.82	3,383.05	July 10, 2023	85,085	289.17	3601.22	20,91,945	7562.06
June, 2023	3,470.05	June 30, 2023	1,42,016	491.02	2,706.70	June 2, 2023	59,979	162.09	3049.94	21,08,769	6461.53
May, 2023	3,055.75	May 8, 2023	5,92,108	1832.00	2,567.90	May 11, 2023	1,78,689	463.41	2778.29	33,34,906	9037.52

(Source: www.bseindia.com and www.nseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*
3. *In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.*

(iii) The following table sets forth the market price on the Stock Exchanges on September 29, 2023 that is, the first working day following the approval dated September 28, 2023 of our Board of Directors for the Issue:

Date	BSE					
	Open	High	Low	Close	Number of Equity Shares traded	Volume (₹ million)
September 28, 2023	5509.9	5544.7	5380	5474.55	15,042	82.30

(Source: www.bseindia.com)

Date	NSE					
	Open	High	Low	Close	Number of Equity Shares traded	Volume (₹ million)
September 29, 2023	5,504.95	5,555.00	5,379.25	5,477.55	1,34,935	739.52

(Source: www.nseindia.com)

USE OF PROCEEDS

The Gross Proceeds from the Issue aggregate to ₹ 1,000 crores. Subject to compliance with applicable laws, the Net Proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue of approximately ₹ [●] crores, shall be approximately ₹ [●] crores.

Objects of the Issue

Subject to compliance with applicable laws and regulations, our Company intends to use the Net Proceeds towards the following ("**Objects**"):

(₹ in crores)

Sr No.	Particulars	Amount which will be financed from Net Proceeds
1.	Funding the working capital requirement of the Company(1):	[●]
	Total Gross Proceeds(2)	[●]

(1) The entire Net Proceeds from the Issue shall be utilised for funding the working capital requirements of our Company.
(2) Subject to allotment of Equity Shares pursuant to the Issue.

The main objects and objects incidental and ancillary to the main objects of the memorandum of association of our Company, as applicable, enable us to undertake (i) existing activities and (ii) the activities proposed to be funded from the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

(₹ in crores)

Sr. No.	Particulars	Amount to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds(2)
			Financial Year 2024
1	Funding the working capital requirements of our Company(1)	[●]	[●]
	Total Net Proceeds(3)	[●]	[●]

(1) The entire Net Proceeds from the Issue shall be utilised for funding the working capital requirements of our Company.
(2) The Net Proceeds from the Issue towards funding the working capital requirements of our Company shall be deployed in Fiscal Year 2024.
(3) Subject to allotment of Equity Shares pursuant to the Issue.

The funding requirements, deployment of funds and the intended use of Net Proceeds indicated above is based on management estimates, current circumstances of our business, our existing business plans, the certificate dated November 23, 2023, from our Statutory Auditors, CNK & Associates LLP., Chartered Accountants, prevailing market conditions, and other commercial and technical factors. Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as our financial condition, business strategy, delay in procuring and operationalizing assets, and external factors such as market conditions, competitive environment, price fluctuations and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period for the stated objects. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws. For details, see "*Risk Factors – The proposed deployment of Net Proceeds has not been appraised by any bank or financial institution or any other independent agency. Any variation in the utilization of our Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval*" on page 57.

Our Company proposes to deploy the entire Net Proceeds towards the Objects stated above. If the Net Proceeds are not utilized (in full or in part) for the Objects for the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Further, our Company may also utilise any portion of or the entire the Net Proceeds, towards the aforementioned Objects, ahead of the estimated schedule of deployment specified above.

Details of the Objects

1. Funding the working capital requirements of our Company

We propose to utilise ₹ **[●]** crores from the Net Proceeds to fund the working capital requirements of our Company in the Fiscal Year 2024. We have significant working capital requirements in the ordinary course of business, which we typically fund through internal accruals and availing financing facilities from various banks and financial institutions. We require additional working capital to support our incremental business requirements, fund future growth opportunities and improve credit rating. The investment in the future working capital requirements will help our Company in meeting the expected growth in demand for our products and services. For further details, please see the section titled, "*Our Business*" on page 163.

Existing working capital

Set forth below is the working capital of our Company on a standalone basis, Limited Review Financial Results as on and for the six months ended September 30, 2023, and the audited financial statements as on and for the Fiscal Years ended March 31, 2023, March 31, 2022 and March 31, 2021, as certified by the statutory auditors of our Company, CNK & Associates LLP, Chartered Accountants, through their certificate dated November 23, 2023:

(₹ in crores)

Particulars	**Fiscal Year 2021 (audited)**	**Fiscal Year 2022 (audited)**	**Fiscal Year 2023 (audited)**	**Six months ended September 30, 2023* (limited reviewed)**
B. Non-current Assets and Current Assets				
(a) Trade Receivables	1,799.18	2,434.60	3,014.95	3,327.11
(b) Inventories	1,479.01	1,991.55	2,460.75	2,322.59
(c) Loans	1.68	1.64	3.60	2.18
(d) Other Financial Assets	91.99	249.81	119.13	169.68
(e) Other Non – Financial Assets	276.92	435.05	650.69	592.18
C. Non-current Liabilities and Current Liabilities				
(a) Trade Payables	2,878.31	3,854.89	4,837.5	4,632.04
(b) Lease Liabilities	12.31	14.06	18.51	20.28
(c) Other Financial Liabilities	68.63	121.96	100.12	107.89
(d) Other Non – Financial Liabilities	146.24	248.99	260.83	348.67
Net Working Capital	543.29	872.75	1,032.17	1,304.86

**Not annualised.*

<u>*Assumptions for the estimated working capital requirements*</u>

The following table sets forth the details of the holding period for the six months ended September 30, 2023, and the Fiscal Years ended March 31, 2023, March 31, 2022 and March 31, 2021, which has been computed based on the Limited Review Financial Results for the six months ended September 30, 2023, and the audited standalone financial statements for the Fiscal Years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively, of our Company:

	Fiscal Year 2021 (No. of days)	Fiscal Year 2022 (No. of days)	Fiscal Year 2023 (No. of days)	Six months ended September 30, 2023* (No. of days)
Trade receivable	110	103	84	85
Inventory	91	85	68	59
Other assets	23	29	21	20
Trade payable	176	164	134	119
Other liabilities	14	16	11	12
Net Working capital days	34	36	28	33

**Not annualised.*

Notes:

1. *The details of holding levels have been certified by CNK & Associates LLP, Chartered Accountants, statutory auditors of the Company, by way of their certificate dated November 23, 2023.*
2. *Holding period (in days) is calculated as respective current asset or current liability divided by revenue from operations multiplied by number of days (see Note 3 below).*
3. *The holding period has been computed over 365 days for each Fiscal Year (wherever applicable) and over 183 days for half year ended September 30, 2023.*

On the basis of existing working capital requirement and holding levels of our Company as at and for the six months ended September 30, 2023, and the Fiscal Years ended March 31, 2023, March 31, 2022, and March 31, 2021 and based on factors including possible reduction in trade payables and improved credit ratings to estimate our working capital requirements, the estimated working capital requirements of our Company for Fiscal Year 2024 have been approved by the Board pursuant to its circular resolution dated November 23, 2023 , as ₹ 2,404.79 crores and incremental working capital requirements[1] as ₹1,099.93 crores.

Accordingly, we propose to utilize ₹ [●] crores of the Net Proceeds in Fiscal Year 2024 towards the estimated incremental working capital requirements of our Company. The balance portion of working capital requirements of our Company for Fiscal Year 2024 shall be met through internal accruals and extending existing or additional working capital facilities from various banks, financial institutions and non-banking financial companies (including bill discounting) or equity.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**") by way of an agreement dated November 23, 2023, as the size of our Issue exceeds ₹ 100 crores. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the proceeds of the Issue have been utilised. The Board of Directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Preliminary Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above. This

[1] *Incremental working capital requirement for the fiscal year 2024 means the estimated working capital requirement for fiscal year 2024 minus the actual working capital for the half year ended September 30,2023.*

information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and/ or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed Objects as disclosed above and other applicable laws.

Pending utilisation of the Net Proceeds for the Objects described above, our Company intends to temporarily invest funds in creditworthy instruments including money market mutual funds and deposits in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, or in short term debt and/or long-term debt. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws.

Neither our Promoters, Promoter Group nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of Senior Management are not eligible to subscribe in the Issue.

CAPITALISATION STATEMENT

The following table sets forth our capitalization and total borrowings, on a consolidated basis, as at September 30, 2023 which has been derived from our Limited Review Financial Results and as adjusted to give effect to the receipt of the Gross Proceeds of the Issue. This table should be read in conjunction with the sections titled "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" and "***Financial Information***" on pages 84 and 241, respectively.

(in ₹ crores, unless otherwise stated)

Particulars	Pre-Issue (as at September 30, 2023) (Actuals)	As adjusted for the Issue^
1. Non-current borrowings		
Secured	245.70	[●]
Unsecured	-	[●]
Total (A)	245.70	
2. Borrowings (Current)		
Secured	86.60	[●]
Unsecured	11.29	[●]
Total (B)	97.89	
Total Debt (C) = (A + B)	**343.59**	**[●]**
3. Equity		
Equity share capital (I)	38.27	[●]
Other equity (II)	2,425.06	[●]
Total Equity (E)= (I + II)	**2,463.33**	**[●]**
Total Capitalisation (C+E)	**2,806.92**	**[●]**
Non-current borrowings/ Total Equity (A/E)	**0.10**	**[●]**
Total Debt / Total equity (C/E)	**0.14**	**[●]**

^The corresponding post-Issue capitalisation data for each of the amounts given in the above table is not determinable at this stage and hence the same has not been provided in the above statement

Notes:

1. These terms shall carry the meaning as per Schedule III to the Companies Act, 2013 (as amended).

2. Balances in the column 'Pre-Issue (as at September 30, 2023)(on a consolidated basis) are as per the Limited Review Financial Results.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(in ₹ crores, except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORISED SHARE CAPITAL**	
	101,998,750 Equity Shares of face value of ₹ 10 each	102.00
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**	
	38,268,619 Equity Shares of face value of ₹ 10 each	38.27
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares aggregating to ₹ [●] crores(1)(2)	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	[●](2) Equity Shares of face value of ₹ 10 each	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (as of the date of this Preliminary Placement Document)	205.18
	After the Issue(2)(3)	[●]

(1) *This Issue has been authorised and approved by our Board of Directors pursuant to its resolution passed on September 28, 2023. The Shareholders of our Company have authorised and approved the Issue by way of a special resolution passed by way of a postal ballot dated November 11, 2023.*

(2) *To be determined upon finalisation of the Issue Price.*

(3) *The securities premium account after the Issue is calculated on the basis of Gross Proceeds.*

Equity Share capital history of our Company

The following table sets forth details of allotments of Equity Shares of our Company since the date of incorporation:

Date of Allotment	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment
September 28, 1989	1,001	10	10	Cash	Initial subscription to the Memorandum of Association
March 19, 1991*	16,278,999	10	10	Cash	Initial public offering
August 25, 1994	625,500	10	-	Other than Cash	Conversion of loan into Equity Shares
October 18, 1994	1,639,740	10	-	Other than Cash	Conversion of loan into Equity Shares
January 18, 1995	1,105,700	10	-	Other than Cash	Conversion of loan into Equity Shares
August 17, 1995*	6,302,225	10	15	Cash	Rights issue
Pursuant to the Scheme of Arrangement, the issued, subscribed and paid-up equity share capital of the erstwhile Gujarat Apar Polymers Limited was restructured and subsequently reduced from 25,953,165 equity shares prior to the amalgamation to 20,806,045 equity shares post amalgamation, forming the issued, subscribed and paid-up Equity Share Capital of the Company.					
March 24, 1999	17,691,665	10	-	Other than Cash	Allotment of Equity Shares to the equity shareholders of Apar Limited pursuant to the transfer of its industrial business under the Scheme of Arrangement, in the ratio of 1.8083:1.
June 8, 1999	3,114,380	10	-	Other than Cash	Allotment of Equity Shares pursuant to capital restructuring under the Scheme of Arrangement,

Date of Allotment	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment
					such that 12 Equity Shares were allotted for each 100 fully paid-up shares of Gujarat Apar Polymers Limited.
October 11, 2006	3,445,978	10	185	Cash**	Conversion of 5.40% cumulative compulsorily convertible preference shares into Equity Shares.
January 18, 2007	8,084,008	10	-	NA	Bonus issue in the ratio of 1:3
May 4, 2011	3,636,363	10	220	Cash	Preferential allotment
October 9, 2012	2,498,037	10	-	Other than Cash	Allotment of Equity Shares pursuant to the rehabilitation scheme envisaging the amalgamation of erstwhile Uniflex Cables Limited with the Company in the ratio of 1:10.
September 25, 2014	23,729	10	207.05	Cash	Allotment of Equity Shares under the APAR Industries Limited Stock Option Plan – 2007
October 31, 2014	1,196	10	207.05	Cash	Allotment of Equity Shares under the APAR Industries Limited Stock Option Plan – 2007
February 5, 2015	1,147	10	207.05	Cash	Allotment of Equity Shares under the APAR Industries Limited Stock Option Plan – 2007
May 14, 2015	266	10	207.05	Cash	Allotment of Equity Shares under the APAR Industries Limited Stock Option Plan – 2007
March 10, 2017	(228,150)	10	660	Cash	Buyback

**We have been unable to trace attachments to certain forms filed with the RoC for these issuances See the section titled "Risk Factors – We are unable to trace certain documents in relation to regulatory filings and corporate actions taken by our Company. Consequently, we may be subject to adverse regulatory actions and penalties for any past or future non-compliance and our business, financial condition and reputation may be adversely affected" on page* 61.

***Consideration paid at the time of issuance of preference shares.*

Preference share capital history of our Company

The following table sets forth details of allotments of preference shares of our Company since the date of incorporation:

Date of Allotment	Number of preference shares allotted	Face value per preference share (in ₹)	Issue price per preference share (in ₹)	Nature of consideration	Nature of allotment
March 24, 1999	25,000,000	10	-	Other than Cash	Allotment of 10% redeemable cumulative preference shares (Series II) to the certain shareholders of Apar Limited, in consideration of application of loans and advances, pursuant to the Scheme of Arrangement.(1)
June 8, 1999	22,838,785	10	-	Other than Cash	Allotment of 10% redeemable cumulative preference shares pursuant to capital restructuring under the Scheme of Arrangement, such that 88 10% redeemable cumulative preference shares (Series I) were allotted for each 100 fully paid-up shares of Gujarat Apar Polymers Limited.(2)
October 11, 2005	3,445,978	10	185	Cash	Preferential allotment of 5.40% cumulative compulsorily convertible preference shares.

Date of Allotment	Number of preference shares allotted	Face value per preference share (in ₹)	Issue price per preference share (in ₹)	Nature of consideration	Nature of allotment
October 11, 2006	(3,445,978)	10	NA	Cash(3)	Conversion of 5.40% cumulative compulsorily convertible preference shares into Equity Shares

(1) Pursuant to the scheme of arrangement between the Company and its Shareholders dated December 5, 2002 and the Shareholders' resolution dated September 27, 2002, these preference shares were converted into 250,000 10% non-convertible redeemable debentures with face value of ₹ 1,000 each. Thereafter, vide its resolution dated October 28, 2005, the Board approved early redemption of all debentures which was completed by October 31, 2005.
(2) The Company has fully redeemed 15,000,000 preference shares as on July 31, 2000, and the remaining 7,838,785 preference shares were fully redeemed on April 1, 2003, April 1, 2004, and April 1, 2005.
(3) Consideration paid at the time of issuance of preference shares.
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Our Company has not made any allotment of Equity Shares or preference shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash, or made any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue.

Employee Stock Option Scheme

Pursuant to the resolution of our Board dated October 29, 2007, and the resolutions of our shareholders dated August 9, 2007, and August 29, 2008, our Company instituted the APAR Industries Limited Stock Option Plan – 2007 ("**ESOP 2007 Plan**") to provide for the grant of options to employees of our Company who meet the eligibility criteria under the ESOP 2007 Plan. The ESOP 2007 Plan envisages grant of an aggregate of 1,616,802 options which each option upon exercise, grants its holder the right to be allotted one fully paid-up share, upon payment of the exercise price. The quantum of options that can be granted under the ESOP 2007 Plan and the issue of Equity Shares upon its exercise are subject to corresponding fair and reasonable adjustment in the event of corporate actions by our Company including rights issues, bonus issues, buy-back or scheme or arrangement. The details of ESOP 2007 Plan, as on the date of this Preliminary Placement Document, are as under:

The details of options pursuant to the ESOP 2007 Plan, as on the date of this Preliminary Placement Document are as follows:

Scheme	Options granted (A)	Exercise Price per option	Options vested (B)	Options unvested	Options exercised	Options lapsed / forfeited before vesting (C)	Options lapsed / forfeited after vesting	Options pending for exercise (D)	Options outstanding (E) = (A)-(B)-(C)+D	No. of Equity Shares to be allotted upon exercise of outstanding options
16,16,802	175,150	207.05	175,150	Nil	26,338 (option exercised up to March 31, 2015 – 26,072 and on May 14, 2015 – 266 options)	Nil	148,812	Nil	Nil*	Nil*

**15,90,464 options yet to be granted.*

Proposed Allottees in the Issue

In compliance with the requirements prescribed under the SEBI ICDR Regulations, Allotment shall be made at the sole discretion of our Company in consultation with the BRLMs to Eligible QIBs. For details of the names of the proposed Allottees and the percentage of the post-Issue Equity Share capital that may be held by them, please see the section titled "***Details of Proposed Allottees***" on page 466.

Pre-Issue and post-Issue Equity Shareholding Pattern

The following table provides the pre-Issue shareholding pattern as of September 30, 2023, and the post-Issue shareholding pattern:

S. No.	Category	Pre-Issue^		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	**Promoters' holding****				
1.	Indian				
	Individual/ Hindu undivided family	18,512,480	48.38	[●]	[●]
	Bodies corporate	4,691,823	12.26	[●]	[●]
	Sub-total	23,204,303	60.64	[●]	[●]
2.	Foreign promoters	-	-	[●]	[●]
	Sub-total (A)	23,204,303	60.64	[●]	[●]
B	**Non-Promoter holding**				
1.	Institutional investors	1,00,03,647	26.14	[●]	[●]
2.	Non-Institutional investors	1,08,729	0.28	[●]	[●]
	Private corporate bodies	4,50,287	1.18	[●]	[●]
	Directors and relatives	5,000	0.01	[●]	[●]
	Indian public	3,959,492	10.35	[●]	[●]
	Others including Non- resident Indians (NRIs)	5,37,161	1.40	[●]	[●]
	Sub-total (B)	**15,064,316**	**39.36**	[●]	[●]
	Grand Total (A+B)	38,268,619	**100.00**	[●]	[●]

^ *Based on beneficiary position data of our Company as on September 30, 2023.*
* *The post-Issue shareholding pattern has been intentionally left blank and will be filled in the Placement Document.*
** *Includes shareholding of our Promoter Group as well.*

Other confirmations

- Our Promoters, Directors, Key Managerial Personnel and members of the Senior Management of our Company do not intend to participate in the Issue.

- There would be no change in control in our Company consequent to the Issue.

- Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

- Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice of the postal ballot to our Shareholders, i.e. October 10, 2023, for approving the Issue.

There are no outstanding options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act and our Articles of Association. Our Board has approved and adopted a formal dividend distribution policy on August 5, 2016, in terms of Regulation 43A of the SEBI Listing Regulations. For further information, please see the section titled "***Description of the Equity Shares***" on page 225.

Following are the details of dividends paid by our Company for the six months ended September 30, 2023 and Financial Years 2023, 2022 and 2021:

Period/Financial Year	Total dividend per Equity Share (in ₹)	Dividend Rate (%)	Total amount of dividend declared (in ₹ crores)
Six months ended September 30, 2023	Nil	Nil	Nil
2023	40	400	153.07
2022	15	150	57.40
2021	9.5	95	36.36

Further there are no dividends that have been declared but are yet to be paid out by our Company for Fiscal 2023 or Fiscal 2024 since April 1, 2023 until the date of this Preliminary Placement Document.

Future Dividends

The dividend pay-out in the past is not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. The dividend pay-out decision of our Company will depend on a number of internal and external factors, including, but not limited to, profits earned during the year, capital requirements, business expansion, investments in Subsidiaries or Associates, uncertainty in business conditions, volatility in the capital markets, regulatory restrictions, interest and inflation rate and any other factor that the Board may deem fit.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared after Allotment.

Please also see the sections titled "***Taxation***" and "***Risk Factors***" on pages 229 and 41, respectively.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Audited Consolidated Financial Statements and the Limited Review Financial Results. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year. Financial information for the six months ended September 30, 2022 and September 30, 2023, is not annualized and not indicative of full year results, and is not comparable with annual financial statements presented in this Preliminary Placement Document. Our Audited Consolidated Financial Statements and Limited Review Financial Results have been prepared in accordance with Ind AS, as prescribed under Section 133 of the Companies Act, 2013, read with the Rule 3 of the Companies (India Accounting Standards) Rules, 2015. Ind AS differs in certain respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which financial statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

Certain information in the following discussion, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. See "Forward Looking Statements" and "Risk Factors" on pages 16 and 41, respectively, for a discussion of certain factors that may affect our business, results of operations or financial condition. To obtain a complete understanding of our business, please read this section in conjunction with "Risk Factors", "Industry Overview" and "Our Business" on pages 41, 120 and 163, respectively, as well as the financial, statistical and other information included in this Preliminary Placement Document.

*Industry and market data used in this section has been derived from the industry report titled "Assessment of power cables, conductors & specialty oils industry in India" dated November 23, 2023, prepared exclusively for the Issue and released by CRISIL ("**CRISIL Report**"), commissioned and paid by our Company in connection with the Issue. CRISIL was appointed pursuant to an engagement letter dated October 6, 2023. CRISIL is not related in any manner to our Company, its Promoters, Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management, or the BRLMs. For risks in relation to the CRISIL Report, see "**Risk Factors - Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by CRISIL which has been commissioned and paid for by us for such purpose**" on page 55.*

OVERVIEW

We are a diversified manufacturer primarily serving customers in the global energy infrastructure sector. As per CRISIL, we are India's largest player in terms of sales of conductors in Fiscal 2023, one of the leading exporters of conductors and cables from India in Fiscal 2023, and also one of the three key players in the domestic renewable cables segment. We are also India's largest private manufacturer of specialty oils in terms of manufacturing capacity as of Fiscal 2023. (*Source: CRISIL Report*)

Globally, renewable energy share is expected to increase from 28% in 2021 to 38% in 2027 curbing coal, gas, stabilizing emissions, lowering CO2 intensity. Additionally, this increase in share of renewable energy is expected to offer business opportunities in the cables, conductors as well as transformer oil segment among others. Globally, capacity additions in renewable power were ~1,300 giga watts (GW) between 2016-2021. It is expected to post a robust growth and grow by ~90% to 2,350-2,450 GW between 2022-2027. The IEA's World Energy Outlook 2023 report states that renewables will provide 50% of the world's electricity by 2030. Total final energy consumption (TFC) was 442 EJ in 2022. The energy mix in 2022 was skewed towards fossil fuels, with oil & coal contributing to ~54% of the TFC. Share of electricity and hydrogen in TFC was ~21% in 2022. Going forward, share of electricity and hydrogen in final consumption may grow to ~45% under the APS by 2050, ~60% under the NZE by 2050. TFC is expected to rise by 20-25% in 2050 compared to 2022 based on STEPS scenario. Solar installed capacity and wind installed capacity in India are expected to grow by 200 GW and 55 GW respectively from 2024 to 2030. Such multi fold generation expansion plans also require large-scale development in the transmission sector because grid-connected solar and wind plants are usually located in far-flung areas which have limited transmission infrastructure. Extensive transmission and cable infrastructure transmit power from remote generation sites to consumption centres. This in turn is expected to drive the demand of cables and conductors. (*Source: CRISIL Report*)

Infrastructure investments in Indian railways, Metros and High-speed rail are expected to grow exponentially, which will further boost the conductor industry. In India, domestic market for electric vehicles (EVs) is expected to grow at a CAGR of 49% between 2022 and 2030. As of Jan 23, 2023, India had 5,254 public electric vehicle (EV) charging stations, to cater to a total of 20.65 lakh EVs. Additionally, expansion of electric vehicle market is highly cable intensive expansion; which will notably accelerate growth of cables market in India. Based on investment needs to achieve sustainable development goals, investments in the transport sector between 2016 and 2040 should be ~USD 49,875 billion, at an annual average of USD 1,995 billion. With increase in manufacturing opportunity in India, capacity, speed and automation in manufacturing industry will increase. The rise in capacity, speed and automation in the manufacturing industry will lead to higher consumption of lubricants as well as higher value for performance and protection of more sophisticated equipment. CRISIL MI&A expect a pickup in demand for high-voltage conductors, given increasing focus on adding transmission lines of higher voltage levels, for evacuation of bulk power. Also, the importance of high-voltage (HV) lines of 400 kV and 765 kV in the intra-state transmission network is also increasing, as higher voltage level enhances power density, reduces losses and efficiently delivers bulk power. Also, as electric consumption in urban areas goes higher, there is a need for higher ampacity transmission lines through limited ROW-HTLS conductors and reconducting turnkey solutions. GEC (Green Energy Corridor) and railway electrification will provide necessary boost to the power conductor sector. Average annual investment in telecommunication sector to increase from USD 233 billion to USD 314 billion leading to higher requirement of power & electric equipment. Additionally, the emergence of data centres and cloud computing also presents promising opportunities for growth and development within the cable sector. (*Source: CRISIL Report*)

We cater to customers in the energy infrastructure sector through our wide range of conductors, specialty oil and power cables, which are essential to power transmission and distribution infrastructure. We have also launched specialised solar and windmill cables to meet customer requirements, and offer products serving renewable energy infrastructure covering generation, transformation, transmission and distribution. In addition to the energy infrastructure sector, our products are also used for a range of applications across diverse sectors, including network and telecommunications, defence, automotive, and industrial sectors.

We operate through three key business segments, namely (i) conductors, (ii) transformer and specialty oils, and (iii) power/ telecom cables.

(i) *Conductors*

Conductors are crucial in efficiently transmitting electrical energy from power generation sources to end consumers, primarily through overhead power lines.

We are India's largest player in terms of sales of conductors in Fiscal 2023, and one of the leading exporters of conductors and cables from India in Fiscal 2023. (*Source: CRISIL Report*) We supply conductors to customers, including in the renewable energy space. We manufacture conventional conductors and premium conductors, including HTLS conductors, ACCC conductors, solid shaped conductors, railway conductors, specialty alloy rods; CTC/PICC, BUSBAR, air expanded conductors, and dull finished conductors. In line with our increased focus on premiumization, we have also added copper conductors for railways, copper transpose conductors for transformers, and OPGW wires for power and telecommunication to our product offerings. For our ACCC conductors, we have entered into a technology tie-up with a US based company.

We have also leveraged our experience in the conductors business to provide end-to-end turnkey solutions, such as reconductoring with HTLS and live line installation with OPGW. As on September 30, 2023, we have successfully completed over 150 power lines reconductoring projects of setting up of HTLS conductors over 35,000 circuit kilometers. We also possess expertise in hotline stringing and live line replacement of OPGW.

Our revenue from conductors segment (before eliminating inter-segment revenue) was ₹ 7,013.05 crores and ₹ 3,717.48 crores for Fiscal 2023 and the six-month period ended September 30, 2023, respectively, aggregating to 46.63% and 46.35% of our total revenue from operations (before eliminating inter segment revenue) for such periods.

(ii) *Transformer and specialty oils*

Specialty oils refer to a group of mineral oil based products used across diverse sectors, including for cooling and heat transfer, chemical characteristic alteration of compounds, lubrication and wear-and-tear protection, and product finishing.

We are India's largest private manufacturer of specialty oils in terms of manufacturing capacity in Fiscal 2023. (*Source: CRISIL Report*) We manufacture transformer oils, automotive and industrial lubricants, hydraulic and turbine oils, transformer oils for upto 800KV voltage class , technical grade and food grade white oils, petroleum jelly and metalworking fluids under this segment. Our transformer and specialty oils, sold under the 'Poweroil' brand and related sub-brands, have diverse industry applications, including use in power generation, transformation, transmission and distribution systems. We also have a licensing agreement with a European company for our auto lubricants.

Our revenue from our transformers and specialty oils segment (before eliminating inter-segment revenue) was ₹ 4,656.69 crores and ₹ 2,396.67 crores for Fiscal 2023 and the six-month period ended September 30, 2023, respectively, aggregating to 30.96% and 29.88% of our total revenue from operations (before eliminating inter segment revenue) for such periods. In Fiscal 2023, 49% of our transformer oils were sold to overseas markets.

(iii) *Power/ telecom cables*

As per CRISIL, we are one of the leading exporters of conductors and cables from India in Fiscal 2023 We are also one of the three key players in domestic renewable cables segment in India. (*Source: CRISIL Report*)

We manufacture specialized cables and wires which include high-voltage power cables, medium-voltage and low voltage XLPE cables, elastomeric cables, hybrid cables fibre optic cables and specialty cables. Our cables have a diverse range of applications across industries, including in power transmission and distribution, nuclear power, railways, and defence sectors. As per the CRISIL Report, we are one of the key suppliers of cables for railways and Vande Bharat trains. We also possess a presence in the retail market through our light duty cables powered by e-beam technology, sold under the *APAR Anushakti* brand of house wires, *APAR Mahashakti*, *APAR Shakti* and *APAR Tarang Shakti* brands. We have also introduced automotive cables and harnesses for electric buses, as well as harnesses for EV charging.

Our revenue from our power/ telecom cables segment (before eliminating inter-segment revenue) was ₹ 3,263.45 crores and ₹ 1,849.01 crores for Fiscal 2023 and the six-month period ended September 30, 2023, respectively, aggregating to 21.70% and 23.05% of our total revenue from operations (before eliminating inter segment revenue) for such periods.

Additionally, we have also introduced telecom solutions as a separate vertical, under which we provide various solutions to customers, including OFC solutions, LAN and 5G solutions, convergence solutions and network services to customers. Hybrid cables address telecom and power convergence across 5G, IOT and M2M.

We have robust product research and development capabilities, which we believe have been a cornerstone of our performance. We work closely with our customers in developing customised products and providing solutions that meet their specific requirements for end applications. We have a track record of introducing various premium and innovative products, including to meet our customers' specific requirements. We have supplied air expanded conductors tailored to meet the unique requirements of a client in the USA. We have also supplied specialised 96 fibre-count OPGW conductors to safeguard power transmission and communication networks and developed solid-shaped conductors for the export market. We also developed solid sector shaped aluminium conductors for multi-core power cables for fixed installation, meeting international standards, to expand our customer base. In addition, we have also introduced e-beam technology for housing wires, under our light duty cables product line, and presently have e-beam irradiation facilities.

We have an extensive global presence, as on September 30, 2023. Our revenue from exports contributed to 48.73% and 51.14% of our revenue from operations in Fiscal 2023 and six-month period ended September 30, 2023, respectively.

We own and operate eight manufacturing facilities in India and one manufacturing facility in Sharjah, UAE, which are strategically located to receive materials from our suppliers as well as deliver products to our customers. For details regarding our manufacturing facilities, including installed capacity and capacity utilization, please see "—*Our Manufacturing Facilities*" on page 172.

Our revenue from operations was ₹6,388.02 crores, ₹9,316.57 crores, ₹14,352.15 crores, and ₹7,698.99 crores for Fiscals 2021, 2022 and 2023, and six-month period September 30, 2023, respectively. Our profit after tax was ₹160.50 crores, ₹256.73 crores, ₹637.72 crores, and ₹371.31 crores for Fiscals 2021, 2022 and 2023, and six-month period ended September 30, 2023, respectively. Our EBITDA post open forex adjustment was ₹455.94 crores, ₹587.06 crores, ₹1,291.19 crores, and ₹743.13 crores for Fiscals 2021, 2022 and 2023, and six-month period ended September 30, 2023, respectively. Our revenue from operations, profit after tax and EBITDA grew at a CAGR of 30.97%, 58.39% and 41.48%, respectively, from Fiscal 2021 to Fiscal 2023. For further details of our financial and operational performance, see "— *Our Strengths— Track record of consistent financial performance and growth*" on page 168.

SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our results of operations have been, and will continue to be, affected by a number of events and actions, some of which are beyond our control. However, there are some specific items that we believe have impacted our results of operations and, in some cases, will continue to impact our results. We believe that the following factors, amongst others, have, or could have, an impact on these results, the manner in which we generate income and incur the expenses associated with generating this income. For further details of such factors, please see the sections titled "*Our Business*" and "*Risk Factors*" on pages 163 and 41, respectively.

Our conductors business contributes a signification portion to our revenue from operations.

Our conductor business is subject to various risks, including those flowing from volatility or increase in raw material costs and scarcity of raw material needed for our manufacturing. Our conductors business may also be affected by any increase in prevailing interest rates which affects the financing pattern of infrastructure projects, leading to delays and possible cancellations of announced projects. Further, an increase in commodity prices, spread of counterfeit products and weakening financial health of distribution could also adversely affect our performance in this segment. Any decrease in revenue or margins from the conductors business, including due to the abovementioned factors, may have an adverse effect on our business, cash flows, results of operation and financial condition.

Our inability to handle risks associated with our export sales could negatively affect our sales to customers in foreign countries, as well as our operations and assets in such countries.

Our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations in general. We are required to comply with a broad range of legal and regulatory requirements in a number of jurisdictions, including in the areas of anti-corruption, anti-money laundering, anti-trust and competition. While there have been no past instances of non-compliance, there can be no assurance that in the future we will not violate regulatory requirements due to changes in regulation. Any failure to effectively prevent, identify or address violations as a result of inadequate internal controls, procedures, compliance systems and risk management systems could result in penalties and other sanctions, liabilities, the assertion of damages claims by third parties, and reputational damage, each of which could have a material adverse effect on our business, operations, financial condition or prospects. Additionally, our ability to innovate and develop products and solutions to ensure we are first to market is critical to our success. We may not perform as expected in our international markets, if our competitors and the established players in these markets are able to reach the market first or are able to introduce products similar to us. Any of these risks, should they materialize, could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

While we continue to invest in research and development of new technology and products, we cannot guarantee the success of these products, or that we will be able to meet evolving customer requirements.

Our business is characterized by rapid and frequent advancements in technology and changes in market demand can often render existing technologies and solutions obsolete and could require substantial new R&D and capital expenditures. Our future growth depends on our ability to continue to develop and commercialize innovative, viable and sustainable software and other solutions offerings in a timely and cost-effective manner, improve our existing systems and components, or to develop process improvements that can improve time, quality and cost efficiency. While we aim to plan the development of our product portfolio based on known and anticipated customer needs, the development and commercialization of new products and services could be complex, time-consuming and costly, and its outcome is inherently uncertain. Our inability to accurately estimate the cost to design, develop and new offerings could result in our failure to effectively manage our customers' expectations.

Additionally, some of the products that we are developing are based upon new technologies or approaches. As a result, there can be no assurance that these new products and services, even if successfully developed and introduced, will be accepted by customers. If customers do not adopt our new products, services and technologies, our results of operations may suffer and, as a result, our business, financial condition, results of operations and cash flows may be affected adversely. Our new products may not be profitable, and even if they are profitable, operating margins for new products may not be in line with the margins we have experienced for our existing or historical products.

We have substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have a material adverse effect on our results of operations, cash flows and financial condition.

The actual amount and timing of our future capital expenditure or working capital requirements may differ from estimates due to, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes, additional market developments and new opportunities in our relevant markets. Our sources of additional financing, in the event that we need to draw on them to meet our working capital or capital expenditure needs, may include the incurrence of debt, the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt or issuance of debt securities or a combination of both, our interest and debt repayment obligations will increase, which could have a significant effect on our profitability and cash flows. If we do incur debt in the future, our interest and debt repayment obligations will increase, which may adversely affect our profitability and cash flows. We may also become subject to restrictive covenants in our financing agreements, which could limit our ability to access cash flows from operations and undertake certain types of transactions.

We are subject to strict quality requirements and any product defect issues or failure by us or our raw material suppliers to comply with quality standards may lead to the cancellation of existing and future orders, recalls or exposure to potential product liability claims.

We face an inherent business risk of exposure to product defects and subsequent liability claims if the use of any of our products results in personal injury or property damage. We and our suppliers may not be able to meet regulatory quality standards in India or abroad, or the quality standards imposed by our customers and applicable to our manufacturing processes, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. We are also required to obtain material approvals and certifications for product quality verification in India and other jurisdictions. Further, our manufacturing facilities are subjected to rigorous quality control checks, accreditation requirements, and periodic inspections from various regulatory agencies that have issued us product and system certifications. If any of our products do not meet regulatory standards or are defective, we may be, inter alia, (i) responsible for damages relating to any defective products, (ii) required to replace, recall or redesign such products, (iii) incur significant costs to defend any such claims or (iv) restricted from producing or marketing such products to our customers.

While there have not been any material returns, material product liability claims made against our products or any cancellation of existing or future orders resulting in a material adverse impact on our business, financial condition, results of operations and cash flows, there can be no assurance that this will continue in the future. There can be no assurance that we or our suppliers comply or can continue to comply with all regulatory requirements or the quality requirement standards of our customers. It is possible that latent defects in our long-term use products might not appear for several years. There is no guarantee that any future non-compliance with quality standards will not result in a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

The costs of the raw materials that we use in our manufacturing process are subject to volatility due to factors beyond our control.

Our operations are dependent upon the price and availability of the raw materials that we require for the manufacturing of our conductors, transformer and specialty oils, and cables. Our primary raw materials include aluminum, copper, base oils, zinc and steel. Any volatility in the prices of these raw materials, including copper, aluminum, base oils, zinc and steel, could adversely affect our financial performance. The prices and supply of these raw materials are also affected by, among others, general economic conditions, competition, production costs and levels, the occurrence of pandemic (such as COVID-19), transportation costs, indirect taxes and import duties, tariffs and currency exchange rate. In the event of an increase in the prices of raw material, there can be no assurance that we will be able to pass such cost increases on to our customers. Any increase in the cost of inputs to our production could lead to higher costs for our products. If we increase the prices of our products to offset the impact of higher costs, this may cause certain of our customers to cancel orders or refrain from purchasing our products, which may materially and adversely reduce the demand for our products, and thus, negatively impact our operating results. If we are unable to pass on cost increases to our customers or are unsuccessful in managing the effects of raw material price fluctuations, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The consolidated financial statements have been prepared on a going concern basis using the historical cost basis except for the following items:

i. certain financial assets and liabilities (including mutual fund investments and derivatives) that are measured at fair value;
ii. defined benefit plans – plan assets measured at fair value; and
iii. share-based payments.

Estimates and Assumptions

The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates, assumptions and judgements for some items, which might have an effect on their recognition and measurement in the (i) balance sheet and (ii) consolidated statement of profit and loss and other comprehensive income. The actual amounts may differ from these estimates. Estimates and assumptions are required in particular for:

- *Determination of the estimated useful lives of tangible assets and intangible assets*

  Useful lives of assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- *Recognition and measurement of defined benefit obligations*

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds corresponds to the probable maturity of the post- employment benefit obligations.

- *Recognition of deferred tax assets*

  Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and unabsorbed depreciation and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

- *Evaluation of control*

  The Group makes assumptions when assessing whether it exercises control, joint control or significant influence over companies in which it holds less than 100 percent of the voting rights. These assumptions are made based on the contractual rights with the other shareholders, relevant facts and circumstances which indicate that the Group has power over the potential subsidiary or that joint control exists. Changes to contractual arrangements or facts and circumstances are monitored and are evaluated to determine whether they have a potential impact on the assessment as to whether the Group is exercising control over its investment.

- *Recognition and measurement of other provisions*

  The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

- *Discounting of long-term financial assets/liabilities*

  All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities which are required to subsequently measure at amortised cost, interest is accrued using the effective interest method.

- *Fair value of financial instruments*

  Derivatives and investments in mutual funds are carried at fair value. Derivative includes Foreign Currency Forward Contracts, Commodity futures contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts and Commodity future contracts are determined using the fair value reports provided by merchant bankers and London Metal Exchange (LME) brokers respectively. Fair values of Interest Rate Swaps are determined with respect to current market rate of interest.

- *Sales incentives and customer loyalty programs*

  Rebates are generally provided to distributors or dealers as an incentive to sell the group's products. Rebates are based on purchases made during the period by distributor / customer. The Group determines the estimate of benefits accruing to the distributors/ dealers based on the schemes introduced by the Group. The amount allocated to the loyalty program/ incentive is deferred and is recognised as revenue when the Group has fulfilled its obligation to supply the discounted products under the terms of the program or when it is no longer probable that the points under the program will be redeemed. The cash incentives offered under various schemes are in the nature of sales promotion and provisions are made for such incentives.

Measurement of fair values

The Group’s accounting policies and disclosures require the measurement of fair values for financial instruments.

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant observable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.

- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Significant accounting policies followed by the Group

Basis of consolidation

i. *Business combinations*

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in equity under the head 'Capital reserve'. Transaction costs are expensed as incurred, except if related to the issue of equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

ii. *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. *Non-controlling interests (NCI)*

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, net of deferred taxes, are eliminated.

v. *Investment in associates and joint ventures*

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture, since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the result of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of unanimous changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently report profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit and loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Foreign currency

i. *Foreign currency transactions*

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the consolidated statement of profit and loss.

The Group has adopted Appendix B to Ind AS 21, Foreign Currency transactions and advance considerations notified in the Companies (Indian Accounting Standards) Rules, 2018. Accordingly, the exchange rate for translation of foreign currency transaction; in cases when the Group receives or pays advance consideration is earlier of:

- the date of initial recognition of non- monetary prepayment asset or deferred income liability or
- the date that the related item is recognized in the financial statements.

If the transaction is recognized in stages; then a transaction date will be established for each stage.

Revenue recognition

i. *Revenue from contract with customers for sale of goods and provision of services*

The Group recognizes revenue from contracts with the customers based on five step model defined in Ind AS 115. The Group satisfies a performance obligation and recognizes revenue over time, if any of the conditions given in Ind AS 115 are satisfied; else revenue is recognized at point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of returns, allowance, trade discounts, volume rebates and schemes offered by the Group as a part of the contract. Revenues are recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue & costs, if applicable, can be measured reliably.

a. Performance obligation

The Group derives its revenue from sale of products in Conductors, Transformers, Cables, Speciality Oils, Power & Telecom Cables and Housewires. It also derives revenue from rendering of services in Power Transmission Conductors

The Group is required to assess each of its contracts with customers to determine whether performance obligation is satisfied over time or at a point in time in order to determine the appropriate method for recognizing of revenue. The Group recognizes the revenue over time only if it satisfies the criteria given in Ind AS 115. Where the criteria as per Ind AS 115 are not met, revenue is recognized at a point in time.

The Group satisfies its performance obligation when the control over the goods is transferred to the customer or benefits of the services being provided is received and consumed by the customer.

In cases where the Group determines that performance obligation is satisfied at a point in time, revenue is recognized when the control over the goods is transferred to the customer or benefits of the services being provided is received by the customer. The Group considers that the customer has obtained the control of promised goods or services; when the goods have been dispatched/delivered to the destination as per terms of the contract or services has been provided to the customer as per agreed terms and the Group has unconditional right to consideration.

In cases where the Group determines that performance obligation is satisfied over time, then revenue is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction (Input Method). The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

1. The amount of revenue can be measured reliably;
2. It is probable that the economic benefits associated with the transaction will flow to the Group;
3. The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stage of completion is determined by the proportion of actual costs incurred to date to the estimated total costs of the transaction.

The Group considers that the use of the input method, which requires revenue recognition on the basis of the Group's efforts to the satisfaction of performance obligation, provides the best reference of revenue actually earned. In applying the input method, the Group estimates the efforts or inputs to the satisfaction of a performance obligation. In addition to the cost of meeting contractual obligation to the customers, these estimates mainly included, for service contracts, the time elapsed.

b. Transaction price

The Group is required to determine the transaction price in respect of each of its contracts with customers.

Contract with customers for sale of goods or services are either on a fixed price or on variable price basis.

For allocating the transaction price, the Group measures the revenue in respect of each performance obligation of contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In making judgment about the standalone selling price, the Group also assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non- cash consideration in the contract.

In determining the impact of variable consideration if any, the Group uses the "most likely amount" method as per IND AS 115 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

c. Discounts, Rebates & Incentive to Customers

The Group accounts for volume discounts, rebates and pricing incentives to customers based on the ratable allocation of the discounts / rebates to each of the underlying performance obligation that corresponds to the progress made by the customer towards earning that discount, rebate or incentive.

The Group also recognises the liability based on the past performance of the customers fulfilling the criteria to get the discounts, rebates or incentives and the future outflow of the same is probable. If it is probable that the criteria for the discounts will not be met or if the amounts thereof cannot be estimated reliably, then the discount is not recognised until the payment is probable and the amount can be estimated reliably. The Group accounts for discounts, rebates and pricing incentives in the year of payment where customer qualifies for the same and wherein provision was not made due to Group's inability to make reliable estimates based on the available data at reporting date.

ii. *Lease income*

The Group has determined that the payments by the lessee are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Accordingly rental income arising from operating leases is accounted for on an accrual basis as per the terms of the lease contract.

iii. Interest income is accrued on a time basis, by reference to the principal outstanding and using effective interest rate.

iv. Dividend income is recognised when the right to receive the payment is established.

Employee benefits

i. *Short term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. *Defined contribution plans*

- Provident Fund Scheme

  The Group makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952.

- Superannuation Scheme

  The Group makes specified contributions to the superannuation fund administered by the Group and the return on investments is adequate to cover the commitments under the scheme. The Group's contribution paid/payable under the scheme is recognised as expense in the consolidated statement of profit and loss during the period in which the employee renders the related service.

iii. *Defined benefit plans*

The following post – employment benefit plans are covered under the defined benefit plans:

- Gratuity Fund

  The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

  The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

  Re-measurement of the net defined benefit/ liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense/ (income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/ (asset), to the net defined liability/(asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. *Other long-term employee benefits*

Long-term Compensated Absences are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the consolidated statement of Profit and Loss.

Grants/ Subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset the cost of the asset is shown at gross value and grant thereon is treated as capital grant. The capital grant will be recognised as income in the consolidated statement of profit and loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognised in the consolidated statement of profit and loss in the same period as the related cost, which they are intended to compensate are accounted for.

Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except;

a. to the extent that it relates to a business combination, or
b. items recognised directly in equity or in OCI. Such as, re-measurements of the defined benefit plans and the effective portion of gain and loss on hedging instruments in a cash flow hedge

i. *Current tax*

Current tax comprises the expected tax payable on taxable income or receivable on taxable loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

a) has a legally enforceable right to set off the recognised amounts; and
b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if: a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

Inventories

Inventories and work in progress are measured at the lower of cost and net realizable value. Inventory of scrap is valued at estimated realizable value. The cost of inventories is determined using the weighted average cost method. Cost includes direct materials, labour, other direct cost and manufacturing overheads. Inventories also include applicable taxes, other than those which are subsequently recoverable from tax authorities.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

Property, plant and equipment

i. *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises:

(a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
(b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
(c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the consolidated statement of profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. The cost of the property, plant and equipment at 1st April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value at that date.

ii. *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

iii. *Depreciation*

Depreciation is provided, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except in the case where the estimated useful life based on management experience and technical evaluation differs.

Depreciation is charged on the Straight-Line method (SLM) or the Written Down Value method (WDV) based on the method consistently followed by the respective entities in the Group.

The depreciation method followed by each division is as below:

Particulars	**Conductor Division**	**Oil Division**	**Cable Division**	**Head Office**
Leasehold Land	SLM	SLM	SLM	SLM
Buildings	SLM	SLM	SLM	SLM
Plant and Equipment	SLM	SLM	SLM	SLM
Furniture and Fixtures	SLM	WDV	SLM	WDV
Office Equipment	SLM	WDV	SLM	WDV
Motor Vehicles	SLM	WDV	SLM	WDV

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Capital expenditure in respect of which ownership does not vest with the Company is amortized over a period of five years. Leasehold land is amortised over the period of lease.

Estimated useful life as per technical estimates of the Company in plant and equipment's are as below:

Description of Assets	**Useful Life in Schedule II**	**Useful Life as per technical estimates**
Plants and equipment's- Oil division (other than filing lines)	15 Years	20 Years
Plant and equipment's- Conductor division	15 Years	20 Years
Plant and equipment's- Cable division	15 Years	25 Years

Intangible Assets

Intangible assets which are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

Enterprise Resource Planning Software cost: Cost of implementation of ERP Software including all related direct expenditure is amortized over a period of 5 years on successful implementation.

The cost of the intangible assets at 1st April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value at that date.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Share-based payments

a. Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).
b. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.
c. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.
d. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.
e. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.
f. For cash settled share-based payments, a liability is recognised for the services availed. At the end of the reporting period, until liability is settled, the fair value of liability is remeasured with any changes in fair value recognised in profit or loss.

Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in securities premium.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as Foreign Exchange Forward Contracts, Commodity Future Contracts, Interest Rate Swaps, Currency Options and Embedded Derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

i. *Financial assets*

Classification

The financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for management of the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Debt instruments at amortised cost

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
  a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at Fair Value Through Profit And Loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as Fair Value through Other Comprehensive Income (FVOCI), is classified as at FVTPL.

- In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').
- Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.
- Investments into Equity instruments and Mutual Funds
- All investments in the scope of Ind-AS 109 are measured at fair value. Equity instruments and mutual funds which are held for trading are classified as at FVTPL. For all other equity instruments and mutual funds, the Group decides to classify the same either as at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
- Equity instruments and mutual funds included within the FVTPL category are measured at fair value

with all changes recognized in the profit or loss.

Derecognition

- A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e., removed from the Group's balance sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset
- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.
b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

ii. *Financial liabilities*

Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in consolidated statement of profit and loss.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in consolidated statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iii. *Derivative financial instruments and hedge accounting*

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash Flow Hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under the "effective portion of cash flow hedges". The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on the present value basis, from the inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged forecast transaction subsequently results in the recognition of a non- financial item such as inventory, the amount accumulated in the other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial items cost of initial recognition or for other cash flow hedges, it is reclassified to profit or loss in the same period as the hedged future cash flows affect the profit or loss.

If the hedged cash flows are no longer expected to occur, then the amounts that have been accumulated in the other equity are immediately reclassified to profit or loss.

The Group formally designates foreign currency denominated financial liabilities relating to imported raw materials, in one of the division, in a cash flow hedge relationship for hedging of foreign exchange risk associated with highly probable future sales transactions. The Effective portion of gains or losses arising on restatement of the foreign currency denominated financial liabilities is initially recognized in other comprehensive income and is reclassified to profit or loss in the period of settlement when the sales are affected. Ineffective portions, if any, is be charged to profit or loss.

Effective from the second quarter of financial year 2022 - 2023, the Group has adopted hedge accounting under Ind AS 109 by formally designating, foreign currency denominated financial liabilities relating to procurement of imported raw material in a cash-flow hedge relationship for hedge of foreign exchange risk associated with highly probable future sales transactions. Consequent to this change, through demonstration of hedge effectiveness as per requirements of Ind AS 109, the effective portion of gain / loss arising on restatement of the foreign currency denominated financial liabilities relating to procurement of imported raw material is being recognised initially in cash flow hedge reserve account and reclassified to consolidated statement of profit and loss in the period of settlement when the sales are effected and ineffective portion, if any charged to the profit & loss statement.

<u>Provisions and contingent liabilities</u>

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible outflow of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognised but disclosed in the consolidated financial statements where an inflow of economic benefit is probable.

Leases

The Group has adopted Ind AS 116, effective from annual reporting period beginning April 1, 2019 and applied the standard to its existing leases, with the modified retrospective method. This has resulted into recognition of Right of use assets at an amount equals to Lease liability on date of initial application (April 1, 2019).

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non- lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right- of-use asset measured at inception is comprising of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight- line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the Group's incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right- of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to;

1. Short-term leases of all assets that have a lease term of 12 months or less, and
2. Leases for which the underlying asset is of low value.

The lease payments associated with above 2 types of leases are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

At the inception of the lease, the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group cash management.

Segment Reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments have been identified on the basis of nature of products / services.

The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the Group. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, trade receivables and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income/ Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

Earnings per share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non- cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flow. The cash flows from operating, investing and financing activities of the Group are segregated based on available information.

Dividends

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

Cash settled employee stock options

For cash settled share-based payments, a liability is recognised for the services availed. It is measured initially at the fair value of the liability. At the end of the reporting period, until liability is settled as well as at the end of the settlement, the fair value of liability is remeasured with any changes in fair value is recognised in consolidated statement of profit and loss.

Recent Amendments

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into following amendments in the existing Accounting Standards which are applicable from April 1, 2023.

(a) Ind AS 101 – First time adoption of Ind AS – modification relating to recognition of deferred tax asset by a first-time adopter associated with (a) right to use assets and related liabilities and (b) decommissioning, restoration and similar liabilities and corresponding amounts recognised as cost of the related assets.
(b) Ind AS 102 – Share-based Payment – modification relating to adjustment after vesting date to the fair value of equity instruments granted.
(c) Ind AS 103 – Business Combination – modification relating to disclosures to be made in the first financial statements following a business combination.
(d) Ind AS 107 – Financial Instruments Disclosures - modification relating to disclosure of material accounting policies including information about basis of measurement of financial instruments.
(e) Ind AS 109 – Financial Instruments – modification relating to reassessment of embedded derivatives.
(f) Ind AS 1 – Presentation of Financials Statements - modification relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.
(g) Ind AS 8 – Accounting Policies, Change in Accounting Estimates and Errors – modification of definition of 'accounting estimate' and application of changes in accounting estimates.
(h) Ind AS 12 – Income Taxes – modification relating to recognition of deferred tax liabilities and deferred tax assets.
(i) Ind AS 34 – Interim Financial Reporting – modification in interim financial reporting relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

The Group is evaluating the amendments and the expected impact, if any, on the Group's consolidated financial statements on application of the amendments for annual reporting periods beginning on or after 1 April 2023.

Principal Components of Income and Expenditure

Income

Our total income comprises (i) revenue from operations, and (ii) other income.

Revenue from operations

Our revenue from operations primarily includes sale of goods, sale of services, other operating revenue, scrap sales, export incentives and others.

Other income

Our other income primarily includes Interest income on financial assets measured at amortized cost, net gain on foreign exchange transactions, net profit on sale of property, plant and equipments, net gain on sale of investments, bad debts written off in earlier years written back, provisions no longer required written back, and miscellaneous incomes.

Expenses

Our total expenses include the below mentioned expenses:

Cost of materials consumed

Our cost of raw materials and components primarily include opening inventory at the beginning of the year, add all types of purchases, less inventory at the end of the year, and adding foreign currency translation.

Purchase of stock in trade

Our cost of purchase of stock-in-trade primarily includes purchase of finished goods traded by us.

Changes in inventories of finished goods, stock in trade and work-in-progress

Our cost of changes in inventories of finished goods, stock in trade and work – in – progress denotes increase / decrease in inventories of finished goods, stock in trade and working-in-progress, where increase / decrease is calculated as difference between closing amounts of respective inventories type and opening amounts of respective inventory type.

Employee Benefit Expense

Our employee benefit expense primarily includes salary, wages, bonus etc., contribution to provident and other funds, gratuity expenses, share based expenses and staff welfare expenses.

Finance Costs

Our finance costs primarily include interest on borrowings, interest on supplier credit, unwinding of lease liabilities, other borrowing costs, and exchange differences regarded as an adjustment to borrowing costs.

Depreciation and Amortization Expense

Our depreciation and amortization primarily include depreciation on all property, plant and equipment, amortisation cost on all intangible assets and right to use.

Other Expenses

Our other expenses primarily include consumption of stores and spares, packing materials, storage charges, power electricity and fuel, processing charges, fabrication and labour charges, freight and forwarding charges, statutory levies, duties and taxes, insurance, repairs and maintenance, advertising and sales promotions, sales commission, traveling and conveyance, printing and stationary, legal and professional fees, loss on foreign exchange translations, directors' sitting fees, commission to directors, lease rentals, expenditure on corporate social responsibility activities, donations, royalty, bank charges and commissions, bad debts and advances written off and miscellaneous expenses.

Tax Expense

Our tax expenses primarily include current tax and deferred tax.

Profit for the Year

Profit for the year represents profit after tax.

Non – GAAP Measures

In addition to our results determined in accordance with Ind AS, we believe the following non-GAAP financial measures are useful to our Company and our investors as a means of assessing and evaluating our operating performance in comparison to prior periods: EBITDA post open period forex, EBITDA post open period forex Growth (CAGR), Average Capital Employed, Return on Capital Employed, Capital Expenditures, Return on Equity, Debt to Equity Ratio, Adjusted Net (cash) / Debt, Interest Coverage Ratio and Net fixed asset turnover ratio. We classify a financial measure as being a non – GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are not included or excluded in the most directly comparable measure calculated and presented in accordance with Ind-AS as in effect from time to time in our financial statements. The non-GAAP financial measures are supplemental measures that are not required by, or are not presented in accordance with, Ind-AS. Non-GAAP financial measures do not include operating, other statistical measures or ratios calculated using exclusively financial measures calculated in accordance with Ind-AS. Moreover, the way we calculate the non-GAAP financial measures may differ from that of other companies reporting measures with similar names, which may limit these measures' usefulness as a comparative measure. Our management believes these non-GAAP financial measures are useful to compare general operating performance from period to period and to make certain related management decisions. We believe that non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information are not recognized under Ind AS and do not have standardized meanings prescribed by IND AS. In addition, non-GAAP financial measures used by us may differ from similarly titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

Results of Operations Based on Financial Statements

The following table sets forth select financial data from our statement of profit and loss for six months ended September 30, 2023 and for September 30, 2022 and for Fiscals 2023, 2022 and 2021, the components of which are also expressed as a percentage of total income for such periods.

Particulars	**For the financial year ended**						**For the six month periods ended**			
	March 31, 2023		**March 31, 2022**		**March 31, 2021**		**September 30, 2023***		**September 30, 2022***	
	(₹ crores)	*(% of Total income)*	*(₹ crores)*	*(% of Total income)*	*(₹ crores)*	*(% of Total income)*	*(₹ crores)*	*(% of Total income)*	*(₹ crores)*	*(% of Total income)*
INCOME										

Particulars	For the financial year ended						For the six month periods ended			
	March 31, 2023		March 31, 2022		March 31, 2021		September 30, 2023*		September 30, 2022*	
	(₹ crores)	*(% of Total income)*	*(₹ crores)*	*(% of Total income)*	*(₹ crores)*	*(% of Total income)*	*(₹ crores)*	*(% of Total income)*	*(₹ crores)*	*(% of Total income)*
Revenue from operations	14,352.15	99.74	9,316.57	99.65	6,388.02	99.71	7,698.99	99.58	6,328.11	99.74
Other income	37.47	0.26	32.49	0.35	18.61	0.29	32.62	0.42	16.70	0.26
Total income	**14,389.62**	100.00	**9,349.06**	100.00	**6,406.63**	100.00	**7,731.61**	100.00	**6,344.81**	100.00
EXPENSES										
Cost of materials consumed	10,973.96	76.26	7,418.32	79.35	4,675.78	72.98	5,703.97	73.77	5,104.81	80.46
Purchases of stock-in-trade	69.45	0.48	130.71	1.40	78.97	1.23	81.56	1.05	31.65	0.50
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(334.66)	(2.33)	(341.21)	(3.65)	45.35	0.71	41.25	0.53	(347.37)	(5.47)
Employee benefits expense	220.50	1.53	172.49	1.84	160.38	2.50	138.02	1.79	98.98	1.56
Finance costs	305.50	2.12	140.62	1.50	136.04	2.12	172.68	2.23	132.45	2.09
Depreciation and amortization expense	104.34	0.73	97.84	1.05	93.44	1.46	55.40	0.72	50.98	0.80
Other expenses	2,195.95	15.26	1,388.41	14.85	1,008.40	15.74	1,038.27	13.43	976.76	15.39
Total expenses	**13,535.04**	94.06	**9,007.18**	96.34	**6,198.36**	96.75	**7,231.15**	93.53	**6,048.26**	95.33
Profit before share of profit/(loss) of an associates and exceptional items	854.58	5.94	341.88	3.66	208.27	3.25	500.46	6.47	296.55	4.67
Share in net profit / (loss) of associates	(0.02)	0.00	0.12	0.00	0.00	0.00	(0.54)	(0.01)	(0.00)	(0.00)
Profit before exceptional items	854.56	5.94	342.00	3.66	208.27	3.25	499.92	6.47	296.55	4.67
Profit before tax	**854.56**	5.94	**342.00**	3.66	**208.27**	3.25	**499.92**	6.47	**296.55**	4.67
Tax expense:										
Current tax	221.80	1.54	83.61	0.89	51.45	0.80	131.37	1.70	75.19	1.19
Deferred tax charge / (credit)	(6.81)	(0.05)	1.29	0.01	(4.20)	(0.07)	(2.76)	(0.04)	(3.73)	(0.06)
Taxes of earlier years (net)	1.85	0.01	0.36	0.00	0.52	0.01	-	-	-	-
Total tax expenses	**216.84**	1.51	**85.27**	0.91	**47.77**	0.75	**128.61**	1.66	**71.46**	1.13
Profit / (Loss) for the year from continuing operations	**637.72**	4.43	**256.73**	2.75	**160.50**	2.50	**371.31**	4.80	**225.09**	3.55
Total other comprehensive income / (loss)	**(59.19)**	(0.41)	**95.34**	1.02	**82.30**	1.28	**8.70**	0.11	**(136.22)**	(2.15)
Total comprehensive income / (loss) for the year	**578.53**	4.02	**352.07**	3.77	**242.80**	3.79	**380.01**	4.92	**88.87**	1.40

* *Not annualised*

SIX MONTHS ENDED SEPTEMBER 30, 2023, COMPARED TO SIX MONTHS ENDED SEPTEMBER 30, 2022

Income

Our total income increased by 21.86% to ₹ 7,731.61 crores for the six months ended September 30, 2023, from ₹ 6,344.81 crores for the six months ended September 30, 2022, on account of the factors discussed below.

Revenue from operations

Our revenue from operations increased by 21.66% to ₹ 7,698.99 crores for the six months ended September 30, 2023 from ₹ 6,328.11 crores for the six months ended September 30, 2022, primarily due to increase in volumes across all segments.

Other income

Our other income increased by 95.33% to ₹ 32.62 crores for the six months ended September 30, 2023 from ₹ 16.70 crores for the six months ended September 30, 2022, primarily due to increase in interest income on surplus funds**.**

Expenses

Our total expenses increased by 19.56% to ₹ 7,231.15 crores for the six months ended September 30, 2023 from ₹ 6,048.26 crores for the six months ended September 30, 2022, on account of the factors discussed below.

Cost of materials consumed

Our cost of material consumed increased by 11.74% to ₹ 5,703.97 crores for the six months ended September 30, 2023 from ₹ 5,104.81 crores for the six months ended September 30, 2022, primarily due to increase in purchase volumes to cater the growth of sales volume.

Purchase of stock-in trade

Our cost of purchase of stock-in-trade increased by 157.69% to ₹ 81.56 crores for the six months ended September 30, 2023 from ₹ 31.65 crores for the six months ended September 30, 2022, primarily due increase in purchase volumes to cater the requirement of increase in sales volume.

Changes in inventories of finished goods, stock-in-trade and work – in – progress

Our cost of changes in inventories of finished goods and work – in – progress decreased to ₹ 41.25 crores for the six months ended September 30, 2023 from ₹(347.37) crores for the six months ended September 30, 2022, primarily due to changes in sales volumes.

Employee Benefit Expense

Our employee benefit expense increased by 39.44% to ₹ 138.02 crores for the six months ended September 30, 2023, from ₹ 98.98 crores for the six months ended September 30, 2022, primarily due to increase in salaries and wages, bonuses and allowance, contribution to retirement funds and staff welfare expenses & increase in employee count.

Finance Costs

Our finance costs increased by 30.37% to ₹ 172.68 crores for the six months ended September 30, 2023, from ₹ 132.45 crores for the six months ended September 30, 2022, primarily due to increase in business volumes, increase in base rates of interest, increase in material prices and increase in exchange rates in respect of foreign currency borrowings and acceptances.

Depreciation and Amortization Expense

Our depreciation and amortization expenses increased by 8.67% to ₹ 55.40 crores for the six months ended September 30, 2023, from ₹ 50.98 crores for the six months ended September 30, 2022, primarily due to increase in capital expenditure incurred.

Other Expenses

Our other expenses increased by 6.30% to ₹ 1,038.27 crores for the six months ended September 30, 2023 from ₹ 976.76 crores for the six months ended September 30, 2022, primarily due to increase in operating cost such as processing charges, consumption of stores and spares, power and fuel cost and packing material on account of increase in sales volumes, increase in the advertisement and increase in corporate social responsibility expenses. Increase in expenses was partially offset by decrease in freight cost.

Tax Expense

Our tax expenses increased by 79.97% to ₹ 128.61 crores for the six months ended September 30, 2023 from ₹ 71.46 crores for the six months ended September 30, 2022, primarily due to increase in profit before tax.

Profit for the Year from continuing operations

As a result of the foregoing factors, our profit for the six months ended September 30, 2023 increased by 64.96% to ₹ 371.31 crores for the six months ended September 30, 2023 from ₹ 225.09 crores for the six months ended September 30, 2022.

FISCAL 2023 COMPARED TO FISCAL 2022

Income

Our total income increased by 53.92% to ₹ 14,389.62 crores for Fiscal 2023 from ₹9,349.06 crores for Fiscal 2022, on account of the factors discussed below.

Revenue from operations

Our revenue from operations increased by 54.05% to ₹ 14,352.15 crores for Fiscal 2023 from ₹ 9,316.57 crores for Fiscal 2022, primarily due to growth in export business of cable and conductor and increase in volumes across all segments.

Other income

Our other income increased by 15.33% to ₹ 37.47 crores for Fiscal 2023 from ₹ 32.49 crores for Fiscal 2022, primarily due to recovery of bad debts written off in earlier years.

Expenses

Our total expenses increased by 50.27% to ₹ 13,535.04 crores for Fiscal 2023 from ₹ 9,007.18 crores for Fiscal 2022, on account of the factors discussed below.

Cost of materials consumed

Our cost of material consumed increased by 47.93% to ₹ 10,973.96 crores for Fiscal 2023 from ₹ 7,418.32 crores for Fiscal 2022, primarily due to increase in purchases to cater the volume growth of the business.

Purchase of stock-in trade

Our cost of purchase of stock-in trade decreased by 46.87% to ₹ 69.45 crores for Fiscal 2023 from ₹ 130.71 crores for Fiscal 2022, primarily due to decrease in sale of traded goods .

Changes in inventories of finished goods, stock-in-trade and work – in – progress

Our cost of changes in inventories of finished goods, stock-in trade and work – in – progress was ₹(334.66) crores for Fiscal 2023 and was ₹(341.21) crores for Fiscal 2022, primarily due to changes in sales volume in the period.

Employee Benefit Expense

Our employee benefit expense increased by 27.83% to ₹ 220.50 crores for Fiscal 2023 from ₹ 172.49 crores for Fiscal 2022, primarily due to increase in salaries and wages, bonuses and allowance, contribution to retirement funds and staff welfare expenses & increase employee count.

Finance Costs

Our finance costs increased by 117.25% to ₹305.50 crores for Fiscal 2023 from ₹140.62 crores for Fiscal 2022, primarily due to increase in business volumes, increase in base rates of interest, increase in material prices, increase in exchange rates and foreign currency exchange loss which in accordance with Indian Accounting Standard treated as a finance cost.

Depreciation and Amortization Expense

Our depreciation and amortization expenses increased by 6.64% to ₹ 104.34 crores for Fiscal 2023 from ₹ 97.84 crores for Fiscal 2022, primarily due to increase in capital expenditure incurred.

Other Expenses

Our other expenses increased by 58.16% to ₹ 2,195.95 crores for Fiscal 2023 from ₹1,388.41 crores for Fiscal 2022, primarily due to increase in operating cost such as processing charges, consumption of stores and spares, power and fuel cost, packing material and freight outward cost on account of increase in sales volumes, increase in commission to directors, increase in foreign exchange loss, increase in repairs and maintenance cost, increase in legal and professional cost, increase in advertising and sales promotion and increase in travelling and conveyance.

Tax Expense

Our tax expenses increased by 154.30% to ₹ 216.84 crores for Fiscal 2023 from ₹85.27 crores for Fiscal 2022, primarily due to increase in profits before tax.

Profit for the Year from continuing operations

As a result of the foregoing factors, our profit for the year increased by 148.40% to ₹ 637.72 crores for Fiscal 2023 from ₹256.73 crores for Fiscal 2022.

FISCAL 2022 COMPARED TO FISCAL 2021

Income

Our total income increased by 45.93% to ₹9,349.06 crores for Fiscal 2022 from ₹6,406.63 crores for Fiscal 2021, on account of the factors discussed below.

Revenue from operations

Our revenue from operations increased by 45.84% to ₹9,316.57 crores for Fiscal 2022 from ₹6,388.02 crores for Fiscal 2021, primarily due to increase in commodity prices and increase in exports.

Other income

Our other income increased by 74.58% to ₹32.49 crores for Fiscal 2022 from ₹18.61 crores for Fiscal 2021, primarily due to increase in gain on sale of investments and increase in foreign exchange fluctuation gain.

Expenses

Our total expenses increased by 45.32% to ₹ 9,007.18 crores for Fiscal 2022 from ₹6,198.36 crores for Fiscal 2021, on account of the factors discussed below.

Cost of materials consumed

Our cost of material consumed increased by 58.65% to ₹7,418.32 crores for Fiscal 2022 from ₹4,675.78 crores for Fiscal 2021, primarily due to increase in commodity prices.

Purchase of stock-in trade

Our cost of purchase of stock-in trade increased by 65.52% to ₹130.71 crores for Fiscal 2022 from ₹78.97 crores for Fiscal 2021, primarily due to increase in commodity prices and increase in volume of traded goods.

Changes in inventories of finished goods, stock-in-trade and work – in – progress

Our cost of changes in inventories of finished goods and work – in – progress was ₹(341.21) crores for Fiscal 2022 and was ₹45.35 crores for Fiscal 2021, changes in sales volume in the period.

Employee Benefit Expense

Our employee benefit expense increased by 7.55% to ₹172.49 crores for Fiscal 2022 from ₹160.38 crores for Fiscal 2021, primarily due to increase in salaries and wages, bonuses and allowance, contribution to retirement funds, staff welfare expenses.

Finance Costs

Our finance costs increased by 3.37% to ₹140.62 crores for Fiscal 2022 from ₹136.04 crores for Fiscal 2021, primarily due to foreign currency exchange loss which in accordance with Indian Accounting Standard treated as a finance cost.

Depreciation and Amortization Expense

Our depreciation and amortization expenses increased by 4.71% to ₹97.84 crores for Fiscal 2022 from ₹93.44 crores for Fiscal 2021, primarily due to increase in capital expenditure.

Other Expenses

Our other expenses increased by 37.68% to ₹1,388.41 crores for Fiscal 2022 from ₹1,008.40 crores for Fiscal 2021, primarily due to increase in operating cost such as processing charges, consumption of stores and spares, power and fuel cost, packing material and freight outward cost on account of increase in sales volumes, increase in commission to directors, increase in legal and professional cost, increase in travelling and conveyance and increase in bad debts cost.

Tax Expense

Our tax expenses increased by 78.50% to ₹85.27 crores for Fiscal 2022 from ₹47.77 crores for Fiscal 2021, primarily due to increase in profit before tax.

Profit for the Year from continuing operations

As a result of the foregoing factors, our profit for the year increased by 59.96% to ₹256.73 crores for Fiscal 2022 from ₹160.50 crores for Fiscal 2021.

CASH FLOWS

The table below summarizes the statement of cash flows, as per our cash flow statements, for the periods indicated:

(in ₹ crores)

	For the Fiscal year ended			**For the Six months ended September 30, 2023***	**For the Six months ended September 30, 2022***
	2023	**2022**	**2021**		
Net cash generated from / (used in) operating activities	698.34	243.75	281.37	239.57	169.55
Net cash (used in)/generated from investing activities	(268.94)	(90.61)	(114.70)	(99.72)	(74.79)
Net cash (used in)/generated from financing activities	(184.06)	(106.35)	(123.16)	(231.10)	(47.25)
Cash and cash equivalents at the beginning of the year	253.16	207.02	163.92	498.81	253.16
Net increase / (decrease) in cash and cash equivalents	245.34	46.79	43.51	(91.26)	47.51
Effect of exchanges rate changes on cash and cash equivalents	0.31	(0.65)	(0.41)	1.06	2.48
Cash and cash equivalents at the end of the year	498.81	253.16	207.02	408.62	303.15

* *Not annualised*

Operating Activities

Net cash flows from operating activities were ₹239.57 crores for the six months ended September 30, 2023. While our profit before tax was ₹500.46 crores, we had cash flow before changes in working capital of ₹ 682.07 crores primarily due to depreciation and amortisation expense of ₹55.40 crores, interest cost of ₹130.34 crores, and interest income of ₹ 13.74 crores. Our working capital adjustments for the six months ended September 30, 2023 primarily consisted of increase in trade and other receivables of ₹ 263.52 crores, decrease in inventories of ₹ 119.34 crores, and decrease in trade and other payables of ₹ 174.04 crores. Our taxes paid for the six months ended September 30, 2023 amounted to ₹ 124.28 crores.

Net cash flows from operating activities were ₹169.55 crores for the six months ended September 30, 2022. While our profit before tax was ₹296.55 crores, we had cash flow before changes in working capital of ₹ 466.25 crores primarily due to depreciation and amortisation expense of ₹50.98 crores, interest cost of ₹99.16 crores, and interest income of ₹ 3.92 crores. Our working capital adjustments for the six months ended September 30, 2022 primarily consisted of increase in trade and other receivables of ₹ 380.32 crores, increase in inventories of ₹ 406.30 crores, and increase in trade and other payables of ₹ 543.26 crores. Our taxes paid for the six months ended September 30, 2022 amounted to ₹ 53.34 crores.

Net cash flows from operating activities were ₹698.34 crores for Fiscal 2023. While our profit before tax was ₹854.58 crores, we had cash flow before changes in working capital of ₹1,193.62 crores primarily due to depreciation and amortisation expense of ₹104.34 crores, interest cost of ₹174.75 crores, and interest income of ₹ 19.41 crores. Our working capital adjustments for Fiscal 2023 primarily consisted of increase in trade and other receivables of ₹ 836.23 crores, increase in inventories of ₹ 424.40 crores, and increase in trade and other payables of ₹ 984.34 crores. Our taxes paid for Fiscal 2023 amounted to ₹ 218.99 crores.

Net cash flows from operating activities were ₹243.75 crores for Fiscal 2022. While our profit before tax was ₹341.88 crores, we had cash flow before changes in working capital of ₹ 548.59 crores primarily due to depreciation and amortisation expense of ₹97.84 crores, interest cost of ₹67.10 crores, and interest income of ₹ 6.27 crores. Our working capital adjustments for Fiscal 2022 primarily consisted of increase in trade and other receivables of ₹ 999.46 crores, increase in inventories of ₹ 575.96 crores, and increase in trade and other payables of ₹ 1,361.41 crores. Our taxes paid for Fiscal 2022 amounted to ₹ 90.83 crores.

Net cash flows from operating activities were ₹281.37 crores for Fiscal 2021. While our profit before tax was ₹208.27 crores, we had cash flow before changes in working capital of ₹ 372.60 crores primarily due to depreciation and amortisation expense of ₹93.44 crores, interest cost of ₹61.59 crores, and interest income of ₹ 5.40 crores. Our working capital adjustments for Fiscal 2021 primarily consisted of increase in trade and other receivables of ₹ 67.89 crores, increase in inventories of ₹ 231.27 crores, and increase in trade and other payables of ₹ 252.07 crores. Our taxes paid for Fiscal 2021 amounted to ₹ 44.14 crores.

Investing Activities

Net cash flows used in investing activities were ₹99.72 crores for the six months ended September 30, 2023, primarily comprising of acquisition of property, plant and equipment of ₹152.62 crores and net sale of investments (other than investment in associate) amounting to ₹ 52.48 crores.

Net cash flows used in investing activities were ₹74.79 crores for the six months ended September 30, 2022, primarily comprising of acquisition of property, plant and equipment of ₹102.25 crores and net sale of investments (other than investment in associate) amounting to ₹ 31.08 crores.

Net cash flows used in investing activities were ₹268.94 crores for Fiscal 2023, primarily comprising of acquisition of property, plant and equipment of ₹247.83 crores and net purchase of investments (other than investment in associate) amounting to ₹ 18.44 crores.

Net cash flows used in investing activities were ₹90.61 crores for Fiscal 2022, primarily comprising of acquisition of property, plant and equipment of ₹130.03 crores and net sale of investments (other than investment in associate) amounting to ₹ 38.64 crores.

Net cash flows used in investing activities were ₹114.70 crores for Fiscal 2021, primarily comprising of acquisition of property, plant and equipment of ₹55.57 crores and net purchase of investments (other than investment in associate) amounting to ₹ 59.17 crores.

Financing Activities

Net cash flows used in financing activities was ₹ 231.10 crores for the six months ended September 30, 2023, primarily comprising of repayments of short term borrowings (net) amounting to ₹54.67 crores, proceeds from long-term borrowings (net) of ₹ 94.50 crores, interest paid (net of interest received) of ₹ 112.18 crores and dividend payment of ₹ 152.82 crores.

Net cash flows used in financing activities was ₹ 47.25 crores for the six months ended September 30, 2022, primarily comprising of proceeds from short term borrowings (net) amounting to ₹80.89 crores, repayment of long-term borrowings (net) of ₹ 13.13 crores, interest paid (net of interest received) of ₹ 54.24 crores and dividend payment of ₹ 57.32 crores.

Net cash flows used in financing activities was ₹ 184.06 crores for Fiscal 2023, primarily comprising of proceeds from short term borrowings (net) amounting to ₹57.50 crores, repayments of long-term borrowings (net) of ₹ 54.19 crores, interest paid (net of interest received) of ₹ 119.98 crores and dividend payment of ₹ 57.36 crores.

Net cash flows used in financing activities was ₹ 106.35 crores for Fiscal 2022, primarily comprising of repayments of short term borrowings (net) amounting to ₹21.49 crores, proceeds from long-term borrowings (net) of ₹ 4.44 crores, interest paid (net of interest received) of ₹ 47.35 crores and dividend payment of ₹36.36 crores.

Net cash flows used in financing activities was ₹ 123.16 crores for Fiscal 2021, primarily comprising of repayments of short term borrowings (net) amounting to ₹ 72.53 crores, proceeds from long-term borrowings (net) of ₹ 21.09 crores, interest paid (net of interest received) of ₹ 66.29 crores and dividend payment of ₹0.12 crores.

LIQUIDITY AND CAPITAL RESOURCES

Historically, our primary liquidity requirements have been to finance our working capital needs for our operations. We have met these requirements through cash flows from operations, equity infusions from shareholders and borrowings. As at September 30, 2023, we had ₹ 3,479.70 crores in current trade receivables, ₹ 408.62 crores in cash and cash equivalents, and ₹ 46.51 as bank balances other than the above. We believe that, after taking into account the expected cash to be generated from operations, our borrowings and the proceeds from the Issue, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for 12 months following the date of this Preliminary Placement Document.

INDEBTEDNESS

As at September 30, 2023, we had total borrowings (consisting of current borrowings and non-current borrowings) of ₹ 343.59 crores of which ₹ 245.70 crores was non-current borrowings and ₹ 97.89 crores was current borrowings. Our debt – to – equity ratio was 0.14 as at September 30, 2023. Some of our financing agreements include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. We cannot assure you that we will be able to obtain these consents and any failure to obtain these consents could have significant adverse consequences for our business.

CAPITAL EXPENDITURES

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for the purchase of plant and equipment. For the six-month periods ended September 30, 2023 and September 30, 2022, and in Fiscals 2023, 2022 and 2021, our capital expenditures were ₹ 152.62 crores, ₹ 102.25 crores, ₹ 247.83 crores, ₹ 130.03 crores and ₹ 55.81 crores, respectively.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The following table sets forth the principal components of our contingent liabilities not provided and capital commitments as at March 31, 2023:

A. *Contingent liabilities not provided for*

		Particulars	As at March 31, 2023 (In ₹ crores)
a.		Claims against the Group not acknowledged as debts (Refer Note 1)	
	i.	Demand/ Show cause-cum-demand notices received and contested by the Group with the relevant appellate authorities:	
		Excise duty	8.26
		GST	-
		Customs duty	2.08
		Sales tax	12.06
		Income tax	20.28
	ii.	Arbitration award regarding dispute of alleged contractual non-performance by the Group, against which the Group is in appeal before Bombay High Court.	13.84
	iii.	Labour matters	0.05
	iv.	Others	7.33
b.		Corporate Guarantees (Refer Note 2)	
	i.	Letter of gurantee given by the Group	-

B. *Capital commitments*

	Particulars	As at March 31, 2023 (In ₹ crores)
1	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	139.78

Notes:

1 It is not practicable for the Group to estimate the timing of the cash outflows, if any, in respect of the matters in note a (i) to a (iv) mentioned in A - Contingent Liabilities, pending resolution of the arbitration/appellate proceedings. The liability mentioned as aforesaid includes interest except in cases where the Group has determined that the possibility of such levy is very remote.

2 The cash outflows in respect of Corporate Guarantees mentioned in note b of A - contingent liabilities, could generally occur upto the period over which the validity of such guarantees extends or it could occur any time during the subsistence of the borrowing to which the guarantees relate.

3 The Group does not expect any reimbursements in respect of the above contingent liabilities.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties. For further information, please see the section titled, "*Related Party Transactions*" on page 40.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT RISK ARISING FROM FINANCIAL INSTRUMENTS

We have exposure to the following risks arising from financial instruments:

c. Credit risk ;
d. Liquidity risk ; and
e. Market risk

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument defaults to meet its contractual obligations. It arises principally from amounts receivables from customers and loans and advances.

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances.

The Group follows 'simplified approach' for recognition of impairment loss on these financial assets. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a division wise provision matrix. The provision matrix takes into account historical credit loss experience, delay in receipt of payments and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

For details of credit risk in respect of us, please see "*Financial Information*" beginning on page 241.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or affecting to the Group's reputation.

For details of liquidity risk in respect of us, please see "*Financial Information*" beginning on page 241.

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, payables and long term debt.

The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of Group's investments. Thus, Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure.

Commodity risk

The Group is affected by the price volatility of certain commodities viz. Aluminum, Copper and Oil. Its operating activities require the ongoing purchase and manufacture of the conductors, cables and oil and thus require continuous supply of these commodities. Due to the increase in volatility of the price of the commodities namely Aluminum and Copper, the Group has entered into forward contracts (for which there is an active market).

Currency risk

The Group is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee (H). The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. The Group does not use derivative financial instruments for trading or speculative purposes.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

For details of market risk in respect of us, please see "*Financial Information"* beginning on page 241.

COMPETITION

In India, the cables and conductors industry is constrained by the raw material price risk and stiff competition. The other key players in the cables and conductors industry in India include Finolex Cables limited, Havells India limited, HFCL limited, KEI Industries limited, Polycab India Limited and RR Kabel Limited. Key players in the specialty oils segment in India, include Castrol India Limited, Gulf oil lubricants India Limited.Large players include public sector undertakings such as Bharat Petroleum Corporation Limited, Hindustan Petroleum Corporation Limited and Indian Oil Corporation Limited. (*Source: CRISIL Report*)

SIGNIFICANT ECONOMIC CHANGES

Other than as described above under the heading titled *"– Significant Factors Affecting Our Financial Condition and Results of Operations*," on page 87 to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

UNUSUAL OR INFREQUENT EVENTS OF TRANSACTIONS

Except as described in this Preliminary Placement Document, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

KNOWN TRENDS OR UNCERTAINTIES

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "*– Significant Factors Affecting Our Financial Condition and Results of Operations*" on page 87 and the uncertainties described in the section titled "*Risk Factors*" on page 41. To our knowledge, except as described or anticipated in this Preliminary Placement Document, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in this Preliminary Placement Document, there are no known factors that might affect the future relationship between costs and revenues.

NEW PRODUCTS OR BUSINESS SEGMENTS

Other than as described in the section titled, "*Our Business*" on page 163, there are no new products or business segments in which we operate.

SEASONALITY OF BUSINESS

Our business is not seasonal in nature.

SUPPLIERS OR CUSTOMER CONCENTRATION

We are not dependent on a single or a few major customers or suppliers for a significant portion of our income.

RESERVATIONS, QUALIFICATIONS OR ADVERSE REMARKS INCLUDED BY AUDITORS

There are no qualifications, reservations or adverse remarks included in the Audited Consolidated Financial Statements of our Company or the relevant reports thereon, for Fiscals 2019, 2020, 2021, 2022 and 2023.

INTEREST COVERAGE RATIO

Set forth below is the interest coverage ratio for the period / years indicated:

(in ₹ crores, unless otherwise stated)

	Year ended March 31, 2023	**Year ended March 31, 2022**	**Year ended March 31, 2021**	**Six months ended September 30, 2023***
(A) Net Profit for the year	637.72	256.73	160.50	371.31
Add:				
(B) Provision for tax	216.84	85.27	47.77	128.61
(C) Depreciation	104.34	97.84	93.44	55.40
(D) Finance costs	305.50	140.62	136.04	172.68
(E) Earnings before Interest, Tax and Depreciation (A+B+C+D)	1264.40	580.46	437.75	728.00
(F) Interest coverage Ratio (E/D)	4.14	4.13	3.22	4.22

* *Not annualised*

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2023

Our Company has entered into a supplementary agreement dated November 10, 2023 ("**Supplementary Agreement**") in supplement to the shareholder's agreement dated August 19, 2022 with Clean Max Rudra Private Limited and Clean Max Enviro Energy Solutions Private Limited ("**Shareholder's Agreement**"). As per the terms of the Supplementary Agreement, Clean Max Enviro Energy Solutions Private Limited and our Company have agreed to further invest ₹ 10.80 crore and ₹ 3.79 crore, respectively, to subscribe to equity shares of Clean Max Rudra Private Limited, our Associate Company, such that our Company will continue to hold 26% of the total shareholding in Clean Max Rudra Private Limited, to enhance the solar capacity of the project contemplated in the Shareholder's Agreement.

Except as stated above and in the section titled '*Capital Structure*' on page 79, respectively, to our knowledge no circumstances have arisen since September 30, 2023, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months.

INDUSTRY OVERVIEW

*The information in this section is derived from the report titled "Assessment of power cables, conductors & specialty oils industry in India" dated November 23, 2023 (the "**CRISIL Report**"), prepared by CRISIL Research, a division of CRISIL Limited ("**CRISIL**"). We commissioned the CRISIL Report, which is a paid report, for the purpose of confirming our understanding of the industry exclusively in connection with this Issue for an agreed fee pursuant to an engagement letter dated October 6, 2023. The CRISIL Report was prepared based on publicly available information, data and statistics as at specific dates and may no longer be current or reflect current trends. The CRISIL Report may also be based on sources that base their information on estimates, projections, forecasts, and assumptions that may prove to be incorrect. The CRISIL Report is subject to the following disclaimer: "CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Apar Industries Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."*

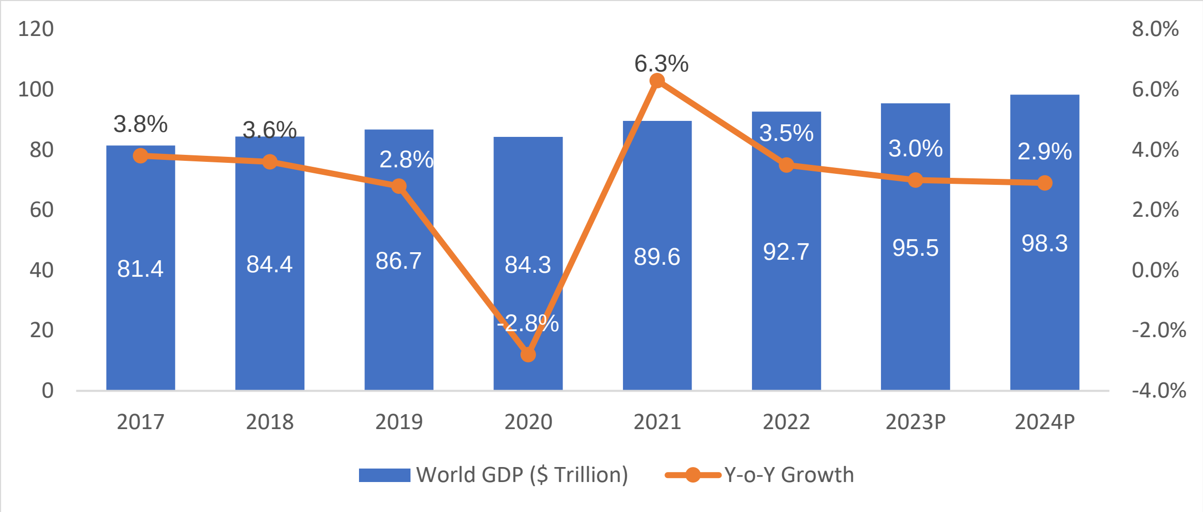
The information extracted from the CRISIL Report reflects an estimate of market conditions based on CRISIL Research's research and analysis. The information and statistics may not be consistent with other information and statistics compiled within or outside India.

1. Global Macroeconomic Scenario

Global GDP growth, as estimated by the International Monetary Fund (IMF) October 2023 update, is expected to have moderated from 3.5% in CY 2022 to 3.0% in CY 2023 and 2.9% in CY 2024. Global economy has recovered from Covid impact; however, Russia Ukraine conflict and Israel-Palestine conflict are expected to slow down the economy in 2023. Additionally, the constrains that hindered the growth in second half of 2022 persist with inflation remaining high.

Global slowdown is expected to be mainly driven by policy tightening of central banks in response to inflation in developed countries. Despite the headwinds, the global economy has witnessed some resilience, primarily driven by the contribution from the services sector. In advanced economies, the services sector has seen consumption reach pre-pandemic levels along with accelerated growth in emerging and developing economies.

Global GDP trend and outlook (2017-2024P, $ trillion)



Note: P: Projection
Source: IMF economic database, World Bank national accounts data, the Organization for Economic Co-operation and Development (OECD) national accounts data, CRISIL Market Intelligence and Analytics (MI&A)

India was one of the world's fastest growing economy in CY 2022 among key nations

According to growth forecasts of 2022 by IMF, India overtook the UK as the fifth largest economy in the world in the April-June quarter of 2022. India has been one of the of the fastest-growing economies since 2017, barring 2020, when it saw a decline of 5.8% due to the Covid-19 pandemic. Going ahead, India is expected to grow faster than China in 2023 and 2024. India's GDP is expected to grow at 6.3% in 2023 and 6.3% in 2024 as per the IMF forecast.

Real GDP growth by geographies

Regions	2017	2018	2019	2020	2021	2022	2023P	2024P
US	2.3	2.9	2.3	-2.8	5.9	2.1	2.1	1.5
Euro area	2.6	1.8	1.6	-6.1	5.3	3.5	0.9	1.5
Middle east and Central Asia	2.2	2.8	1.6	-2.6	4.3	5.6	2.0	3.4
UK	2.4	1.7	1.6	-11.0	7.6	4.1	0.5	0.6
China	6.9	6.8	6.0	2.2	8.5	3.0	5.0	4.2
Japan	1.7	0.6	-0.4	-4.3	2.2	1.0	2.0	1.0
India*	6.8	6.5	3.9	-5.8	9.1	7.2	6.3	6.3
World	**3.8**	**3.6**	**2.8**	**-2.8**	**6.3**	**3.5**	**3.0**	**2.9**

Note: P: Projection as per IMF update
**Numbers for India are for financial year (2020 is FY21 and so on) and as per IMF forecast. CRISIL GDP forecast for India: FY22: 9.1%, FY23: 7.2% and FY24: 6.0%*
Source: IMF economic database, World Bank national accounts data, OECD national accounts data, CRISIL MI&A

2. Macroeconomic assessment of India

India's GVA continues to record healthy growth

On the supply side, gross value added (GVA) grew 7.0% in FY23, as per provisional estimates (compared with 8.8% in FY22). In absolute terms, real GVA rose to Rs 1,47,64,840 crores last fiscal from Rs 1,37,98,025 crores in FY22. Construction was the second fastest growing sector in FY23 recording a double-digit growth of 10.0%.

GVA at constant fiscal 2012 prices

Segment	FY21RE Rs crores	FY22RE Rs crores	FY23PE Rs crores	Share in GVA FY23	Annual growth in FY23
Agriculture, forestry and fishing	20,76,327	21,49,122	22,34,269	15.1%	4.0%
Mining and quarrying	2,89,905	3,10,415	3,24,708	2.2%	4.6%
Manufacturing	23,25,438	25,82,473	26,17,059	17.7%	1.3%
Utility services	2,87,757	3,16,110	3,44,418	2.3%	9.0%
Construction	9,83,619	11,29,368	12,42,354	8.4%	10.0%
Trade, hotels, transport, communication and services related to broadcasting	21,59,495	24,56,447	28,00,112	19.0%	14.0%
Financial, real estate and professional services	29,58,852	30,98,827	33,20,305	22.5%	7.1%
Public administration, defence and other services	16,00,090	17,55,263	18,81,615	12.7%	7.2%
GVA at basic prices	1,26,81,482	1,37,98,025	1,47,64,840	100.0 %	7.0%

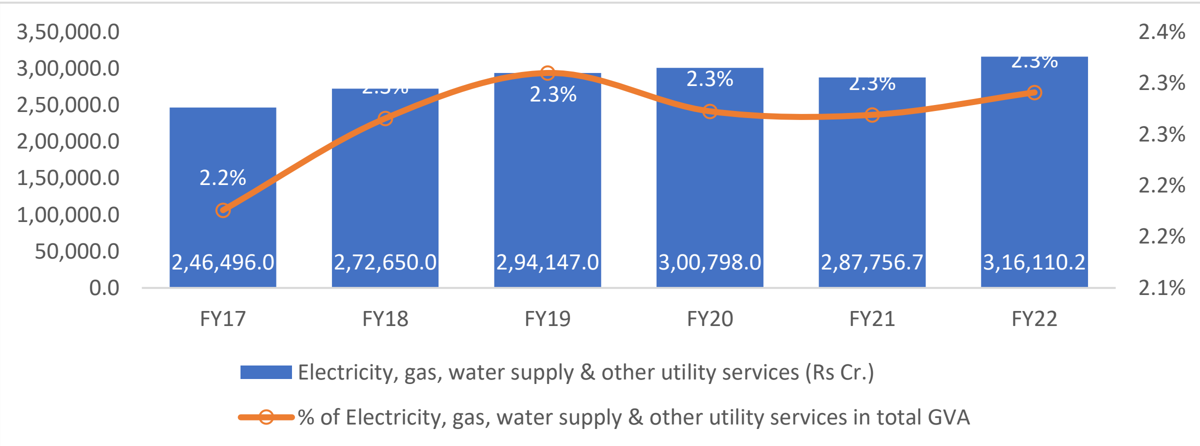
RE: revised estimate, PE: provisional estimate

Source: CRISIL MI&A

Electricity GVA at highest levels

Electricity, gas, water supply & other utility services GVA recorded an increase of ~5.1% CAGR to reach highest levels since FY12 at Rs 3,16,110 crores compared to Rs 2,46,500 crores in FY17. However, the share of electricity, gas, water supply & other utility services GVA have remained almost constant, ranging between 2.2% to 2.3% across the years.

Electricity GVA trend (constant basis)



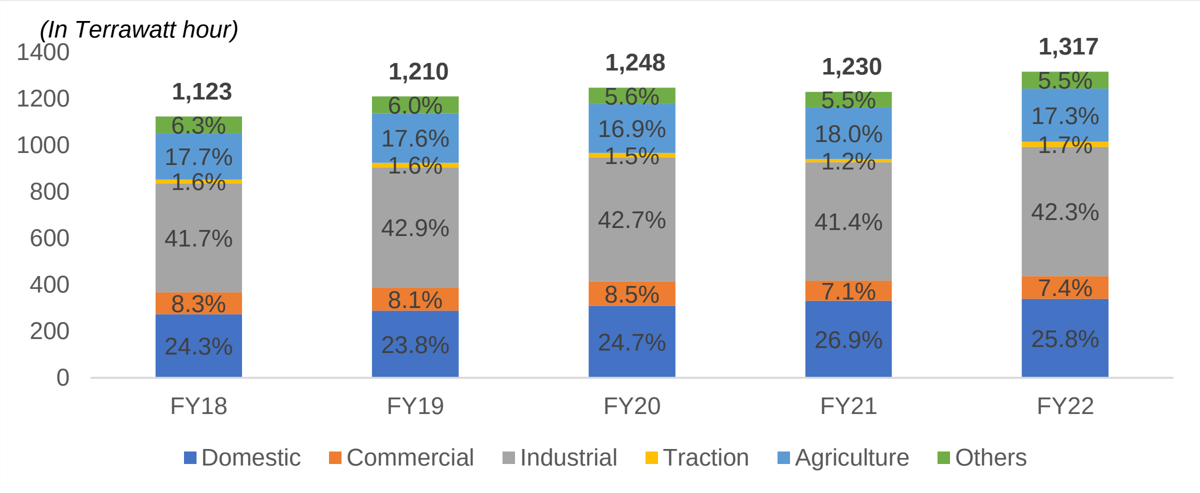
Source: MOSPI, CRISIL MI&A

Industrial segment is the highest consumer of energy, followed by domestic segment

Energy consumption in India has consistently increased from FY18 to FY22 from 1,123,427 GWh to 1,316,765 GWh, baring FY20, when the overall power consumption decreased due to Covid 19 induced lockdowns, which negatively impacted the economic activities, thereby decreasing the energy consumption of industrial segment which has consumed the highest electricity across the years.

Industrial segment is followed by domestic segment in terms of power consumption whose percentage in total power consumption has increased from 24.3% in FY18 to 25.8% FY22, indicating an improvement in electricity accessibility for homes, through enhanced electrification and infrastructure development. Additionally, Saubhagya – 'Pradhan Mantri Sahaj Bijli Har Ghar Yojana' was launched in September 2017 with the objective to provide access to electricity to all the remaining households in the country and as of 2022, 5,97,464 villages have been electrified.

Electricity consumption by end user type



Source: CEA, CRISIL MI&A

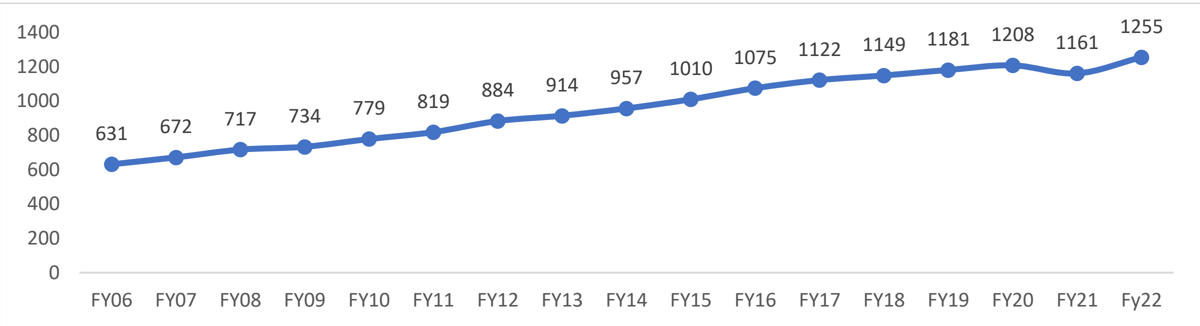
India's per capita electricity consumption increased to 1255 (KWh) in FY22

Over the last eight years, per capita electricity consumption of India has reported consistent growth from 884 kWh in FY13 to 1255 kWh in FY22, an increase of ~42 percent but it is still about below the global average and has wide variations. Economically rich countries are also the ones consuming more power on a per capita basis, led by higher functions of urbanization and industrialization. While highly industrialized states like Haryana are at the helm of per capita power consumption, Bihar occupies the bottom position in per capita power consumption as the state services a largely domestic and agrarian power consumer base.

However, overall power consumption in India has constantly increased in tandem with India's GDP, barring FY21 where the consumption decreased due to Covid-19 lockdown and subsequent decrease in the economic activities.

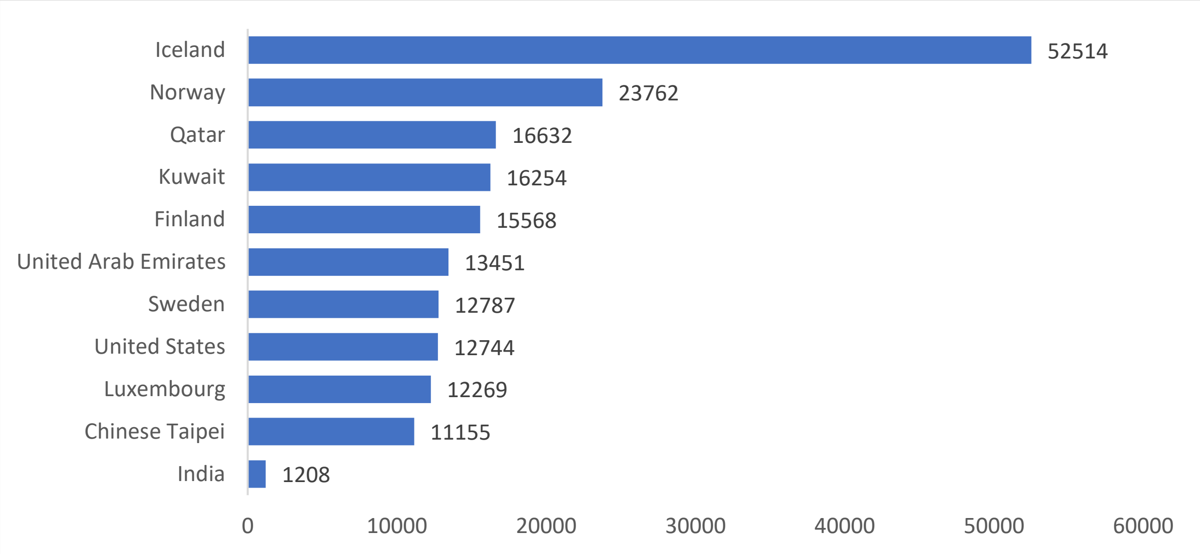
Additionally, the trend of this increasing power consumption is expected to continue due to increased demand from industrial and manufacturing sector as well as better connectivity.

Annual per capita consumption of electricity (KWh)



Source: CEA, CRISIL MI&A

Per capita consumption of electricity (KWh) for top 10 countries (2019)



Note: ($) Per Capita Consumption= (Gross Electrical Energy Availability/Midyear Population). This is the latest available data as per IEA

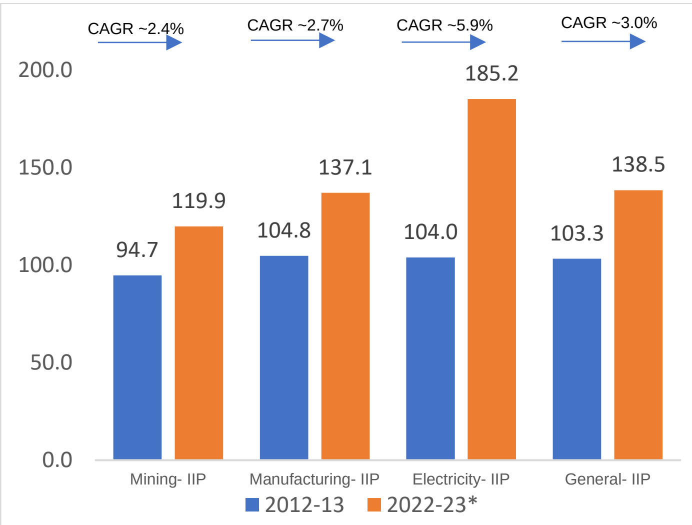
India 2019 data is of FY20

Source: World bank, IEA, CEA, CRISIL MI&A

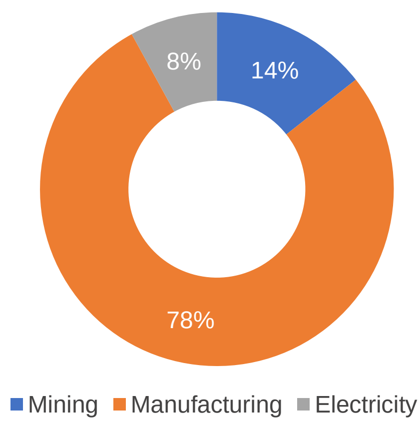
Manufacturing Index for Industrial Production above pre-Covid-19 levels in FY23 indicating increased consumption and demand for power

The Index of Industrial Production (IIP) for manufacturing saw a steady growth from 104.8 in FY13 to 137.1 in FY23. The IIP is a crucial economic indicator that measures the volume and growth of industrial output in various sectors. The manufacturing sector is a significant contributor to the country's over industrial growth. As of FY23, the sector has 78% weightage in the overall IIP.

Manufacturing IIP (FY13-23)



Weight of manufacturing in IIP (FY23)



** Figures for FY23 are provisional*

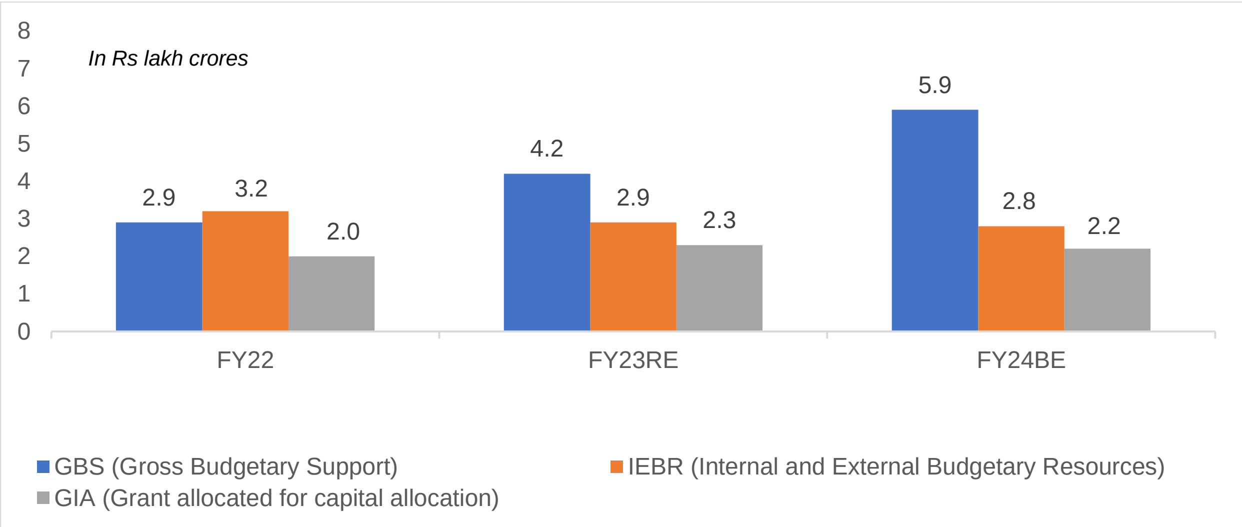
Source: MoSPI, CRISIL MI&A

Sharp increase in capital investment outlay to boost infrastructure, expected to increase demand for electricity related product offerings

For FY24, there is a significant boost in the aggregate budgetary support for capital expenditures (including capital outlay, grants for capital creation, and internal and external budgetary resources), reaching Rs 18.6 lakh crores, which marks a substantial increase of 28% compared to the estimates of the preceding FY23E.

Within capital expenditures, the focus on enhancing infrastructure sectors is also evident, which includes 11 core infrastructure ministries of Road Transport and Highways, Housing and Urban Affairs, Civil Aviation, Power, Railways, Shipping, Rural Development, Water Resources, New and Renewable Energy, Ministry of Defence, Petroleum and Natural Gas. The share of these 11 core infrastructure ministries accounts for nearly ~60% of the overall capital expenditure and the aggregate budgetary support for capex for these 11 infrastructure ministries is up by 19% at Rs 10.9 lakh crores in FY24 budget. Within, the infrastructure basket, the railways (25% growth), water (73%), renewables (38%), Petroleum and natural gas (69%) get a stronger impetus, whereas the share of roads and railways account for ~55% of the overall infra capital expenditure.

Capital outlay across top 11 infrastructure ministries



Note: 11 core infra ministries include Road Transport and Highways, Housing and Urban Affairs, Civil Aviation, Power, Railways, Shipping, Rural Development, Water Resources, New and Renewable Energy, Ministry of Defence, Petroleum and Natural Gas; For Ministry of Power GIA is calculated as per Crisil MI&A

RE Revised Estimates, BE: Budget Estimates

Source: Budget Documents, CRISIL MI&A

Key government initiatives to boost infrastructure & manufacturing segment

Growth driver	Description and reasoning
National Infrastructure Pipeline (NIP)	NIP outlined by the Government of India entails an investment of ~Rs 11,100,000 crores over FY20-25. NIP is expected to drive infrastructure investments as nearly Rs 75,00,000 crores worth of projects are currently under construction. Engineering Procurement and Construction (EPC) dominates mode of implementation of projects as ~72% of the outlined spends come under this mode. Even though capital spending of ~Rs 11,100,000 crores might not be completed by 2025, CRISIL MI&A expects 70-75% achievement of these outlined spends, which is expected to give a huge boost to the infrastructure of the country
National Monetisation Pipeline (NMP)	Union Minister for Finance and Corporate Affairs, Smt Nirmala Sitharaman, launched the 'National Monetisation Pipeline (NMP Volumes 1 & 2)'. NITI Aayog has developed the pipeline, in consultation with infrastructure line ministries, based on the mandate for 'Asset Monetisation' under Union Budget 2021-22. NMP estimates aggregate monetisation potential of Rs 6,00,000 crores through core assets of the Central Government, over a four-year period,

	from FY22 to FY25. Asset monetisation, based on the philosophy of Creation through Monetisation, is aimed at tapping private sector investment for new infrastructure creation. This is expected to help create employment opportunities, thereby enabling high economic growth and seamlessly integrating the rural and semi-urban areas for overall public welfare
PM Gati Shakti	PM Gati Shakti is essentially a digital platform to bring 16 Ministries including Railways and Roadways together for integrated planning and coordinated implementation of infrastructure connectivity projects. The multi-modal connectivity will provide integrated and seamless connectivity for movement of people, goods and services from one mode of transport to another. It will facilitate the last mile connectivity of infrastructure and also reduce travel time for people. PM Gati Shakti will incorporate the infrastructure schemes of various Ministries and State Governments like Bharatmala, Sagarmala, inland waterways, dry/land ports, UDAN etc. Economic Zones like textile clusters, pharmaceutical clusters, defence corridors, electronic parks, industrial corridors, fishing clusters, agri zones will be covered to improve connectivity & make Indian businesses more competitive
Production linked incentive (PLI) scheme	PLI scheme is expected to provide the necessary boost to the industrial sector. The scheme is a time bound incentive scheme by the Government of India which rewards companies ranging from 5-15% of their annual revenues based on the companies meeting pre-decided targets for incremental production and/or exports and capex over a base year. Industrial investments are expected to increase by 25-27% during FY24-28 compared to FY19-23. The rise in investments is projected due to inclusion of PLI scheme in the capex investments of industrial sector.
Increase in central & state government capital expenditure	Based on various state budget documents, capital expenditure of 20 states was up ~20% in FY23 over FY22 revised numbers. Gross fixed capital formation (GFCF) can be considered as a proxy for the construction sector. The on-year rise in GFCF is attributable capex by the central government which recorded a 9% on-year rise in Q4FY23. Capital expenditure by central government showed an increase of 16-18% in FY23 for roads sector. Similarly, budgeted capital outlay for railways sector was 50% higher in FY24 compared to FY23. These increasing trends in capex by central & state governments is expected to drive investments in the overall construction sector
Infrastructure investments expected to drive the sector	Growth in construction sector to be propelled by the infrastructure segment over the medium to long term as the building construction and industrial sector are expected to record sedate growth rates.

Source: Budget Documents, CRISIL MI&A

India has seen robust growth in per capita income in recent times pointing towards increased demand of power

India's per capita income, a broad indicator of living standards, rose from Rs 63,462 in FY12 to Rs 98,374 in FY23, at a 4.1% CAGR. Per capita income recovered 7.6% and 6.3% in FY23 and FY22, respectively, after declining 8.7% in FY21. Growth was led by better job opportunities, propped up by overall GDP growth. Moreover, population growth remained stable at ~1% CAGR.

Per capita net national income at constant prices

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21 RE	FY22 RE	FY23 PE	CAGR FY12-23
Per capita net national income (Rs)	63,462	65,538	68,572	72,805	77,659	83,003	87,586	92,133	94,270	86,054	92,583	98,374	4.1%
On-year growth (%)	N.Ap.	3.3	4.6	6.2	6.7	6.9	5.5	5.2	2.3	-8.7	7.6	6.3	N.Ap

Note: RE: revised estimates, PE: provisional estimates; N.Ap. stands for not applicable
Source: Provisional Estimates of Annual National Income, 2022-23, CSO, MoSPI, CRISIL MI&A

3. Overview of global investments driving demand for power and electrical products

In this section, CRISIL MI&A has given details on global investments potential in power and electricity generation including infrastructure development, renewable sectors, power storage etc.

A few important definitions used in the module:
Stated Policies Scenario (STEPS): This scenario is designed to reflect the impact not just of existing policy frameworks, but also of today's stated policy plans.

Announced Pledged Scenario (APS): The Announced Pledges Scenario (APS) assumes that all aspirational targets announced by governments are met on time and in full, including their long-term net zero and energy access goals.

Net Zero Emissions by 2050 Scenario (NZE): The scenario maps out a way to achieve a 1.5 °C stabilisation in the rise in global average temperatures, alongside universal access to modern energy by 2030.

3.1 Global investments in power sector

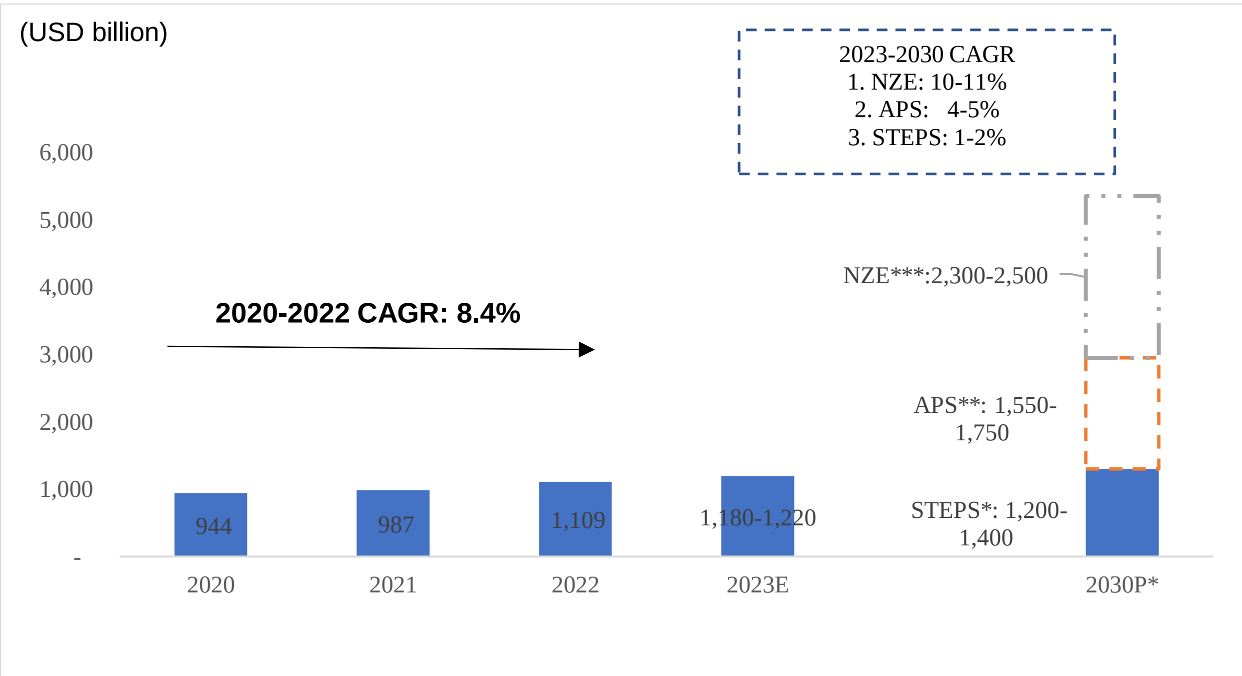
Global power sector investments expected to post a growth of 30-35% by 2030 compared to 2023 based on APS scenario

Global power sector investments increased from USD 944 billion in 2020 to USD 1,109 billion in 2022. Power sector investment grew by ~12% in 2022, crossing USD 1,000 billion for the first time, with 2023 expected to see further growth to ~USD 1,200 billion. Major effect of the global energy crisis has been to accelerate the investments to deploy cleaner energy technologies.

Global investments on renewables reached USD ~600 billion, driven by solar and wind investments. As there is a push for renewables in large markets such as USA, China, Europe and India, and the gradual decrease in supply chain pressures, higher capacity additions are expected in solar and wind power sectors going forward. As a result, 2023 is expected to post USD 650 billion of global investments in renewable power.

Investments in the power sector are expected to be driven by renewable power and electricity grid. Based on projection scenarios, investments are expected to post modest growth based on Stated Policies Scenario (STEPS). Based on Announced Pledged Scenario (APS), global investments in power sector are expected to be in the range of USD 1,600-1,700 billion in 2030 (~30-35% higher compared to 2023), while based on Net Zero Emissions by 2050 Scenario (NZE), global investments in power sector are expected to be in the range of USD 2,350-2,450 billion in 2030 (more than double compared to 2023).

Global investments in power sector (projections based on multiple scenarios)



*Note: E stands for estimated, P stands for projected; *2030 projections based on Stated Policies Scenario (STEPS); **As per Announced Pledged Scenario (APS); ***As per Net Zero Emissions (NZE) by 2050 Scenario; All numbers based on 2022 USD rates*
Source: IEA, CRISIL MI&A

Investments in power grids continue to rise in advanced economies

Global investments in power grid and storage segments has seen a steady growth of 7.8% between 2020 and 2022 growing from USD 303 billion in 2020 to USD 352 billion in 2022. Advanced economies and China continue to lead investments in grids, accounting for ~80% of the global spending in 2022. Digital spending plays a critical role in enhancing the reliability, flexibility and efficiency of power grids. There is an increasing focus on the distribution segment, which represents over 75% of the total digital spend as of 2022. The Covid-19 pandemic and focus on affordability for consumers have left grid investments soft over the years in these economies. Investments in battery storage have more than doubled in 2022 and crossed USD 20 billion, with US, and Europe accounting for 90% of the spending.

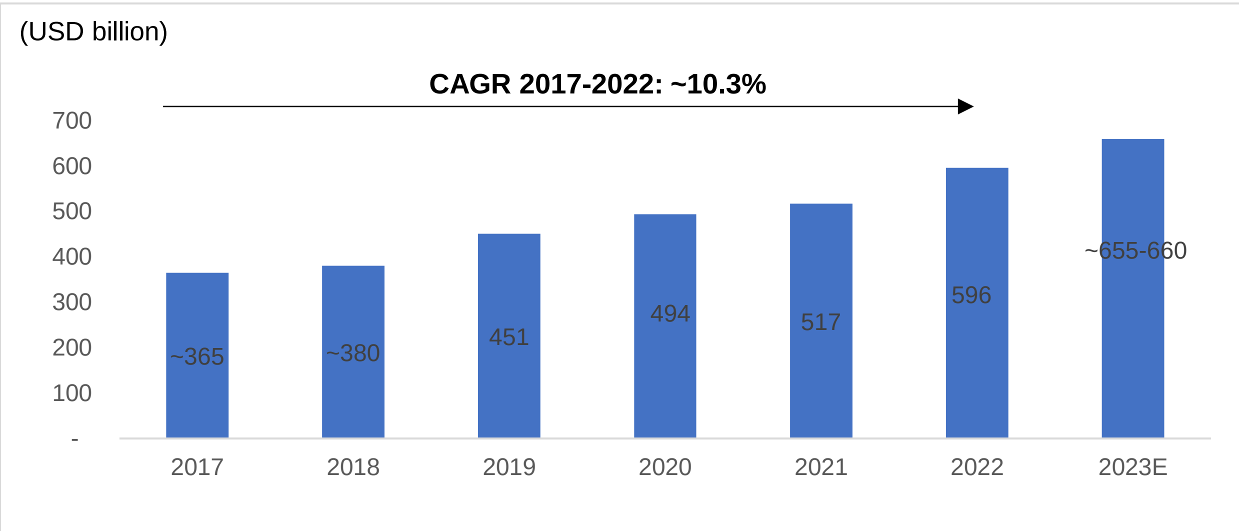
3.2 Overview of global investments in renewable energy segment

Investments in renewables have accelerated during the global energy crisis

Global investments on renewables were at their highest levels in 2022 (~USD 600 billion), driven by solar and wind. As there is a push for renewables in large markets such as USA, China, Europe and India, higher capacity additions are expected in solar and wind power sectors. As a result, 2023 is expected to post USD 650 billion of global investments in renewable power. Despite upbeat expectations for clean power, final investment decisions (FIDs) in 2022 had a mixed picture. Solar project approvals remain strong, while offshore wind lags behind.

Based on 2022 USD rates, global investments in renewable power have grown from USD ~365 billion in 2017 to USD ~600 billion in 2022, registering a CAGR of ~10.3%.

Global investments in renewable power



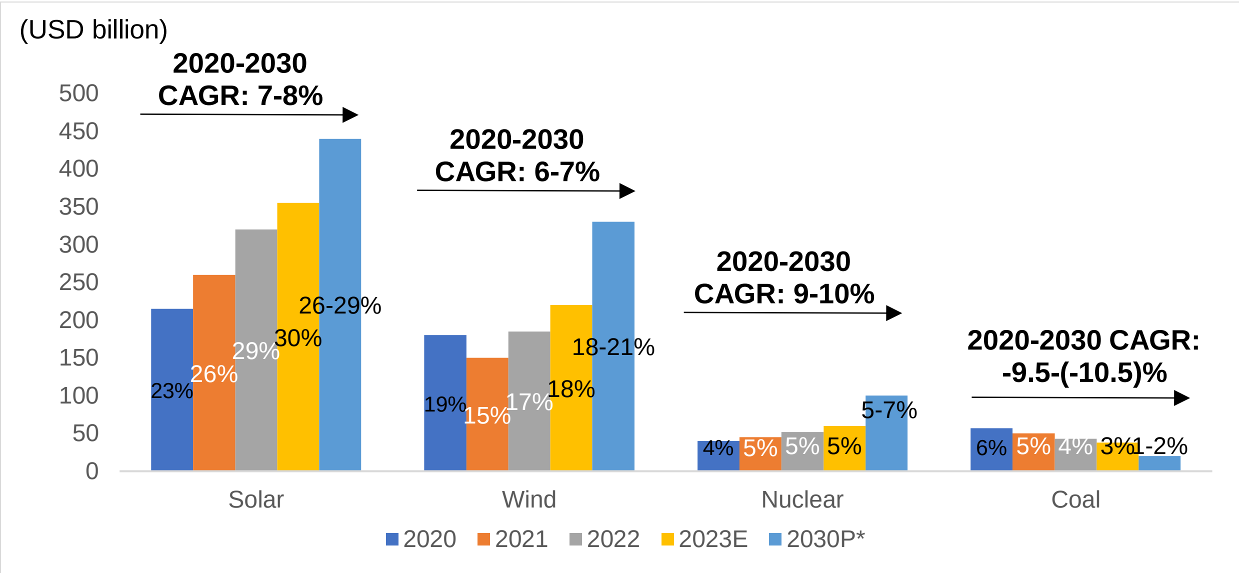
Note: E stands for estimated; all numbers based on 2022 USD rates
Source: IEA, CRISIL MI&A

Global investments in solar, wind and nuclear power to see robust growth between 2023-2030

Solar power generation investments' share in global power sector investments globally has increased from ~23% in 2020 to an estimated 30% in 2023. It is expected to remain in the range of 26-29% in 2030. Wind power generation investments' share has remained in the range of 15-19% over 2020-2023. It is expected to remain in the 18-21% range in 2030. Nuclear power generation investments' share has seen an increase from 4% in 2020 to 5% in 2023. It is expected to record 5-7% share in 2030. The share of coal power generation in global power sector investments has been falling. Its share fell from 6% in 2020 to an estimated 3% in 2023. It is further expected to reduce to 1-2% in 2030. 2030 figures are estimated based on Announced Pledged Scenario (APS).

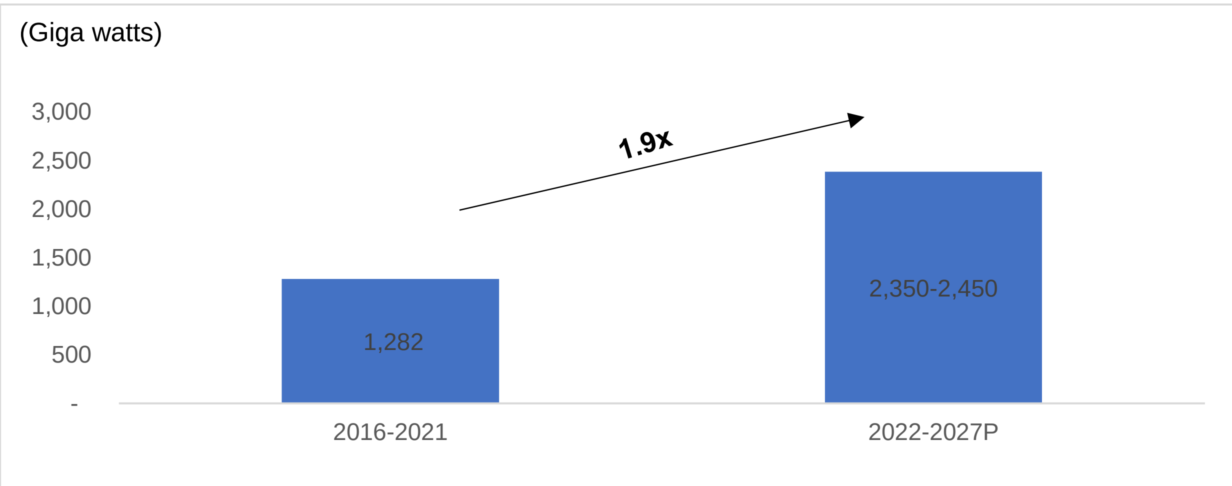
Globally, capacity additions in renewable power were ~1,300 giga watts (GW) between 2016-2021. It is expected to post a robust growth and grow by ~90% to 2,350-2,450 GW between 2022-2027

Global annual investment in power generation and share in total investments by select technologies



*Note: E stands for estimated, P stands for projected; Data label figures represent percentage share out of total investments in power sector for that year while the bar size represents the annual investment in USD billion as per the axis; *2030P numbers estimated based on Announced Pledged Scenario (APS); all numbers based on 2022 USD exchange rates*
Source: CRISIL MI&A

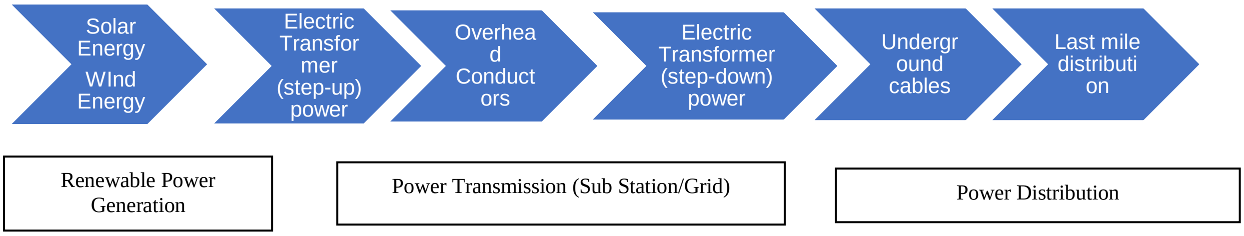
Capacity additions in renewable power expected to post robust growth



Note: P stands for projected
Source: IEA, CRISIL MI&A

Globally, renewable energy share is expected to increase from 28% in 2021 to 38% in 2027 curbing coal, gas, stabilizing emissions, lowering CO2 intensity. Additionally, this increase in share of renewable energy is expected to offer business opportunities in the cables, conductors as well as transformer oil segment among others.

Value chain of Renewable Energy generation



Infrastructure requirement of each stage

Stage	Needed select infrastructure components*
Renewable Power Generation	String Cables, Low Voltage Cables, Nacelle Wiring, Torsion Cables, Tower Cables, Control Cables, Earthing Cables, Fire Resistance OFC Cable, LAN Cable
Power Transmission (Sub Station/Grid)	Transformer Oil, CTC Conductors PICC Conductors, T&D Traditional Overhead Conductors, T&D New generation Overhead Conductors, OPGW, ADSS Cables, Turnkey Solutions, Medium Voltage Covered Conductors
Power Distribution	Application based Cables and Wires, Light Duty Cables, FTTX Cables, ADSS Cables

Note: The above list is only indicative and not exhaustive of nature
Source: CRISIL MI&A

New policies providing impetus to renewable energy capacities across countries

Below table lists down key policies announced in 2021 and 2022 in select countries and regions which are providing an impetus to renewable and low emission energy capacities. All the climate pledges announced to date, if met in full and on time, would be enough to hold the rise in global temperatures to 1.8 °C by 2100.

Region	Key policies
United States	Approval of inflation reduction act: -Tax credit extensions for solar photo voltaic (PV) and wind: production credit (per unit of energy) and investment credit (capital costs) -Investment tax credit also available for battery storage and zero-emission nuclear -Financial support for grids and manufacturing clean power equipment
China	-14th Five-Year Plan raises renewable target to 33% of power consumption by 2025 (and 18% for non-hydro renewables)
Europe	-Increase EU 2030 renewables target to 45% by 2030 (whole energy matrix not just power) -Fast-tracking permitting process plus ~EUR 225 billion in loans for grids -Proposed reform of market design and technology-specific targets for EU manufacturing capacity
India	-Continues to expand the production linked incentive scheme which includes the following: - 50 giga watt hour (GWh) of battery manufacturing capacity - 40 GW of solar PV manufacturing capacity to be added in next three years
Korea	-Plan to increase nuclear power to 35% of total generation and renewables to 31% from 10% in 2021 by 2036
Southeast Asia	-Indonesia introduced its Just Energy Transition Partnership (JETP) - Renewable energy target up to at least 34% of power generation by 2030, accelerate coal power plant retirement and achieve - net zero emissions in the power sector by 2050

	- USD 20 billion of initial funding - Thailand introduced new regulation for renewable power procurement, establishing the feed-in tariffs payable by distribution companies and capacity targets (additional 5 GW of biogas, solar, solar with storage, and wind) - Philippines set out a 35% renewable electricity generation target by 2030 (from about 20% in 2021) and 50% by 2040

Source: IEA, CRISIL MI&A

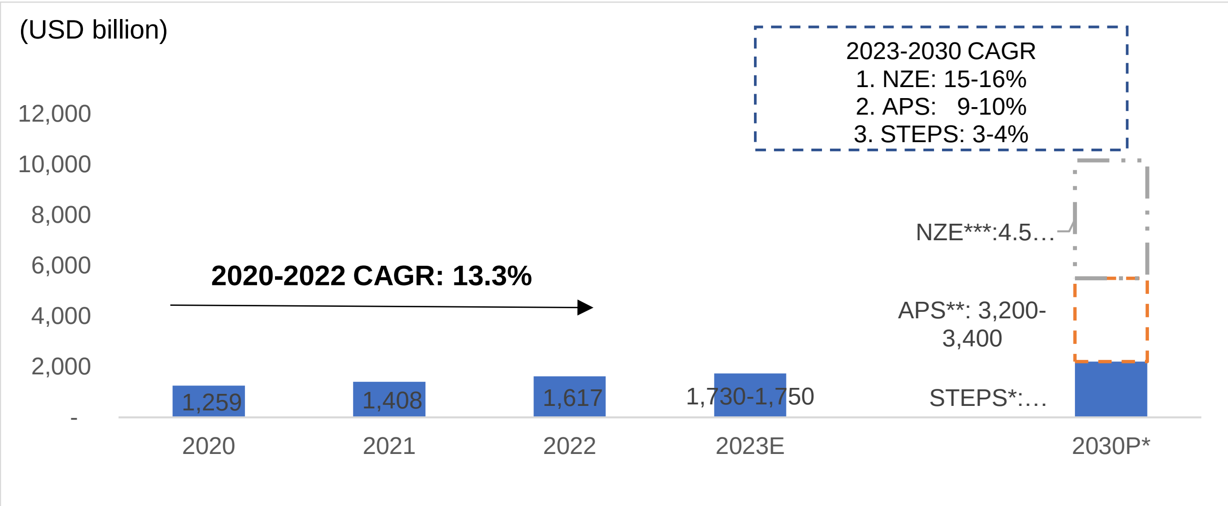
Clean energy investments gathering pace indicating a higher demand for power and energy sectors

Global energy investment is on the rise, with clean energy investment surging ahead since 2021, outpacing fossil fuel investment by nearly three to one. Clean electrification is at the forefront of this progress. Total global investments on clean energy are expected to reach USD 1,730-1,750 billion in 2023, recording a CAGR of 11-11.5% between 2020-2023. If it continues to expand at the same rate observed since 2021, then the combined spending in 2030 on low-emission power, grids, storage, and end-use electrification would surpass the levels needed to fulfil the world's announced climate commitments (the APS). In the case of some technologies, particularly solar power, this investment would align with the funding required to meet the goals for a 1.5°C temperature stabilization on a global scale.

Nonetheless, advancement in this regard has not been uniform. Many nations are falling behind in their efforts to invest in the expansion and modernization of energy grids. The increasing proportion of solar and wind energy sources necessitates concurrent investments in technologies that enhance the adaptability of power systems. There are potential challenges related to supply chain and workforce capabilities that could impede growth. Most importantly, the disparities in investment across regions need to be addressed, as clean energy investment in numerous emerging and developing economies is progressing at a sluggish pace, and a significant portion of the population still lacks access to modern energy services.

Overall, investments in energy to grow at a CAGR of ~5% between 2023 and 2030 based on IEA APS scenario. The future outlook indicates a growing shift towards non-fossil and decarbonization technologies in the projection.

Global investments in clean energy (projections based on multiple scenarios)



*Note: E stands for estimated, P stands for projected; *2030 projections based on Stated Policies Scenario (STEPS); **As per Announced Pledged Scenario (APS); ***As per Net Zero Emissions by 2050 Scenario (NZE); all numbers based on 2022 USD rates*
Source: IEA, CRISIL MI&A

The global energy mix is projected to shift towards electricity and hydrogen

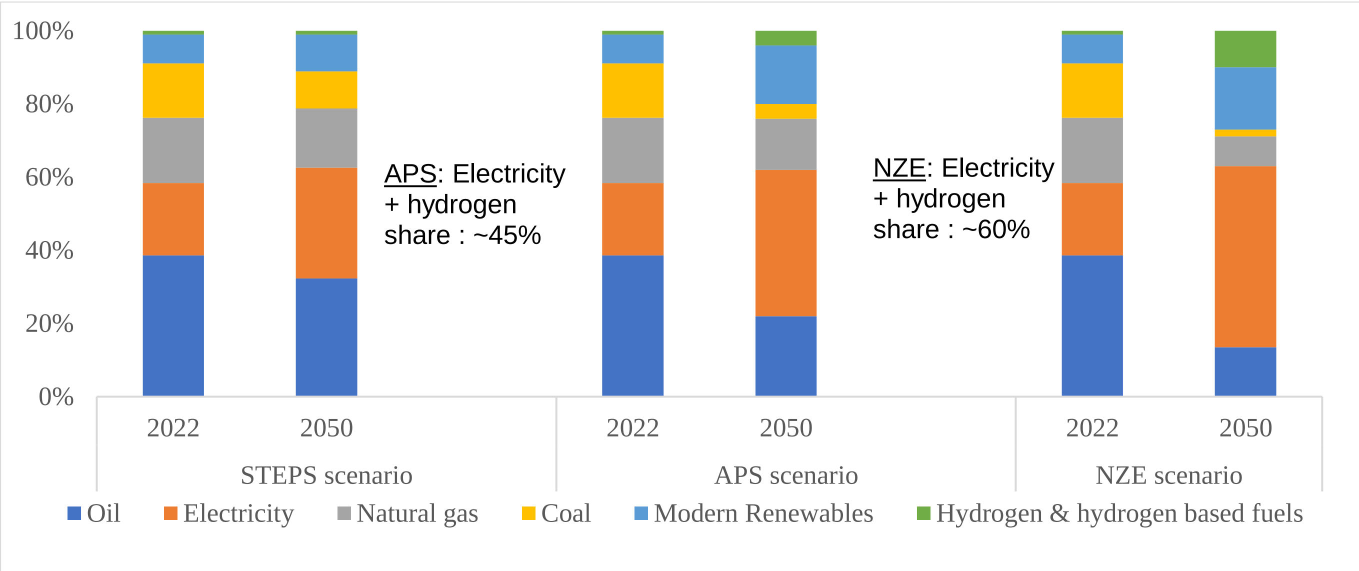
1) The global energy mix is projected to shift towards electricity and hydrogen

Total final energy consumption (TFC) was 442 EJ in 2022. The energy mix in 2022 was skewed towards fossil fuels, with oil & coal contributing to ~54% of the TFC. Share of electricity and hydrogen in TFC was ~21% in

2022. Going forward, share of electricity and hydrogen in final consumption may grow to ~45% under the APS by 2050, ~60% under the NZE by 2050. In the STEPS scenario, TFC rises by1.1% per year to 2030 and then continues to rise at a slower rate through to 2050. TFC is expected to rise by 20-25% in 2050 compared to 2022 based on STEPS scenario. In the APS scenario, TFC rises until the mid-2020s before starting a gradual decline. In the NZE Scenario, TFC declines by an annual average 0.9% every year from now to 2050. Use of fossil fuels in the energy mix is expected to peak by 2030 before declining.

The IEA's World Energy Outlook 2023 report states that renewables will provide 50% of the world's electricity by 2030.

Share of global total final consumption by selected fuel and scenario, 2022-2050



Source: IEA, CRISIL MI&A

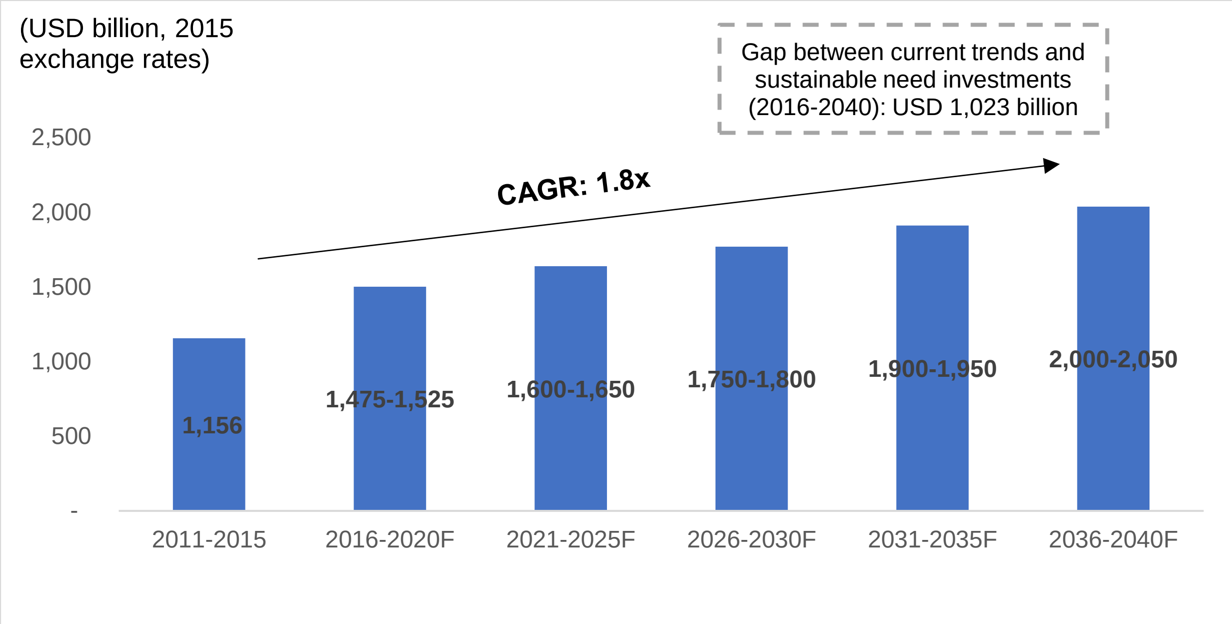
However, despite the growing commitment of governments and businesses to ambitious decarbonization goals, energy markets are experiencing heightened instability due to geopolitical tensions and a resurgence in energy demand.

3.3 Overview of global investments in telecommunication & transport infrastructure and growth outlook

Average annual investment in telecommunication sector to increase from USD 233 billion to USD 314 billion leading to higher requirement of power & electric equipment

As per G20 Global Infrastructure Outlook Report, global investments in the telecommunication sector increased from USD 240 billion in 2010 to USD 296 billion in 2015 at a CAGR of 4.3%. Average annual spending was USD 233 billion during these years. Based on current trends, cumulative investments in the sector will be ~USD 7,838 billion (2016-2040) recording an average of USD 314 billion. Based on investment needs to achieve sustainable development goals, investments between 2016 and 2040 should be ~USD 8,861 billion, at an annual average of USD 354 billion.

Global telecommunication infrastructure spending



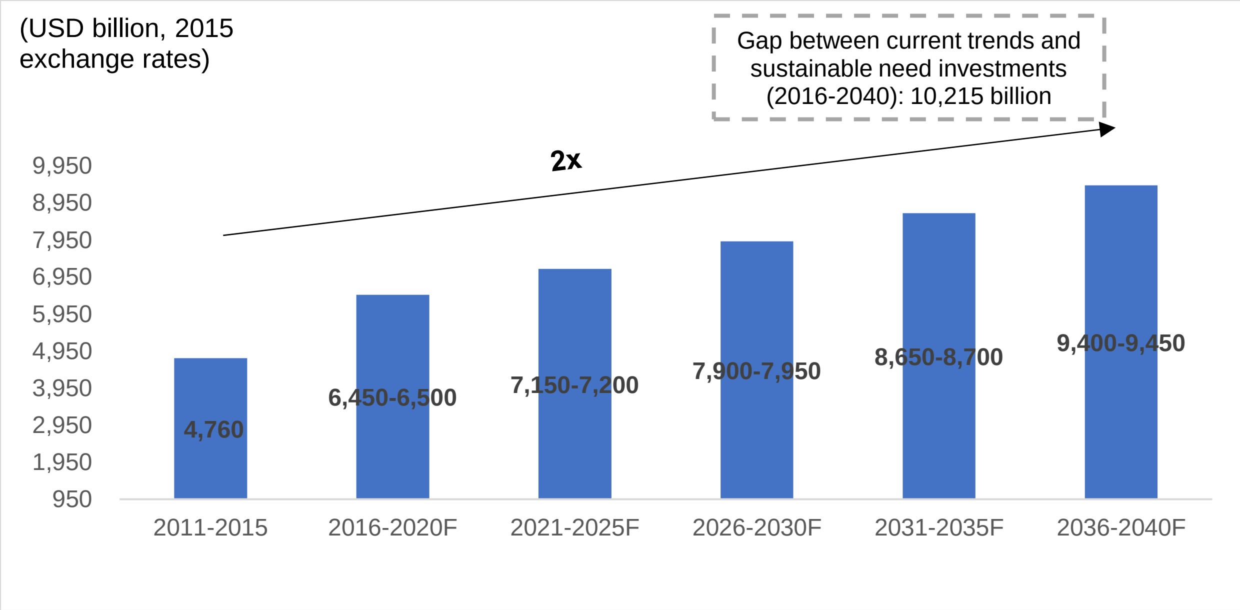
Note: All numbers based on 2015 US dollar prices and exchange rates; forecasts based on current trends given in Global Infrastructure Outlook by G20
Source: G20 Infrastructure Outlook, CRISIL MI&A

Globally the digital transformation is evolving faster. The average data traffic per smartphone is projected to grow from 25 GB per month in 2022 to around 54 GB per month in 2028 with 9.8 billion SIM connections by 2030 (excluding licenses cellular IoT) with 5.5 billion mobile internet users (64% penetration) across the globe. Countries with large population like India have shown very positive growth in terms of internet subscribers, growing from 422 million subscribers in 2017 to 851 million subscribers in 2023. The wired-broadband market in India also found a strong uptake amid the pandemic, thanks to higher data-usage need, driven by work and study at home. The number of wired broadband subscribers increased from 18.2 million in FY17 to 33.5 million in FY23. To increase the broadband connectivity further, Indian government has approved Rs 1.39 lakh crore outlay for BharatNet telecom project for providing last mile connectivity across 6.4 lakh villages in India.

Increase in investments in the transport sector to further drive demand for power & electric equipment

As per G20 Global Infrastructure Outlook Report, global investments in the transport & mobility sector remained fairly constant between 2010-2015 in the range of USD 975-982 billion. Average annual spending was USD 977 billion during these years. Governments are allocating investments in building extensive road networks for freight transportation, ports, tunnels, airports and commercial buildings. There is a steady growth in personal mobility (including intercity) and road freight transportation over longer distances with shorter turnaround time. Based on current trends, cumulative investments in the sector will be ~USD 39,660 billion (2016-2040) recording an average of USD 1,586 billion. Based on investment needs to achieve sustainable development goals, investments between 2016 and 2040 should be ~USD 49,875 billion, at an annual average of USD 1,995 billion.

Global transport & mobility investments



Note: all numbers based on 2015 US dollar prices and exchange rates; forecasts based on current trends given in Global Infrastructure Outlook by G20
Source: G20 Infrastructure Outlook, CRISIL MI&A

Current market trends and policy initiatives in significant automobile markets are fostering a promising future for Electric Vehicle (EV) sales

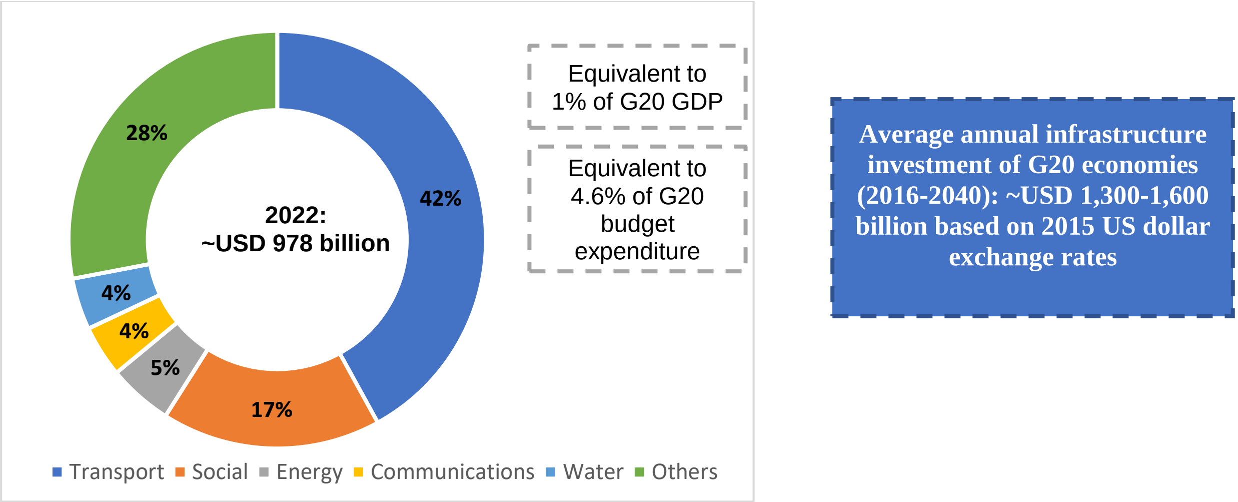
According to the IEA Stated Policies Scenario (STEPS), the global perspective regarding the proportion of electric car sales—based on existing policies and concrete objectives—has risen to 35% by 2030, an increase from the previous projection of less than 25%. The outlook indicates that China will continue to uphold its position as the foremost market for electric cars, accounting for 40% of total sales by 2030 in the STEPS. Simultaneously, the United States is poised to double its market share to 20% by the decade's end due to recent policy declarations stimulating demand. Meanwhile, Europe is anticipated to maintain its current 25% market share. In India, domestic market for electric vehicles (EVs) is expected to grow at a CAGR of 49% between 2022 and 2030. As of Jan 23, 2023, India had 5,254 public electric vehicle (EV) charging stations, to cater to a total of 20.65 lakh EVs. Additionally, expansion of electric vehicle market is highly cable intensive expansion; which will notably accelerate growth of cables market in India.

3.4 Overview of public investments by G20 economies on infrastructure

Increasing investments on infrastructure by G20 economies indicates robust demand for power related products

As per G20 Global Infrastructure Hub infra-Tracker, G20 economies spent USD 978 billion in 2022. 42% of these investments went to transport sector. Other major sectors included social, energy, communication and water. G20 economies will see infrastructure investments grow at a healthy pace in the coming years. Based on G20 Infrastructure Outlook, average annual infrastructure investments of G20 economies (2016-2040) will be in the range of USD 1,300-1,600 billion, indicating concentration of expansion happening simultaneously in G20 countries.

Share of various segments in infrastructure investments (2022)



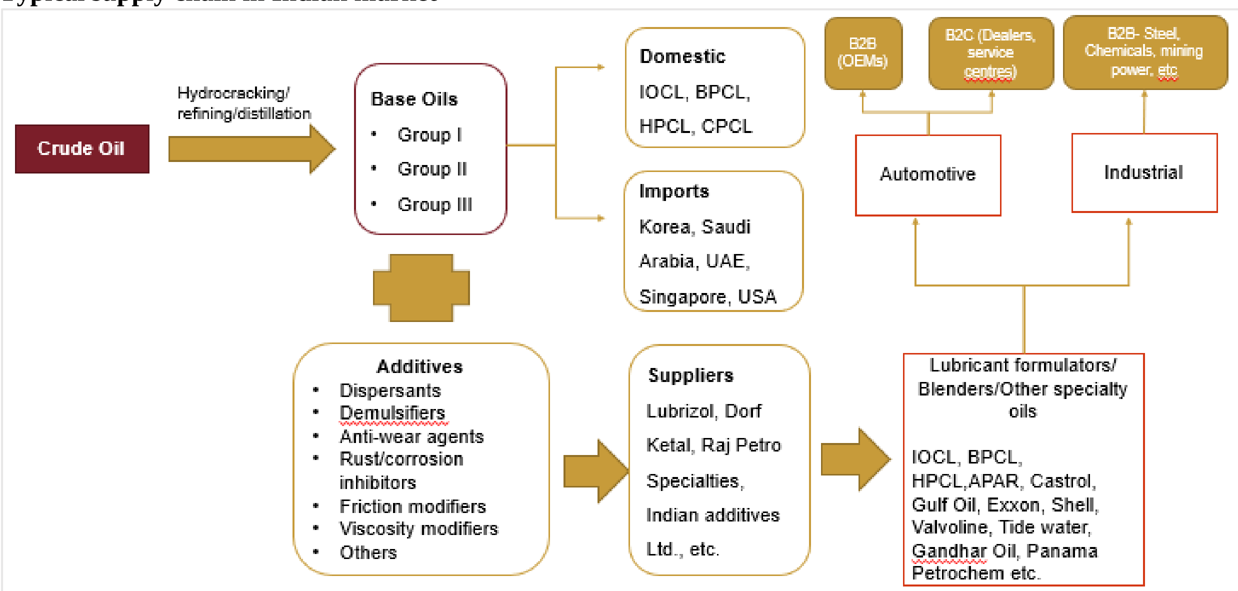
Note: G20 economies include Argentina, Australia, Brazil, Canada, China, European Union, France, Germany, India, Indonesia, Italy, Japan, Mexico, Netherlands, Russia, Saudi Arabia, Singapore, South Africa, South Korea, Spain, Switzerland, Türkiye, United Arab Emirates, United Kingdom, and United States; For outlook, data of United Arab Emirates is not available
Source: G20 Global Infrastructure Hub, CRISIL MI&A

4. Assessment of specialty oils industry in India

4.1 Indian specialty oil industry overview

Base oils are the key raw materials in the production of specialty oils. Base oils and additives are combined to form specialty oils. Typical supply chain of base oils and specialty oils is given below.

Typical supply chain in Indian market



Source: CRISIL Report

Assessment of base oil supply

Group I base oils have higher sulphur content (>0.03%) and less than 90% saturates which makes them less preferred compared to Group II and Group III base oils. Prior to being used to create white oils, Group I base oils must undergo a lengthy purifying procedure. As a result, it is more expensive to produce white oils from Group I base oils. In addition, the supply of Group II and Group III base oils have grown while that of Group I base oils has shrunk. Since Group I base oils have a greater processing cost, white oil providers favour the Group II over the former. Additionally, Group II base oils are usually chosen over Group III base oils due to the latter's higher price. The selection of base oils to produce white oils also depends on the grade of base oil’s availability and intended end use.

Leading specialty oil manufacturers in India import base oil due to host of factors such as volume assurance, unavailability of specific grades, flexibility in credit period.

Import of key base oil grades

Key lubricant manufacturing companies in India directly import base oil stocks from refiners since they require significant volumes annually. However, other companies, which have relatively smaller requirements, procure base oil via traders. Some of the key base oil grades being imported to India across Group-I base oils are SN-150, SN 300, SN 500; Group-II grades such as N-150, N-500, Aramco Prima; and Group-III grades such as Aramco Ultra 2,3 and 8. These grades find applications in formulation of white oil, automotive and transformer specialty oil.

Cost structure breakdown for specialty oils

Basis applications, base oils and additives are combined to form specialty oils. Prices for specialty oils that are included in this research are extremely susceptible to changes in the cost of raw materials. Most of the expense in the cost structure is made up of raw materials like base oils and additives.

- **Base oils**: Base oils are made from crude oil directly. The production, availability and pricing of base oils are all directly impacted by changes in the price of crude oil. More than half of the base oil cost structure is made up of crude oil because the price of crude oil plays a considerable role in determining how much basic oils cost.

- **Additives**: The type of additives used depends on the application and oils used. The proportion of additives changes depending on how many are utilised in the final product.

- **Others**: Remaining costs are split between shipping, packing, storage, blending and filling, as well as several other crucial components.

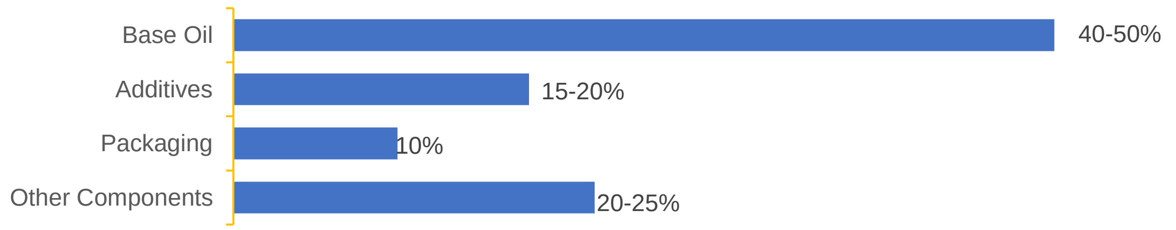
Specialty oil pricing approach

Index-based pricing: The use of a market or raw material index (or group of indices) to calculate and regularly refresh prices is known as index-based pricing. It is usually dependent in situations where the final product is heavily dependent on one primary commodity raw material or made up of multiple volatile additives.

Index-based pricing is the process of calculating and periodically updating prices using a market or raw material index. Index-based pricing emerges to facilitate customer contract negotiations and make it easier for buyers and sellers to sign longer term contracts. It results in a transparent pricing method and fewer hassle of negotiations and assists suppliers in protecting their profits in volatile markets.

Other approach: The other approach involves price formulation by suppliers based on previous raw material price fluctuations and end-use demand growth. Non-index-linked approaches don't consider the present demand and supply conditions of raw materials and offer no insight into future price trends, leading to unfair price formulations that may negatively affect supplier margins.

Figure 1: Specialty oil cost structure breakdown by value



Note: Other components include import duties, manufacturing costs and freight costs

Source: CRISIL

Introduction to specialty oils and its applications

Specialty oils consist of white oils, automotive oils, transformer oils, industrial oils, rubber process oils etc. Applications and end-use segments of each type of specialty oil are given below.

End-use segments of specialty oils

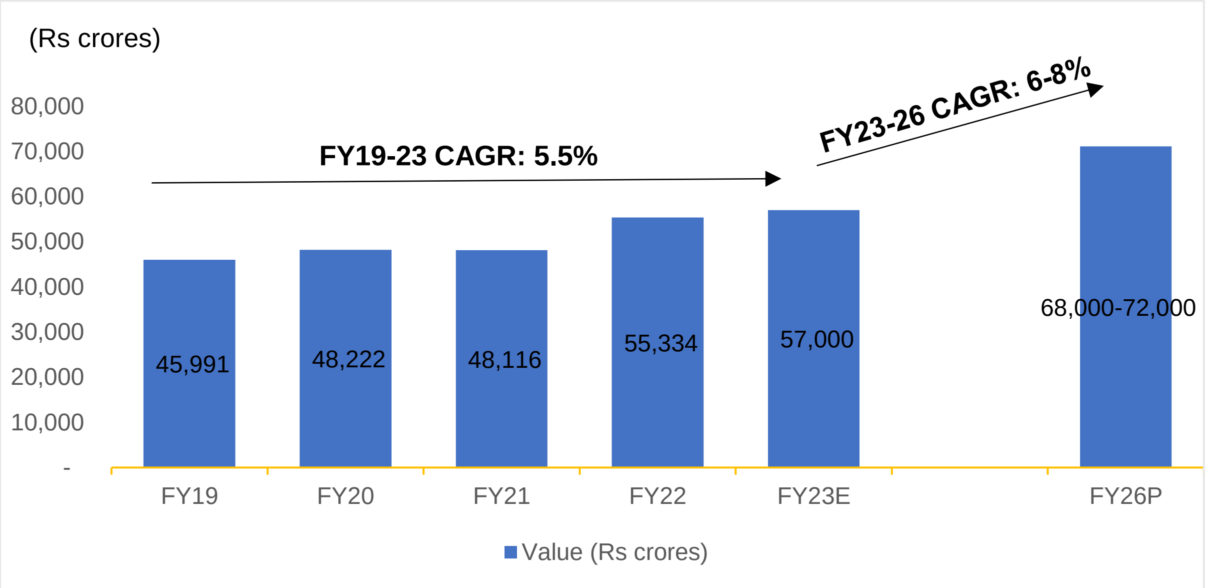
<table>
<tr><th>Specialty oil</th><th colspan="2">Applications</th></tr>
<tr><td rowspan="6">White oil</td><td colspan="2"><u>Consumer products</u>
Beauty & Personal Care (BPC): Used as emollients and moisturisers in skin care creams, hair products as hair oils and styling gels, shaving creams, and lotions
Consumer food: Food grade white oils are commonly used as a lubricating agent in food processing, releasing agent, and a de-foaming agent</td></tr>
<tr><td colspan="2">Pharmaceuticals: Bases for tropical formulations such pomades, balms, creams, and lotions; a delivery system for injectables, pharmaceutical active components, vaccinations, and laxatives</td></tr>
<tr><td colspan="2">Plastics / polymers: Extensors, dyes, lubricants, plasticisers, softeners and plasticisers for polythene, rubber and utilised as a catalyst vehicle</td></tr>
<tr><td colspan="2">Adhesives & sealants: Applied in adhesive and hotmelt compositions</td></tr>
<tr><td colspan="2">Textiles: Employed in the production of wool, pulverisation of cotton bales and production of specialised lubricants for textile machinery</td></tr>
<tr><td colspan="2">Others: Includes agrochemicals, paints, and papers. Used as a solvent or ingredient in oil paint, high molecular weight polyethylene, rubber, and leather manufacturing</td></tr>
<tr><td>Petroleum jelly</td><td colspan="2">The end-use segments of petroleum jelly include pharmaceutical, cosmetics, personal care, food, textile, and others. The pharmaceutical and medical segments are anticipated to experience extremely rapid revenue growth during the projection period, thanks to the increased use of petroleum jelly as a maintenance therapy for atopic dermatitis, a powerful occlusive moisturizer, and for prevention of skin infections following ambulatory procedures. Petroleum jelly helps reduce the amount of air loss to the front of the masks and offers an additional barrier against skin irritation triggered by surgical spectacles. Petroleum jelly is generally accessible in all healthcare settings and provides a practical and affordable method for dermatitis treatment and prevention</td></tr>
<tr><td>Automotive oil</td><td>Heavy commercial vehicles
Passenger vehicles
Two wheelers
Light commercial vehicles</td><td>Used as lubricants, grease, etc for the proper functioning of engine and other vehicle parts.</td></tr>
<tr><td rowspan="3">Transformer oil</td><td colspan="2">Power transformer: Ensures efficient performance and optimal functioning of the equipment, thereby increasing the service life.</td></tr>
<tr><td>Transmission & distribution
Power</td><td>Use of transformer oil provides necessary insulation required for proper functioning of the equipment, thereby preventing electrical breakdown</td></tr>
<tr><td colspan="2">Railway: Specialty oil has multiple use cases in railways including lubricants, which helps in smooth functioning of critical parts like engines, bearings, etc which not only help in overall functioning but also helps in optimizing maintenance costs.</td></tr>
<tr><td rowspan="2">Industrial oil</td><td>Heavy construction equipment
Manufacturing</td><td>Industrial oil acts as a critical component which ensures optimal friction levels and proper lubrication which helps in reducing downtime</td></tr>
<tr><td colspan="2">Oil & gas: Use of industrial oil in oil and gas industry ensures proper working of multiple equipment throughout the process of extraction, refining and distribution as well as reduces the maintenance costs of machinery by optimizing friction.</td></tr>
<tr><td rowspan="2">Rubber process oil</td><td colspan="2">Tyre: Used as processing oils while mixing of rubber compounds and acts as an internal lubricant, thereby improving the blending of rubber formulations and overall performance tire tread.</td></tr>
<tr><td colspan="2">Footwear: Use of specialty oil allows needed flexibility by enhancing the performance of rubber compounds which ensures better quality products.</td></tr>
</table>

Source: CRISIL MI&A

India's specialty oil industry expected to grow at CAGR of 6-8% between FY 23-26

The Indian specialty oil market is estimated to be Rs 57,000 crores in FY23 and is expected to reach Rs 68,000-72,000 crores by 2026, at a CAGR of 7-9%. Growth in end-use segments such as pharmaceuticals, consumer foods and factors such as favourable demographics, rising disposable income and government initiatives like the production linked incentive (PLI) scheme are expected to drive this growth in the market.

Indian specialty oil industry's trajectory



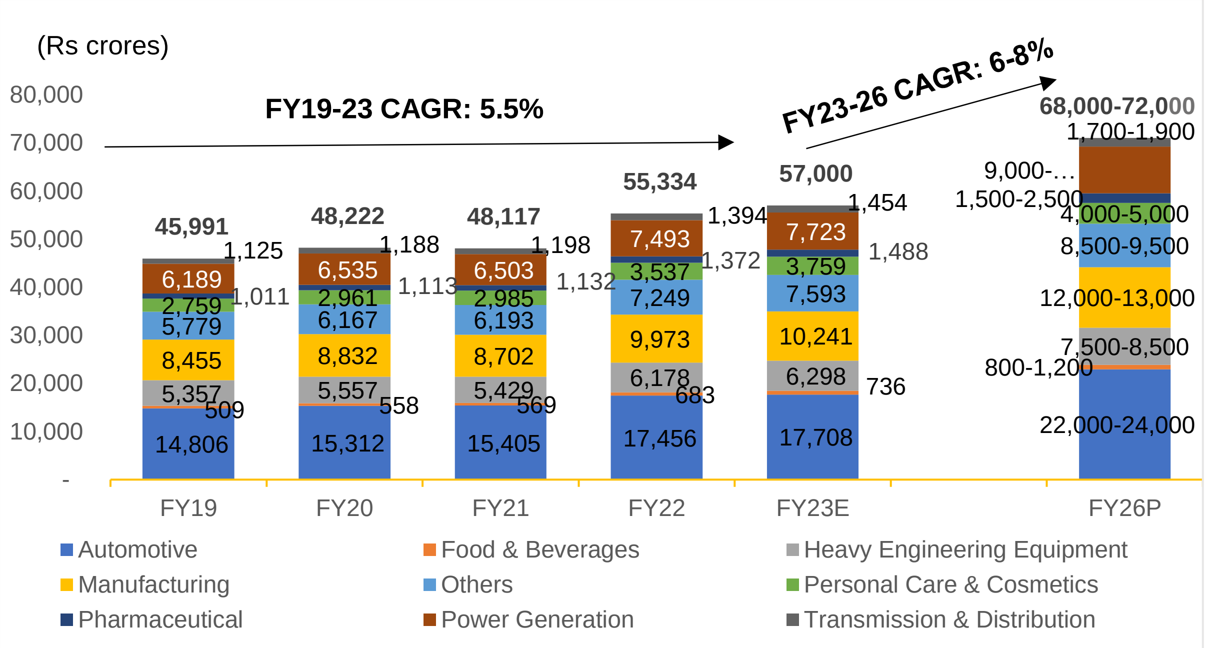
E: Estimated; P: Projected

Source: CRISIL MI&A

Automotive, manufacturing and heavy-engineering equipment dominate the Indian specialty oil industry

The Indian specialty oil market is estimated to be Rs 57,000 crores in FY23 and is expected to reach Rs 70,000-75,000 crores by 2026, at a CAGR of 7-9%. Automotive, manufacturing and heavy engineering make up more than 60% of the market as of FY23. Pharmaceuticals & food & beverages are expected to gain share in the market between FY23 and FY26.

Indian specialty oil industry by end-use segments (Rs crores)



E: Estimated; P: Projected

Source: CRISIL MI&A

Automotive oil holds the largest share in the Indian specialty oil market as of FY23

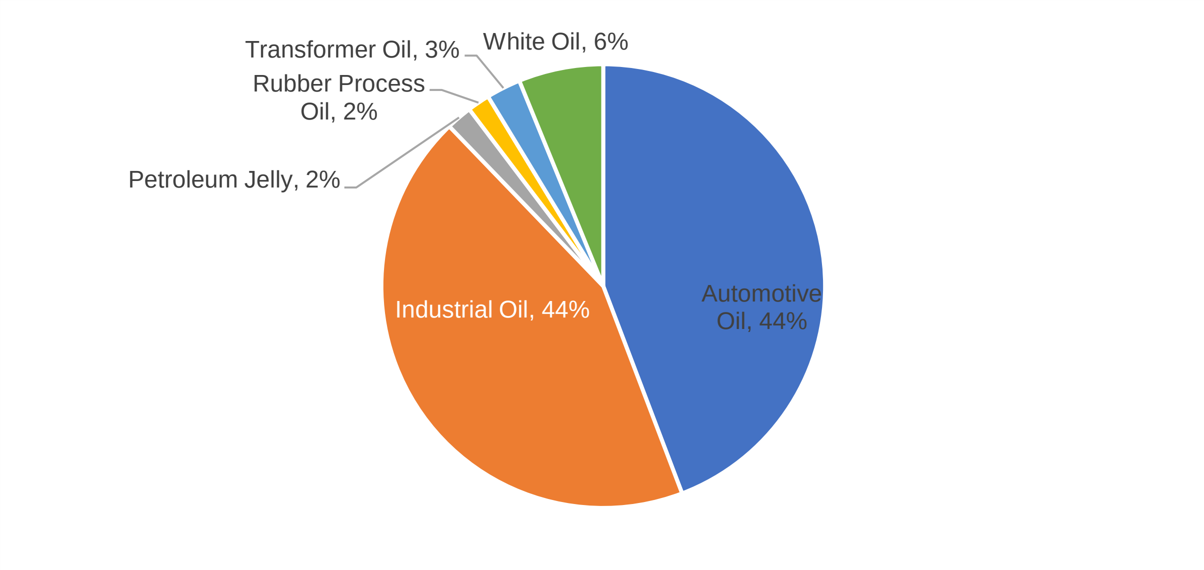
White oil is expected to be the fastest-growing segment over the forecast period, given the favourable outlook for end-user industries amid rising focus on product safety and awareness about health and hygiene. In terms of market share, automotive oil holds the largest share, although the market is expected to provide relatively slow and sustained growth rate. Industrial oil represents the second-largest product category by market size.

Table 1: End-use segments of other specialty oils

Specialty oil	Applications	Forecast
Automotive oil	MHCV*	Medium and Heavy commercial vehicle (HCV) sales are projected to rise at ~2-6% CAGR between FY23 and FY28 vs ~8% CAGR between FY18-23. Growth drivers are improving industrial activity, agriculture mechanization – tractors, farming equipment being driven by agriculture productivity, and the government's focus on infrastructure.
	LCV*	Light commercial vehicle (LCV) demand is expected to moderate by registering ~ (2)-2% CAGR between FY23 and FY28, as pent-up demand was actualized in FY22-23 and the sub-one tonne segment is facing competition from the electric three-wheeler goods market.
	Passenger vehicles	Passenger vehicle demand is expected to increase at 8-10% CAGR between FY22 and FY27, due to improvement in supply because of easing semiconductor shortages. Further, there has been traction in the UV segment due to higher demand, supported by better launches from OEMs.
	Two wheelers	CRISIL MI&A expects domestic two-wheeler sales to record a CAGR of ~8-10% between FY23 and FY28 compared to a decline of ~4% CAGR from FY18 to FY23 on account of a near 40% jump in acquisition cost, depressed income sentiments on account of the pandemic and delay in replacement.
Transformer oil	Power transformer	The transformer industry is expected to grow at ~7-8% CAGR between FY23 and FY25, compared to a negative CAGR of 12% witnessed over FY20-FY22 on account of lower PGCIL ordering and halt in economic activity.
	Transmission & distribution	CRISIL MI&A expects the transmission market to grow at a CAGR of ~4-5% from Rs 24000-25000 crores in FY22 to Rs 27500-28500 crores

Specialty oil	Applications	Forecast
		in FY 25. This compares to a CAGR growth of ~2% over FY 19-22, a period when the market was impacted by economic slowdown followed by pandemic impact on project execution. In last 5 years, 80,000 ckm of transmission lines and 350,000 MVA of transformation capacity were added in India.
	Power	Power demand registered a 9.6% on-year growth in FY23 despite a high base in two consecutive years. CRISIL MI&A expects power demand to gradually pick up, logging a CAGR of 5-7% between FY24-29, on the back of healthy economic growth and expansion of the power footprint via strengthening of distribution infrastructure.
	Railway	The National Rail Plan has laid out a roadmap for the railway network's capacity development by 2030 to accommodate growth until 2050. It calls for the development of a railway network that is prepared for the future and capable of meeting both passenger demand and increasing the modal share of railroads in freight from 26-27% to 40-45%.
Industrial oil	Heavy construction equipment	Construction equipment sector is projected to have risen 16-18% in FY23 driven by growth in the end user industries. Volume growth of 14-16% is projected for FY24 with price rises accounting for the balance as OEM's raise prices attributable to the input cost inflation coupled with increased cost for meeting new emission norms.
	Manufacturing	By 2030, India is likely to contribute more than $500 billion yearly to the global economy and become a major centre for manufacturing.
	Oil & gas	CRISIL Research expects natural gas demand to rise at 7-9% CAGR between FY23 Fy28, to 240-250 million metric standard cubic metre per day (mmscmd). Primarily, incremental demand is expected from city gas distribution (CGD) and the petrochemical segment. The government's steps to attract investments and raise production are expected to expedite the development of fields.
Rubber process oil	Tyre	Tyre demand is projected to increase at a healthy 7-9% compound annual growth rate (CAGR) over FY23-28 driven by multiple factors such as economic expansion, increased consumer spending, infrastructure development, and changing consumer preferences. Additionally, the growing middle class and preference for personal vehicles will boost the demand for cars, utility vehicles, and two-wheelers. The expansion of e-commerce and last-mile delivery services will also fuel the demand for commercial vehicles and, subsequently, commercial tyres.
	Footwear	CRISIL MI&A expect the footwear vertical to grow at a CAGR of 15-20% over FY23 (~Rs 33900 crores) to FY26 (~Rs 54800 crores) on account of a low base and as existing players expand their reach and more players (Steve Madden, Clarks, Pavers England, Aldo, Louis Vuitton) enter the vertical.

Indian specialty oil market share by product type in value (FY23E)



Note: E stands for estimated
Source: CRISIL MI&A

4.2 Exports of specialty oils

CRISIL MI&A has considered the following HS codes for analysis of exports of specialty oils from India: 27101941, 27101942, 27101943, 27101951, 27101952, 27101953, 27101959, 27101961, 27101969, 27101971, 27101972, 27101973, 27101974, 27101975, 27101976, 27101977, 27101978, 27101979, 27101981, 27101982, 27101983, 27101984, 27101985, 27121010 and 27121090. These include gas oil, vacuum gas oils, base oil, distillate oil, residual oil, engine oil, industrial gear oil, general purpose machine oils, lubricating oils, cutting oils conforming to standard IS 1115, hydraulic oil, industrial white oil, transformer and circuit breaker oil, mineral oil for cosmetic industry, jute batching oil, petroleum jelly etc.

Exports of specialty oils grew at a CAGR of ~51% in value between FY21-23

Specialty oil exports increased from Rs 11,680 crores in FY21 to Rs 26,500 crores in FY23, at a CAGR of ~51%. Exports registered a volume growth of ~13% during the same period.

Exports of specialty oils from India (value in Rs crores and volume in billion kgs)

	Value (Rs crores)				Volume (in billion kgs)			
	FY21	**FY22**	**FY23**	**CAGR (FY21-23)**	**FY21**	**FY22**	**FY23**	**CAGR (FY21-23)**
Specialty oils	11,680	24,920	26,500	50.6%	4.4	6.1	5.7	13.3%

Note: Description of HS codes has changed in FY21. As a result, analysis for fiscals prior to FY21 cannot be provided in the current analysis
Source: Ministry of Commerce & Industry, CRISIL MI&A

Price per kg of exported specialty oils from India (in rupees)

	FY21	FY22	FY23
Price per kg (in rupees)	26.5	40.9	46.5

Note: Description of HS codes has changed in FY21. As a result, analysis for fiscals prior to FY21 cannot be provided in the current analysis
Source: Ministry of Commerce & Industry, CRISIL MI&A

4.3 Key growth drivers for Indian specialty oil industry

A combination of economic and demographic factors is expected to drive growth of Indian specialty oil industry. CRISIL MI&A believes the production linked incentive (PLI) scheme launched by the government would also support these drivers.

Rising disposable income

India's per capita income, a broad indicator of living standards, rose from Rs 63,462 in FY12 to Rs 98,374 in FY23, at a 4.1% CAGR. Per capita income recovered 7.6% and 6.3% in FY23 and FY22, respectively, after declining 8.7% in FY21. Growth was led by better job opportunities, propped up by overall GDP growth. Moreover, population growth remained stable at ~1% CAGR. Rising disposable incomes can lead to increased consumption and spending on personal care and wellness.

Government initiatives

The Government of India has launched PLI schemes for 14 sectors, which includes pharmaceuticals, food products, auto (automobile and auto components), and textiles. The scheme is expected to attract investment, enhancing core competency, and bringing cutting-edge technology, ensuring efficiencies, creating economies of scale, enhancing exports, and making India an integral part of the global supply chain. Government initiatives for infrastructure development and manufacturers extending their production capacities are projected to propel India's lubricant market in the near future.

Adoption of supply-chain derisking strategy

China currently controls a significant portion of the global supply of lubricants. However, the Indian lubricant industry is anticipated to have a swift increase in foreign investment because of the strategy of companies across the world, and particularly in Europe, to derisk the supply chain.

Growth in manufacturing industry

With increase in manufacturing opportunity in India, capacity, speed and automation in manufacturing industry will increase. The rise in capacity, speed and automation in the manufacturing industry will lead to higher consumption of lubricants as well as higher value for performance and protection of more sophisticated equipment.

Growing end-use applications

Pharma and consumer sectors poised for high growth

Factors such as government initiatives for development of local manufacturing infrastructure and reducing dependency on imports, growing penetration of sales channel in tier 3 and 4 cities, rising living standards, and growing awareness about hygiene would drive growth across sectors such as pharma, personal care, and food and beverages.

Increasing demand for two-wheelers, passenger, and commercial vehicles to aid automotive segment

By 2030, India is expected to be the third-largest automobile market globally in terms of volume. The Indian automotive market will be driven by rising income, a younger population, increasing vehicle penetration, growing R&D hubs, and government initiatives in the automotive sector. The latter includes Amtanirbhar Bharat Abhiyaan and PLI scheme to boost manufacturing of advanced automotive technology products and attract investments in the automotive manufacturing value chain. Other significant growth drivers of the Indian automotive business include easy access to credit and financing, low-cost steel manufacturing, flourishing logistics and passenger transport sector, and the availability of cheap labour.

PLI scheme to provide boost to industrial investments in the short to medium term

Construction spends across industrial investments in FY23 saw a 7-10% rise due to a high base in FY22 where the sector grew due to deferred investments from FY21and capex investments from the PLI scheme coming online. Based on an analysis of eight key sectors, CRISIL MI&A estimates construction investment in the industrial segment at Rs 2,80000-3,00000 crores between FY24 and 2026, rising 1.2 times over spends seen in FY21 and FY23. The rise in investments is projected due to inclusion of PLI scheme in the capex investments of industrial sector.

Favourable demographics

India's population grew to ~1.2 billion according to Census 2011, at a CAGR of 1.9% over 2001-11. As per the 2010 census, the country had ~246 million households.

According to the United Nation's (UN) World Population Prospects, 2022 revision, India and China, two of the most populous countries, accounted for nearly 36% of the world's population in 2021. The report projects India's population to increase to 1.5 billion by 2030, at a CAGR of 0.8% over 2020-30.

According to UN estimates, India surpassed China to become the most populous country in April 2023 with 1.425 billion people, matching and then surpassing the population of Mainland China

According to the UN, the global median age rose to ~30 years in 2020 from ~20 years in 1970. This is lower than the median age in developed countries such as the US (37.5 years) and the UK (39.5 years).

Interestingly, India's median age is 27.3 years, indicating a favourable demographic dividend. Furthermore, it is the lowest among its BRIC peers: Brazil (32.4 years), Russia (38.6 years), and China 37.4 years

Also, India's urban population is expected to continue to rise on the back of economic growth. The urban population is projected to increase to nearly 40% by 2030 from ~31% of the total population in 2010, according to a UN report on urbanisation. This supports the country's strong consumption profile

4.4 Key challenges for Indian specialty oil industry

The specialty oil business is capital intensive in nature, and involves inherent complexities in terms of technology, hazards management and regulations. Technical expertise and operational track record also matter. The types of entry barriers and challenges are detailed below.

Volatile raw material prices

Fluctuating crude oil prices, the key raw material to make base oils which are used to produce various specialty oils directly impact the profit margins of specialty oil companies. When prices are high, it can be less profitable due to high raw material price. Volatility also makes it challenging for companies to plan long-term investments. In the specialty oil market, a major component of raw materials is the base oil that is derived from vacuum gas oil, which is by-product of crude oil. Base oil constitutes 40-50% of the price of finished specialty oil products. Since the base oil is derived from crude oil, any increase in crude oil prices would affect the production cost. Increases in production costs as a result could have a detrimental impact on sales volume, in turn, on the financial situation and operational results. Apart from base oils, fluctuations in prices of additives and packaging also affects the margins of players operating in the industry.

Strong supply chain

Specialty oil manufacturers need to have either their own extensive distribution network or access to existing distribution channels for supply of products to customers in an efficient manner. The company's geographic reach and lead time depend on the strength of its supply chain network.

Regulatory requirements

White mineral oils should be highly refined, of the highest quality and ultra-pure before they can be utilized in the production of personal and healthcare products. Given that white oil is applied directly or indirectly to the body, the raw materials used for such products should comply with all applicable national and international standards. Non-compliance could harm the end-user. This may result in deterioration of brand image and legal complications including monetary/ non-monetary penalty. Specialty oil manufacturers of white oil need to comply with standards such as India FDA, ISO certifications, kosher, and halal. The kosher and halal certifications ensure that white oils are safe for use in foods and dietary supplements.

Empanelment with consumer and pharma manufacturers is a challenge

Large, marquee global manufacturers across applications such as pharma, food and beverage, and cosmetics have extensive supplier accreditation and internal approval processes that need to be followed by manufacturers of specialty oils. These include provision of service, safety and performance histories, product trials, plant audits, financial capability, experience, and certifications to be registered, eligible, and approved to conduct business and provide services. The overall time for empanelment of suppliers with marquee manufacturers can take up to 4–5 years. Further, the costs associated with changing suppliers of such products are relatively high, consequently disincentivizing any such change. Customers typically select suppliers after a process of acute review and tend to develop long-term relationships with a limited number of suppliers.

High quality requirements

Specialty oil manufacturers need to adhere to the highest standards of quality. They need to exercise prevention-based quality control checks and undertake checks at multiple stages, including on receipt of raw material, work in progress products and on finished products, at their laboratories and in certain cases at recognized third party laboratories, prior to it being packed to ensure that no defective products are delivered to customers. Defective products, if any, are reprocessed to comply with customer requirements. Internal systems need to be established to take corrective and preventive actions in case of non-adherence to the set quality standards.

Strong brand presence

Suppliers having a strong brand presence enjoy brand loyalty, which attracts customers back to the company. New entrants need to invest heavily to match years of advertising and user experience. Marquee manufacturers across consumer and pharma prefer to procure products from reputed specialty oil manufacturers.

Supply assurance

The end use market is volume-driven since users in industries such as food and beverage, pharmaceuticals, and beauty and personal care are all consumption-driven. In the medium to long term, leading end-user businesses need to be assured of an uninterrupted supply. Hence, there is preference for manufacturers with large and multiple facilities to reduce the threat of supply disruption.

Long-term relationship

Leading consumer and pharma manufacturers prefer long-term relationship with established suppliers of specialty oils as spot purchases from distributors are cost inefficient and lead to erosion in margins. Relationship with established suppliers ensure an assured supply with favourable prices, which is critical for long-term viability of the business

4.5 Key players in the Indian specialty oil industry

Below is the list of key players operating in the Indian specialty oil industry. Below list is not exhaustive and does not contain all players operating in the sector.

Company	Established Year	Products	Indicative End-use Industries
Apar Industries Ltd.	1958	Premium: Napthenic and special grade oils Conventional: Cable compounds, transformer oils, white oils, petroleum	Power, FMCG, auto, industrial pharmaceutical, solar, wind, telecom

		jelly, auto and industrial lubricants	
Castrol India Ltd	1979	Automotive engine oils & lubricants, coolants, greases, hydraulic fluids, metal working fluids	Automotive, industrial, marine, energy, data center
Fairchem Organics Ltd.	2019	Oleo chemicals and nutraceuticals	Paints & Inks, soaps, animal feed, polyamides, cosmetics, textiles, heating fuel, FMCG, pharma
Galaxy Surfactants Ltd.	1986	Surfactants	Personal and home care
Gandhar Oil Refinery India Ltd.	1992	White oils, Petroleum jelly, Transformer oil, rubber process oil, Industrial oil, and Automotive oil	Consumer, healthcare, pharma, industrial machines and equipment, automobile
Gulf oil lubricants India Ltd	2008	Engine oils, driveline fluids, greases	Agriculture, automotive, industrial
Panama Petrochem Ltd.	1982	Transformer oils, white oils, petroleum jelly, waxes, auto and industrial lubricants, rubber process oil, drilling fluids and greases	Power, FMCG, auto, pharmaceutical, industrial
Privi Specialty Chemicals Ltd.	1985	Aroma chemicals	Pharma, Cosmetics, Food, FMCG, Fragrance
Rossari Biotech Ltd.	2003	Textile chemicals, home & personal care, and performance chemicals, animal feed	Soaps, detergents, paints, coatings, textile, personal care, poultry, pet care
Savita Oil Technologies Ltd.	1961	Transformer oils, white oils & liquid paraffins, cable filling & optic fibre compounds, oxidized waxes & wax emulsions, auto and industrial lubricants	Power, auto, FMCG, polymers, plastics, industrial, pharmaceutical, refrigeration, agriculture, thermoplastic rubbers
Tide water Oil Co. (India) limited	1921	Engine oils, industrial lubricants	Automotive, power, industrial, manufacturing,
Valvoline Cummins Pvt Ltd	1994	Engine oils, industrial & hydraulic oils, grease, brake fluid, gear oil, coolants	Automotive, power generation, mining, industry, agriculture

Source: Company websites, CRISIL MI&A

5. Indian Electrical wires, cables, and Power conductors' industry

5.1 Introduction to wires, cables

Wires consists of single conductor and cables are assembly of one or more conductors that are used for the transmission of electricity, data or signals. There are various types and varieties of cables, each designed to perform a specific function. Classification is based on the core structure of the conductor metal (majorly copper and aluminium), number of cores, type of insulation material and arrangement, etc.

Power and electrical cables are segmented into the following, based on voltage capacity:

Low Tension / Voltage (LV) [1.1 kV and below]
High Tension / Voltage (HV) [above 1.1KV to 33 KV]
Extra High voltage (EHV) [66 kV and above] cables

Major uses of power cables are in the power sector (central, state and private electricity utilities) and sectors like petrochemicals, mining, steel, non-ferrous, shipbuilding, cement, railway, and defence.

The performance and durability of cables depend on the quality of raw materials. Specialised applications require superior chemical, mechanical, thermal and electrical performance from cables, resulting in usage of high-performance materials in cable construction. Additionally, it is seen that in order to achieve properties suited for varying applications, every cable has a distinguished construction. The number of SKUs of cables and wires are very high, with 500-600 fastest selling SKUs, differing in application and offering variation in cross-sectional area (size), number of cores used, core material (mainly copper or aluminium), insulation material used, armoured or unarmoured construction for strength, etc.

Cables	Description	Applications
Power Cable	A power cable is an assembly of two or more conductors with insulation and a protective jacket. The power cables industry is classified into low voltage (1.1 kV and below), medium voltage (3.3-66.0 kV), and extra high voltage (132 kV and above) cables. These cables are predominantly used in sub-transmission and distribution of power.	Transmission and distribution of electricity in mainly commercial and industrial settings
Housing Wires	Housing or building wires are usually made up of copper and aluminium. These are majorly used in residential settings and their carrying capacity/ voltage depends on their end use.	Commonly used in everyday household items like for connecting household appliances, power outlets, etc.
Communication Cables	Communication cables are specifically designed to support data transmission across distance at high speed and minimal loss. Examples include, LAN cables, Optic fibre cables, etc.	Used for transmission of data/ voice/ video signals at high speed without major energy loss.
Instrumentation cables	Instrumentation cables are generally used in industrial settings lo carry low voltage signals with high accuracy. These cables are properly shielded to ensure no external signal interference and are mainly used to monitor/ control electric systems. The functions of measurement and control are vital in manufacturing and processing applications.	Few of the applications include industrial equipment control, process controls for e.g. in oil and gas or chemical plants, or mass transit systems which require cables to be heat resistance, resistance due harsh environment and chemicals, etc..
Other special cables	This class of cables includes cables that are especially designed for a particular end use/ industry due to particular requirements. These types of cables are usually provided as customized solutions against stringent requirements, including temperature, tensile strength, and chemical resistance. For example, Solar cables, which are required to have lifetime reliability of up to 30 years, resistance to extreme temperatures (-40°C to 120°C), ozone, and ultraviolet (UV), halogen free, flame and fire retardancy, etc.	Multiple specialized applications including sonar detection, mine sweeping and defence purposes across industries like marine, defence, aerospace, etc.

Source: CRISIL MI&A

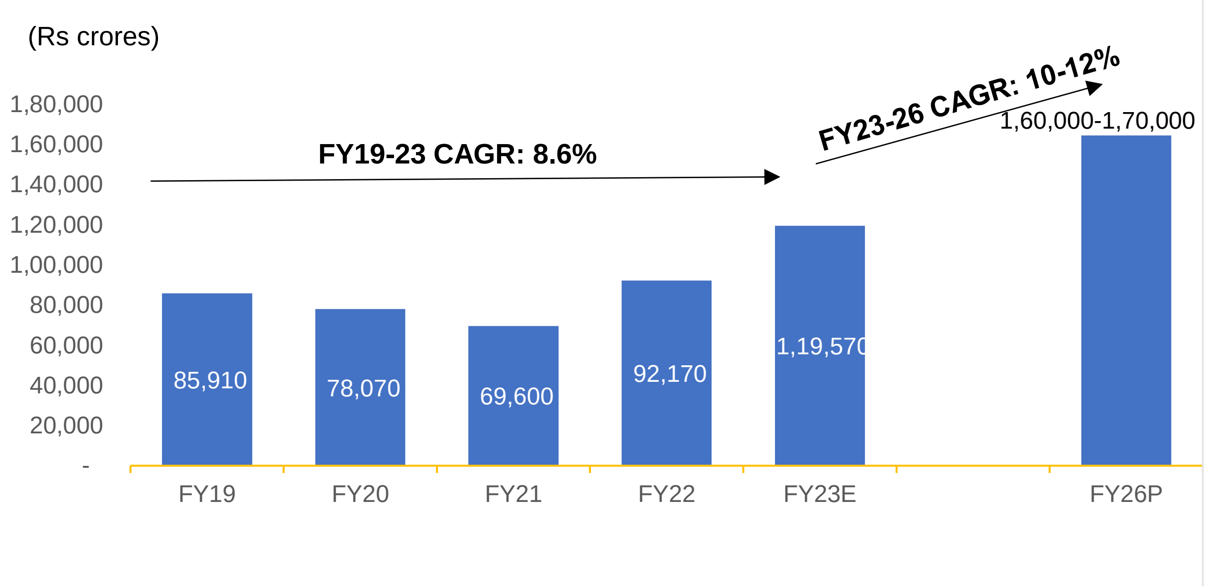
5.2 Overview of India wires & cables market

India wires & cables market to grow at 10-12% CAGR between FY23-FY26.

In FY23, cables and conductors' market was valued at Rs 1,19,600 crores, up from Rs 85,910 crores in FY19, registering a CAGR of 8.6%. This notable surge can be primarily attributed to a remarkable growth of HV & EHV-Above 33 KV cables and Elastomeric Cables, which have registered exponential growth on the back of increased expansion of transmission lines and electrification initiatives in rural areas. Other cable categories contributing substantially to the accelerated market growth include PVC Control Cables & Instrumentation, building wires, and switchboard cables, driven by pickup in construction activities in both commercial and residential sectors post COVID-19.

Moving forward, CRISIL MI&A expects wires and cables market size to grow at a CAGR of ~10-12% between FY23-26, and reach ~Rs 1,60,000-1,70,000 crores by FY26 due to ongoing infrastructure development projects and rural electrification initiatives, surge in construction activities and increasing digital connectivity.

Market size of wires and cables in India



Source: IEEMA, CRISIL MI&A

Increasing demand of E-beam irradiated cable

Within the wire and cable sector, electron beam (E-beam) irradiation offers improved cross-linking and polymer modification for wire, cable, and tubing items. Typically, this process does not necessitate additives and poses no risk of generating hazardous chemical by-products, thereby proving to be more ecofriendly than conventional wires. This technology leads to the enhancement of their mechanical, thermal, and chemical-resistant properties, resulting in overall improved physical characteristics. This includes reduced thickness, higher temperature resistance, and increased current-carrying capacity, ultimately extending the cables' lifespan. Moreover, e-beam cross-linking not only augments durability and current capacity but also mitigates the risk of fires caused by overload or short circuits, thus safeguarding lives and property. Due to their extended lifespan and superior performance compared to traditional cables, e-beam cross-linked cables are witnessing increased demand owning to their widespread adoption in commercial, industrial as well as medical industry.

Cables production crossed 18 million km in FY23

In FY23, cables and wire production in India crossed 18 million km, up from 14.5 million km, registering a CAGR growth of 3%.

Major factors contributing to this growth included an overall upswing in exports, favourable government initiatives such as the REC and rural electrification initiatives fostering demand for HV and EHV cables, a resurgence in construction activities post the COVID-19 pandemic resulting in heightened demand for housing wires (including Switchboard cables, building wires, and flexible cables), and the increasing demand for communication cables propelled by the expansion of digital connectivity.

Total production of cables and wires

Production (in Million kms)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	CAGR FY2019-2023
LV- PVC & XLPE Cables	0.7	0.6	0.5	0.5	0.6	-6.0%
HV & EHV- 3.3 to 33 KV	0.1	0.0	0.1	0.0	0.1	2.4%
HV & EHV- Above 33 KV	0.0	0.0	0.0	0.0	0.0	33.1%
Control and instrumentation cables	0.8	0.6	0.5	0.6	0.8	0.1%
Elastomeric cables (in ckm)	0.2	0.2	0.2	0.2	0.3	13.0%
Jelly filled cables	0.2	0.1	0.1	0.1	0.0	-28.5%
Switchboard cables	1.0	0.9	0.8	0.8	1.0	1.5%
Building wires	9.8	9.0	7.8	8.7	11.0	2.8%
Flexible cables	3.3	3.3	3.1	3.5	4.3	6.7%
Total Production (in Million kms) *	**16.0**	**14.7**	**13.0**	**14.5**	**18.0**	**3.0%**

Note: Production data of Elastomeric cables is in core kilometres
Source: IEEMA, CRISIL MI&A

5.3 Share of exports of wires and cables

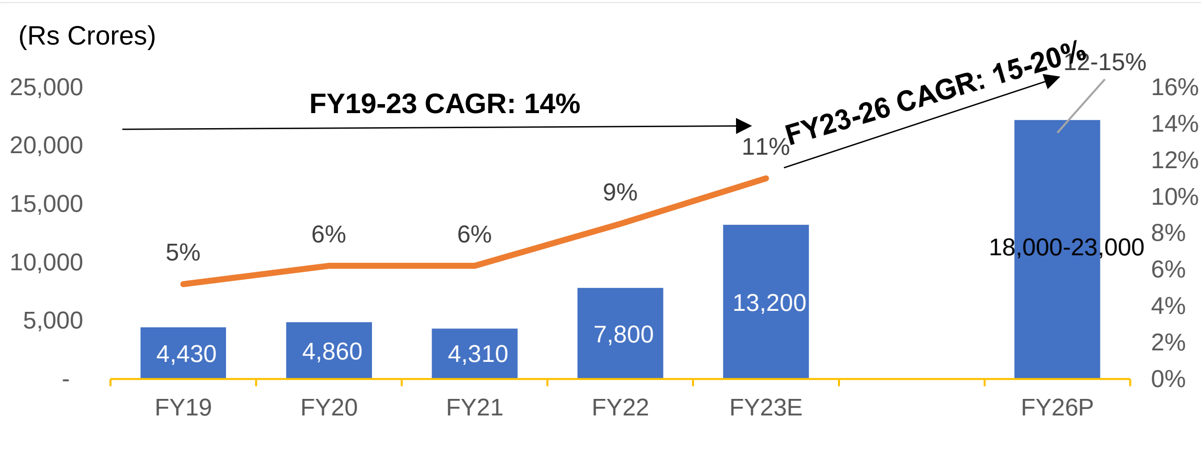
Share of exports of wires & cables in the total market to increase to 13-15% by FY26

The exports of wire and cables surged to ~Rs 13,200 crores in FY23 forming ~11% of the total market, marking a substantial increase from Rs 7,800 crores in FY22 and registering a year-on-year growth of ~69%. This growth can be principally attributed to heightened international demand stemming from the 'China Plus One' strategy and investments in transmission projects by organizations like International Development Association (IDA) and the International Bank for Reconstruction and Development (IBRD). Key export partners include USA, UK, UAE, Italy, etc.

Moving forward, CRISIL MI&A expects share of exports to increase to ~Rs 17,500- 25,000 crores , thereby forming 12-15% of the total market.

Note: CRISIL MI&A has considered following HSN codes for the analysis of wires and cables exports from India- 74081190, 85359090, 85444920, 85444930, 85446020, 85446030, 90011000. These include copper wires, plastic insulated conductors, optical fibres, etc.

Export value of wire and cables



Source: Ministry of Commerce & Industry, CRISIL MI&A

Demand for wires & cables expected to grow exponentially from renewables sector due to planned capacity expansions

The demand for wires and cables in the renewables sector, specifically in solar and wind applications, has experienced noteworthy growth in tandem with the global shift towards sustainable energy sources. Due to increased focus on renewable energy by corporate and government alike, the solar as well as wind industry are growing at remarkable pace.

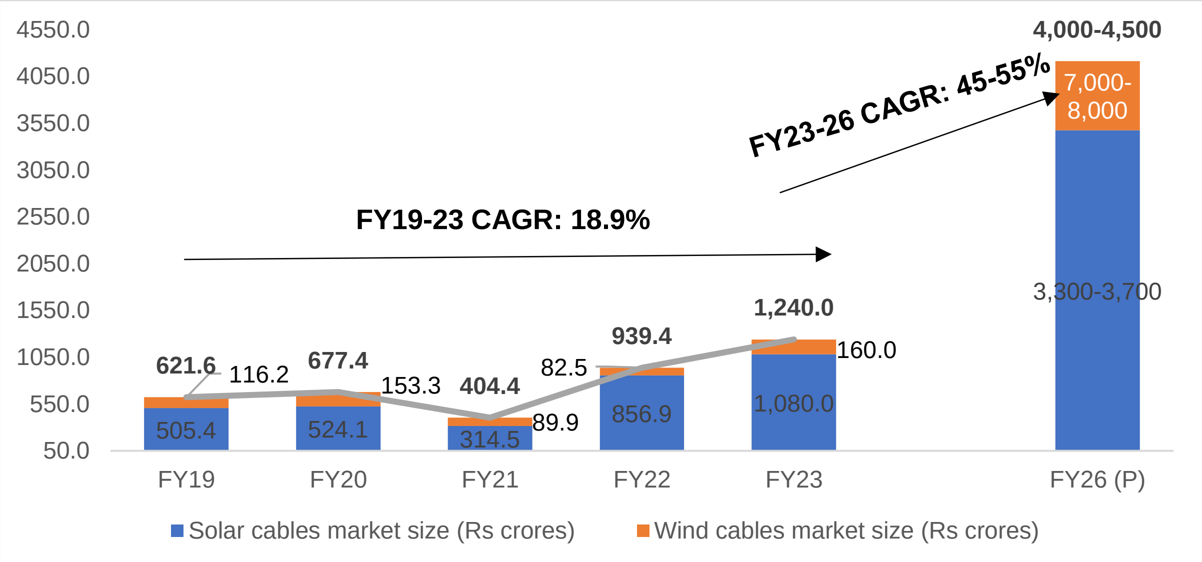
Solar power transmission relies on essential components, with solar cables playing a crucial role. These specialized cables are engineered to withstand harsh weather, UV exposure, and high electrical loads, solar cables provide flexibility, durability, and reliability in advancing solar power system development and helps in connecting solar panels to the electrical grid, facilitating the widespread integration of solar power. The solar cables industry in India is propelled by factors including growing embrace of renewable energy, government initiatives and subsidies for solar projects, and an escalating awareness regarding the advantages of clean energy. Consequently, the market size of solar cables has risen from Rs 620 crores in FY19 to Rs 1,080 crores in FY23, and it is anticipated to reach approximately Rs 3,300-3,700 crores by FY26, reflecting a robust CAGR of approximately ~45-50% between FY23 and FY26.

Similar to solar energy, wind energy installations are growing in India. In the wind power sector, cables play a critical role in wind turbine installations as these are required to endure challenging environmental conditions, including exposure to wind, moisture, and temperature fluctuations. The demand for high-quality cables in wind energy projects arises from the need for reliable power transmission from the wind turbines to distribution networks and the overall market size of wind cables is expected to reach to Rs 700-800 crores in FY26 from Rs 160 crores in FY23, registering a CAGR of ~60-70%. Combined market for solar and wind cables is expected to grow at a CAGR of 45-55% between FY23-26 to reach Rs 4,000-4,500 crores from Rs 1240 crores .

APAR Industries Ltd., Polycab India Ltd, Havells India Ltd are the key players in the domestic renewables cables segment in India.

As per CRISIL Sustainability Yearbook, 2022 which is based on fiscal 2021 data of companies, APAR Industries Ltd. was ranked 3rd among industrial sector players with an ESG score rating of 59. APAR Industries Ltd. was ranked 148th amongst top 586 companies covered in the CRISIL Sustainability Yearbook, 2022. Refer to the report for details on methodology: *https://www.crisil.com/en/home/what-we-do/financial-products/crisils-sustainability-solutions/download-crisil-sustainability-yearbook-2022.html*

Market Size: Wind and Solar Cables



Source: IEEMA, CRISIL MI&A

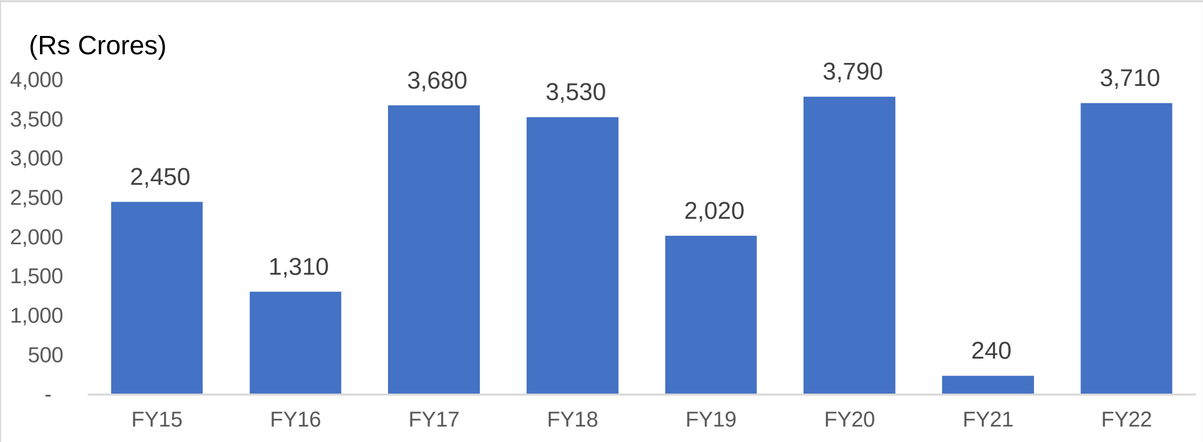
5.4 5.4 Key growth initiatives for power cables

Favourable government power distribution schemes

Domestic power cables industry is expected witness moderate growth driven by Revamped Distribution Sector Scheme (RDSS), which is aimed at network modernisation and system loss reduction, Power Grid Corporation of India Limited (PGCIL) investments on system strengthening, new GEC projects, and state transmission line additions.

Additionally, power cables industry is expected to draw significant demand from spending on network modernisation and system loss reduction by state distribution companies (discoms) over FY23-FY25 given that the scheme is stipulated to end in FY26.

Major investment approvals by PGCIL have picked up post pandemic



Source: PGCIL, CRISIL MI&A

Entry of private players in Transmission & Distribution space

At present, private sector participation in the T&D space is low. However, with the introduction of tariff based competitive bidding (TBCB) and viability gap funding schemes for intra-state projects, the share of private sector players in the power transmission sector is expected to increase gradually over the long term. This move is purportedly to shift burden from PGCIL and increase private sector participation in the sector, though PGCIL is also allowed to bid for the same. With increased awarding of projects under TBCB in the future, private participants are expected to play a key role in driving domestic power demand, thereby positively impacting the demand of cables including transmission and power cables.

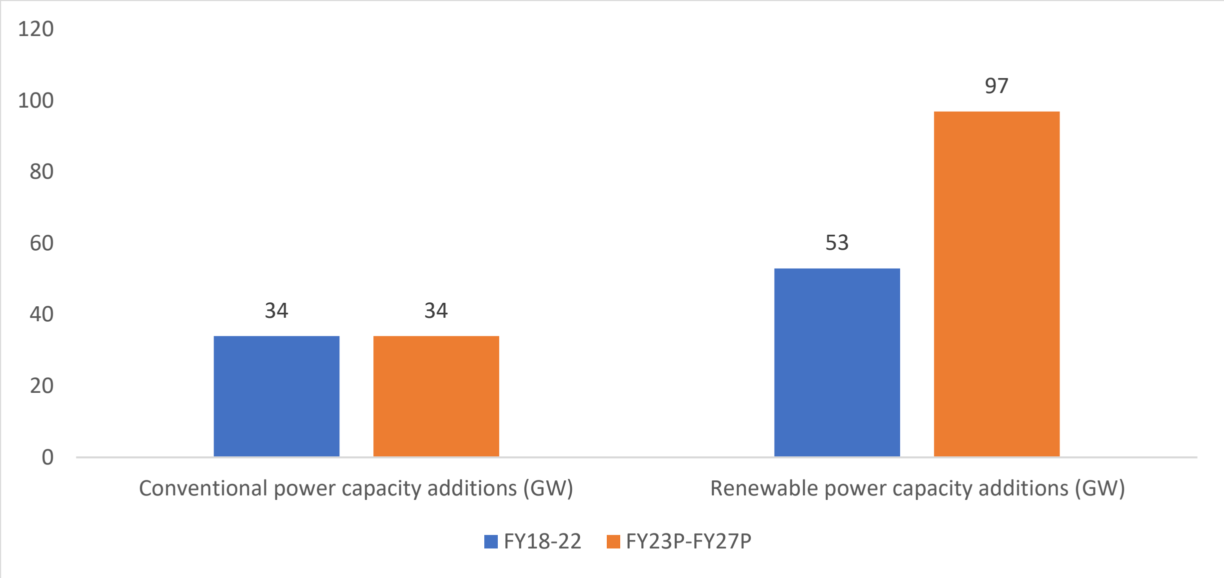
Capacity Additions in India in the Power Generation Segment

The global shift to renewable energy sources, including wind and hydro energy are expected to positively impact the demand on the specialty cables including photovoltaic cables, submersible cables, umbilical cables, that are used in renewable energy systems like solar energy, hydro energy and wind energy.

Additionally, Indian government has decided to invite bids for 50 GW of renewable energy capacity annually for the next five years i.e., from Financial Year 2023-24 till Financial Year 2027-28. These annual bids of ISTS (Inter-State Transmission) connected renewable energy capacity will also include setting up of wind power capacity of at least 10 GW per annum. Furthermore, India currently has a total renewable energy capacity of 168.96 GW (as on 28th February 2023) with about 82 GW at various stages of implementation and about 41 GW under tendering stage, including 64.38 GW Solar Power, 51.79 GW Hydro Power, 42.02 GW Wind Power and 10.77 GW Bio Power.

Robust capacity additions of 90-97 GW in renewables (primarily solar and wind energy) are expected over FY23-27, as compared with ~53 GW in the previous five years, is expected to offset stagnant demand on the conventional side as India aims to reach 50% of cumulative electric power installed capacity from renewable sources with 45% reduction in emissions intensity of its GDP by 2030 and to achieve net zero emissions by 2070. Solar installed capacity and wind installed capacity in India are expected to grow by 200 GW and 55 GW respectively from 2024 to 2030. Such multi fold generation expansion plans also require large-scale development in the transmission sector because grid-connected solar and wind plants are usually located in far-flung areas which have limited transmission infrastructure. Extensive transmission and cable infrastructure transmit power from remote generation sites to consumption centres. This in turn is expected to drive the demand of cables and conductors.

Capacity additions in the power generation segment



Source: CRISIL MI&A

Healthy construction investments in building segment.

CRISIL MI&A estimates construction capex in building & construction sector to grow from Rs 12-12.5 lakh crores between FY19-23 to Rs 16-16.5 lakh crores between FY25-28, thereby showing a rising ~1.3 times. This growing demand of residential and commercial spaces will necessitate increased demand of cables, especially housing cables as well as communication cables due to faster digital transformation, which is expected to provide additional boost to the overall cable industry. Additionally, the emergence of data centres and cloud computing also presents promising opportunities for growth and development within the cable sector.

5.5 Introduction to conductors

Conductors, such as all aluminium conducts (AAC), all alloy aluminium conductors (AAAC), aluminium conductors steel reinforced (ACSR), high ampacity conductors, AL-59 alloy conductors are used as transmission and distribution lines to deliver bulk power from generating stations to the load centres and large industrial consumers. Bulk power transmission is generally done over bare, overhead conductors at voltage levels of 220 kV and above.

The Transmission system is to deliver bulk power from power stations to the load centres and large industrial consumers beyond the economical service range of the regular primary distribution lines whereas distribution system is to deliver power from power sector or substations to the various consumers.

Types of Conductors

Conductor	Description
AAC – All Aluminium Conductors	The AAC conductors are used in low and high voltage overhead lines, majorly in urban areas where spans are usually short but high conductivity is required
ACSR – Aluminium Conductor Steel Reinforced	ACSR conductor is a high-capacity, high-strength stranded conductor typically used in overhead power lines due to its superior conductivity, low weight and low cost.
AAAC – All Aluminium Alloy Conductors	AAAC conductors are made from high strength Aluminium Magnesium-Silicon Alloy, designed to get better strength to weight ratio and offer improved electrical properties, excellent sag-tension characteristics and superior corrosion resistance when compared with ACSR.
OPGW- Optical Ground Wire/ Optical fibre composite overhead ground wire	OPGW is a type of cable/ wire used in transmission lines construction. Additionally, OPGW replacing earth wires expected to create backbone for intercountry high-capacity data transmission across all transmission network

High ampacity conductors	These conductors are designed to carry a large amount of current without significant voltage drop or overheating. They typically have larger cross-sectional area, which reduces resistance and allows to carry higher currents safely.
AL-59 alloy conductors	These are alloy conductors of Aluminium + Magnesium + Silica Alloy type. They have a conductivity of 59% and hence have less DC resistance and high current carrying capacity

Source: CRISIL MI&A

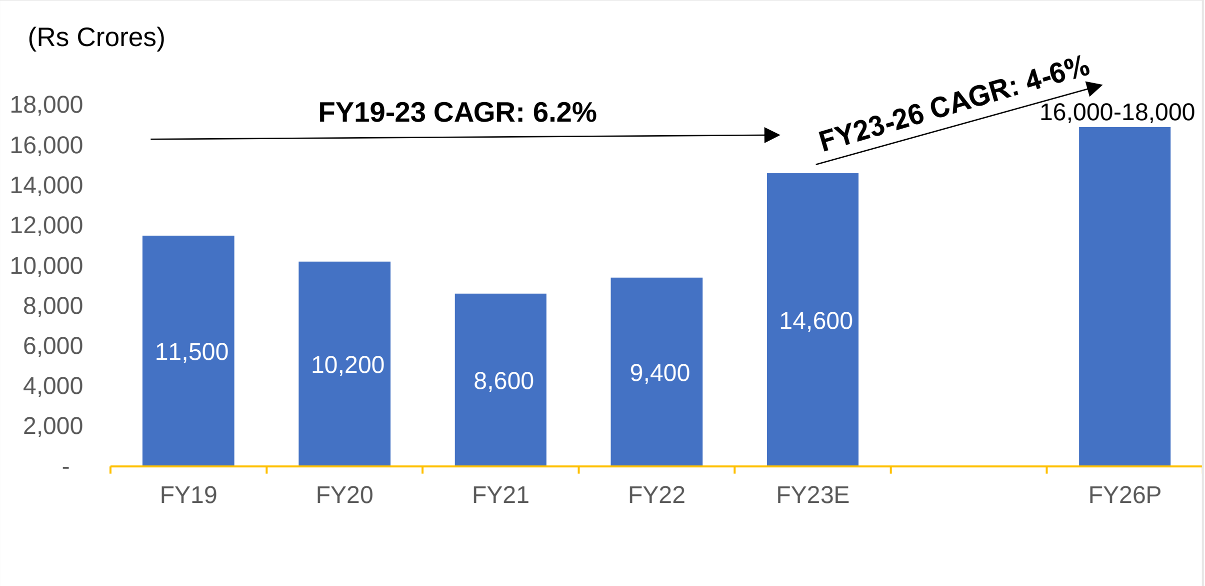
5.6 Overview of India power conductors market

Market size of conductors to reach ~Rs 16,000-18,000 crores by FY26

In FY23, total market size of conductors reached Rs 14,600 crores , up from Rs 11,500 crores in FY19, registering a CAGR growth of 6.2%. Major factors influencing this demand includes railway electrification, healthy transmission line additions, Northeast System Strengthening Scheme and increased international demand.

Moving forward, CRISIL MI&A expects conductor industry to grow at a CAGR of ~4-6% from FY23-FY26 compared to CAGR of 6.2% between FY19-23 due to a high base of FY23 as well as cooldown of on the government initiatives like rural electrification.

Market size: Conductors



Source: IEEMA, CRISIL MI&A

Conductors' production recovered in FY23

In FY23, conductors' production in India reached 3,93,357 MT. Newer technology conductors' entry in the market (high ampacity conductors and AL-59 conductors), drop in overall orders and the Covid-19 pandemic saw production of conductors drop between FY20-22.

Volumes recovered in FY23. Major factors contributing to this recovery included an overall upswing in exports, favourable government initiatives such as the REC and rural electrification initiatives fostering demand for conductors, and large planned capacity addition of renewable energy in the country, thereby providing an impetus to the growth of conductors' market in India. Additionally, infrastructure investments in Indian railways, Metros and High-speed rail are expected to grow exponentially, which will further boost the conductor industry.

Total production of conductors

Production	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY2019-FY2023 CAGR
Conductor volumes (in MT)	5,17,051	4,54,805	3,77,609	2,73,806	3,93,357	-6.6%

Source: IEEMA, CRISIL MI&A

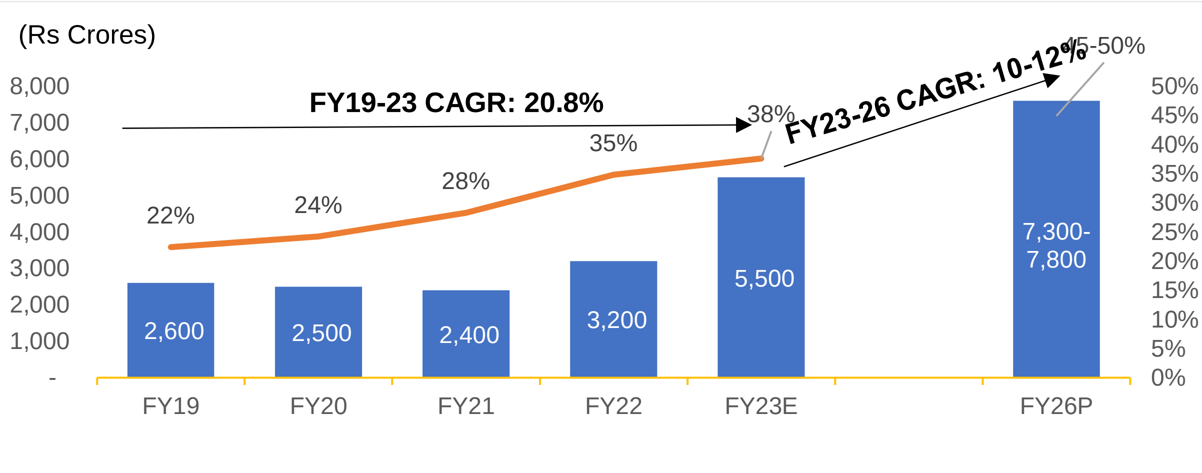
5.7 Conductors export grew at CAGR of ~20.9% in value between FY19-23

The export demand of power conductors has grown at a CAGR of 20.9% between FY19-23 and reached Rs ~5,500 crores in FY23 from Rs 2,580 crores in FY19 due to increased international demand. Key countries which export conductors from India includes USA, UK, Germany, Netherlands, and Bangladesh. As of FY23, volume of conductors exported has grown to 172,922 MT, up from 1,15,506 MT in FY19, thereby registering a CAGR of 10.6%.

Additionally, moving forward, CRISIL MI&A expects share of exports in total market size to increase to 45-50% compared to ~37.6% in FY23 owing to a notable surge in the export of power conductors due to substantial investments in grid modernization initiatives by countries such as the USA and France over the next few years. Furthermore, multilateral organizations such as the World Bank and International Bank for Reconstruction and Development (IBRD), are actively involved in funding various power transmission projects in regions including Africa, Central Asia, South, and East Asia, which are further expected to boost the exports of power conductors. Additionally, special conductor requirements for overseas projects would also promote the growth in the sector.

Note: CRISIL MI&A has considered following HSN codes for the analysis of conductor's exports from India- 76042910, 76042920, 76042930, 76042990, 76141000, 76149000. These include hard drawn bare Aluminium conductors steel re-in forced, wire rods, stranded wires, cables with steel core, etc.

Export value of conductors



Source: Ministry of Commerce & Industry, CRISIL MI&A

5.8 Key growth initiatives for power conductor

Growing shift towards high temperature low sag (HTLS) conductors

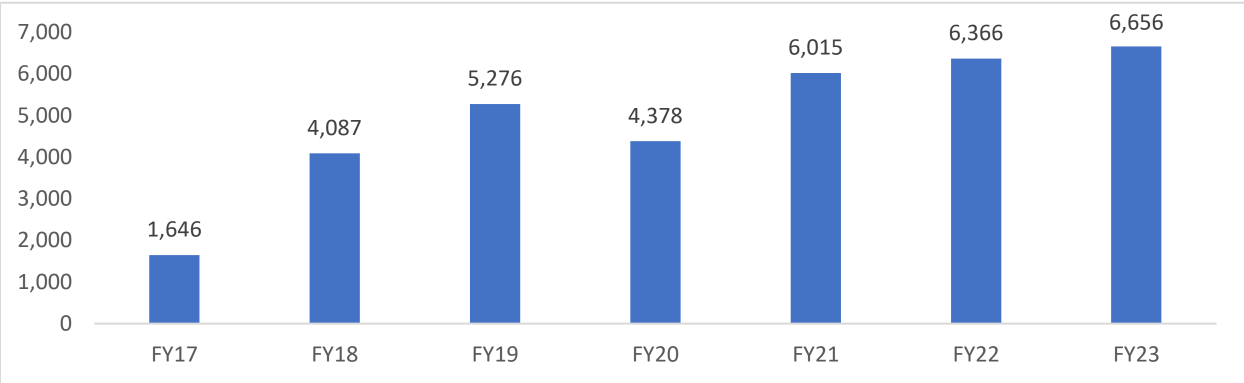
CRISIL MI&A expect a pickup in demand for high-voltage conductors, given increasing focus on adding transmission lines of higher voltage levels, for evacuation of bulk power. Also, the importance of high-voltage (HV) lines of 400 kV and 765 kV in the intra-state transmission network is also increasing, as higher voltage level enhances power density, reduces losses and efficiently delivers bulk power. In addition to increase in voltage levels, high efficiency conductors (the one which can carry more current compared to conventional conductor) will also see increased usage. Moreover, it reduces requirement of right-of-way, a key challenge facing the transmission sector. Consequently, the increasing thrust on high-voltage transmission lines will stimulate demand for high-voltage power conductors going ahead. Also, as electric consumption in urban areas goes higher, there is a need for higher ampacity transmission lines through limited ROW-HTLS conductors and reconducting turnkey solutions.

Key government projects: GEC and railway electrification

GEC (Green Energy Corridor) and railway electrification will provide necessary boost to the power conductor sector. GEC is the transmission system for evacuation of power from RE sources. In FY22, PGCIL board approved projects worth Rs ~3,710 crores towards strengthening of existing infrastructure as against approved projects of only Rs 240 crores in FY21. The growth in approvals in future will be largely towards RE segment projects, with capacity additions shifting towards renewable generation mix in pursuit of India's target to source 50% of electricity requirement from non-fossil fuels, necessitating a heightened demand for power conductors and thus boosting the sector.

Additionally, Indian Railways, to reduce fuel costs and lower its carbon footprint, has prioritized railway electrification projects along with online upgradation for higher speed trains. In FY22 and FY23, electrification accelerated and achieving a high of 6,366 route kilometres (rkms) and 6,656 rkms on the back of stronger execution, reaching cumulative electrification of ~52,247 rkms and ~58,903 rkms at the end of FY22 and FY23 respectively. Railway authorities are targeting full electrification of the network within the next two years, thereby indicating strong demand for conductors in the medium term. Additionally, along with railway electrification, Indian Railways is also working on line upgradation for higher speed trains which is expected to provide increased demand for conductors.

Railway electrification remains consistent as the government strives to achieve targets

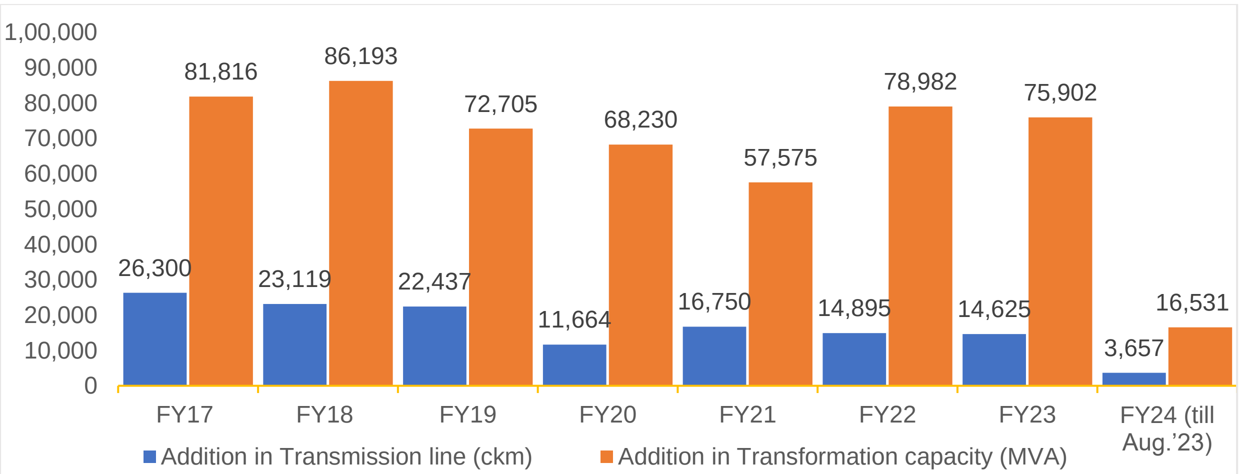


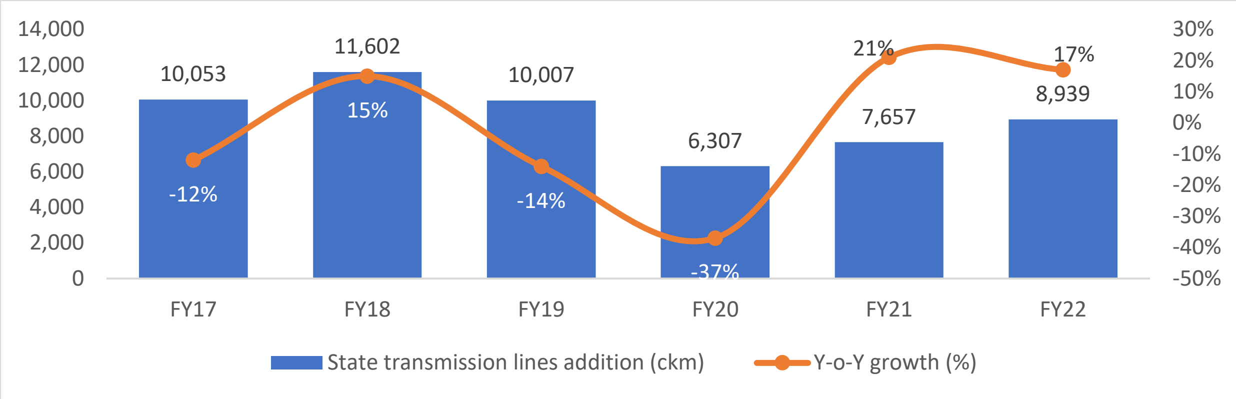
Source: Indian Railways, CRISIL MI&A

State transmission line additions

The ongoing capacity additions in the power generation sector will play a vital role in boosting the demand of power conductors as these would be needed to efficiently transmit electricity from these new power generation sources to distribution points.

State transmission line additions





Source: CEA, CRISIL MI&A

Increased renewable energy (RE) capacity addition

As discussed earlier in the report, solar installed capacity and wind installed capacity in India are expected to grow by 200 GW and 55 GW respectively from FY24-FY30. Such multi fold generation expansion plans also require large-scale development in the transmission sector because grid-connected solar and wind plants are usually located in far-flung areas which have limited transmission infrastructure. Extensive transmission and cable infrastructure transmit power from remote generation sites to consumption centres. This in turn is expected to drive the demand of cables and conductors

Increased multilateral investments in power transmission projects

Multilateral organisations such as the World Bank (WB) (through its arms, International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD)) are continuously investing in many projects in the power transmission space across regions such as Africa, Central Asia, South and East Asia, which is expected to benefit the export segment of overall electrical equipment industry, including power conductors. World Bank funding increased by 55% in 2020 vis-a-vis 2019, which shows higher potential for export for Indian power conductor going forward.

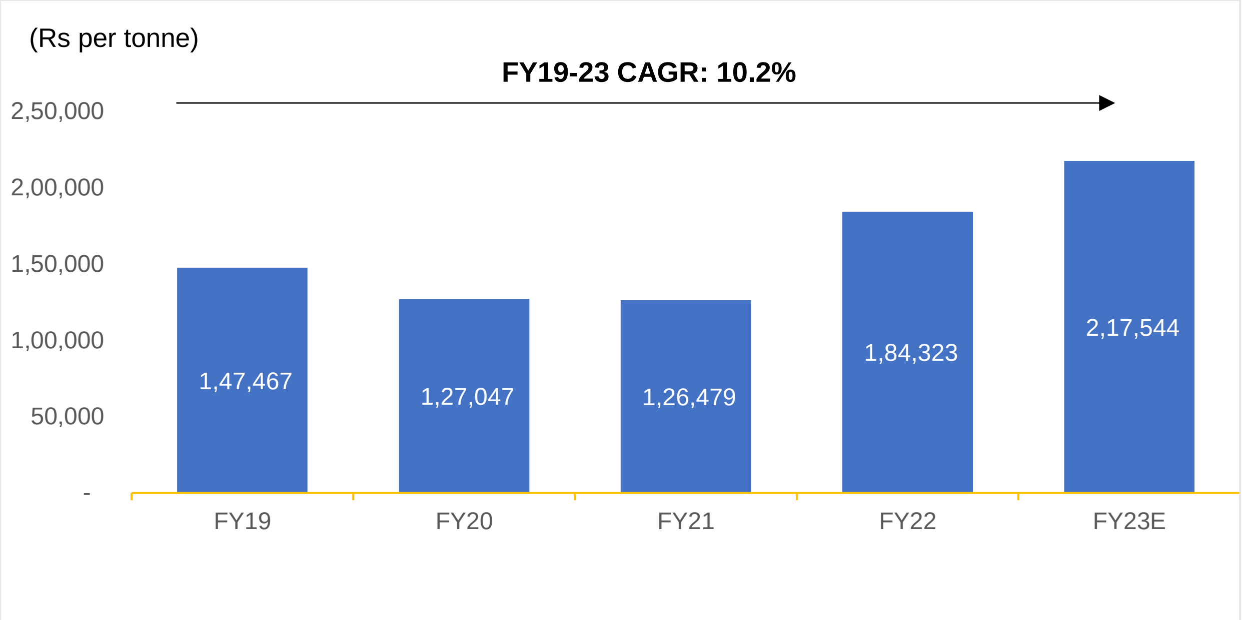
5.9 Key challenges and risk in the cables and conductor industry in India

Rise in commodity prices

Profitability of players in the power conductor segment majorly relies on the input prices of raw material as well as capacity utilisation levels of their production plants. Power conductor industry has high working capital requirements, given long gestation periods. The industry's profile is further constrained by the raw material price risk and stiff competition. As raw material cost accounts for nearly 70-75% of net sales, effective inventory management remains critical, especially given the prevalent volatility in global commodity prices. In cable industry too, a prevalent challenge lies in the volatility of raw material prices. Particularly the surge in costs for essential materials like copper, zinc, and aluminium. This price increase significantly affects profit margins within the industry.

Aluminium prices increased at the end of FY22 due to Russia-Ukraine conflict. Prices increased significantly in FY23 due to anticipated demand revival from China post the removal of lockdown restrictions and the Chinese Lunar Year.

Aluminium prices (London metal exchange)



Note: London metal exchange prices in USD have been converted to INR. CY18 prices are FY19 prices, CY19 are FY20 prices and so on.

Source: CRISIL MI&A

Counterfeit products

Counterfeit products pose a severe challenge for cable industry in India. These products are made of subpar materials, posing a series threat in the end use industry. The counterfeit versions of the authentic products spoil brand image and customer trust in the company when these counterfeit versions of authentic products falter. Counterfeit cables may not meet the required safety standards, posing a risk of electrical fires, shocks, and other hazards. Genuine cables are typically designed and tested to comply with safety regulations, but counterfeit products may cut corners to reduce costs. Counterfeiters can also engage in intellectual property theft by copying designs, trademarks, and other proprietary information from legitimate manufacturers. This undermines the innovation and investment made by genuine companies.

Weak financial health of state distribution companies

As a result of operational inefficiencies and financial losses incurred over the years, state discoms have accumulated significant debt burden. After completion of UDAY scheme, distribution companies' debt rose over FY20 and FY21 as revenues fell on account of weak power demand. As of FY22, total outstanding debt is estimated to be over Rs 6,00,000 crores . Going forward, the debt burden is expected to increase over FY23-27 despite power demand recovery as operational inefficiencies persist and losses pile up, requiring discoms to borrow heavily to fund the accumulated losses and debt servicing. If current fiscal and operational issues persist, CRISIL MI&A expects total debt across state discoms to increase from Rs 6,00,000 crores in FY22 to Rs 9,00,000-10,00,000 crores by FY27.

Keeping up with competition and innovations

The companies in these industries grapples with the diverse pace of innovations in product development. To keep up with innovations and competitions, companies have to continuously update their technology to compete in the market.

5.10 Key players in the cables and conductor industry in India

Below is the list of key players operating in the cable and conductor industry in India. Below list is not exhaustive and does not contain all players operating in the sector.

Company	Established	Products	End Industries
Apar Industries Limited	1958	Premium products: High transmission low sag conductors, , optical ground wire conductors, special cables for shipping, defence, mining. Conventional Products: Electrical cable, elastomeric cables- like solar, wind, nuclear cables etc, and E-beam cables, light duty cables .CTC/PICC conductors, overhead conductors Have following certifications and standards for their products such as EN, IEC & UL	Railways, renewable energy, power transmission and distribution, infrastructure, oil & ga, mining, defence & shipping industries
Finolex cables Ltd	1967	Wires and cables, optical fibre cables	Telecom, railways, defence, power plants
Havells India Limited	1983	HT power cable copper and aluminium conductor, LT power cable copper & aluminium conductors, LT control cables, fire survival cables	Power distribution, Power supply, Thermal Power plants, Airports
HFCL Limited	1987	Underground cables, aerial cables, microduct cables, FTTH cables, Micromodule cables	Telecom
JSK Industries Pvt Ltd	1965	All aluminium alloy conductor, all aluminium conductor, Aluminium wire	Power transmission and distribution
KEI Industries Ltd	1968	High voltage cables, communication cables, Control cables	Power transmission and distribution, Air conditioning, Data transmission
Polycab India Ltd	1996	LC Power cable, MV Power cable, Industrial cable, PVC insulated industrial cables, automotive cables	Power transmission and distribution, automobile
RR Kable	1995	Fixed wiring cables, FLRYK cables, fire alarm cable, ratnacom	Residential and commercial infrastructure, automobile, railways, data & communication
Siechem Technology	2002	Single core dual wall insulated primary cables, auto 100 TW class B, mining cable, airport lighting cables	Aerospace, automobile, mining, airport
Sterlite Power Limited	2015	Dark fibre	Telecom
Universal Cables Ltd	1962	Extra high voltage cables, medium voltage cables, aerial bunched, power & control cable	Power transmission & distribution, railways, fertilizers

Source: Company websites, CRISIL MI&A

6. Competitive Section

Company Name	Founded In	Company Brief
Cables And Wires		
APAR Industries Ltd	1958	APAR Industries was started in 1958, in India and has expanded to multiple countries as a highly trusted manufacturer and supplier of conductors, a wide variety of cables, speciality oils, polymers and lubricants.
Polycab India Ltd	1996	Involved in the manufacturing and sale of wires, cables, and fast-moving electrical goods (FMEG including electric fans, LED lighting and luminaires, switches and switchgear, solar products, and conduits & accessories.

Company Name	Founded In	Company Brief
KEI Industries Ltd	1968	Provides a wide array of cabling solutions, as well as manufacture and market Extra-High Voltage (EHV), Medium Voltage (MV) and Low Voltage (LV) power cables.
Havells India Ltd	1983*	A Fast-Moving Electrical Goods (FMEG) company as well as power distribution equipment manufacturer offering products including Industrial & Domestic Circuit Protection Devices, Cables & Wires, Motors, Fans for Domestic, Commercial and Industrial Applications.
Finolex cables Ltd	1967*	Manufacturer of electrical and telecommunication cables including PVC Insulated Industrial Cables, FR-LSH PVC Insulated Industrial Cables, PVC Insulated Single Core and Multicore Flexible Industrial Cables, Rodent Repellent Multicore Flexible Industrial Cables.
RR Kable	1995*	Engaged in multiple business segments including wires & cables, switches, fans, lighting, switchgears & appliances used for residential, commercial, industrial, and infrastructure purposes.
Universal Cables Ltd	1962	Founded in 1962, the company provides wide range of products within cables as well as capacitors segment. Its Cables and Capacitors are known by the Brand Name “UNISTAR”.
Siechem Technology	2002	Established in 2002, company is involved in the business of speciality wires and cables and has a factory at Pondicherry, India
Sterlite Power Limited	2015*	Sterlite Power is an integrated power transmission developer and solutions provider and provides multiple solutions including solutions specializing in upgrading, uprating and strengthening power delivery networks
HFCL limited	1987*	Provides multiple solutions catering to the needs of government, enterprises and individual across segments like fiber and fiber optic cables, telecommunication products, defence, passive networking components.
JSK Industries Pvt LTd	1965	JSK Industries is a aluminium conductor manufacturer specializing in power transmission & distribution conductors, aluminium wire rods, aluminium alloys, and, ec and de-oxi flipped coils
Specialty Oil		
Castrol India Ltd	1979*	Castrol India is a part of BP group and offers multiple products across multiple segments including motorcycles, commercial vehicles, industrial, and car and recreational vehicle.
Gulf oil lubricants India Ltd	2008*	Gulf oil lubricants India Ltd is a part of Hinduja Group and Gulf Oil International and offers range of products in the automotive and industrial lubricants space.
Savita Oil Technologies ltd	1961	Company offers mid and premium range products across transformer, industrial, auto and non-auto segments.
Tide water (India) limited	1921*	Tide Water Oil Co. (India) Ltd. is the owner of brand Veedol, and a manufacturer and marketer of quality lubricants in automotive and industrial segments.
Valvoline Cummins Pvt Ltd	1994*	In India, Valvoline Cummins Private Limited in India is a 50:50 joint venture between Valvoline Global Operations and Cummins India Ltd. The company is engaged in the production, distribution and marketing of lubricants, grease and other allied products.

Note:

** incorporation year*
Source: CRISIL MI&A

Operating Overview

Company Name	Manufacturing Plants	Manufacturing Capacity
APAR Industries Ltd*	9	Conductors- 1,70,391 MT

		Oil- 7,54,600 kilo litres (KL) in India, 9,34,600 KL totally
Polycab India Ltd*	25[1]	Wires & Cables- 5.4mn km
KEI Industries Ltd*	5	Cables- 1,25,200 km House Wire (in Kms)- 13,32,000 Communication Cable (in Kms)- 28,800 Stainless Steel Wire (in MT)- 9,000
Havells India Ltd *	15	N.A.
Finolex cables Ltd*	5	N.A.
RR Kable	5[2]	4,052,620 ckm (Wires and cables)
Universal Cables Ltd	3	N.A.
Siechem Technology	1	12,000 metric tons of Copper/ Aluminium Wires and Cables per annum.
Sterlite Power Limited[3]	4[4]	Conductors- ~132,000 MT/Year (45,000 miles/year) OPGW- ~20,000 km/Year (12,427 miles/year)
HFCL limited[5]	4	Optical Fiber- 10 MnFiber Km/ p.a.
JSK Industries Pvt LTd	1	Conductors: • Multi Strand (upto 61 strand): 48,000 kms • Seven Strand: 1,90,000 kms Wire Rods: • EC, Alloy & De-oxi Flipped Coils: 68,400 MT
Specialty Oil		
Castrol India Ltd	3	225 million litres[6]
Savita Oil Technologies	3	4,50,000 KL/ per annum
Gulf oil lubricants India Ltd	2[7]	1,40,000 KL/ per annum[7]
Tide water (India) limited	5^	111,000 KL/ per annum
Valvoline Cummins Pvt Ltd	1	120 MML per annum

Note:

** As of March,2023*

1 Including two joint ventures with Techno and Trafigura

2 Factory locations

3 Data of Sterlite Power as of March, 2023

4 Manufacturing plants of conductors for Sterlite Power

5 Manufacturing plants of Optical Fiber & Cable Manufacturing Facilities for HFCL Limited

6 Manufacturing capacity for Castrol India as of Oct, 2021

7 For Gulf Oil Lubricants India Ltd. 1,92,000 KL per annum Combined AdBlue® manufacturing capacity of two in-house plants and 12 external satellite plants (data as of March, 2023)

MT stands for metric tonnes, KL stands for kilo litres, ckm stands for circuit kilo metres, km stands for kilo metres

Source: CRISIL MI&A

APAR Industries Ltd. is India's largest private manufacturer of specialty oils in terms of manufacturing capacity (7,54,600 KL in India, 9,34,600 KL totally) as of FY23 Large players in the specialty oils segment include public sector undertakings such as Bharat Petroleum Corporation Limited (BPCL), Hindustan Petroleum Corporation Limited and Indian Oil Corporation Limited (IOCL) in no particular order.

- APAR Industries Ltd. is one of the key suppliers of cables for railways and Vande Bharat trains.
- APAR Industries Ltd is one of the key suppliers of conductors for Indian railway electrification & development of new product for Bullet trains.
- APAR Industries Ltd. is one of the suppliers of lubricants for tractor manufacturers and farming equipments in India –oil immersed brakes, universal engine and transmission oils, and other lubricants.

Exports

Company	FY23		Exports growth in FY23 over FY22
Apar Industries Ltd	49%	51%	94%
Finolex Cables Ltd	1%	99%	44%
Havells India Ltd	3%	97%	-4%
HFCL Limited	18%	82%	125%
JSK Industries Pvt Ltd	N.A.		NA
KEI Industries Ltd	10%	90%	18%
Polycab India Ltd	10%	90%	50%
RR Kabel Ltd	23%	77%	26%
Siechem Technologies Pvt Ltd	N.A.		NA
Sterlite Power Transmission Ltd@	56%	44%	47%
Universal Cables Ltd	4%	96%	-9%
Specialty Oil			
Castrol India Ltd[1]	N.A.		NA
Gulf Oil Lubricants India Ltd	6%	94%	NA
Savita Oil Technologies Ltd	19%	81%	24%
Tide Water Oil Co. India Ltd	~1%	~99%	24%
Valvoline Cummins Pvt Ltd@	3%	97%	-26%

Note:

NA stands for not available

@ FY23 export percentage calculated on the basis of revenue segmentation disclosed by companies in their annual report

[1] For Castrol, according to company annual report there were no significant exports by the Company during the year.

JSK Industries Pvt Ltd exports FY22 and FY23 numbers not available

Siechem Technologies Pvt Ltd exports FY23 numbers not available

Barring APAR Industries Ltd, Finolex Cables Ltd, KEI Industries Ltd, Savita Oil Technologies Ltd and Valvoline Cummins Pvt Ltd, revenue from outside India/ rest of the world has been considered proxy to calculate export growth values.

**Standalone financials*

Source: CRISIL MI&A

Exports	Domestic

- APAR Industries Ltd is one of the leading exporters of cables and conductors from India in FY23.

Segmental Revenue

Company (Rs Crores)	FY21	FY22	FY23	CAGR (FY21-23)
Cables & Conductors				
Apar Industries Ltd[1]	4,187.2	6,194.2	10,276.5	56.7%
Finolex Cables Ltd[2]	2,631.5	3,573.0	4,262.6	27.3%

Company (Rs Crores)	FY21	FY22	FY23	CAGR (FY21-23)
Havells India Ltd[3]	3,180.2	4,645.1	5,532.6	31.9%
HFCL Limited[4]	1,205.5	2,055.2	2,638.0	47.9%
JSK Industries Pvt Ltd*[5]	854.3	1,208.3	1,981.4	52.3%
KEI Industries Ltd[6]	3,715.9	5,349.1	6,509.0	32.4%
Polycab India Ltd[7]	7,591.1	10,793.8	12,777.5	29.7%
RR Kabel Ltd*[7]	2,531.7	4,111.4	4,958.5	39.9%
Siechem Technologies Pvt Ltd*[8]	351.2	478.6	N.A.	N.A.
Sterlite Power Transmission Ltd[9]	2,092.4	5,197.5	6,297.1	73.5%
Universal Cables Ltd[10]	1,280.7	1,813.5	2,202.0	31.1%
Specialty Oil				
Apar Industries Ltd	2,369.2	3,544.2	4,656.7	40.2%
Castrol India Ltd*[11]	2,996.9	4,192.1	4,774.5	26.2%
Gulf Oil Lubricants India Ltd*[11]	1,652.2	2,191.6	2,999.1	34.7%
Savita Oil Technologies Ltd[12]	1,981.5	2,917.2	3,605.5	34.9%
Tide Water Oil Co. India Ltd[11]	1,258.5	1,535.7	1,853.8	21.4%
Valvoline Cummins Pvt Ltd*[13]	1,341.0	1,694.9	2,150.3	26.6%

Note: Segmental Revenue is considered as reported by companies in their annual report

* *Standalone financials*

[1] *Segmental Revenue of Cables and Conductors*

[2] *Segmental Revenue of electrical cables and communication cables*

[3] *Segmental Revenue of cables*

[4] *Segmental Revenue of telecom products*

[5] *Revenue from aluminium wires, revenue from operations considered from profit and loss statement.*

[6] *Segmental Revenue of cables and wires and stainless-steel wires*

[7] *Segmental Revenue of wire and cables*

[8] *The Company is engaged in two business namely Sale of Cables & Sale of Power. However, as the turnover from sale of power does not cross the threshold, no segment information is furnished. Hence, total revenue from operations is considered.*

[9] *The Company has only one operating segment which is power product solution and power transmission infrastructure. Hence, total revenue from operations is considered.*

[10] *The Company has only one reportable primary business segment i.e., Electrical and other Cables, Capacitors, Wires*

and Conductors, etc. and Turnkey Projects predominantly relating thereto. Hence, total revenue from operations is considered.

[11] The Company's reportable business segment consists of a single segment of "Lubricants" in terms of Ind AS 108. Hence, total revenue from operations is considered.

[12] Segmental Revenue of petroleum products

[13] The Company is engaged in manufacturing and trading of lubricant oils and allied products; the Company is of the view that it operates in a single primary segment. Hence, total revenue from operations is considered.

For Castrol India,

Financials for Castrol India Ltd are on calendar year basis (e.g., in the above table, FY22 is CY21, etc)
Source: CRISIL MI&A

APAR Industries Ltd. is the largest player in terms of sales of conductors in India as of FY23 (Rs 7,013.0 crores revenue from conductor sales in FY23). Considering both cables & conductors, APAR Industries Ltd. becomes the second largest player among the key listed players in terms of segmental revenue for cables & conductors as of FY23.

Apar Industries Ltd. is the second the fastest growing cables and conductor player with revenue growing at ~57% from FY21 to FY23 among the peers compared above. Apar Industries Ltd. has been the fastest growing speciality oils player based on FY21-23 revenue growth (FY21-23 CAGR: 40.2%) among key listed peers compared above.

OUR BUSINESS

Certain information in the following discussion, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. See "Forward Looking Statements" and "Risk Factors" on pages 16 and 41, respectively, for a discussion of certain factors that may affect our business, results of operations or financial condition. To obtain a complete understanding of our business, please read this section in conjunction with "Risk Factors", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 41, 120 and 84, respectively, as well as the financial, statistical and other information included in this Preliminary Placement Document.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Consolidated Financial Statements and Limited Review Financial Results included in this Preliminary Placement Document. For further information, see "Financial Information" on page 241.

In evaluating our business, we consider and use certain non-GAAP measures that are presented herein as supplemental measures to review and assess our financial performance and financial condition and are not required by, or presented in accordance with, Ind AS. These non-GAAP measures have limitations as analytical tools and should not be considered in isolation, or as a substitute for financial information presented in accordance with Ind AS. These non-GAAP measures may not fully reflect our financial performance, liquidity, profitability or cash flows and may differ from similar information used by other companies, including peer companies, and hence their comparability may be limited.

*Industry and market data used in this section has been derived from the industry report titled "*Assessment of power cables, conductors & specialty oils industry in India*" dated November 23, 2023, prepared exclusively for the Issue and released by CRISIL ("***CRISIL Report***"), commissioned and paid by our Company in connection with the Issue. CRISIL was appointed pursuant to engagement letter dated October 6, 2023. CRISIL is not related in any manner to our Company, its Promoters, Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management, or the BRLMs. For risks in relation to the CRISIL Report, see "Risk Factors - Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by CRISIL which has been commissioned and paid for by us for such purpose." on page 55.*

In this Preliminary Placement Document, unless specified otherwise, any reference to the "the Company" or "our Company" refers to APAR Industries Limited, on a standalone basis, and a reference to "we", "us" or "our" is a reference to our Company together with its Subsidiaries and Associate Companies, on a consolidated basis, as applicable, as at and for the relevant Fiscal or period. In addition, please refer to "Definitions and Abbreviations" on page 20 for certain terms used in this section.

Overview

We are a diversified manufacturer primarily serving customers in the global energy infrastructure sector. As per CRISIL, we are India's largest player in terms of sales of conductors in Fiscal 2023, one of the leading exporters of conductors and cables from India in Fiscal 2023, and also one of the three key players in the domestic renewable cables segment. We are also India's largest private manufacturer of specialty oils in terms of manufacturing capacity as of Fiscal 2023. (*Source: CRISIL Report*)

Globally, renewable energy share is expected to increase from 28% in 2021 to 38% in 2027 curbing coal, gas, stabilizing emissions, lowering CO2 intensity. Additionally, this increase in share of renewable energy is expected to offer business opportunities in the cables, conductors as well as transformer oil segment among others. Globally, capacity additions in renewable power were ~1,300 giga watts (GW) between 2016-2021. It is expected to post a robust growth and grow by ~90% to 2,350-2,450 GW between 2022-2027. The IEA's World Energy Outlook 2023 report states that renewables will provide 50% of the world's electricity by 2030. Total final energy consumption (TFC) was 442 EJ in 2022. The energy mix in 2022 was skewed towards fossil fuels, with oil & coal contributing to ~54% of the TFC. Share of electricity and hydrogen in TFC was ~21% in 2022. Going forward, share of electricity and hydrogen in final consumption may grow to ~45% under the APS by 2050, ~60% under the NZE by 2050. TFC is expected to rise by 20-25% in 2050 compared to 2022 based on STEPS scenario. Solar installed capacity and wind installed capacity in India are expected to grow by 200 GW and 55 GW respectively from 2024 to 2030. Such multi fold generation expansion plans also require large-scale development in the transmission sector because grid-connected solar and wind plants are usually located in far-flung areas which have limited transmission infrastructure. Extensive transmission and cable infrastructure transmit power from remote generation sites to consumption centres. This in turn is expected to drive the demand of cables and conductors. (*Source: CRISIL Report*)

Infrastructure investments in Indian railways, Metros and High-speed rail are expected to grow exponentially, which will further boost the conductor industry. In India, domestic market for electric vehicles (EVs) is expected to grow at a CAGR of 49% between 2022 and 2030. As of Jan 23, 2023, India had 5,254 public electric vehicle (EV) charging stations, to cater to a total of 20.65 lakh EVs. Additionally, expansion of electric vehicle market is highly cable intensive expansion; which will notably accelerate growth of cables market in India. Based on investment needs to achieve sustainable development goals, investments in the transport sector between 2016 and 2040 should be ~USD 49,875 billion, at an annual average of USD 1,995 billion. With increase in manufacturing opportunity in India, capacity, speed and automation in manufacturing industry will increase. The rise in capacity, speed and automation in the manufacturing industry will lead to higher consumption of lubricants as well as higher value for performance and protection of more sophisticated equipment. CRISIL MI&A expect a pickup in demand for high-voltage conductors, given increasing focus on adding transmission lines of higher voltage levels, for evacuation of bulk power. Also, the importance of high-voltage (HV) lines of 400 kV and 765 kV in the intra-state transmission network is also increasing, as higher voltage level enhances power density, reduces losses and efficiently delivers bulk power. Also, as electric consumption in urban areas goes higher, there is a need for higher ampacity transmission lines through limited ROW-HTLS conductors and reconducting turnkey solutions. GEC (Green Energy Corridor) and railway electrification will provide necessary boost to the power conductor sector. Average annual investment in telecommunication sector to increase from USD 233 billion to USD 314 billion leading to higher requirement of power & electric equipment. Additionally, the emergence of data centres and cloud computing also presents promising opportunities for growth and development within the cable sector. (*Source: CRISIL Report*)

We cater to customers in the energy infrastructure sector through our wide range of conductors, specialty oil and power cables, which are essential to power transmission and distribution infrastructure. We have also launched specialised solar and windmill cables to meet customer requirements, and offer products serving renewable energy infrastructure covering generation, transformation, transmission and distribution. In addition to the energy infrastructure sector, our products are also used for a range of applications across diverse sectors, including network and telecommunications, defence, automotive, and industrial sectors.

We operate through three key business segments, namely (i) conductors, (ii) transformer and specialty oils, and (iii) power/ telecom cables.

(i) *Conductors*

Conductors are crucial in efficiently transmitting electrical energy from power generation sources to end consumers, primarily through overhead power lines.

We are India's largest player in terms of sales of conductors in Fiscal 2023, and one of the leading exporters of conductors and cables from India in Fiscal 2023. (*Source: CRISIL Report*) We supply conductors to customers, including in the renewable energy space. We manufacture conventional conductors and premium conductors, including HTLS conductors, ACCC conductors, solid shaped conductors, railway conductors, specialty alloy rods; CTC/PICC, BUSBAR, air expanded conductors, and dull finished conductors. In line with our increased focus on premiumization, we have also added copper conductors for railways, copper transpose conductors for transformers, and OPGW wires for power and telecommunication to our product offerings. For our ACCC conductors, we have entered into a technology tie-up with a US based company.

We have also leveraged our experience in the conductors business to provide end-to-end turnkey solutions, such as reconductoring with HTLS and live line installation with OPGW. As on September 30, 2023, we have successfully completed over 150 power lines reconductoring projects of setting up of HTLS conductors over 35,000 circuit kilometers. We also possess expertise in hotline stringing and live line replacement of OPGW.

Our revenue from conductors segment (before eliminating inter-segment revenue) was ₹ 7,013.05 crores and ₹ 3,717.48 crores for Fiscal 2023 and the six-month period ended September 30, 2023, respectively, aggregating to 46.63% and 46.35% of our total revenue from operations (before eliminating inter segment revenue) for such periods.

(ii) *Transformer and specialty oils*

Specialty oils refer to a group of mineral oil based products used across diverse sectors, including for cooling and heat transfer, chemical characteristic alteration of compounds, lubrication and wear-and-tear protection, and product finishing.

We are India's largest private manufacturer of specialty oils in terms of manufacturing capacity in Fiscal 2023. (*Source: CRISIL Report*) We manufacture transformer oils, automotive and industrial lubricants, hydraulic and turbine oils, transformer oils for upto 800KV voltage class , technical grade and food grade white oils, petroleum jelly and metalworking fluids under this segment. Our transformer and specialty oils, sold under the 'Poweroil' brand and related sub-brands, have diverse industry applications, including use in power generation, transformation, transmission and distribution systems. We also have a licensing agreement with a European company for our auto lubricants.

Our revenue from our transformers and specialty oils segment (before eliminating inter-segment revenue) was ₹ 4,656.69 crores and ₹ 2,396.67 crores for Fiscal 2023 and the six-month period ended September 30, 2023, respectively, aggregating to 30.96% and 29.88% of our total revenue from operations (before eliminating inter segment revenue) for such periods. In Fiscal 2023, 49% of our transformer oils were sold to overseas markets.

(iii) *Power/ telecom cables*

As per CRISIL, we are one of the leading exporters of conductors and cables from India in Fiscal 2023 We are also one of the three key players in domestic renewable cables segment in India. (*Source: CRISIL Report*)

We manufacture specialized cables and wires which include high-voltage power cables, medium-voltage and low voltage XLPE cables, elastomeric cables, hybrid cables fibre optic cables and specialty cables. Our cables have a diverse range of applications across industries, including in power transmission and distribution, nuclear power, railways, and defence sectors. As per the CRISIL Report, we are one of the key suppliers of cables for railways and Vande Bharat trains. We also possess a presence in the retail market through our light duty cables powered by e-beam technology, sold under the *APAR Anushakti* brand of house wires, *APAR Mahashakti*, *APAR Shakti* and *APAR Tarang Shakti* brands. We have also introduced automotive cables and harnesses for electric buses, as well as harnesses for EV charging.

Our revenue from our power/ telecom cables segment (before eliminating inter-segment revenue) was ₹ 3,263.45 crores and ₹ 1,849.01 crores for Fiscal 2023 and the six-month period ended September 30, 2023, respectively, aggregating to 21.70% and 23.05% of our total revenue from operations (before eliminating inter segment revenue) for such periods.

Additionally, we have also introduced telecom solutions as a separate vertical, under which we provide various solutions to customers, including OFC solutions, LAN and 5G solutions, convergence solutions and network services to customers. Hybrid cables address telecom and power convergence across 5G, IOT and M2M.

We have robust product research and development capabilities, which we believe have been a cornerstone of our performance. We work closely with our customers in developing customised products and providing solutions that meet their specific requirements for end applications. We have a track record of introducing various premium and innovative products, including to meet our customers' specific requirements. We have supplied air expanded conductors tailored to meet the unique requirements of a client in the USA. We have also supplied specialised 96 fibre-count OPGW conductors to safeguard power transmission and communication networks and developed solid-shaped conductors for the export market. We also developed solid sector shaped aluminium conductors for multi-core power cables for fixed installation, meeting international standards, to expand our customer base. In addition, we have also introduced e-beam technology for housing wires, under our light duty cables product line, and presently have e-beam irradiation facilities.

We have an extensive global presence, as on September 30, 2023. Our revenue from exports contributed to 48.73% and 51.14% of our revenue from operations in Fiscal 2023 and six-month period ended September 30, 2023, respectively.

We own and operate eight manufacturing facilities in India and one manufacturing facility in Sharjah, UAE, which are strategically located to receive materials from our suppliers as well as deliver products to our customers. For details regarding our manufacturing facilities, including installed capacity and capacity utilization, please see "—*Our Manufacturing Facilities*" on page 172.

Our revenue from operations was ₹6,388.02 crores, ₹9,316.57 crores, ₹14,352.15 crores, and ₹7,698.99 crores for Fiscals 2021, 2022 and 2023, and six-month period September 30, 2023, respectively. Our profit after tax was ₹160.50 crores, ₹256.73 crores, ₹637.72 crores, and ₹371.31 crores for Fiscals 2021, 2022 and 2023, and six-month period ended September 30, 2023, respectively. Our EBITDA post open forex adjustment was ₹455.94 crores, ₹587.06 crores, ₹1,291.19 crores, and ₹743.13 crores for Fiscals 2021, 2022 and 2023, and six-month period ended September 30, 2023, respectively. Our revenue from operations, profit after tax and EBITDA grew at a CAGR of 30.97%, 58.39% and 41.48%, respectively, from Fiscal 2021 to Fiscal 2023. For further details of our financial and operational performance, see "— *Our Strengths— Track record of consistent financial performance and growth*" on page 168.

Our Strengths

Diversified product offerings with market leading presence across business segments

We operate through three key business segments, namely conductors, transformer and specialty oils, and power /telecom cables. We offer a wide range of products through each such segment, catering across industries, which we believe has helped us retain and increase our market share.

The following table depicts our revenue from each segment (including inter-segment revenue) for Fiscal 2023 and the six-month period ended September 30, 2023:

Business Segment	**Fiscal 2023**		**Six-month period ended September 30, 2023**	
	Segmental Revenue* **(₹ crore)**	**Revenue Contribution**** **(%)**	**Segmental Revenue** **(₹ crore)***	**Revenue Contribution**** **(%)**
Conductors	7,013.05	46.63%	3,717.48	46.35%
Transformer and specialty oils	4656.69	30.96%	2,396.67	29.88%
Power and telecom cables	3263.45	21.70%	1,849.01	23.05%
Others	107.27	0.71%	58.15	0.72%

* *Including external revenues (gross) and inter-segment revenue.*
***As a percentage of total segment revenue, before eliminating inter-segment revenue.*

For details of our revenue from each segment for Fiscal 2021, 2022, 2023, and the six-month period ended September 30, 2023, see "- *Our Products and Services*" on page 170.

We are India's largest player in terms of sales of conductors in Fiscal 2023, and one of the leading exporters of conductors and cables from India in Fiscal 2023. (*Source: CRISIL Report*) We offer a wide range of both conventional and premium conductors, maintaining total in-house control over the design, manufacturing and testing process. Our premium conductors enable us to offer differentiated specialty products to our customers, helping us further retain and grow our market share. For instance, we have introduced HTLS conductors. We have also leveraged our experience in the conductors business to provide end-to-end turnkey solutions, such as reconductoring with HTLS and live line installation with OPGW. As of September 30, 2023, turnkey solutions projects in India, having set up HTLS conductors. We also possess expertise in hotline stringing and live line replacement of OPGW.

We are India's largest private manufacturer of specialty oils in terms of manufacturing capacity as of Fiscal 2023. (*Source: CRISIL Report*) Our flagship product is sold under the 'POWEROIL TO NE PREMIUM' brand is an eco-friendly bio-degradable transformer oil formulated from renewable plant-based feedstocks, with excellent cooling characteristics, high oxidation stability, fire resistance. We also offer a wide range of food-grade, pharma-grade and technical-grade white oils, as well as petroleum jelly and lubricants, which are used across industries.

As per the CRISIL Report, we are one of the leading exporters of conductors and cables from India in Fiscal 2023. We are also one of the three key players in domestic renewables cables segment in India. (*Source: CRISIL Report*) Under our retail offerings, drawing upon our experience in the cables business, we have also introduced e-beam powered light duty cables. We are one of the key suppliers of cables for railways and Vande Bharat trains. We are one of the key suppliers of conductors for Indian railway electrification & development of new product for

Bullet trains. (*Source: CRISIL Report*) We also supply specialized cables such as OFC cables, and submarine cables.

Strong global footprint, with preparedness to capture growing global demand

We have an extensive global presence, as on September 30, across Europe, Africa, Asia (including the Middle East), North America and South America. We operate a manufacturing plant for specialty oils in Sharjah, to be able to better serve customers in Middle East and East Africa regions. Our revenue from exports for Fiscal 2023 and six-month period ended September 30, 2023 amounted to ₹6,994.20 crores and ₹3,933.56 crores, aggregating to 48.73% and 51.14% of our total revenue from operations for the respective periods.

We constantly endeavor to comply with international norms pertaining to the products we export. Our focus on developing and offering premium products has helped us supply customised solutions to international clients in accordance with their requirements. For instance, in the recent past, we have supplied air expanded conductors tailored to meet the unique requirements of a client in the USA. We have also supplied specialised 96 fibre-count OPGW conductors to safeguard power transmission. We also developed solid sector shaped aluminium conductors for multi-core power cables for fixed installation, meeting international standards, to expand our customer base.

We have obtained UL certificates of compliance for sale of cables in the USA. We have also successfully obtained product approvals from various global wind turbine manufactures, which will help us further strengthen our presence in the growing renewable power sector.

Strong manufacturing capabilities, through strategically located manufacturing facilities

We own and operate strategically located state-of-the-art manufacturing facilities to enable us to manufacture our diversified products efficiently. As of September 30, 2023, we have eight manufacturing facilities in India, which include three dedicated facilities for conductors, one facility for conductors and transformer and specialty oils, one dedicated facility for transformer and specialty oils, two dedicated facility for cables and wires, and one facility for polymers. We have also established a dedicated facility in Sharjah, UAE for manufacturing specialty oils and lubricants. With e-beam irradiation facilities, we have been able to further bolster our manufacturing capabilities for cables and conductors.

The table below provides an overview of our manufacturing capacities, as on September 30, 2023:

Segment	Relevant facilities	Installed Capacity
Conductors	Athola, Silvassa, Jharsuguda, Lapanga	1,01,191
Transformer and specialty oils	Silvassa, Rabale, Sharjah	4,67,300
Power/ Telecom Cables	Umbergaon, Khatalwada	3,18,000

We expand the production capacity in our facilities from time to time, in order to meet anticipated demand. For further details regarding our manufacturing capacities, including production capacity and capacity utilization for Fiscals 2021, 2022, 2023 and the six-month period ended September 30, 2023, please see "— *Our Manufacturing Facilities*" on page 172.

Our manufacturing facilities are located in geographically strategic locations, to efficiently receive materials from our suppliers as well as deliver products to our customers. Six of our plants are located in Daman and Diu, Gujarat, and Maharashtra, in proximity to ports in Mumbai, facilitating our exports. Another two conductor plants are located in Odisha, in proximity to aluminium smelters giving us the advantage of using liquid molten aluminium as direct raw material as against procuring aluminium ingots and then melting it before use. Our plant in Sharjah allows us to be proximate to our customers located in the Middle East and East Africa.

Robust in-house technology and R&D capabilities

We have robust product research and development capabilities, which we believe have been a cornerstone of our performance. We work closely with our customers in developing products and providing solutions that meet their specific requirements for end applications. Our research and development capabilities allow us to offer our customers with customised solutions to meet their specific requirements. We have a track record of introducing various premium and innovative products, including to meet our customers' specific requirements in each of our business segments through our internal research and development. We develop new products through our research and development facility at Rabale.

In the conductors segment we have successfully tested 765KV conductor. For instance, we have introduced HTLS conductors We also developed solid sector shaped aluminium conductors for multi-core power cables for fixed installation, meeting international standards, to expand our customer base .

In the cables segment, we have introduced e-beam technology for housing wires, under our light duty cables product line, and have e-beam irradiation facilities. We also supply specialized cables such as OFC cables, and submarine cables .

Track record of consistent financial performance and growth

Our diversified product offerings along with strong manufacturing capabilities and strong global footprint has enabled us to deliver strong and consistent financial growth since Fiscal 2021. The following table depicts certain of our financial performance indicators for the periods indicated:

Particulars	Units	Fiscal Year			Six-month period ended September 30, 2023
		2021	2022	2023	
Revenue from operations	*₹ crores*	6,388.02	9,316.57	14,352.15	7,698.99
Profit after tax	*₹ crores*	160.50	256.73	637.72	371.31
EBITDA[1] post open forex adjustment	*₹ crores*	455.94	587.06	1,291.19	743.13
ROE [2]	%	12.56	16.48	32.28	31.52
ROCE[3]	%	13.61	18.69	37.51	37.93
EPS (Basic and Diluted)[7]	₹	41.94	67.09	166.64	97.03
Fixed assets (net block) (*in ₹ crore*)	*₹ crores*	906.62	919.73	1,049.79	1,159.49
Net fixed asset turnover ratio[8]	-	7.05	10.13	13.67	13.24
Adjusted net (cash)/ debt[4]	*₹ crores*	57.15	38.75	(194.65)	(65.03)
Adjusted net (cash)/ debt to adjusted equity ratio[5]	%	0.04	2.38	(8.76)	(2.67)
Debt/ equity ratio	-	0.19	0.17	0.14	0.14
Interest coverage ratio[6]	-	3.22	4.13	4.14	4.22

1. *EBITDA post open forex adjustment is calculated as profit before tax adding thereto finance cost, depreciation, Unallocable corporate expenditure net of income, forex adjustment (being foreign exchange gain / loss which is treated as finance cost) and subtracting therefrom interest income*
2. *ROE is calculated as profit after tax divided by average equity*
3. *ROCE is calculated as profit before tax adjusted for interest on borrowings divided by average capital employed*
4. *Adjusted net cash / debt is borrowings (non current + current) minus cash and cash equivalent at the end of the year*
5. *Adjusted equity is total closing equity adjusted for cash flow hedge reserves*
6. *Interest coverage ratio is calculated as EBITDA divided by finance cost. EBITDA for the purpose of interest coverage ratio is profits before tax adding thereto finance cost and depreciation*
7. *EPS for the period six month ended September 30, 2023 is not annualized.*
8. *Net fixed asset turnover ratio is calculated as closing net block of fixed assets (comprising of property, plan & equipment, capital work in progress, intangible assets, intangible assets under development, right to use assets) divided by revenue from operation*

Experienced management team, supported by skilled workforce

We are led by an experienced management team consisting of our promoters, executive directors and senior management. Kushal Narendra Desai, our Chairman and Managing Director, holds a bachelor's degree of science in engineering (electrical engineering) and a bachelor's degree of science in economics from the Wharton Business School of University of Pennsylvania, USA. Chaitanya Narendra Desai, our Managing Director, has a bachelor's degree of science in chemical engineering from the University of Pennsylvania and a bachelor's degree of science in economics from the Wharton Business School of University of Pennsylvania, USA. Further, our Board currently comprises a majority of independent directors to ensure compliance and review the governance of our Company. For further details regarding our senior management, please see "*Board of Directors and Senior Management*" on page 177.

Our experienced management team is supported by a skilled workforce. As on March 31, 2023, we employed 1,659 permanent employees. We also organize external training programs on personal productivity, performance management systems and finance and senior leadership conclaves. We have training programs in place for our contractual workers which includes an up-skilling and multi-skilling program for contractual workers at the factories and training for women employees to train them to take up more senior roles. We consider our employees' welfare to be a priority and have introduced policies for group mediclaim, updates to our policies on leave and continuing education assistance for the welfare of our employees. We also value the safety of our employees and have implemented a health and safety policy.

For further details regarding our employees and employee policies, please see "- *Employees*" on page 176.

Our Strategies

Product diversification, with focus on premium offerings

Our diverse and successful product portfolio has enabled us to expand our sources of revenue. We will continue to diversify our product portfolio to prevent concentration of our revenue from operations, and to provide wide range of solutions to our customers. We have also introduced premium offerings across our portfolio, aimed at improving our margins and continuing our growth globally. For instance, we have added copper conductors for railways, copper transpose conductors for transformers, and OPGW wires for power and telecommunication to our product offerings. Further, improving our mix of naphthenic and special grades of oil has led to higher margins. We have developed and supplied air expanded conductors tailored to meet the unique requirements of a client in the USA. We have also supplied specialised 96 fibre-count OPGW conductors to safeguard power transmission and communication networks. We also developed solid sector shaped aluminium conductors for multi-core power cables for fixed installation, meeting international standards, to expand our customer base. We have also introduced new products, such as solid sector shaped aluminium conductors for multi-core power cables meeting international standards, to expand our customer base. In addition, we have also introduced e-beam technology for housing wires, under our light duty cables product line, and presently have e-beam irradiation facilities. Additionally, we also offer end to end, comprehensive turnkey solutions such as reconductoring and live line installation as part of our conductors business. We intend to continue investing in the diversification and premiumization of our offerings across business segments.

Continue to invest in R&D, design, and engineering

Our ability to innovate and develop products and solutions is critical to our success. Our research and development prowess has enabled us to adapt to unique challenges and introduce new products, such as HTLS conductors. We also supply specialized cables such as OFC cables, and submarine cables .. For further details of our research and development capabilities, please see "— *Our strengths — Robust in-house technology and R&D capabilities*" on page 167.

We will continue to remain focused on our research and development capabilities, which we believe helps us offer differentiated products and solutions and helps us grow our business and margins.

Enhancing operational efficiency, with a focus on responsible manufacturing and sustainable growth

We have established systems to maintain and grow our operational efficiency at our manufacturing facilities. We were ranked 3rd among industrial sector players with an ESG score rating of 59 as per the CRISIL Sustainability Yearbook, 2022, which is based on fiscal 2021 data of companies. We were ranked 148th amongst top 586 companies covered in the CRISIL Sustainability Yearbook, 2022. (*Source: CRISIL Report*) We disclose our climate related emissions to CDP (Carbon Disclosure Projects). We were awarded a score of 'B' in 2022 by CDP. We have also commissioned a wind-solar hybrid power (3.30 MW wind-turbine and 2.80 MWp of solar energy) project in partnership with a leading supplier, which is expected to save 10,000 tCO2e GHG emission per year.

Additionally, we have engaged an organization for independent GHG verifications at our conductor and cable plants, and have identified various GHG reduction projects which are at various stages of implementation.

We will continue to take steps towards efficient, responsible manufacturing, including through our ESG initiatives. For further details on our ESG initiatives, see "—*Environmental, Social and Governance Practices*" on page 175.

Export-led focus on B2B segments, with focus on increasing global presence and entering new markets

For Fiscal 2023 and the six-month period ended September 30, 2023, our revenue from exports contributed to 48.73% and 51.14% of our total revenue from operations, respectively. We have an extensive global presence, across Europe, Africa, Asia (including the Middle East), North America and South America, as on September 30, 2023. We are able to export to foreign countries due to our preparedness in terms of qualifications and certifications required to manufacture and export to foreign markets, including customer-specific requirements of international customers.

We intend to continue to focus on the exports of our conductor, transformer and specialty oils and power and telecom cables business segments, and will continue to invest in the research and development of products for such export. For instance, we supplied air expanded conductors tailored to meet the unique requirements of a client in the USA. We have also supplied specialised 96 fibre-count OPGW conductors to safeguard power transmission. We also developed solid sector shaped aluminium conductors for multi-core power cables for fixed installation, meeting international standards, to expand our customer base.. We also intend to continue leveraging global tailwinds policy to enter new markets including supplying to customers who adopt a China plus one policy.

Strengthen distribution network for B2C model and increase retail presence in the light duty cables business

We have introduced e-beam technology for housing wires and have e-beam irradiation facilities. As on September 30, 2023, our retail presence in the light duty cables business comprised 223 distributors and 3,371 retail outlets, across 18 states. In the six month ended September 30, 2023, we conducted 31,616 demos and 2,984 electrician meets under this product vertical. We have also taken strategic steps to boost our digital presence and effectively communicate with our target audience for our retail brands. These initiatives are aimed at targeting electricians and raising product awareness about our cables offerings. We have also invested in marketing our light duty cables through television and digital advertisements and sponsorships. We intend to continue to invest towards increasing our retail presence and increase our market share in the light duty cables business.

Description of our Business and Operations

Our Products and Services

Our diverse and successful product portfolio, coupled with our turnkey solutions, has enabled us to expand our sources of revenue and grow our market share. The following table depicts our segmental revenue from each segment for Fiscal 2021, Fiscal 2022, Fiscal 2023 and the six-month period ended September 30, 2023:

Business Segment	Fiscal 2021		Fiscal 2022		Fiscal 2023		Six-month period ended September 30, 2023	
	Segmental Revenue* (₹ crore)	Revenue Contribution** (%)	Segmental Revenue* (₹ crore)	Revenue Contribution** (%)	Segmental Revenue* (₹ crore)	Revenue Contribution** (%)	Segmental Revenue (₹ crore)*	Revenue Contribution** (%)
Conductors	2,908.03	44.17%	4,200.43	42.81%	7,013.05	46.63%	3,717.48	46.35%
Transformer and specialty oils	2,363.83	35.90%	3,544.19	36.12%	4656.69	30.96%	2,396.67	29.88%
Power and telecom cables	1,269.51	19.28%	1,993.74	20.32%	3263.45	21.70%	1,849.01	23.05%
Others	42.95	0.65%	73.01	0.75%	107.27	0.71%	58.15	0.72%

* *Including external revenues (gross) and inter-segment revenue.*
***As a percentage of total segment revenue, before eliminating inter-segment revenue.*

Conductors

Our product range in the conductors segment includes traditional overhead conductors, premium overhead conductors and OPGW cables. The following are details of our key offerings in this segment:

Traditional overhead conductors

Our traditional conductor offerings include aluminium steel reinforced conductors, aluminium alloy steel reinforced conductors, aluminium conductors, aluminium clad steel reinforced, aluminium alloy conductors and aluminium alloy reinforced conductors.

OPGW Cables

These wires are a combination of optical fibers with overhead power conductors for communication and power. The OPGW cables are created for special conditions such as snow-bound locations, high altitudes, heavy winds, river crossings, low sag conditions and low attenuation properties. Our range of OPGW cables include single layer construction, double layer construction, stainless steel tube and aluminium clad steel tube, and high strength OPGW cables.

Railway overhead conductors

Our Railway overhead contact wires are used to transmit electrical power to a moving railway locomotive. We offer contact wires, catenary wires, jumper wires, feeder wires, span wires, droper wires and bridle wires.

Transformers and specialty oils

Under this segment, as on September 30, 2023, we offered a comprehensive range of transformer oils, as well as white oils, petroleum jelly and process oils.

Transformer oils

Our transformer oils are specially formulated transformer oils that are environment friendly, having excellent cooling characteristics, higher oxidation stability, lower gassing tendencies and stable insulating properties over its useful life. We manufacture fire resistant fluids, as well as standard grade, superior grade and premium grade transformer oils. We are one of the suppliers of lubricants for tractor manufacturers and farming equipments in India –oil immersed brakes, universal engine and transmission oils, and other lubricants. (*Source: CRISIL Report*)

White Oils

We manufacture a wide range of pharmaceutical/food-grade white oils under the PEARL brand, and technical-grade white oils under the TOPAZ brand.

Our technical grade POWEROIL TOPAZ white oils are offered in a wide viscosity range meeting US FDA 21 CFR 178 3620 (b).

Process Oils

We manufacture a comprehensive assortment of hydraulic oil, engine oil, quenching oil, neat cutting oil, transmission oil, gear oil and EV lubricants. We also offer a water-based rust preventive oil and a high temperature chain lubricant.

Power and Telecom Cables

Electric Cables

Our electrical cables include insulated power cables, aerial bunch cables, overhead covered conductors, screened and instrumentation cables, underwater cables, railway signaling cables and tactical cables. We have also introduced automotive wires and wire harnesses especially for EVs.

Elastomeric and E-Beam Cables

. We have setup a plant in Khatalwada for the production of Elastomer and E-Beam Cables and OFC cables among others.

Light Duty Cables

Our light duty cables are sold direct to consumers and our sold through our brands *APAR Anushakti*, *APAR Mahashakti*, *APAR Shakti* and *APAR Tarang Shakti*. We have also started offering fibre optic and LAN cables to the telecom industry. The e-beam for house wires sold through our brand *Apar Anushakti* has more current carrying capacity, is melt resistant and can withstand high temperature.

Turnkey Solutions

In addition to our product offerings, we have also leveraged our expertise in the conductors segment to offer comprehensive, end to end turnkey solutions such as reconductoring and live line installation to our customers. As on September 30, 2023, we have successfully completed over 150 power lines reconductoring projects of setting up of HTLS conductors over 35,000 kilometers. We have been able to execute these projects through diverse geographies and terrains. Our experience in the conductors segment has allowed us to execute challenging projects, We also possess expertise in hotline stringing and live line replacement of OPGW.

Our Manufacturing Facilities

We own and operate eight integrated manufacturing facilities across India and one in Sharjah, UAE. All our plants are equipped with accredited laboratories, where we carry out intensive testing of our products, for quality control and compliance with the specifications provided by our customers. We have also expanded our capacity at our manufacturing facility in Umbergaon and undertook long term consolidation at our manufacturing facility in Katalwada.

The following table sets forth our segment-wise production capacity and the capacity utilization for the Fiscals 2021, 2022 and 2023 and the six-month period ended September 30, 2023:

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Segment*	Unit of Measurement	Fiscal 2021			Fiscal 2022			Fiscal 2023			Six-month period ended September 30, 2023		
		Installed Capacity	**Actual Production**	**Capacity Utilisation (%)**	**Installed Capacity**	**Actual Production**	**Capacity Utilisation (%)**	**Installed Capacity**	**Actual Production**	**Capacity Utilisation (%)**	**Installed Capacity**	**Actual Production**	**Capacity Utilisation (%)**
Conductors	MT	183,291	128,460	70.09%	1,84,521	1,07,464	58.24%	1,70,391	166,008	97.43%	101,191	98,307	97.15%
Transformer and specialty oils	KL	934,600	394,872	42.25%	9,34,600	4,70,419	50.33%	934,600	487,955	52.21%	467,300	226,604	48.49%
Power/ telecom cables	KM	366,000	210,142	57.42%	3,66,000	2,86,304	78.23%	479,000	380,634	79.46%	318,000	204,131	64.19%

** For details of relevant facilities under each segment, see Note (1) below.*

Note (1)

<u>Manufacturing facilities</u>

Segment	*Relevant facilities*
Conductors	*5. Athola, Daman and Diu* *6. Silvassa, Daman and Diu* *7. Jharsuguda, Odisha* *8. Lapanga, Odisha*
Transformer and specialty oils	*4. Silvassa, Daman and Diu* *5. Rabale, Maharashtra* *6. Sharjah, UAE*
Powe/ Telecom cables	*3. Umbergaon, Maharashtra* *4. Khatalwada, Maharashtra*

2) Installed capacity for the period six month ended September 30, 2023 is calculated on proportionate basis.

3) Our Company has different capacity for different products for each project and the same is not comparable on a year on year basis.

Raw Materials and Suppliers

We rely on a diverse base of suppliers situated in India and abroad for our key raw material, such as aluminium, copper, zinc, steel, base oil and optical fiber.

We also emphasize sustainability in the supply of raw materials. We have codified policies on sustainable procurement, supplier code of conduct and a supplier grievance handling policy. We conduct a proper due diligence at the time of vendor on-boarding. Amongst many other evaluation criteria, the vendors are also evaluated against the health, safety and environment sustainability parameters. Additionally, we have introduced e-sourcing to bring complete transparency in procurement process and reduce supplier grievances. We also have regular awareness sessions with our suppliers to promote sustainability and raise awareness regarding the same.

We are also exploring substituting imported material with local procurement, wherever possible and feasible.

Quality control and quality assurance

Our range of products meet required global standards including as applicable EN, IEC and UL standards.

We have codified policies on sustainable procurement, supplier code of conduct and a supplier grievance handling policy. We also have regular awareness sessions with our suppliers to promote sustainability and raise awareness regarding the same. We have also established a risk management framework.

Sales and Marketing

Our sales and marketing team regularly participates in trade fairs and exhibitions to showcase our product portfolio. Our marketing efforts are also complemented through separate marketing and distribution strategy for each of our product lines. We often engage in marketing and promotional activities to increase our sales volumes. Our expenditure on advertising and sales promotion was ₹ 4.75 crores, ₹ 4.51 crores, ₹11.29 crores, and ₹13.01 for Fiscals 2021, 2022 and 2023, and six month period ended September 30, 2023, respectively.

We have introduced initiatives which are aimed at targeting electricians and raising product awareness about our cables offerings, as well as targeting mechanics with respect to our B2C offerings in the specialty oils segment through social media. We have also invested in marketing our light duty cables through television and digital advertisements and sponsorships. We also have loyalty programs for our lubricants for mechanics and retailers to strengthen and maintain long-term relationships.

Customers

We benefit from synergy across segments for common customers of conductors, cables and transformer oil products. The table below depicts our customer mix profile as on March 31, 2023:

Particulars	Range
Exports	48% - 50%
Industries/Corporate (includes cosmetics, pharma, rubber, plastics, lubricants, etc.)	11%-14%
Transmission companies	11%-14%
Specific industry groups (includes rail, defence, shipping, mining, telecom, etc)	8%-10%
OEM's	6%-8%
Renewables	2%-4%
Utilities - Electricity Distribution Boards (Govt. + Pvt.)	1%-2%
EPC - Diversified customer base across other verticals	0%-1%
Others	3%-5%

Note: With change in customer mix, there is limited exposure to State owned electricity distribution boards.

Further, the table below depicts our quality of receivables as on March 31, 2023:

Particulars	% of Total Receivables
Secured under various means	52.7%
Government transmission and sector specific companies	19.5%
Others (of which 63% are with entities where our Company have business relationship with > 3 years)	27.8%
Total	100.0%

We also endeavour to resolve customer complaints and grievances promptly. Customer complaints and feedback are received by the business development/ sales team, and attended to by them and the respective manufacturing facility. Complaints are tracked till closure. We conduct review meetings for each business, wherein the customer complaints are reviewed, resolution status shared, and corrective actions are discussed.

Information Technology

The key functions of our IT team include establishing and maintaining enterprise information systems and infrastructure services to support our business requirements, maintaining secure enterprise operations through, among others, risk assessment and incident management policies.

We have also codified various IT policies including a information security sustenance policy and data privacy policy. These policies protect the privacy of our Company, employees and customers and to prevent any malicious attacks.

Intellectual Property

As of the date of this Preliminary Placement Document, we have registered 110 trademarks, 15 copyright and 9 designs. We also have filed applications for 23 trademarks. We have also entered into a non- exclusive licensing agreement for one of our lubricant products.

For further details, please see "*Risk Factors — We do not hold any patents or other form of intellectual property protection in relation to our manufacturing processes, and our inability to maintain the integrity and secrecy of our manufacturing processes may adversely affect our business. Further, our inability to protect or use our trademarks may also adversely affect our business"* on page 56.

Environmental, Social and Governance Practices

Sustainability is one of our key focus areas, and we have implemented various measures in this respect. We aim to take lead in responsible manufacturing and have undertaken initiatives related to ESG parameters such as carbon footprint.

We actively assess and manage our Scope-1 and Scope-2 GHG emissions. Our Scope 1 and Scope 2 GHG emission was 22,717 and 82,212 for Fiscal 2023. The Scope-1 emissions include direct GHG emissions which come from sources that our Company owns or controls. It includes emissions due to the use of diesel, furnace oil (used at 3 of our 4 conductor plants), LPG, PNG and refrigerant etc. Diesel is mainly used in the forklift for material handling, for diesel generator sets, and for company owned vehicles. Refrigeration gases are used for air conditioning. The Scope-2 emissions include emissions from purchase of electricity. Our Company uses the location-based method for computation of Scope-2 emission.

Our total scope 1 and scope 2 GHG emission for Fiscal 2023 was 104,928 tCO2e. We have started measuring our Scope-3 GHG emissions from Fiscal 2023.We have also entered into an energy supply agreement in August 2022, under open access mechanism to procure electricity from wind solar hybrid power generation facilities. Our conductors, cables and oils segments contributed 62.89%, 34.07% and 3.05% of our overall GHG emission for Fiscal 2023.

Our CSR activities of the Company are aimed at contributing to projects pertaining to healthcare, education and rural development. Our CSR expenditure for Fiscals 2021, 2022 and 2023, and six month period ended September 30, 2023, was ₹ 4.28 crores, ₹ 3.92 crores, ₹ 4.42 crores and ₹ 2.09 crores, respectively.

We have implemented a robust whistle blower policy to enable anyone within the Company and those dealing with the Company to report their concern, if they discover any information which he/ she believes shows serious malpractice, impropriety, abuse of power and authority, financial wrongdoing or unethical conduct/ practices.

We have a succession planning policy which puts forth a policy to ensure a ready supply of internal talent and assess external talent for critical leadership roes in the event of a vacancy.

Competition

In India, the cables and conductors industry is constrained by the raw material price risk and stiff competition. The other key players in the cables and conductors industry in India include Finolex Cables limited, Havells India limited, HFCL limited, KEI Industries limited, Polycab India Limited and RR Kabel Limited. Key players in the specialty oils segment in India, include Castrol India Limited, Gulf oil lubricants India Limited.Large players include public sector undertakings such as Bharat Petroleum Corporation Limited, Hindustan Petroleum Corporation Limited and Indian Oil Corporation Limited. (*Source: CRISIL Report*)

Employees

As of March 31, 2023, we had 1,659 permanent employees. We consider our employees' welfare to be a priority and have introduced policies for group mediclaim, updates to our policies on leave and continuing education assistance for the welfare of our employees. We have a diversity, equity and inclusion policy to improve diversity amongst our workforce, and have taken steps to further improve gender diversity in our workforce. We also value the safety of our employees and have implemented a health and safety policy.

Insurance

Our operations are subject to various hazards inherent in the operations of manufacturing facilities, such as the risk of equipment failure, accidents, fires, earthquakes, floods and other *force majeure* events, which may cause damage to life and lead to the destruction of property, equipment and the environment. Our principal types of coverage include fire, marine, trade credit, office & professional establishment protector, commercial general liability, burglary and house breaking, professional indemnity.

Immovable Property

Our Company's registered office, located at 301, Panorama Complex, Near Race Course, R. C. Dutt Road, Vadodara – 390 007, Gujarat, India and corporate office, located at APAR House, Bldg. no 4 & 5, Corporate Park, Sion-Trombay Road, Chembur, Mumbai- 400 071, (Maharashtra), India, are each owned by us. In addition, our manufacturing facilities in Silvassa, Athola, Jharsuguda, Lapanga, and Khatalwada are operated on premises owned by us. Our facilities in Rabale and Sharjah are operated on premises held by us on a leasehold basis. Our facility in Umbergaon is operated on certain parcels of land which are owned by us and certain parcels which are held on a leasehold basis. For further details, see "*Risk Factors - We may be unable to obtain, renew or maintain statutory and regulatory permits, licenses and approvals required to operate our business and operate our manufacturing facilities, which could have an adverse effect on our results of operations. Further, certain of our manufacturing properties are located on leased premises. If we are unable to renew existing leases or relocate our operations on commercially reasonable terms, there may be a material adverse effect on our business, financial condition and operations.*" on page 53.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the SEBI Listing Regulations and the Articles. In accordance with the Articles, our Company shall not have less than three Directors and more than fifteen Directors, provided that our Company may appoint a director in excess of the limit provided by passing a special resolution. As of the date of this Preliminary Placement Document, our Company has seven Directors, comprising of two Executive Directors and five Non-Executive Directors of which four are Independent Directors, including two women Independent Directors.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding our Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring Director is eligible for re-election. Further, pursuant to the Companies Act, 2013, our Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling-off period of three years prior to re-appointment. Any re-appointment of Independent Directors shall be on the basis of, *inter alia*, the performance evaluation report and approval by our Shareholders through a special resolution.

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

S. No.	Name, Date of Birth, Address, Occupation, Nationality Term and DIN	Age	Designation
1.	**Kushal Narendra Desai** ***Date of Birth:*** February 21, 1967 ***Address***: 8, Gitanjali Garden, Rungta Lane, 68-E, L Jagmohandas Marg, Mumbai – 400 006., Maharashtra ***Occupation:*** Industrialist ***Nationality:*** Indian ***Term:*** Reappointed with effect from January 1, 2023, for a period of upto five years and liable to retire by rotation.* ***DIN***: 00008084	56	Chairman, Managing Director and Chief Executive Officer.
2.	**Chaitanya Narendra Desai** ***Date of Birth:*** July 15, 1971 ***Address***: Gitanjali Garden, Flat No. 601, 68E, Nepean Sea Road, Mumbai – 400 006, Maharashtra ***Occupation:*** Industrialist ***Nationality:*** Indian ***Term:*** Reappointed with effect from January 1, 2023, for a period of upto five years and liable to retire by rotation.* ***DIN***: 00008091	52	Managing Director
3.	**Rajesh Narayan Sehgal** ***Date of Birth:*** February 16, 1971 ***Address***: 1502, Octavius CHS, Hiranandani Gardens, Powai, Mumbai – 400 076, Maharashtra ***Occupation:*** Service ***Nationality:*** Indian	52	Independent Director (Non-Executive)

S. No.	Name, Date of Birth, Address, Occupation, Nationality Term and DIN	Age	Designation
	Term: Reappointed with effect from August 12, 2022, for a period of upto five years. ***DIN***: 00048482		
4.	**Nina Pradip Kapasi** ***Date of Birth:*** November 30, 1959 ***Address***: 202, Palai Residency, 32, Bhaudaji Road, Matunga (C.R.), Mumbai – 400 019, Maharashtra ***Occupation****:* Chartered Accountant ***Nationality****:* Indian ***Term:*** Reappointed with effect from August 8, 2019, for a period of upto five years. ***DIN***: 02856816	63	Independent Director (Non-Executive)
5.	**Rishabh Kushal Desai** ***Date of Birth:*** May 16, 1992 ***Address***: 8, Gitanjali Gardens, Rungta Lane, 68-E, L.J. Marg, Nepean Sea Road, Mumbai - 400006, Maharashtra ***Occupation****:* Industrialist ***Nationality****:* Indian ***Term:*** Reappointed with effect from August 13, 2021, and liable to retire by rotation. ***DIN***: 08444660	31	Non-Executive (Non-Independent Director)
6.	**Kaushal Jaysingh Sampat** ***Date of Birth:*** October 20, 1970 ***Address***: B 1202, Rustomjee Elements, New D N Nagar, Link Road, Andheri West, Mumbai - 400053, Maharashtra ***Occupation****:* Self Employed ***Nationality****:* Indian ***Term:*** Appointed with effect from January 31, 2022, for a period of upto five years ***DIN***: 01932997	53	Independent Director (Non-Executive)
7.	**Nirupa Kiran Bhatt** ***Date of Birth:*** May 18, 1954 ***Address***: 5C Runwal Park, Sion, Trombay Road, Chembur, Mumbai-400071, Maharashtra ***Occupation****:* Self Employed ***Nationality****:* Indian	69	Independent Director (Non-Executive)**

S. No.	Name, Date of Birth, Address, Occupation, Nationality Term and DIN	Age	Designation
	Term: Appointed with effect from October 26, 2023, for a period of upto five years ***DIN***: 02006089		

* *We have been unable to trace certain forms filed with the RoC for regularisation of directors. See the section titled "Risk Factors – We are unable to trace certain documents in relation to regulatory filings and corporate actions taken by our Company. Consequently, we may be subject to adverse regulatory actions and penalties for any past or future non-compliance and our business, financial condition and reputation may be adversely affected" on page 61.*

***Appointed as an additional director pursuant to board resolution dated October 26, 2023, and subject to regularisation.*

Biographies of our Directors

Kushal Narendra Desai is the Promoter, Chairman, Managing Director, and Chief Executive Officer of our Company. He holds a bachelor's degree of science in engineering (electrical engineering) from the University of Pennsylvania and a bachelor of science in economics from the Wharton Business School of University of Pennsylvania.

Chaitanya Narendra Desai is the Promoter and Managing Director of our Company. He holds a bachelor's degree of science in engineering (chemical engineering) from the University of Pennsylvania and a bachelor of science in economics from the Wharton Business School of University of Pennsylvania.

Rajesh Narayan Sehgal is the Independent Director (Non-Executive) of our Company. He holds a bachelor's degree of science in physics from University of Bombay and a post graduate diploma in business management from XLRI, Jamshedpur. He is also a Chartered Financial Analyst with the Institute of Chartered Financial Analyst, USA.

Nina Pradip Kapasi is the Independent Director (Non-Executive) of our Company. She is a qualified Chartered Accountant with the Institute of Chartered Accountants of India.

Rishabh Kushal Desai is the Promoter and Non-Executive and Non-Independent Director of our Company. He holds a bachelor's degree of science from Babson College, Wellesley, Massachusetts.

Kaushal Jaysingh Sampat is the Independent Director (Non-Executive) of our Company. He holds a bachelor's degree in commerce from University of Bombay and a master's degree in business administration from Bowling Green State University, Ohio.

Nirupa Kiran Bhatt is the Independent Director (Non-Executive) of our Company. She holds a bachelor's degree of science from University of Bombay, Mumbai.

Relationship with other Directors

Except as stated below, none of our Directors are related to each other.

Name of the Directors	Relationship
Kushal Narendra Desai and Chaitanya Narendra Desai	Brothers
Kushal Narendra Desai and Rishabh Kushal Desai	Father and Son
Chaitanya Narendra Desai and Rishabh Kushal Desai	Uncle and Nephew

Borrowing powers of our Board

In accordance with the Articles of Association, our Board of Directors has been empowered to borrow funds in accordance with applicable law. Pursuant to the resolution dated August 1, 2014, passed by our Shareholders, our Board is authorized to borrow any sum or sums of money for and on behalf of our Company, from time to time provided that such or sums of monies so borrowed together with monies, if any, already borrowed by our Company in excess of the aggregate of the paid up share capital of our Company and its free reserves provided further that total amount up to which monies may be borrowed shall not exceed ₹ 500 crores, at any time. Our borrowing limits may be changed from time to time, subject to approval of the Board and our Shareholders.

Interests of the Directors

All the Directors may be deemed to be interested to the extent of their shareholding, remuneration and fees payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses, and the Executive Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered. In consideration for these services, they are paid managerial remuneration in accordance with the provisions of applicable law.

Except for Kushal Narendra Desai, Chaitanya Narendra Desai and Rishabh Kushal Desai who are Promoters of our Company, none of our Directors have any interest in the promotion of our Company.

All of the Directors may also be regarded as interested in any Equity Shares held by them and to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. All Directors may also be regarded as interested in the Equity Shares held by the companies, firms, HUFs, and trusts in which they are interested as directors, members, partners, karta, trustees, etc. For details of the Equity Shares held by our Directors, please refer to "*Shareholding of Directors*".

None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company.

No loans have been availed by our Directors from our Company.

Except as provided in "*Related Party Transactions*" on page 40, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document, in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested.

Shareholding of Directors

As per our Articles, our Directors are not required to hold any qualification shares.

Except as disclosed below, none of our Directors hold Equity Shares in our Company as of the date of this Preliminary Placement Document.

Sr. No.	Name of the Director	Designation	Number of stock options outstanding	Number of stock options vested and unexercised	Number of Equity Shares	Percentage (%) shareholding
1.	Kushal Narendra Desai	Chairman, Managing Director, and Chief Executive Officer.	NIL	NIL	92,08,503	24.06
2.	Chaitanya Narendra Desai	Managing Director	NIL	NIL	91,24,185	23.84
3.	Rishabh Kushal Desai	Non-Executive and Non-Independent Director	NIL	NIL	42,398	0.11
4.	Kaushal Jaysingh Sampat	Independent Director (Non-Executive)	NIL	NIL	NIL	NIL
5.	Rajesh Narayan Sehgal	Independent Director (Non-Executive)	NIL	NIL	4,000	0.01
6.	Nina Pradip Kapasi	Independent Director (Non-Executive)	NIL	NIL	1,000	Negligible
7.	Nirupa Kiran Bhatt	Independent Director (Non-Executive)	NIL	NIL	NIL	NIL

Terms of Appointment of Executive Directors

Pursuant to the board resolutions dated May 27, 2022, and shareholders' resolutions dated August 12, 2022**,** each of the Executive Directors our Company are entitled to the following remuneration and perquisites:

Kushal Narendra Desai

Kushal Narendra Desai is the Promoter, Chairman, Managing Director and Chief Executive Officer of our Company. The following is a description of the current terms of appointment of Kushal Narendra Desai:

Sr. No.	Particulars	Amount
i.	Basic Salary	₹7,50,257 per month with effect from January 1, 2023 with annual increase of 10% each following year calculated on salary previously drawn.
ii.	Allowances/ perquisites***	• House Rent Allowance up to 100% of basic salary* • Utilities like power, gas, water, staff, etc. • Leave travel assistance for self and family, medical reimbursement for self and family, club fees, personal accident insurance, and any other allowance or reimbursement. • Contribution to provident fund** • Gratuity payable at a rate not exceeding half a month's salary for each completed year of service** • Encashment of unutilised leave** • Motor Vehicle with driver for use on our Company's business • Telephone/mobile phones/other communication facility
iii.	Incentives	Entitled to annual commission at the rate not exceeding 1% of net profit of our Company in a financial year

** in lieu of housing accommodation or unfurnished residential accommodation, expenditure for taxes, levies, repairs, maintenance, society charges, security charges, etc., incurred by the Company as tenant of the residential premises hired by the Company and provided to Kushal Narendra Desai.*

*** not included in computation of ceiling on remuneration as specified in Section II and Section III of Schedule V of Companies Act, 2013.*

****In accordance with the provisions of Section 192(1A) read with Section 17 of the Income Tax Act, 1961, the Company shall bear and pay due income tax at applicable rates on the perquisite value as per the Income Tax Act / Rules in respect of non-monetary perquisites provided to Kushal Narendra Desai.*

Chaitanya Narendra Desai

Chaitanya Narendra Desai is the Promoter and Managing Director of our Company. The following is a description of the current terms of appointment of Chaitanya Narendra Desai:

Sr. No.	Particulars	Amount
i.	Basic Salary	₹7,50,257 per month with effect from January 1, 2023 with annual increase of 10% each following year calculated on salary previously drawn.
ii.	Allowances/ perquisites***	• House Rent Allowance up to 100% of basic salary* • Utilities like power, gas, water, staff, etc. • Leave travel assistance for self and family, medical reimbursement for self and family, club fees, personal accident insurance, and any other allowance or reimbursement. • Contribution to provident fund** • Gratuity payable at a rate not exceeding half a month's salary for each completed year of service** • Encashment of unutilised leave** • Motor Vehicle with driver for use on our Company's business • Telephone/mobile phones/other communication facility
iii.	Incentive	Entitled to annual commission at the rate not exceeding 1% of net profit of our Company in a financial year

** in lieu of housing accommodation or unfurnished residential accommodation, expenditure for taxes, levies, repairs, maintenance, society charges, security charges, etc., incurred by the Company as tenant of the residential premises hired by the Company and provided to Chaitanya Narendra Desai.*

*** not included in computation of ceiling on remuneration as specified in Section II and Section III of Schedule V of Companies Act, 2013.*

**** In accordance with the provisions of Section 192(1A) read with Section 17 of the Income Tax Act, 1961, the Company shall bear and pay due income tax at applicable rates on the perquisite value as per the Income Tax Act / Rules in respect of non-monetary perquisites provided to Chaitanya Narendra Desai.*

Remuneration paid to Executive Directors*

The following tables set forth the details of remuneration paid by our Company to the Executive Directors of our Company for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for current Fiscal:

(in ₹ crores)

Sr. No.	Name of the Director	Remuneration for Fiscal 2021	Remuneration for Fiscal 2022	Remuneration for Fiscal 2023	Remuneration for six-months ended September 30, 2023
1.	Kushal Narendra Desai	2.16	4.80	10.35	6.51
2.	Chaitanya Narendra Desai	2.12	4.86	10.40	6.19

** Figures have been rounded off to nearest two decimal places.*

Remuneration of the Independent Directors*

Our Independent Directors are entitled to receive sitting fees for attending meetings of our Board of Directors or any of its committee and other payments as may be determined by our Board of Directors from time to time. Pursuant to a resolution passed by our Board of Directors dated July 28, 2023, our Independent Directors are entitled to sitting fees of ₹ 0.01 crores for attending each meeting of our Board of Directors. Additionally, pursuant to a resolution of our Board of Directors dated July 28, 2023, our Independent Directors are entitled to sitting fees of ₹ 0.01 crores for attending each meeting of the Audit Committee, and negligible** for attending each meeting of any committee other than the Audit Committee.

The following tables set forth the details of sitting fees paid by our Company to the Independent Directors of our Company for Fiscal 2021, Fiscal 2022, Fiscal 2023 and for current Fiscal:

(in ₹ crores)

Sr. No.	Name of the Director	Sitting fees for Fiscal 2021	Sitting fees for Fiscal 2022	Sitting fees for Fiscal 2023	Sitting fees for six-months ended September 30, 2023
1.	Fatehchand Bhagwandas Virani	0.04	0.04	0.03***	Not Applicable
2.	Rajesh Narayan Sehgal	0.03	0.04	0.04	0.04
3.	Nina Pradip Kapasi	0.03	0.04	0.04	0.04
4.	Kaushal Jaysingh Sampat	-	0.01	0.03	0.03
5.	Nirupa Kiran Bhatt****	-	-	-	-

** Figures have been rounded off to nearest two decimal places.*

*** ₹ 25,000/- is paid as sitting fees for attending each meeting of any committee other than the Audit Committee.*

****Up to November 3, 2022, i.e., date of resignation from our Board of Directors.*

***** Appointed with effect from October 26, 2023. Hence, no sitting fees was paid during the aforementioned period.*

Prohibition by SEBI or Other Governmental Authorities

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI or any other governmental authority.

None of the Directors of the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other governmental authority.

Key Managerial Personnel

The Key Managerial Personnel are permanent employees of our Company. In addition to the Chairman and Managing Directors the details of our other Key Managerial Personnel in terms of the Companies Act and the SEBI ICDR Regulations as on the date of this Preliminary Placement Document are set forth below:

Sr. No.	Name	Designation
1.	Ramesh Seshan Iyer	Chief Financial Officer
2.	Sanjaya Raju Kunder	Company Secretary and Compliance Officer

Brief biographies of the Key Managerial Personnel

In addition to the Chairman and Managing Directors whose details are provided in "*Brief Profiles of our Directors*" on page 179. The details of our other Key Managerial Personnel as of the date of this Preliminary Placement Document are set forth below:

Ramesh Seshan Iyer is the Chief Financial Officer of our Company.

Sanjaya Raju Kunder is the Company Secretary and Compliance Officer of our Company.

Members of Senior Management

The members of Senior Management are permanent employees of our Company. In addition to the Chairman, Managing Directors, Chief Financial Officer and Company Secretary of our Company, the details of our members of Senior Management, as on the date of this Preliminary Placement Document are set forth below:

Sr. No.	Name	Designation
1.	Shashi Amin	Chief Executive Officer, Cable Solutions
2.	Vijay Kumar Bajaj	Senior President - Business Strategy & Innovation
3.	Suyash Saraogi	President - Strategy & Projects

Biographies of members of Senior Management

In addition to the Chairman and Managing Directors, whose details are provided in "*Brief Profiles of our Directors*" on page 179 and the Chief Financial Officer and Company Secretary whose details are provided in *"Brief Profiles of our Key Managerial Personnel"* on page 183, the details of our other Senior Management as of the date of this Preliminary Placement Document are set forth below:

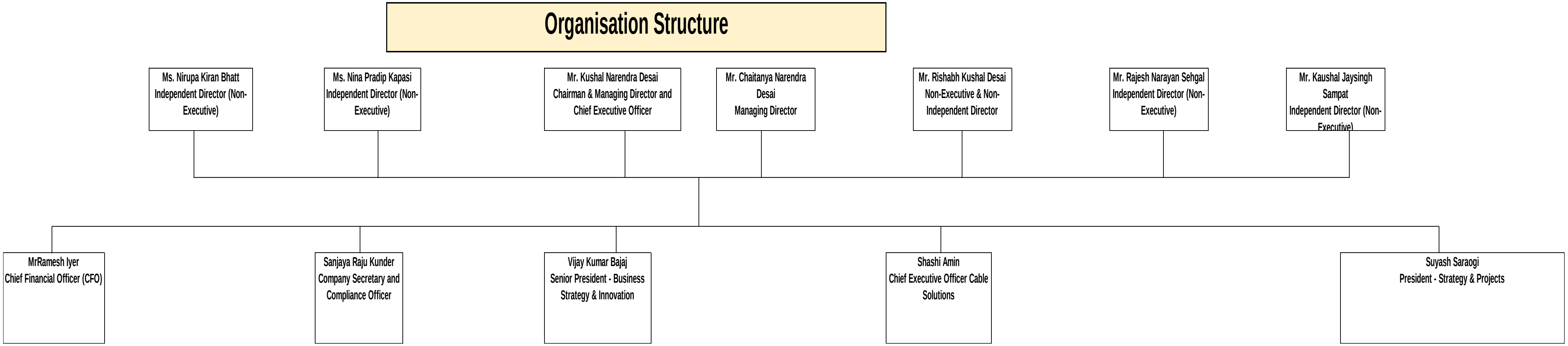
Shashi Amin is the Chief Executive Officer, Cable Solutions of our Company.

Vijay Kumar Bajaj is the Senior President - Business Strategy & Innovation of our Company.

Suyash Saraogi is the President - Strategy & Projects of our Company.

Organisational Chart of our Company

Set forth below is the organisational structure of our Company, including our Board, Key Managerial Personnel and Senior Management.



Relationship

Other than as disclosed under "-*Relationship with other Directors*" on page 179, none of our Key Managerial Personnel and members of our Senior Management are related either to each other or to the Directors.

Interest of Key Managerial Personnel and members of Senior Management

Other than as disclosed under "-*Interest of Directors*" on page 179, our Key Managerial Personnel and members of the Senior Management do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business. Our Key Managerial Personnel and members of Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in our Company, if any.

Our Key Managerial Personnel and members of Senior Management may also be entitled to participate in the APAR Industries Limited Stock Option Plan 2007.

None of our Key Managerial Personnel and members of Senior Management have been paid any consideration of any nature from our Company, other than their remuneration.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel and members of Senior Management was selected as member of senior management.

Corporate Governance

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Share Transfer & Shareholders Grievance cum Stakeholders Relationship Committee; (iv) Risk Management Committee; and (v) Corporate Social Responsibility Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

Sr. No.	Committee	Name and Designation of Members
1.	Audit Committee	Nina Pradip Kapasi (Chairperson), Rajesh Narayan Sehgal, Kushal Narendra Desai, and Kaushal Jaysingh Sampat*
2.	Nomination and Compensation-cum-Remuneration Committee	Rajesh Narayan Sehgal (Chairman), Kaushal Jaysingh Sampat*, and Nina Pradip Kapasi.
3.	Share Transfer & Shareholders Grievance cum Stakeholders Relationship Committee	Rajesh Narayan Sehgal (Chairman)*, Kushal Narendra Desai, and Chaitanya Narendra Desai.
4.	Risk Management Committee	Kushal Narendra Desai (Chairman), Chaitanya Narendra Desai, Nina Pradip Kapasi, Rajesh Narayan Sehgal, V. C. Diwadkar, Vinayak K. Lele, Samir Mehta.
5.	Corporate Social Responsibility Committee	Kushal Narendra Desai (Chairman), Nina Pradip Kapasi, and Chaitanya Narendra Desai.

* w.e.f. November 3, 2022

Other Confirmations

None of our Directors, Promoters or Key Managerial Personnel or members of Senior Management have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company, nor the Directors or Promoters have ever been identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters and fraudulent borrowers issued by the RBI.

None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Directors, our Promoter, Key Managerial Personnel or Senior Management of our Company intend to subscribe to the Issue.

No change in control of our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

The SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of practices and procedures for disclosure of unpublished price sensitive information in accordance with the SEBI Insider Trading Regulations.

Related Party Transactions

For details in relation to the related party transactions entered into by our Company during Fiscals 2021, 2022, 2023, see "*Financial Information*" and "*Related Party Transactions*" on pages 241 and 40, respectively.

ORGANISATIONAL STRUCTURE OF OUR COMPANY

Corporate History

Our Company was incorporated on September 28, 1989, as 'Gujarat Apar Polymers Limited', as a public limited company under the Companies Act, 1956 and received certificate for commencement of business on November 7, 1989, from the Registrar of Companies, Gujarat. Power Cables Private Limited was originally incorporated on January 24, 1958. The name of Power Cables Private Limited was changed to Apar Private Limited on September 27, 1974, and further changed to Apar Limited on November 7, 1988. Pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Bombay order dated January 14, 1999 and the Hon'ble High Court of Gujarat order dated January 18, 1999 the industrial business of Apar Limited amalgamated with the Gujarat Apar Polymers Limited with effect from April 1, 1997 being the appointed date of Scheme of Arrangement between Apar Limited and Gujarat Apar Polymers Limited. Subsequent to aforesaid amalgamation, the name of the Gujarat Apar Polymers Limited was changed to "Apar Industries Limited" under the provision of the Companies Act, 1956 and fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli on April 19, 1999.

Our Company's CIN is L91110GJ1989PLC012802.

The registered office of our Company is located at 301, Panorama Complex, Near Race Course, R.C. Dutt Road, Vadodara - 390 007, Gujarat. India.

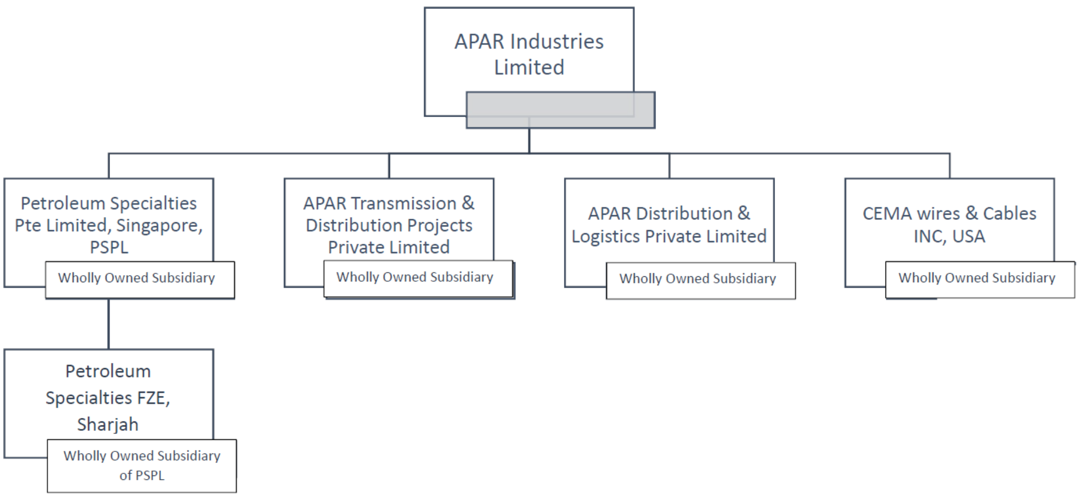
The corporate office of our Company is located at APAR house, Bldg. no. 4 & 5, Corporate Park, Sion - Trombay Road, Chembur, Mumbai- 400 071, (Maharashtra), India.

Our Equity Shares are listed on BSE and NSE since April 18, 1991, and July 12, 2004, respectively.

Organizational Structure

As of the date of this Preliminary Placement Document, we have five Subsidiaries. For further details, see "*Definitions and Abbreviations*" and "*Financial Information*" on pages 20 and 241, respectively.

Our organisational structure is set forth below.



SHAREHOLDING PATTERN OF OUR COMPANY

Shareholding pattern of our Company as on September 30, 2023

The following table sets forth the details regarding the equity shareholding pattern of our Company as on September 30, 2023.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	**Promoters and Promoter Group**	13	2,32,04,303	-	-	2,32,04,303	60.64	2,32,04,303	-	2,32,04,303	60.64	-	60.64	-	-	-	-	2,32,04,303
(B)	**Public**	92,390	1,50,64,316	-	-	1,50,64,316	39.36	1,50,64,316	-	1,50,64,316	39.36	-	39.36	-	-	-	-	1,49,70,630
(C)	**Non-Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	**Shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	**Shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**92,403**	**3,82,68,619**	**-**	**-**	**3,82,68,619**	**100.00**	**3,82,68,619**	**-**	**3,82,68,619**	**100.00**	**-**	**100.00**	**-**	**-**	**-**	**-**	**3,81,74,933**

Statement showing shareholding pattern of our Promoters and Promoter Group

The following table sets forth the details regarding the equity shareholding pattern of our Promoters and Promoter Group as on September 30, 2023.

Category	Category & Name of shareholder (I)	Entity type (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
									Number of Voting Rights			Total as a % of (A+B+C)							
									Class e.g.: Equity Shares	Class e.g.: Others	Total				Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
A(1)	**Indian**																		
(a)	**Individuals/ Hindu Undivided Family**		7	1,85,12,480	-	-	1,85,12,480	48.38	1,85,12,480	-	1,85,12,480	48.38	-	48.38	-	-	-	-	1,85,12,480
(i)	Kushal Narendra Desai	Promoter	1	92,08,503	-	-	92,08,503	24.06	92,08,503	-	92,08,503	24.06	-	24.06	-	-	-	-	92,08,503
(ii)	Chaitanya Narendra Desai	Promoter	1	91,24,185	-	-	91,24,185	23.84	91,24,185	-	91,24,185	23.84	-	23.84	-	-	-	-	91,24,185
(iii)	Smt. Maithili N. Desai	Promoter		0	-	-	0	0.00	0	-	0	0.00	-	0.00	-	-	-	-	0
(iv)	Rishabh K Desai	Promoter	1	42,398	-	-	42,398	0.11	42,398	-	42,398	0.11	-	0.11	-	-	-	-	42,398
(v)	Gaurangi K Desai	Promoter	1	3,200	-	-	3,200	0.01	3,200	-	3,200	0.01	-	0.01	-	-	-	-	3,200
(vi)	Noopur Kushal Desai	Promoter	1	2,139	-	-	2,139	0.01	2,139	-	2,139	0.01	-	0.01	-	-	-	-	2,139

Category	Category & Name of shareholder (I)	Entity type (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
									Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
									Class e.g.: Equity Shares	Class e.g.: Others	Total								
(vii)	Jinisha C. Desai	Promoter	1	500	-	-	500	0.00	500	-	500	0.00	-	0.00	-	-	-	-	500
(viii)	Devharsh C. Desai	Promoter	1	1,31,555	-	-	1,31,555	0.34	1,31,555	-	1,31,555	0.34	-	0.34	-	-	-	-	1,31,555
(b)	**Any other (Specify)**																		
	APAR Corporation Private Limited	Promoter Group	1	84,353	-	-	84,353	0.22	84,353	-	84,353	0.22	-	0.22	-	-	-	-	84,353
	Maithili N. Desai Family Private Trust - Trustee Mr. K. N. Desai & Mr. C. N. Desai	Promoter Group	1	98,983	-	-	98,983	0.26	98,983	-	98,983	0.26	-	0.26	-	-	-	-	98,983
	Maithili Trusteeship Services Private Limited	Promoter Group	1	300	-	-	300	0.00	300	-	300	0.00	-	0.00	-	-	-	-	300
	Maithili N. Desai Family Private Trust	Promoter Group	1	44,28,187	-	-	44,28,187	11.57	44,28,187	-	44,28,187	11.57	-	11.57	-	-	-	-	44,28,187

Category	Category & Name of shareholder (I)	Entity type (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
									Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
									Class e.g.: Equity Shares	Class e.g.: Others	Total								
	No. 2 - Trustee Maithili Trusteeship Services Private Limited.																		
	Kushal N. Desai Family Private Trust - Trustee K. N. Desai, C. N. Desai and N. K. Desai	Promoter Group	1	40,000	-	-	40,000	0.10	40,000	-	40,000	0.10	-	0.10	-	-	-	-	40,000
	Chaitanya N. Desai Family Private Trust - Trustee C. N. Desai, K. N. Desai and J. C. Desai	Promoter Group	1	40,000	-	-	40,000	0.10	40,000	-	40,000	0.10	-	0.10	-	-	-	-	40,000
	Sub Total (A)(1)		13	2,32,04,303	-	-	2,32,04,303	60.64	2,32,04,303	-	2,32,04,303	60.64	-	60.64	-	-	-	-	2,32,04,303
A(2)	**Foreign**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total = A(1)+ A(2)		13	2,32,04,303	-	-	2,32,04,303	60.64	2,32,04,303	-	2,32,04,303	60.64	-	60.64	-	-	-	-	2,32,04,303

Statement showing shareholding pattern of the Public Shareholders

The following table sets forth the details regarding the equity shareholding pattern of the Public Shareholders as on September 30, 2023:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+ C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
B(1)	**Institutions (Domestic)**																	
(a)	Mutual Funds	13	63,08,641	-	-	63,08,641	16.49	63,08,641	-	63,08,641	16.49	-	16.49	-	-	-	-	63,08,485
(i)	HSBC Small Cap Fund	1	10,33,498	-	-	10,33,498	2.70	10,33,498	-	10,33,498	2.70	-	2.70	-	-	-	-	10,33,498
(ii)	Nippon Life India Trustee Limited	1	11,28,613	-	-	11,28,613	2.95	11,28,613	-	11,28,613	2.95	-	2.95	-	-	-	-	11,28,613
(iii)	DSP Flexi Cap Fund	1	14,80,695	-	-	14,80,695	3.87	14,80,695	-	14,80,695	3.87	-	3.87	-	-	-	-	14,80,695
(iv)	HDFC Trustee Company Limited	1	22,84,303	-	-	22,84,303	5.97	22,84,303	-	22,84,303	5.97	-	5.97	-	-	-	-	22,84,303
(b)	Alternative Investments Funds	10	2,13,103	-	-	2,13,103	0.56	2,13,103	-	2,13,103	0.56	-	0.56	-	-	-	-	2,13,103
(c)	Banks	2	264	-	-	264	0.00	264	-	264	0.00	-	0.00	-	-	-	-	240
(d)	Insurance Companies	1	4,140	-	-	4,140	0.01	4,140	-	4,140	0.01	-	0.01	-	-	-	-	4,140
	Sub-Total B(1)	26	65,26,148	-	-	65,26,148	17.05	65,26,148	-	65,26,148	17.05	-	17.05	-	-	-	-	65,25,968
B(2)	Institutions (Foreign)																	

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights: Class e.g.: Equity Shares	Class e.g.: Others	Total	Total as a % of (A+B+ C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
(a)	Foreign Portfolio Investors Category-I	165	33,51,686	-	-	33,51,686	8.76	33,51,686	-	33,51,686	8.76	-	8.76	-	-	-	-	33,51,686
(b)	Foreign Portfolio Investors Category-II	11	1,25,091	-	-	1,25,091	0.33	1,25,091	-	1,25,091	0.33	-	0.33	-	-	-	-	1,25,091
(c)	Any Other (Institutions (Foreign))	3	722	-	-	722	0.00	722	-	722	0.00	-	0.00	-	-	-	-	722
(i)	Foreign Portfolio Investor (Individual) - III	1	692	-	-	692	0.00	692	-	692	0.00	-	0.00	-	-	-	-	692
(ii)	Foreign Institutional Investors	2	30	-	-	30	0.00	30	-	30	0.00	-	0.00	-	-	-	-	30
	Sub-Total B(2)	179	34,77,499	-	-	34,77,499	9.09	34,77,499	-	34,77,499	9.09	-	9.09	-	-	-	-	34,77,499
B(3)	**Central Government / State Government (s)/President of India**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B(4)	**Non-Institutions**																	

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX) — Number of Voting Rights — Class e.g.: Equity Shares	Number of Voting Rights — Class e.g.: Others	Number of Voting Rights — Total	Total as a % of (A+B+ C)	Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII) — Number (a)	Number of Locked in shares (XII) — As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered (XIII) — Number (a)	Number of Shares pledged or otherwise encumbered (XIII) — As a % of total Shares held (b)	Number of Equity Shares held in dematerialized form (XIV)
(a)	Key Managerial Personnel	1	133	-	-	133	0.00	133	-	133	0.00	-	0.00	-	-	-	-	133
(b)	Investor Education and Protection Fund (IEPF)	1	1,08,596	-	-	1,08,596	0.28	1,08,596	-	1,08,596	0.28	-	0.28	-	-	-	-	1,08,596
(c)	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	88,640	34,58,252	-	-	34,58,252	9.04	34,58,252	-	34,58,252	9.04	-	9.04	-	-	-	-	33,71,304
(d)	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	13	5,01,240	-	-	5,01,240	1.31	5,01,240	-	5,01,240	1.31	-	1.31	-	-	-	-	5,01,240
(e)	Non Resident Indians (NRIs)	1,999	3,46,650	-	-	3,46,650	0.91	3,46,650	-	3,46,650	0.91	-	0.91	-	-	-	-	3,45,618
(f)	Bodies Corporate	454	4,50,287	-	-	4,50,287	1.18	4,50,287	-	4,50,287	1.18	-	1.18	-	-	-	-	4,44,761
(g)	Any Other (specify)	1,077	1,95,511	-	-	1,95,511	0.51	1,95,511	-	1,95,511	0.51	-	0.51	-	-	-	-	1,95,511
(i)	Director or Director's Relatives	2	5,000	-	-	5,000	0.01	5,000	-	5,000	0.01	-	0.01	-	-	-	-	5,000

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights: Class e.g.: Equity Shares	Number of Voting Rights: Class e.g.: Others	Number of Voting Rights: Total	Total as a % of (A+B+ C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
(ii)	Clearing Members	7	2,716	-	-	2,716	0.01	2,716	-	2,716	0.01	-	0.01	-	-	-	-	2,716
(iii)	HUF	1,016	1,65,421	-	-	1,65,421	0.43	1,65,421	-	1,65,421	0.43	-	0.43	-	-	-	-	1,65,421
(iv)	LLP	49	22,244	-	-	22,244	0.06	22,244	-	22,244	0.06	-	0.06	-	-	-	-	22,244
(v)	Trusts	3	130	-	-	130	0.00	130	-	130	0.00	-	0.00	-	-	-	-	130
	Sub-Total B(4)	92,185	50,60,669	-	-	50,60,669	13.22	50,60,669	-	50,60,669	13.22	-	13.22	-	-	-	-	49,67,163
	Total B=B(1)+B(2)+ B(3)+B(4)	92,390	1,50,64,316	-	-	1,50,64,316	39.36	1,50,64,316	-	1,50,64,316	39.36	-	39.36	-	-	-	-	1,49,70,630

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment of Application Amount, Allocation and Allotment of the Equity Shares pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and Bidders are assumed to have apprised themselves of the same from our Company or the BRLMs.

Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Bidders are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations and other applicable laws.

*Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares. For further details, please see the sections titled "**Selling Restrictions**" and "**Transfer Restrictions and Purchaser Representations**" on pages* 212 *and* 219 *respectively.*

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and the Placement Document will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in accordance with Chapter VI of the SEBI ICDR Regulations, Section 42 and Section 62 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules thereunder, to the extent applicable, through the mechanism of a qualified institutions placement. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided, inter alia that:

- a special resolution approving the qualified institutions placement has been passed by its shareholders. Such special resolution must specify (i) that the allotment of the securities is proposed to be made pursuant to the qualified institutions placement; and (ii) the relevant date for the qualified institutions placement;
- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, amongst others, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the same class of such issuer, which are proposed to be allotted through the qualified institutions placement or pursuant to conversion or exchange of eligible securities, are listed on a recognized stock exchange in India that has nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution, except for Equity Shares allotted during the preceding one year from the date of this Preliminary Placement Document. For details, please see the section titled "***Capital Structure***" on page 79;
- issuance and allotment of Equity Shares shall be done in dematerialised form only;

- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., this Preliminary Placement Document) and an application form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law. The allotments with respect to any earlier offer or invitation made by the Issuer shall have been completed or the Issuer shall have withdrawn or abandoned such invitation or offer made, except as permitted under the Companies Act, 2013;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- our Promoters and Directors are not fugitive economic offenders; and

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum- application (i.e., this Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited;

- At least 10% of the Equity Shares offered to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs; and

- The Issuer shall not issue or allot partly paid-up shares.

Bidders are not allowed to withdraw or revise their Bids after downwards after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares offered under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with Regulation 176(1) of the SEBI ICDR Regulations and the resolution of our Board on September 28, 2023, and the resolution passed by the shareholders of our Company on November 11, 2023, our Board may in consultation with the Lead Managers, offer a discount of not more than five percent on the Floor Price.

In accordance with Regulation 172(1)(a) of the SEBI ICDR Regulations, the Equity Shares will be Allotted within 365 days from the date of the shareholders' resolution approving the Issue, being November 11, 2023, and within 60 days from the date of receipt of Bid Amount from the Successful Bidders. For details of refund of bid amount, please see section titled "*Issue Procedure- Refunds*" on page 208.The subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an offer to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

This Issue was authorized and approved by our Board of Directors by way of resolution dated September 28, 2023, and by our Shareholders through special resolution on November 11, 2023.

The minimum number of Allottees for each qualified institutions placement shall not be less than:

- two, where the Issue size is less than or equal to ₹ 2,500 million; and
- five, where the Issue size is greater than ₹ 2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "***Bid Process —Application Form***" on page 202.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. In addition, purchasers of the Equity Shares Allotted pursuant to the Issue shall comply with the resale restrictions set forth in the sections titled, "***Selling Restrictions***" and "***Transfer Restrictions and Purchaser Representations***" on pages 212 and 219, respectively.

We have applied for, and received, the in-principle approvals of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares on the Stock Exchanges on November 23, 2023. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules, to the extent applicable.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered hereby have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares offered in this Issue are being offered and sold outside the United States in "offshore transactions" as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction In particular, the Equity Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in offshore transactions as defined in and in accordance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under "Selling Restrictions" and "Transfer Restrictions" on pages 212 and 219, respectively.

Issue Procedure

1. On the Issue Opening Date, our Company and the BRLMs shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to the extent applicable, to whom the Preliminary Placement Document and the serially numbered Application Form will be dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules, if and to the extent applicable. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form is delivered will be determined by our Company in consultation with the BRLMs, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to

have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Bid Amount transferred to the Escrow Account specified in the Application form and a copy of the PAN card or PAN allotment letter (as applicable) and/or any other documents mentioned in the Application Form, during the Issue Period to the BRLMs. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Bidders will be required to indicate the following in the Application Form:

- full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), contact number and bank account details;

- number of Equity Shares Bid for;

- price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

- details of the depository / beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited;

- Equity Shares held by the Eligible QIBs in our Company prior to the Issue;

- a representation that it is outside the United States and has agreed to certain other representations set forth in the "***Representations by Investors***" on page 5 and "***Transfer Restrictions and Purchaser Representations***" on page 219 and certain other representations made in the Application Form; and

- confirm acceptance of any other representations set forth in the Application Form.

Note*: Eligible FPIs are required to indicate the SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

Eligible QIBs shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "Apar Industries Ltd Qip Escrow Ac" with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not Allocated Equity Shares in the Issue, (b) the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "***Issue Procedure – Refunds***" on page 208.

5. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

6. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, after the Issue Closing Date, our Company shall, in consultation with the BRLMs determine the final terms, including the Issue Price of the Equity Shares to be offered pursuant to the Issue and Allocation. Upon such determination, the BRLMs will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and will be in consultation with the BRLMs.**

7. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

8. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the BRLMs, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

9. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

10. After passing the resolution for Allotment, and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the depository participant, as indicated in their respective Application Form, our Company shall submit relevant documents to the Stock Exchanges in respect of the Equity Shares Allotted pursuant to the Issue.

11. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

12. Our Company shall then apply for the final listing and trading permissions from the Stock Exchanges.

13. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant accounts of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchanges.

14. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt the receipt of the listing and trading approvals to those Successful Bidders to whom the Equity Shares have been Allotted. Our Company, and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

15. A representation that it is outside the United States and is acquiring the Equity Shares in an "*offshore transaction*" as defined in, and in reliance on, Regulation S, is not an affiliate of the Company or the BRLMs or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

Eligible Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law, will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- mutual funds, venture capital fund and alternate investment funds registered with SEBI;
- a foreign portfolio investor other than individuals, corporate bodies and family offices, registered with SEBI;
- insurance companies registered with the Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions (which are resident in India);
- pension funds with minimum corpus of ₹ 250 million;
- provident funds with minimum corpus of ₹ 250 million;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005, of the Government published in the Gazette of India; and
- systemically important non-banking financial companies.

Eligible FPIs are permitted to participate under Schedule II of FEMA Rules in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. FVCIs are not permitted to participate in this Issue.

In terms of the SEBI FPI Regulations, the offer of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding by each FPI or investor group shall be below 10% of the total paid-up Equity Share capital of our Company. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company on a fully diluted basis. In case the holding of an FPI or investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the aforementioned prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure specified by SEBI, and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable.

Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company. Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSDL as the designated depository to monitor the level of FPI/NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The Stock Exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

As per the circular issued by SEBI on November 5, 2019, these investment restrictions shall also apply to subscribers of P- Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being, or any person related to, the Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on our Board.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company and the BRLMs and any of its respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the BRLMs who are QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are specifically addressed to them) supplied by our Company and/or the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period, and in such case, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions and Purchaser Representations***" on pages 3, 5, 212 and 219, respectively:

1. The Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Bidder confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

3. The Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares, which shall not be deemed to be a person related to the Promoters;

4. The Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

5. The Bidder confirms that if the Equity Shares are Allotted through the Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the floor of the Stock Exchanges;

6. The Bidder confirms that the QIB is eligible to Bid for and hold the Equity Shares so Allotted and together with any Equity Shares held by the QIB prior to the Issue. The Bidder further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any regulations applicable to the QIB;

7. The Bidder confirms that the Application would not result in triggering a tender offer under the SEBI Takeover Regulations;

8. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

9. The Bidder agrees that it will make payment of its Bid Amount, along with submission of the Application Form within the Issue Period. The Bidder agrees that once a duly filled Application Form is submitted by itself, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date;

10. The Bidder agrees that although the Bid Amount is required to be paid by it, along with the Application Form within the Issue Period in terms of provisions of the Companies Act and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLMs. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose their names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the discretion of the Company, in consultation with the BRLMs;

12. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue size. For the purposes of this representation:

    a. The expression "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB ; and

b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. The Eligible QIB confirms that:

a. It is outside the United States and subscribing to the Equity Shares in an "offshore transaction" in reliance upon Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate; and

b. It has agreed to the other representations set forth in the section ns titled, "***Selling Restrictions***" and "***Transfer Restrictions and Purchaser Representations***" on pages 212 and 219 respectively, and the other representations made in the Application Form.

14. The Bidder acknowledge that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;

15. The Bidder confirms that it shall not undertake any trade in the Equity Shares credited into the beneficiary account maintained with the Depository Participant by the QIBs until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

16. The Bidder acknowledges, represents and agrees that in the event its total interest in the paid-up share capital of our Company or voting rights in our Company, whether direct or indirect, beneficial or otherwise (any such interest, your "**Holding**"), when aggregated together with any existing Holding and/or Holding of any of the persons acting in concert, results in Holding of 5% or more of the total paid-up share capital of, or voting rights in, our Company a disclosure of the aggregate shareholding and voting rights will have to be made under the SEBI Takeover Regulations. In case such Eligible QIB is an existing shareholder who, together with persons acting in concert, holds 5% or more of the underlying paid up share capital of, or voting rights in our Company a disclosure will have to be made under the SEBI Takeover Regulations in the event of a change of 2% or more in the existing Holding of the Eligible QIB and persons acting in concert;

17. The Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations; and

18. The Bidder has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of this Preliminary Placement Document, will be deemed to have made the representations, warranties and agreements made under "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions and Purchaser Representations***" on page 3, 5, 212 and 219, respectively.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route.

ELIGIBLE QIBS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, PHONE NUMBER, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN / PAN ALLOTMENT LETTER (IF APPLICABLE), DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR DEPOSITORY / BENEFICIARY ACCOUNT IS HELD.

IF SO, REQUIRED BY THE BRLMs, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLMs TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO, REQUIRED BY THE BRLMs, THE ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSING DATE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company or by the BRLMs in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the Bidder, the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (if applicable). The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the BRLMs either through electronic form or through physical delivery at either of the following addresses:

Name of the BRLM	Address	Contact Person	Email	Contact Number
ICICI Securities Limited	ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India	Rupesh Khant/ Sumit Kumar Singh	projectsun@icicisecurities.com	+91 22 6807 7100
IIFL Securities Limited	24th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013, Maharashtra, India	Mukesh Garg	project.sun@iiflcap.com	+91 22 4646 4728

The BRLMs shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "Apar Industries Ltd Qip Escrow Ac" with the Escrow Agent, in terms of the arrangement among our Company, the BRLMs and the Escrow Agent. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be cancelled and rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "Apar Industries Ltd Qip Escrow Ac" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a

Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or any Bidder lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "***Issue Procedure – Refunds***" on page 208.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, a discount of not more than five percent of the Floor Price may be offered by our Board in accordance with the provisions of the SEBI ICDR Regulations.

Our Company, in consultation with the BRLMs, shall determine the Issue Price, which shall be at or above the Floor Price.

The "Relevant Date" referred to above, for Allotment, will be the date of the meeting in which the Board decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares of the Company of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

Build-up of the Book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLMs. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the BRLMs.

Price Discovery, Terms and Allocation

Our Company, in consultation with the BRLMs, shall determine the Issue Price, which shall be at or above the Floor Price and the Allocation on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations. However, our Board, may in consultation with Lead Managers, may offer a discount of not more than five percent on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by the Board pursuant to resolution dated September 28, 2023 and a special resolution of our Shareholders on November 11, 2023.

After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company, in consultation with the BRLMs, have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY, IN CONSULTATION WITH THE BRLMs, IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BRLMs, AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BRLMs ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

Confirmation of Allocation Note (CAN)

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLMs, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

Successful Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "***Notice to Investors***" on page 3 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the respective CANs.

2. In accordance with the SEBI ICDR Regulations, the Equity Shares will be offered, and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall submit the necessary documents with the Stock Exchanges in relation to the Issue and post that our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts (a) the Successful Bidders will be eligible for trading on the Stock Exchanges immediately upon such credit, and (b) the monies lying to the credit of the Escrow Account shall be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC.

6. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, including the details of names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, the Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

7. In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within the timelines prescribed under the applicable laws, our Company shall repay the application monies within the timelines prescribed under the applicable laws, failing which our Company shall repay that monies with interest at such rate and in such manner as prescribed under the Companies Act and SEBI ICDR Regulations. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or the Application Amount paid by a Bidder is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to such Bidder and the Issue Price, or a Bidder lowers or withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted (as set out in the Application in the form and manner set out in the Refund Intimation Letter. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue within the timelines prescribed under the applicable laws, our Company shall repay the Bid Amount as per the timelines prescribed under the applicable laws, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act and SEBI ICDR Regulations.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to the Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the Income Tax Act, 1961 ("**IT Act**"). A copy of PAN card is required to be submitted with the Application Form. However, this requirement may not apply to certain Bidders who are exempted from the requirement of obtaining a PAN under the IT Act. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLMs, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLMs in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder, as set out in the Application Form. For details see "***Issue Procedure – Refund***" on page 208. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Equity Shares in dematerialised form with the Depositories

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode). Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

The Bidders applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either of the Depositories prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with the Depositories. The Stock Exchanges have electronic connectivity with the Depositories. The trading of the Equity Shares would be in dematerialised form only for all Allottees in the respective demat segment of the Stock Exchanges. Our Company and the BRLMs will not be responsible or liable for the delay in the credit of the Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the Bidder.

PLACEMENT

No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares

Placement Agreement

The BRLMs have entered into the Placement Agreement dated November 23, 2023 with our Company, pursuant to which the BRLMs has agreed, subject to certain conditions, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription for Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

This Preliminary Placement Document and the Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares offered pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

The Equity Shares offered hereby have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares offered in this Issue are being offered and sold outside the United States in "offshore transactions" as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made. For further information, see "***Selling Restrictions***" and "***Transfer Restrictions and Purchase Representations***" on pages 212 and 219, respectively.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges.

In connection with the Issue, the BRLMs (or their affiliates) may, for its own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be offered pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLMs may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. The Affiliates of the BRLMs may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "***Offshore Derivative Instruments***" on page 11.

From time to time, the BRLMs, and their affiliates may be engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory, banking, trading services for our Company, its Subsidiaries, its group companies, affiliates and the shareholders of our Company, as well as to their respective affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLMs and their affiliates.

Lock-up

Our Company will not for a period of 120 days from the date of Allotment under the Issue, without the prior written consent of the Placement Agents, directly or indirectly, (a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the Securities Act, with respect to any of the foregoing; or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, (d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or (e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (d) above. Provided that, the foregoing restriction shall not apply to an issuance of Equity Shares or options pursuant to any employee stock option scheme formulated by our Company.

Our Promoters will not for a period of 120 days from the date of Allotment of Equity Shares, without the prior written consent of the Placement Agents, directly or indirectly:

(a) sell, lend, contract to sell, any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or file any registration statement under the U.S. Securities Act of 1933, as amended, or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, lend, contract to sell any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document or any offering material and the offering, sale or delivery of Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restriction. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

General

No action has been taken or will be taken by our Company or the BRLMs that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required (including filing of prospectus in India with SEBI or any other authority in connection with the Issue). Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of this Preliminary Placement Document, any offering materials and any advertisements in connection with the offering of the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations. Each purchaser of the Equity Shares in this Issue will be deemed to have made representations, warranties, acknowledgments and agreements as described in this section and under "***Notice to Investors***", "***Representations by Investors***" and "***Transfer Restrictions and Purchase Representations***" on page 3, 5 and 219.

Republic of India

The Issue will be made in compliance with the SEBI ICDR Regulations, Section 42 of the Companies Act, read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and the rules made thereunder.

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public or any other class of investors other than Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, or an advertisement and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This Preliminary Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a prospectus or disclosure document under the Australian Corporations Act. This Preliminary Placement Document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it with ASIC. No offer will be made under this Preliminary Placement Document to any person to whom disclosure is required to be made under Chapter 6D of the Australian Corporations Act. Any offer in Australia of the Equity Shares under this Preliminary Placement Document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act which permit the offer of the Equity Shares without disclosure under Part 6D.2 of the Australian Corporations Act.

As any offer of Equity Shares under this Preliminary Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Australian Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Australian Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to the Company that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to any person in Australia except in circumstances where disclosure to such person is not required under Chapter 6D.2 of the Australian Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Preliminary Placement Document and the Equity Shares that shall be offered pursuant to this Preliminary Placement Document have not been registered, filed, approved or licensed by the Central Bank of Bahrain

("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.
The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Preliminary Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Preliminary Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Book Running Lead Manager for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the BRLMs of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the BRLMs of such fact in writing and has received the consent of the BRLMs in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the BRLMs has been obtained to each such proposed offer or resale.

Our Company, the BRLMs and their affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

No securities registration statement in relation to the solicitations of the Equity Shares offered in the Issue in Japan (the "**Solicitations**") has been or will be filed pursuant to Article 4, Paragraph 1 of the Financial Instrument and Exchange Law of Japan (the "**FIEL**"). The Solicitations shall only be made (i) to Qualified Institutional Investors and (ii) to no more than 49 persons (excluding any Qualified Institutional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Any Qualified Institutional Investors who acquire Equity Shares in the Issue (a) may not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Equity Shares to any person in Japan or to or for the benefit of any resident of Japan, including any corporation or other entity organised under the laws of Japan, except to Qualified Institutional Investors; and (b) shall deliver a notification indicating (a) and (b) herein to any transferee of the Equity Shares. Capitalized terms used in this sub-section and not defined in this Preliminary Placement Document have the meanings given to those terms in the FIEL.

Republic of Korea

No securities registration statement in relation to the Solicitations (as defined under Financial Investment Services and Capital Markets Act of the Republic of Korea ("**South Korea**") (the "**FISCMA**")) of the Equity Shares offered in the Issue in South Korea has been or will be filed pursuant to the FISCMA. The Solicitations shall only be made (i) to certain professionals as prescribed in the FISCMA and the enforcement decree promulgated thereunder ("Professional Investors") and (ii) to no more than 49 persons (excluding any Professional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue. Furthermore, the Equity Shares may not be offered, sold, transferred or delivered for reoffering or resale, directly or indirectly, in South Korea or to, or for the account or benefit of, any resident (as defined under the Foreign Exchange Transactions Act of South Korea and the decree, rules and regulations promulgated thereunder) thereof for a period of one year from the date of the issuance of the Equity Shares, except as otherwise permitted under applicable South Korean laws and regulations.

Kuwait

This document and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been nor will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Preliminary Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. the interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. no regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor BRLMs are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing BRLMs are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar Financial Centre

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of Equity Shares from or within the Qatar Financial Centre ("**QFC**"), and accordingly should not be construed as such. This Preliminary Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Preliminary Placement Document is strictly private and confidential and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licenced by or registered with any licensing authorities within the QFC.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("**CMA**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Sultanate of Oman

The information contained in this Preliminary Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Preliminary Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "**Executive Regulations**") by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Preliminary Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Preliminary Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Preliminary Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Preliminary Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "**Promotion**") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "**High Net Worth Individuals**") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE.

The Promotion of this Preliminary Placement Document and the Equity Shares has not been and will not be approved by the SCA and, as such, this Preliminary Placement Document does not constitute an offer to the general public in the UAE to acquire any Equity Shares. Except where the Promotion of this Preliminary Placement Document and the Equity Shares is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE, the Promotion of this Preliminary Placement Document and the Equity Shares in the UAE is being made only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations).

None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

United Kingdom

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the BRLMs for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or any BRLMs to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the

United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). The Preliminary Placement Document is directed only at relevant persons. Other persons should not act on the Preliminary Placement Document or any of its contents. The Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States of America

The Equity Shares have not been and will not be registered under the Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in 'offshore transactions' (as defined in Regulation S) in reliance on Regulations S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see "***Transfer Restrictions and Purchaser Representations***" on page 219.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS AND PURCHASER REPRESENTATIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of Equity Shares.

Purchasers are not permitted to sell the Equity Shares Allotted pursuant to the Issue, for a period of one year from the date of Allotment, except on the Stock Exchanges. Allotments made to Eligible QIBs in the Issue (including to FPIs) are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. Additional transfer restrictions applicable to the Equity Shares are listed below.

Transfer Restrictions and Purchaser Representations

The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any “directed selling efforts” as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any “directed selling efforts” as defined in Regulation S.

- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Equity Shares have not been and will not be registered under the Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the Securities Act and other applicable U.S. state securities laws.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the BRLMs for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity

Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold the Company and each of the BRLMs harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the BRLMs liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the respective websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLMs or any of its respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in India in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 9, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and governance of stock exchanges and clearing corporations in India together with providing for minimum net-worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by listed companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations, as well as pursuant to the listing agreements entered into by our Company with the Stock Exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Delisting of equity shares from the stock exchanges, whether by way of a compulsory or a voluntary delisting, is governed by the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the "**Delisting Regulations**"). Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except exempted public sector undertakings) are required to maintain a minimum public shareholding of 25%. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Disclosures under the Companies Act and securities regulations.

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI ICDR Regulations. The prospectus must be filed with the relevant registrar of companies having jurisdiction over the place where a company's registered office is situated. A company's directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and payment of commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. The SEBI ICDR Regulations permit companies to price their domestic issues of securities in consultation with the lead merchant banker or through the book building process.

Public limited companies are required under the Companies Act, and other applicable guidelines to prepare, file with the RoC and circulate to their shareholders audited annual accounts which comply with the Companies Act's disclosure requirements and regulations governing their manner of presentation and which include sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations. Accordingly, companies are required to publish unaudited consolidated financial statements (subject to a limited review by the company's auditors) on a quarterly basis and are required to inform stock exchanges immediately regarding any unpublished price sensitive information.

Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the "**Insider Trading Regulations**") have been notified by SEBI to amongst other things, prohibit and penalize insider trading in India and prohibit dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The Insider Trading Regulations also impose certain restrictions on the communication of UPSI relating to a company or securities listed or proposed to be listed. In terms of the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. It also provides disclosure obligations for promoters, employees and directors, with regard to their shareholding in the company, and the changes therein. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations define the term "unpublished price sensitive information" to mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of its securities and ordinarily includes but not restricted to information relating to the following: (a) financial results; (b) dividends; (c) change in capital structure; (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and (e) changes in key managerial personnel. Further, in terms of the Insider Trading Regulations, "generally available information" is defined as information that is accessible to the public on a non-discriminatory basis. An "insider" means any person who is i) a connected person; or ii) in possession of or having access to unpublished price sensitive information. The term "connected person" means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holding any position, including a professional or business relationship between himself and the company, whether temporary or permanent, that allows such person, directly or indirectly, to have access to unpublished price sensitive information or is reasonably expected to allow such access.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities (including fiduciaries and intermediaries) that are required to handle UPSI in the course of business operations to establish (i) an internal code of practices and procedures for fair disclosure of UPSI; (ii) an internal code to regulate, monitor and report trading by designated persons and immediate relatives of designated persons; and (iii) a policy for procedures to be adopted by a company in case of any leak of UPSI. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the NIFTY 50 of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down, for all scrips in the compulsory rolling settlement. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Settlement

The stock exchanges in India operate on a trading day plus two, or T+2 rolling settlement system. At the end of the T+2 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Wednesday.

Further, in accordance with the circular dated September 7, 2021, issued by SEBI, at any time on or after January 1, 2022, a Stock Exchanges may choose to offer T+1 settlement cycle after giving an advance notice of at least one month.

Trading Hours

Trading on both BSE and NSE normally occurs from Monday through Friday between 9:15 a.m. IST and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m. IST to 9.15 a.m. IST that has been introduced). BSE and NSE are closed on public holidays. . The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours. **Internet-Based Securities Trading and Security Trading using Wireless Technology Services**

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE online trading facility in 1995. This 100% automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus. NSE has a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade.

Depositories

The Depositories Act, 1996 provides a legal framework for the establishment of depositories to record ownership details and effect transfers in electronic book-entry form. Further, SEBI has framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations. **Takeover Regulations**

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover. After listing on the stock exchanges, the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "**Takeover Regulations**") will apply to our Company, which provide specific regulations in relation to substantial acquisition of shares and takeovers. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding that a person or entity (along with persons acting in concert with such person or entity) has in the listed Indian company, which give rise to certain obligations on the part of the acquirer. Acquisition of shares or voting rights up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions (direct or indirect, along with persons acting in concert with such acquirer) crossing particular thresholds may result in the acquirer having to make an open offer for the shares of the target company.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, 2013, as amended and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, 2013, as amended, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association . The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of the Company is ₹ 1,01,99,87,500 divided into 10,19,98,750 Equity Shares of ₹ 10 each. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up capital of the Company is ₹ 382,686,190 comprising of 3,82,68,619 Equity Shares of face value of 10 each. The Equity Shares are listed on BSE and NSE.

Main objects of our Company

1. (a) To manufacture, deal in or process all kinds of polymers, synthetic and/or natural rubbers, plastics, elastomers, adhesives, epoxies, Nitrile Rubbers, Nitrile Latices styrene, butadiene, ethylene, alcohol, petroleum fractions and petrochemicals of all kinds and other chemical substances of all kinds, to manufacture blends and compounds, synthetics and other substances, basic intermediate or otherwise from organic and inorganic chemical substances of all kinds.

   (aa) To manufacture, buy, sell, exchange, alter, improve, manipulate, prepare for market, import or export and otherwise deal in all kinds of:

   (i) All Aluminium/Alloy Conductors (AAC), Aluminium Conductors Galvanised Steel Reinforced (ACSR), Aluminium alloy Conductors Steel Reinforced/ Corded (AACSR) All Aluminium Alloy Stranded conductors (AAAC), Properzi (Aluminium/ Alloys Road Rolling) for overhead transmission and distribution lines, bare copper and cadium copper wire round or grooved for tramway, trolley buses, etc. (also suitable for crane operation), bare copper and aluminium bus bars, binders and rotor bars suitable for dynamo, transformer and switchgear manufactures, copper and aluminium/alloy wires and tapes for lightening conductors, aerials of copper, bronze, phosphor-bronze, aluminium/alloy, Semi-conductors devices and all kinds of cables, wires, conductors and accessories.

   (ii) Insulated Cables and Wires, Rubber or Plastic insulated Wires and Cables, Cab Tyre Sheathed Wires, Cables and Flexibles, Flexible Cords, Cotton or Silk braided Conduit Wired and Cables with aluminium or brass plated steel sheath, conduit wires and cables, Low and High Tension Power Cables, Telegraph & telephone Cables, Paper, Rubber or Bitumen Insulated, Lead Covered Power Cables, Armoured or non-armoured, Extra High tension, Shielded and Belted Power Cables, type H., H.S.L. etc. Mining Shaft, Submarine and Marine Power Cables, Telephone and Telegraph Cables for house installations and accessories for power cables, alplast-cable, Cable with seamless aluminium/alloy sheath covered with a second seamless skin of theremoplastic material, overhead materials, bare copper, bronze, aluminium/alloys wires and cables, solid or stranded for telephone, telegraph and signalling purposes.

   (iii) Manufacturing and providing Electron Beam (E-beam) irradiation services for various products including Heat Shrink Tubings, all types of sleeves, Polymeric Moulded & Extruded components, Plastic & Rubber Pipes and Hoses, Polymeric sheets/films in single/multilayer including foamed, all types of polymeric industrial packaging materials, Automotive wires & Cables, Automotive components, Telecommunication cables, Optical Fiber and Optical Fiber Cables, Green House covers, Plastic tarpaulin products, all varieties of Insulated Cables & Wires, Medical product sterilization including pharmaceutical and first aid products, Irradiation of Diamonds & Precious and semi precious stones, Irradiation of PTFE (polytetraflouroethylene) and grinding it to fine powder, surface coatings and irradiation services for any other materials and substances including spices and food products.

   (ab) To carry on the business of manufacturers, processors, refiners, importers and exporters of and dealers in transformer oils, electrical oils, refrigeration oils, automobile oils, rolling mill oils, textile oils, pharmaceutical oils, industrial oils, white oils & sulphonates, agricultural oils, mineral oils, vegetable oils, natural oils, mechanical oils, speciality oils, base oils, rubber processing oils, cable & speciality jellies & compounds, greases, waxes & industrial wax blends, aderco fuel additives, ASTM reference oils, Kerosene & solvents and oils and petrochemical products of any nature and kind of every description and suitable for use or application in any field or purpose whatsoever including light, medium and heavy mechanical, textile, chemical, fertiliser petrochemical, food preservation, refrigeration and air-conditioning, automobile, engineering industries, special industries scientific research, defence and domestic.

(ac) To carry on the business of manufacturers, importers and exporters of and dealers in chemical products of any nature and kind whatsoever including heavy chemicals, petrochemicals, synthetic chemicals, organic and inorganic, microbiological, pharmaceutical and other allied chemicals, solvents, intermediates, alkalis, acids drugs, tannins essences, photographical, sizing, medicinal chemicals industrial and other preparations and articles of any nature and kind whatsoever, mineral and other waters, cements, oils, paints, pigments, varnishes, compounds, drugs, dye-stuff, organic or mineral intermediates.

(b) To carry on the business of manufacturers of and dealers all kinds of plastics materials industry, styrene, polystyrene, vinyl, chloride, poly vinyl chloride, polyethylene, polyolefines, vinyl acetate, acrylonitrile/butadiene copolymers, copolymer latices and blends of the copolymers with polyvinyl chloride resins and copolymers of one or more of the above and /or other products, acrylics and polyesters polycarbonates and polyethers and epoxy resins and compositions, silicon resins and compositions, P-F, U-F and other thermostating resins and moulding compositions, nylons, rilsan, and similar thermoplastics moulding compositions including prefabricated sections and shapes, cellulosic plastics and other thermostating and thermoplastic materials (of synthetic or natural origin) oxygen, nitrogen, hydrogen, halogins, hydrocarbon gases, including ethylene materials, pigments and lakes, lacquers, finishes, dyes, tones, and flavouring chemicals, rubber chemicals, plastic and resinous materials, gums glues plasticizers, surface active agents, tanning agents, coating resins, solvents marine chemicals, synthetic fibres, and alloys of plastic and metal, graphite and carbon products.

2. To carry on the business of manufacturers of and dealers in all kinds of plastic materials and articles, artificial leather, sealants and adhesives, flexible packaging, acrylic esters like ethyl and methyl acrylates, acrylicacids, methacrylic esters like ethyl methacrylates, methyl methacrylate methlacrulate's, methacrylic acids, poly acrylates, like poly-methacrylic, poly-methyl metnacrylates various acrylates, derivatives, like ethyl acrylates, ethylene methacrylates, 2 ethyl hexyl acrylates, n-hexyl acrylates, iso-hexyl acrylates, 2-chloro ethyl acrylates, no-butyl methcrylates allymethacrylates 2-hydroxy propyl acrylates, isodecyl acrylates, acrylamine, isobutyl methacrylates, polymer, higher methacrylates like, butyl laury steryl, 2 amino ethyls and various co-polymers etc. acrylonitrite, poly acrylonitrile, co-polymers etc acrylonitrile, Polyacrylonitrile, copolymers, acrylonitrile acrylics fibers resin, derivatives, regenerated cellulose viscose rayons, cellulose nitrates, cellulose nitrates, hydroxy ethyl cellulose, cyano ethyl cellulose, polyamides from proteins, isoprene rubber, chlorinatedrubber, butyl rubber, polybutadiene, nirtile rubber, other high polymer rubbers and special purpose rubber, poly sulfones, butadiene, styrene, co-polymers, acrylonitrile copolymers, phenolformal dehyde resins, urea sulphonomide formal-dehyde resins, amino plastic resins, polyethylene, polyolenfines, polytetra fluoro ethylene polychloro trifluoro ethylene, poly propylene, polybuenes, vinyl alcohol, poly vinyl alcohol, vinyl, acetate formal, polyvinyal formal vinyal butryal, vinyl and vinylydene ethers, poly-vinyl vinylydebe ethers, vinyl ketones and aldehydes, poly-vinyl kethones aldehydes, vinylydene chlorides, polyvinyl chlorides, vinylity chloride, co-polymers, polyesters unsaturated polyesters, alkyd resines, polyisocyanides, unsaturated polyester resins, nylon fibers, poly-urethane, silicones, polyether, poly-oxy ethylene, poly-oxy ethylene, epoxy resins, furan resins, vinylydene crnaides, poly isoprene, poly-chloroprene, styrene, polystrene, polydivinyl benzene, hetero cyclie vinyl compounds iodene resins, poly-cyclic pentadiene, phthalic- anthydride. Caprolactum glycols and all casted items like extruded vacuum, formed, injection moulded and fabricated and by conversion technique produced from above Plastics, rubber Chemicals, plastic and resinous materials elastomers, gums, gules and adhesive composities, plasticizers and auxiliaries surface active agents, tanning agents, coating resins.

3. To carry on business as manufacturers of and dealers in all types of synthetic rubber and elastomers, synthetic resins plastics, latices and formulations thereof including reclaimed rubber and all kinds of rubber and plastic products and goods.

4. To implement Letters of Intent / industrial Licenses received / to be received by Apar Private Limited, a Company registered in the State of Gujarat relating to the various Synthetic Rubber Projects to be established at district Bharuch, in the State of Gujarat.

5. To undertake, carry out, promote and sponsor rural development including any programme for promoting the social and economic welfare of or the uplift to the people, in any rural area and to incur any expenditure on any programme of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner. without prejudice to the generality of the foregoing, "Programme of Rural Development" shall also include any programme for promoting the social and economic welfare of, or the uplift of the people in any rural area to promote and assist rural development and that the words "rural area" shall include such areas as may be regarded as rural areas under the income

tax Act, 1961, or any other law for the time being in force and in order to implement any of the above mentioned objects or purposes, transfer without consideration or at fair concessional value and divest the ownership of 4 any property of the Company to or in favour of any Public or Local Body or authority of Central or State Government or any institution or trusts.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of its shareholders at the annual general meeting of its shareholders. The shareholders have the right to decrease but not increase the dividend amount recommended by the board of directors. Dividends are generally declared as a percentage of par value (on per share basis) and distributed and paid to shareholders. The Companies Act provides that shares of the same class of a company must receive equal dividend treatment.

These distributions and payments are required to be paid to or claimed by shareholders within 30 days of the date of declaration of dividend. The Companies Act states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account within seven days from the date of expiry of the period of 30 days. Any dividend amount that remains unclaimed for seven years from the date of such transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the Government of India.

The Articles authorize the Board to declare such interim dividends as in their judgement the position of our Company justifies. Under the Companies Act dividends payable can be paid only in cash to the registered shareholder at a record date fixed prior to the relevant AGM, to his order or to the order of his banker. However, any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

No dividend shall be payable except out of the profits of the year or out of the profits for any previous financial year(s) arrived at after providing for depreciation, or otherwise than in accordance with the provisions of the Act and no dividend shall carry interest as against the Company.

Bonus Shares

In addition to permitting dividends to be paid as described above, the Companies Act permits the Board, subject to the approval of the Shareholders of our Company, to distribute to the Shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company’s free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the Shareholders in proportion to the number of equity shares owned by them.

Bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/interest payments on fixed deposits or debt securities issued by it. Bonus shares shall not be issued in lieu of dividend.

Pre-Emptive Rights and Alteration of Share Capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62(1)(a) of the Companies Act such new shares shall be offered to existing Shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting.

Pursuant to the terms of our Articles of Association, our Company may, from time to time: (a) increase its share capital by such amount as it thinks expedient by issuing new shares; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum subject to the provisions of the Act; and (e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person. Further, our Company may, by special resolution subject to confirmation by the Tribunal, reduce in any manner and with, and subject to, the applicable provisions of the Act,— (a) its share capital; (b) any capital redemption reserve account; or (c) any share premium account.

Issuance of Preference Shares

Subject to Section 80 of the Companies Act, and in accordance with the Articles, any new shares may be issued as redeemable preference shares which are liable to be redeemed in any manner permissible under the Companies Act.

General meetings of shareholders

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. Our Company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board may convene an EGM whenever the Board thinks fit. Written notice or notice via electronic mode means setting out the business to be transacted at the meeting must be given at least 21 days prior to the date set for the general meeting to the Shareholders. Shorter notice is permitted if consent is received from 95% of the Shareholders entitled to vote at such meeting. Thirty Shareholders or such other number of Shareholders as required under the Companies Act or applicable law personally present shall constitute quorum for a general meeting.

Voting rights

At a general meeting, every member holding shares is entitled to vote through e-voting process. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our Company's total paid up capital. The Chairman of the meeting has a casting vote or second vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form prescribed. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings.

Pursuant to the terms of our Articles of Association, and subject to any rights or restrictions for the time being attached to any class or classes of shares, — (a) on a show of hands, every member holding equity shares present in person or proxy shall have one vote; and (b) on a poll or voting through electronic means.

Transfer and transmission of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the Depositories. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository.

The Equity Shares shall be freely transferable, subject to applicable laws.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act and any related SEBI guidelines issued in connection therewith.

Winding up

Our Articles of Association provide that on winding up, the liquidator may, with the sanction of a special resolution and any other sanction required under the Companies Act, 2013, divide amongst the members, in specie or kind, the whole or any part of the assets of our Company and vest any part of the assets of the Company in trustees upon such trust for the liquidators.

TAXATION

To,

The Board of Directors
APAR Industries Limited
301, Panorama Complex,
R.C. Dutt Road,
Vadodara – 390 007
Gujarat, India

ICICI Securities Limited
ICICI Venture House,
Appasaheb Marathe Marg,
Prabhadevi,
Mumbai – 400 025,
Maharashtra, India

IIFL Securities Limited
24th Floor, One Lodha Place,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai – 400 013,
Maharashtra, India

(ICICI Securities Limited, IIFL Securities Limited and any other book running lead manager appointed in connection with the Placement are collectively referred to hereinafter as the "**Book Running Lead Managers**")

Sub: Subject: Statement of tax benefits ("Statement") available to APAR Industries Limited (the "Company") and its shareholders prepared in accordance with the Securities Exchange and Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations")

Ladies and Gentlemen,

We, CNK & Associates LLP, the statutory auditors of the Company, hereby consent to the use of the Statement of Tax Benefits dated November 23, 2023 to be included in the Preliminary Placement Document and Placement Document (together referred to as "**Offering Documents**") of the Company to be filed with National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), in relation to the qualified institutions placement of equity shares of face value of ₹10 of the Company (the "**Placement**").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act which are based on business imperatives the Company may face in the future and accordingly, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed **Annexure I** are not exhaustive. We were informed that this statement covers the possible tax benefits available to the Company and its shareholders and is only intended to provide general information to the investors for the Placement and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Placement.

We confirm that **Annexure I** provides in all material respects the possible tax benefits available to the Company or its shareholders in accordance with the applicable tax laws as on the date of this certificate.

We do not express any opinion or provide any assurance as to whether:

1. The Company or its shareholders will continue to obtain these benefits in future; or

2. The conditions prescribed for availing the benefits have been/ would be met with.

3. The revenue authorities/courts will concur with the views expressed therein

The contents of the enclosed Annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We have conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India ("**ICAI**") which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI.

We hereby confirm that the enclosed statement is in connection with the possible tax benefits available to the Company, the shareholders of the Company, under the Income Tax Act, 1961, as amended (the "Act"), presently in force in India, the Finance Act, 2023, Goods and Service Tax Act, 2017, Customs Act 1962, each as amended, presently in force in India as on the date of this certificate in the enclosed statement at Annexure I.

We also consent to include our name as "Expert" as described under Section 2(38) and Section 26 of the Companies Act, 2013, as amended, in the Offering Documents and all the other related documents pertaining to the transaction, for the purpose of issuance of the Statement of Tax Benefit referred above.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

The consent has been issued at the request of the Company for use in connection with the Placement and may accordingly be furnished as required to the Stock Exchanges or any other regulatory authorities as required. The aforesaid information may be relied upon by the Company, the Book Running Lead Managers, legal counsel and other advisors or intermediaries appointed pursuant to the Placement and we undertake to immediately intimate the Book Running Lead Managers, legal counsel and other advisors or intermediaries in case of any changes to the above. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

For C N K & Associates LLP
Chartered Accountants
Firm Registration Number: 101961W/W-100036

Himanshu V Kishnadwala
Partner
Membership No. 037391
UDIN: 23037391BGUMGA4767
Ref No.: REF/CERT/VLP/376/23-24

Place: Mumbai
Date: November 23, 2023

Cc:

IndusLaw
1502B, 15th Floor, Tower –1C
One World Centre
Senapati Bapat Marg, Lower Parel
Mumbai - 400 013

Trilegal
One World Centre
10th Floor, Tower 2A & 2B,
Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013

Annexure I

Statement of Possible Special Tax Benefits available to APAR Industries Limited (the "Company") and its shareholders

A. Tax benefits to the Company under the Income Tax Act, 1961

Possible special tax benefits available to the Company under the Income Tax Act, 1961 as amended by the Finance Act, 2023 and applicable to financial year 2023-2024 (assessment year 2024-2025) are outlined below:

1. Lower corporate tax rate under Section 115BAA of the Income Tax Act, 1961 (the Act)

With effect from financial year 2019-2020, the Taxation Laws (Amendment) Act, 2019 introduced section 115BAA. As per the section 115BAA, domestic companies are given an option to pay income tax at a concessional tax rate of 22% (plus surcharge of 10% and cess of 4%) subject to certain conditions mentioned therein.

- the Company can not avail any of the deductions under the provisions of Act such as deduction under Section 10AA, deduction under Section 32(1)(iia), deduction under Section 32AD, deduction under Section 33AB, deduction under Section 33ABA, deduction under Section 35(1)(ii)/35(1)(iia)/35(1)(iii)/35(2AA)/35(2AB), deduction under Section 35AD, deduction under Section 35CCC, deduction under Section 35CCD, deduction under Chapter VI-A, other than section 80JJAA and Section 80M
- the Company cannot set-off any carry forward losses or unabsorbed depreciation attributable to any of the aforesaid deductions / incentives
- the Company cannot apply a provision of Section 115JB of the Income Tax Act

The option once exercised cannot be subsequently withdrawn for any assessment year thereafter. Section 115BAA stipulates concessional rate of 22% while computing tax.

The Company has complied with the provisions of section 115BAA of the Income Tax Act from the Financial Year 2019-2020 (Assessment Year 2020-2021) and continues to apply the same.

2. Deduction under Chapter VI-A

Deduction under Section 80JJAA

As per section Section 80JJAA, while computing the gross total income, the Company can claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of business in the financial year. The deduction can be claimed for a period three years including the financial year in which such employment was provided.

The Company is entitled to claim such deductions subject to fulfilment of conditions prescribed under Section 80JJAA. The deduction can be availed even though the Company is availing benefit of lower tax rate under Section 115BAA.

Deduction under Section 80M

Where a gross total income of the Company includes income in the form of dividend from any domestic company of a foreign company or a trust, there shall be in accordance with the provisions of Section 80M a deduction, shall be allowed in the computation of total income of such domestic company, equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the one month prior to date of furnishing of the income tax return under Section 139(1).

The Company is entitled to claim such deductions subject to fulfilment of conditions prescribed under Section 80M. The deduction can be availed even though the Company is availing benefit of lower tax rate under Section 115BAA.

B. Tax benefits to the Shareholders under the Income Tax Act, 1961

1. Short term capital gains

As per Section 111A of the Income tax Act, short term capital gains arising from the sale / transfer of an equity share in a company through a recognised stock exchange in India and on which a securities transaction tax is paid shall be chargeable to tax at the rate 15% (plus applicable surcharge and 4% cess) provided short term capital gain exceeds the basic threshold exemption limit prescribed under the income tax act.

2. Long term capital gains

As per Section 112A, a long term capital gain, without benefit of indexation, exceeding ₹ 1,00,000 arising from the sale / transfer of an equity share in company through a recognised stock exchange in India and on which a securities transaction tax is paid shall be chargeable to tax 10% (plus applicable surcharge and 4% cess).

As per the Income Tax act, securities listed on recognised stock exchange in India that are held for not more than 12 months before date of sale / transfer shall be considered for short term capital gains. If securities are held for more than 12 months before the date of sale / transfer, such securities shall be considered for long term capital gains.

3. Dividend Income

Dividend income earned by resident shareholders would be taxable in their hands at the applicable rates with the maximum surcharge to be levied @15% on tax amount even in case Taxable income for individuals exceeds 5Cr. However, in case of domestic corporate shareholder, deduction under Section 80M of the Act would be available on fulfilling the conditions specified under the provision of the Act. Dividends received by non-resident shareholders would be taxed at the rate of 20% (plus applicable surcharge and education cess) or as the rate provided in the relevant tax treaty (provided the relevant documents are provided to avail treaty benefit).

As per Section 194 of the Act, the Company is required to deduct Tax at Source (commonly known as "TDS") on amount of dividend paid to resident shareholders. However, Individual shareholders receiving dividend less than ₹ 5,000 (in aggregate in a financial year) shall not be subject to TDS provisions. TDS paid to foreign companies or non-resident shareholders shall be deducted at the rate of 20% (plus applicable surcharge and education cess) or the rate provided in the relevant tax treaty (provided relevant documents are provided to avail treaty benefit).

Statement of Possible Special Tax Benefits available to APAR Industries Limited (the "Company") and its shareholders

C. Tax benefits to the Company under the Indirect Tax Acts

Benefits available to the Company under the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Goods and Services Tax (Compensation to States) Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended including relevant rules, notifications and circulars issued there under, the Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy) (collectively referred to as "Indirect Tax Regulations") are as under:

The Company is engaged in the business of manufacturing of aluminium and copper conductors, power cables and transformer and speciality oils, all of which are subject to Goods and Service Tax at applicable rates.

Company is engaged in exporting goods (aluminium and copper conductors, power cables and transformer and speciality oil) outside India and to Special Economic Zone. Special Tax benefit which company is availing in this regard is supplying such goods either without payment of tax under a Letter of Undertaking (LUT) OR on payment of Tax (IGST) under claim for refund.

The Company gets either benefit of duty drawback as per which the Company is eligible to claim a refund of non cenvatable import duty i.e. Basic Custom Duty and Social Welfare Surcharge paid on such imported inputs /item which is used in manufacturing of export goods.; or the Company gets a benefit under Scheme of Advance Authorisation. The scheme allows import of duty-free Inputs/goods which are used in the manufacture of goods which are physically/deemed exported. In case, IGST exemption is claimed under Advance Authorisation then the Company cannot opt for export of goods on payment of IGST.

Besides, the above, the Company gets a benefit under Scheme of Remission of Duties or Taxes on Export products (RoDTEP) as per which, the Company gets a rebate of all duties and taxes on goods exported which have not been refunded under any other scheme as a certain percentage of FOB Value of exports (except in petroleum products).

D. **Tax benefits to the Shareholder under the Indirect Tax Acts**

There are no special indirect tax benefits available to the shareholders of the Company.

LEGAL PROCEEDINGS

Our Company is involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of civil proceedings, criminal proceedings, and tax disputes amongst others, which are pending before various adjudicating forums.

As on the date of this Preliminary Placement Document, except as disclosed below, there are no outstanding legal proceeding which have been considered material in accordance with our Company's policy in relation to disclosure of material events framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by the Board pursuant to its resolution dated November 23, 2023

Additionally, solely for the purpose of the Issue, the following outstanding legal proceedings have been disclosed in this section involving our Company, its Directors, its Subsidiaries and our Promoters (as applicable):

- *outstanding criminal proceedings involving our Company, our Subsidiaries, our Directors and our Promoters;*
- *outstanding actions (including any notices received) by statutory or regulatory authorities against our Company and our Subsidiaries;*
- *outstanding civil proceedings involving our Company and our Subsidiaries, where the amount involved in such proceeding exceeds ₹ 6.38 crores i.e., 1% of the profit after tax of our Company, on a consolidated basis for the Fiscal 2023* ***("Materiality Threshold")****;*
- *outstanding direct and indirect tax matters (including show cause notices) involving our Company and our Subsidiaries which will be disclosed in a consolidated manner;*
- *other outstanding litigation involving our Company and our Subsidiaries, wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis; and*
- *other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect the reputation, prospects, operations or financial position of our Company, on a consolidated basis.*

The Materiality Threshold was adopted by the Board solely for the purpose of the Issue pursuant to its resolution dated November 23, 2023.

Further, except as disclosed in this section, there are no:

- *inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 in the last three years preceding the year of circulation of the Issue Documents, involving our Company and its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of the Issue Documents, involving our Company and our Subsidiaries;*
- *material frauds committed against our Company in the last three years, and if so, the action taken by our Company;*
- *significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company on a consolidated basis or its future operations;*
- *default by our Company, including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon;*
- *defaults in annual filings of our Company under the Companies Act, 2013;*
- *any litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoter of our Company during the last three years immediately preceding the year of the Issue Documents, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any; and*

- *Disclosure on status of promoters or directors of the Company as fugitive economic offenders. And disclosure, if any, on the wilful defaulter status of the Company, Subsidiary, Associates, the Promoters or Directors, if any shall be included in the litigation section.*

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiaries, our Directors and our Promoters, from third parties (excluding statutory / regulatory / governmental authorities or FIRs) shall, not be considered as litigation proceedings till such time that any of our Company, our Subsidiaries, our Directors and our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced. Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

Litigation involving our Company

Litigation against our Company

Criminal proceedings

Nil

Actions taken by regulatory and statutory authorities

1. Our Company received the order and interim demand letter both dated October 25, 2019, passed by Office of the Collector of Stamps ("**Respondent**") levying additional stamp duty and fines aggregating to ₹ 5.46 crores in relation to hypothecation and mortgage documents executed favouring security trustee for the purpose of extending security in respect of the credit facilities which Company has availed from a consortium of lenders for working capital credit facilities. The Company made payment per demand. Thereafter, our Company filed an appeal dated November 11, 2021 before the Chief Controlling Revenue Authority, Pune seeking a refund of the amount of additional stamp duty and fines levied aggregating to ₹ 5.46 crores as on the basis that the Office of Collector of Stamps has erred in concluding that the mortgages and hypothecations entered into with the security trustee are in distinct matter, whereas the properties were mortgaged/ hypothecated by our Company in a single transaction of mortgage/hypothecation and creation of security against the credit facilities availed by the consortium to a single security trustee entity. The matter is currently pending.

2. Reference under the Industrial Dispute Act, 1947 ("**the Act**") was made vide letter dated October 16, 2008 of Assistant Labour Commissioner for judicial award under Section 10(1) of the Act in relation to dispute between Manager, Apcotex Solution India Private Limited and Manager, APAR Industries Limited ("**First Party**") and Dashrathbhai Bhayajiwala ("**Second Party**") before Labour Court No.1, Bharuch, before the Presiding Officer Shri S.G.Dodia. The court passed an ex parte order dated May 16, 2018 in favour of Second Party and ordered to reinstate the Second Party with 20% back wages and to pay expenses in relation to this case. Our Company has filed delay condonation and miscellaneous application no.28/2023 dated September 30, 2023 before Presiding Officer Judge, Labour Court, Bharuch pleading to set aside the ex parte order and make Asmita Agency, the contractor of Second Party, party to the matter.

   Further, the Second Party has also filled a compensation application before the Workmen Compensation Act Commissioner, Bharuch, dated January 13, 2020, seeking compensation of ₹ 0.02 crores, 50% penalty, and 18% recurring interest from the date of accident. Both the applications are currently pending.

3. A complaint was filed by a former worker of our Company, Ramsakiram Ramsuratram Harijan ("**Plaintiff**") with the Additional Labour Commissioner ("**ALC**"), Valsad under the Industrial Dispute Act, 1947 ("**the Act**") alleging wrongful dismissal by our Company. After several attempts at settlement, the ALC transferred the matter to the Presiding Officer, Labour Court, Valsad. The Plaintiff has sought for reappointment and payment of back wages. The matter is currently pending.

4. The Municipal Corporation of Greater Bombay's investigating officer fixed the rateable value on Company's property for the assessment year 1969-70 and after that our Company received special notices relating to the increased value of the rateable value of the property. Assistant Assessor & Collector also fixed the rateable value of property at ₹ 70,460 from April 1, 1975, against which our Company filed an appeal on February 21, 1975. Assistant assessor & Collector fixed the rateable value of property at ₹ 45,535 from January 1, 1970, against which our Company filed another appeal on December 11, 1975. Small Causes Court held that the tanks in the Company's plant are part of plant and machinery and not of the building and structures and cannot be assessed as property tax. Hence, the value of the property after deducting ₹ 18,110 towards the exemption of tanks, not to

be considered as the building under section 3(s) and (r) of the Bombay Municipal Corporation Act, the rateable value is fixed at ₹ 52,350 with effect from April 1, 1975, onwards and ₹ 27,425 for the year 1969-70. The Municipal Corporation of Greater Bombay filed appeals in Bombay High Court, against both the decisions of the Small Causes Court dated February 19, 1996. The appeals are currently pending.

Civil proceedings above the Materiality Threshold

Except as disclosed under "*litigation by our company – civil proceedings above the Materiality threshold"* in relation to the petition filed by Central Organisation for Railway Electrification against our Company, there are no other civil proceedings above the Materiality threshold which have been initiated against our Company.

Litigation by our Company

Criminal proceedings

1. Our Company filed a complaint dated January 7, 2012 under Sections 138 read with 141 of the Negotiable Instruments Act, 1881, through its authorized officer Harish Ratilal Mistry against Icomm Tele Limited and others, in the Court of Metropolitan Magistrate, 28th Court, Esplanade, Mumbai. Pursuant to the complaint, it was alleged that a cheque dated June 29, 2011 for a sum of ₹ 8.17 crores, issued by Icomm Tele Limited in favour of our Company, was dishonoured due to insufficiency of funds. In relation to this matter our Company has also initiated winding up proceedings under sections 433(e), 433 (f) and 434 of the Companies Act, 1956 read with rule 95 of the Companies (Court) Rules, 1959 before the High Court of Judicature, Andhra Pradesh dated June, 2012. The petition in relation to the winding up proceeding was appealed, and an appeal order was passed dated October 28, 2015, where the court set aside the order dated September 2, 2014 and February 2, 2015, and remanded the matter for consideration for admission the Company's petition. Both the matters are currently pending.

2. Our Company filed a complaint dated June 21, 2019 under Sections 138 read with 141 of the Negotiable Instruments Act, 1881, through its constituted attorney Mr. Dhruvchand Tripathi against Surya Day Private Limited and its directors namely, Mr Girish Narang and Mr Ajeet Kumar Mishra, in the Court of Metropolitan Magistrate, Esplanade, Mumbai. Pursuant to the complaint, it was alleged that a cheque dated January 19, 2019, for a sum of ₹0.23 crore, issued by Surya Day Private Limited in favour of our Company, was returned unpaid with the reason of "payment stopped by the drawer". The matter is currently pending.

3. Our Company filed a complaint dated June 9, 2021 under Sections 138 read with 141 of the Negotiable Instruments Act, 1881, through its constituted attorney Dhruvchand Tripathi against Pravin Electricals Private Limited, in the Court of Judicial Magistrate of First Class, Thane. Pursuant to the complaint, it was alleged that two cheques dated May 04, 2020 and May 15, 2020 for a sum of ₹ 0.35 crores and ₹ 0.09 crores, respectively, that were issued by Pravin Electricals Private Limited in favour of our Company, were returned unpaid with the reason "payment stopped by the drawer". The matter is currently pending.

Civil proceedings above the Materiality Threshold

1. Our Company filed an Arbitration Petition Appeal (OS) 380 of 2012 in Arbitration Petition No. 125 of 2008 (includes Notice of Motion No. 737 of 2015) in the Bombay High Court on February 6, 2012, against an arbitral award dated July 15, 2007, directing our Company to pay damages in a sum of ₹ 6.20 crores with 10% interest thereon from October 1, 2005, till payment of the said amount , along with costs of ₹ 0.12 crores to United Storage and Tanks Terminals Limited ("**USTTL**") (the "**Arbitral Award**"). Our Company filed Petition No.125 of 2008 before the Bombay High Court for setting aside the Arbitral Award. However, the Bombay High Court dismissed the petition. From the said impugned order dated December 23, 2011, an Appeal was filed by the Company. Further, USTTL applied for attachment of the immovable property belonging to the Company, for the execution of the Arbitral Award. Bombay High Court through an order dated July 23, 2015, ordered the removal of the attachment levied on the Company's movable and immovable property situated at APAR House, Corporate Park, Chembur, because of a security by way of bank guarantee up to ₹ 4.58 crores being the balance disputed amount awarded as damages under the majority award had been furnished by the Company before the Bombay High Court. The matter is currently pending.

2. Our Company filed a suit for injunction on December 9, 2021, in the Bombay High Court for instructing the State Bank of India and Nepal SBI Bank Limited to not make any payments under the counter guarantee. On February 18, 2014, the Nepal Electricity Authority ("**NEA**") accepted the Company's bid for a tender offer for the supply of ACSR moose conductors, galvanized steel earth wires and optical ground wires. Subsequently, the Company extended two performance guarantees (the "**Guarantees**") issued by Nepal SBI Bank Limited in favour

of NEA as per the terms of the tender offer. Further, corresponding counter guarantees were also issued by State Bank of India for a sum of USD 1,551,670 (INR equivalent to ₹11.76 crores) and NPR 3,370,203 (INR equivalent to ₹0.21 crore) to Nepal SBI Bank for securing the guarantees. Thereafter, the Company alleged that the Guarantees were wrongfully invoked by NEA vide their letter dated December 1, 2021, to Nepal SBI Bank for the Recovery of shortfall of TDS amounting to NPR 6,02,25,049 (INR equivalent to ₹3.79 crores) paid to Nepalese Tax Authorities. Bombay High Court granted ad-interim relief through its order date December 9, 2021, by which State Bank of India was injuncted from making any payments under the counter guarantee. The matter is currently pending. In the same matter a writ petition was filed by our Company against NEA and Revenue Authorities before the Patan High Court, Nepal on December 20, 2021, for wrongful invocation of bank guarantee & an increase in TDS rate from 1.5 % to 5%& payment obligation falls under NEA's Scope. Interim order dated December 21, 2021, was issued by the Division Bench of Patan High Court for stay on invocation of bank guarantee by NEA. The said case is currently pending before the Patan High Court, Nepal. In the same matter our Company issued a notice of Arbitration on April 2, 2022, under UNCITRAL Arbitration Rules. An arbitral award was passed on June 23, 2023, where tribunal held that NEA is not entitled to demand performance guarantees, NEA has challenged the said arbitral award in Patan High Court, Nepal on July 31, 2023. The matter is currently pending.

3. Our Company filed an application under Section 17 of the, Arbitration and Conciliation Act, 1996 for furnishing of security by the Isolux Corsan India Engineering Construction Private Limited ("**Isolux**") before the arbitral tribunal, and an application under section 31(6) of arbitration and Conciliation act for interim award. Our company submitted a claim under Section 33 (1) (a) of the Insolvency and Bankruptcy Code, 2016.On October 11, 2018, Isolux's insolvency petition was admitted, our Company filed the claim form before the resolution professional, however, the resolution professional did not inform Company of the status and progress of insolvency process. Our Company was also not aware of the fact relating to the liquidation order dated February 6, 2020, passed by NCLT Chandigarh and regarding the submission of claims to the liquidator. On September 8, 2020, our Company filed an application to the liquidator for condonation of delay and accepting the claim. Our Company has made the following claims: claim for amount of ₹ 0.70 crore along with interest at the rate of 18% from February 24, 2018, as per the interim arbitral award dated February 24, 2018, claim towards mark to market difference on aluminium prices amounting to ₹ 11.03 crores along with 18% interest from December 1, 2016, claim towards hedging exchange rate amounting to ₹ 18.47 crores along with 18% interest from December 1, 2016, claim towards hedging the aluminium in terms of contango amounting to USD 8,23,773 (INR equivalent to ₹ 6.02 crores) along with 18% interest from December 1, 2016, and a claim towards cost of bank charge toward bank guarantee no. 495701GL0008415 dated January 31, 2015, amounting to ₹ 0.07 crores along with 18% interest. The matter is currently pending.

4. Our Company initiated arbitration proceedings before an arbitral tribunal dated February 25, 2021, for non-payment of dues by Central Organisation for Railway Electrification (the "**Respondent**") on supply of Hard Grooved Copper Contact Wires ("**HDGC Wires**"). The arbitral tribunal passed an order dated October 30, 2021 (the "**Arbitration Award**"), The arbitral tribunal through its Arbitration Award directed the Respondent to pay an amount of ₹ 37.89 crores within 45 days of the order, failing which the Respondent will have to pay an interest of 8% per annum from the date of award to the date of actual payment. Our Company has also filed an application for the execution of the Arbitration Award before Bombay High Court which is currently pending.

   Further, the Respondent has initiated proceedings against our Company before the Presiding Officer, Commercial Court at Allahabad, on January 28, 2022, under Section 34(2) and 34(2A) of the Arbitration and Conciliation Act, 1996 to challenge the Arbitration Award. The current matter challenging the Arbitration Award is also pending.

5. Our company filed a claim dated May 7, 2021, of insolvency against Abengoa S.A. in the Commercial Court, Seville Spain. The insolvency receiver has accepted the full amount of the claims submitted by our Company of the total amount claimed by our Company which is EUR 8,954,628.40, (INR equivalent to ₹75.42 crores) with respect to the outstanding principal amount of the settlement agreement and a subordinated claim of EUR 275,257.99, (INR equivalent to ₹2.32 crores) with respect to the interest accrued until the declaration of insolvency. The matter is currently pending.

Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Criminal proceedings

Nil

Actions taken by regulatory and statutory authorities

Nil

Civil proceedings above the Materiality Threshold

Nil

Litigation by our Subsidiaries

Criminal proceedings

Nil

Civil proceedings above the Materiality Threshold and Other Matters

Nil

Other outstanding litigation involving our Company and our Subsidiaries, wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis

Nil

Litigation involving our Directors

Criminal proceedings against our Directors

Except as disclosed under "*Litigation involving our Directors - Actions taken by regulatory and statutory authorities"* in relation to the complaint filed by the registrar of companies, Maharashtra, Mumbai against one of our directors, there are no other criminal proceedings against our Directors.

Criminal proceedings by our Directors

Nil

Actions taken by regulatory and statutory authorities

1. The registrar of companies, Maharashtra, Mumbai has filed a complaint before the Court of Sessions for Greater Mumbai, 42/58th Court, Mumbai (the "**Sessions Court**") under section 8(11) of the Companies Act, 2013 ("**Complaint**") against All India Gems and Jewellery Trade Federation ("**AIGJTF**") and its directors, including our Independent Director (Non-executive), Nirupa Kiran Bhatt, in her capacity as a director on the board of AIGJTF . The registrar of companies, Maharashtra, Mumbai filed a complaint against AIGJTF and its directors in relation to the procedure followed by AIGJTF for alteration of its articles of association which was in contravention of the provisions of section 8(4)(i) of the Companies Act, 2013. The Complaint is currently outstanding before the Sessions Court. Further, AIGJTF and its directors had filed an application dated November 11, 2021 for compounding of offence bearing CP No. 27/441/NCLT/MB/MAH/2022 before National Company Law Tribunal, Mumbai Bench, Court – II ("**NCLT**") thereby praying for minimum penalty for the alleged offences. The application was disposed of by NCLT order dated July 28, 2023 with a compounding fee of ₹0.25 crores by AIGJTF and a compounding fee for each of its directors amounting to ₹ 25,000. AIGJTF and Nirupa Kiran Bhatt has paid the aforesaid compounding fee.

Litigation involving our Promoters

Criminal proceedings against our Promoters

Nil

Criminal proceedings by our Promoters

Nil

Actions taken by regulatory and statutory authorities

Nil

Other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company, on a consolidated basis

Nil

Inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 in the last three years preceding the year of the Issue Documents, involving our Company and its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of the Issue Documents, involving our Company and its Subsidiaries

Nil

Material frauds committed against our Company in the last three years, and if so, the action taken by our Company

Nil

Significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company on a consolidated basis

Nil

Default by our Company, including therein the amount involved, duration of default and present status, in repayment of statutory dues, debentures and interest thereon, deposits and interest thereon and loan from any bank or financial institution and interest thereon.

Nil

Default in annual filings of our Company under the Companies Act, 2013

Nil

Litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoter of our Company during the last three years immediately preceding the year of the Issue Documents, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

Nil

Disclosure on status of promoters or directors of the Company as fugitive economic offenders. And disclosure, if any, on the wilful defaulter status of the Company, Subsidiary, Associates, the Promoters or Directors, if any shall be included in the litigation section.

Nil

Tax litigation

As on the date of this Preliminary Placement Document, except as disclosed below, there are no outstanding tax litigations, involving our Company and its Subsidiaries:

Nature of case	Number of cases	Total Amount involved (in ₹ crores)*
Tax litigation involving our Company		
Direct tax	4	21.78
Indirect tax	70	179.67
Total	**74**	**201.45**
Tax litigation involving our Subsidiaries		
Direct tax	-	-
Indirect tax	-	-
Total	-	-

**To the extent quantifiable, including interest and penalty thereon.*

STATUTORY AUDITORS

In term of the provisions of Section 139 of the Companies Act, 2013, M/s. C N K & Associates LLP, Chartered Accountants, were appointed as our Company's Statutory Auditors pursuant to a resolution adopted by our Shareholders at the AGM held on August 17, 2020 for a period of five years, from Fiscal 2020 to Fiscal 2024. The Fiscal 2021 Audited Consolidated Financial Statements, Fiscal 2022 Audited Consolidated Financial Statements and the Fiscal 2023 Audited Consolidated Financial Statements have been audited, and the Limited Review Financial Results have been subjected to limited review by our Statutory Auditors.

The peer review certificate of our current Statutory Auditors is valid as of the date of this Preliminary Placement Document.

ANNEXURE-2

CNK & Associates LLP
Chartered Accountants

Independent Auditor's Review Report on Unaudited Standalone Financial Results of the Company for the quarter and half year ended September 30, 2023 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of
Apar Industries Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Apar Industries Limited** ("the Company") for the quarter and half year ended September 30, 2023, ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors at their meeting held on October 26, 2023, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 ("Ind AS 34") "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

C N K & ASSOCIATES LLP MUMBAI Chartered Accountants

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results prepared in accordance with applicable Indian Accounting Standards, prescribed under Section 133 of the Companies Act, 2013 (as amended) read with relevant rules issued thereunder and other recognized accounting practices generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which, it is to be disclosed, or that it contains any material misstatement.

For **CNK & Associates LLP**
Chartered Accountants
Firm Registration No. 101961W/W-100036

H.V Kishnadwala
Partner
Membership No. 037391
UDIN: 23037391BGUMEN3399

Place: Mumbai
Date: October 26, 2023

Independent Auditor's Review Report on Unaudited Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of
Apar Industries Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Apar Industries Limited** (hereinafter referred to as the "Holding Company") and its Subsidiaries (The Holding Company & its Subsidiaries together referred to as "the Group"), its share of the net loss after tax and total comprehensive loss of its associates for the quarter and half year ended September 30, 2023 ("The Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors at their meeting held on October 26, 2023 has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 ("Ind AS 34") "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33 (8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, to the extent applicable.

CNK & ASSOCIATES LLP MUMBAI Chartered Accountants

4. The Statement includes results of the following entities:

Sr. No.	Name of the entity	Relationship
1	Apar Industries Limited	Holding Company
2	Petroleum Specialities Pte. Limited (PSPL)	Wholly Owned Subsidiary
3	Petroleum Specialities FZE	Wholly Owned Subsidiary of PSPL
4	Apar Transmission & Distribution Projects Private Limited	Wholly Owned Subsidiary
5	Apar Distribution & Logistics Private Limited	Wholly Owned Subsidiary
6	CEMA Wires and Cables LLC w.e.f 10.08.2023 (erstwhile CEMA Wires and Cables Inc)*	Wholly owned subsidiary
7	Ampoil Apar Lubricants Private Limited	Associate
8	CleanMax Rudra Private Limited	Associate

*Not consolidated as there are no operations till 30th September 2023

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, and based on the consideration of review reports of Subsidiary's auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Other Matter

a) The Statement includes the financial information of 2 Subsidiaries which have not been reviewed by us, whose unaudited financial results reflect total assets of Rs. 107.82 crores as at September 30, 2023, total revenue (before consolidation adjustments) of Rs. 26.34 crores and Rs. 54.93 crores, total net profit after tax (before consolidation adjustments) of Rs. 1.89 crores and Rs. 3.73 crores and total comprehensive income (before consolidation adjustments) of Rs. 1.88 crores and Rs. 3.72 crores for the quarter and half year ended September 30, 2023, respectively, and net cash outflow of Rs. 1.26 crores for the period April 01, 2023 to September 30, 2023 as considered in the consolidated unaudited financial results. These financial results of the 2 Subsidiaries have been reviewed by other auditors, whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

b) The Statement includes the financial information of 1 Subsidiary which has not been reviewed by us, whose unaudited financial results reflect total assets of Rs. 106.96 crores as at September 30, 2023, total revenue (before consolidation adjustments) of Rs. Nil and Rs. Nil, total net profit after tax (before consolidation adjustments) of Rs. 0.05 crores and Rs. 0.16 crores and total comprehensive income (before consolidation adjustments) of Rs. 0.05 crores and Rs. 0.16 crores for the quarter and half year ended September 30, 2023, respectively, and net cash inflow of Rs. 1.33crores for the period April 1, 2023 to September 30, 2023 as considered in the Unaudited Consolidated Financial Results. The financial results of the said Subsidiary, which have been certified by management of that Company, have been furnished to us and our conclusion, in so far as it relates to the amounts and disclosures included in respect of the said Subsidiary, is solely based on such financial results certified by the management of that Company. According to the information and explanations given to us by

C N K & ASSOCIATES LLP MUMBAI Chartered Accountants the management, the Unaudited Financial Results of the said Subsidiary are not material to the Group.

c) The Statement includes the unaudited financial results of an Associate which includes Groups share of net loss after tax of Rs.0.51 crores and Rs. 0.55 crores and total comprehensive loss of Rs. 0.51 crores and Rs. 0.55 crores for the quarter and half year ended September 30, 2023, as considered in the Unaudited Consolidated Financial Results, in respect of the said Associate. The financial results of the said Associate, which have been certified by management of that Company, have been furnished to us and our conclusion, in so far as it relates to the amounts and disclosures included in respect of the said Associate, is solely based on such financial results certified by the management of that Company. According to the information and explanations given to us by the management, the Unaudited Financial Results of the said Associate are not material to the Group.

d) The Statement also includes the unaudited financial results of an Associate which includes Groups share of net profit after tax of Rs. 0.00* crores and Rs. 0.00* crores and total comprehensive income of Rs. 0.00* crores and Rs. 0.00 crores for the quarter and half year ended September 30, 2023 respectively, as considered in the Unaudited Consolidated Financial Results, in respect of the said Associate. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the said Associate, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

*Amount less than Rs 1 lakh

Our conclusion on the Unaudited Consolidated Financial Results is not modified in respect of the above matters.

For **CNK & Associates LLP**
Chartered Accountants
Firm Registration No. 101961W/W-100036

Himanshu V Kishnadwala
Partner
Membership No. 037391
UDIN: 23037391BGUMEO8533

Place: Mumbai
Date: October 26, 2023

ANNEXURE - 1

APAR

APAR INDUSTRIES LIMITED

(AN ISO 9001:2000 COMPANY)

CIN : L91110GJ1989PLC012802

Registered Office : 301, Panorama Complex, R.C. Dutt Road, Vadodara - 390 007

website: www.apar.com ; email : com_sec@apar.com ; Tel : (91) (0265) 2339906, 2331935 ; Fax : (91) (0265) 2330309

Statement of financial results for the quarter and half year ended 30 th September 2023

(₹ in crores)

Consolidated								Standalone					
For the Quarter ended			For the Half year ended		For the Year ended	Sr No	Particulars	For the Quarter ended			For the Half year ended		For the Year ended
30-Sep-2023	30-Jun-2023	30-Sep-2022	30-Sep-2023	30-Sep-2022	31-Mar-2023			30-Sep-2023	30-Jun-2023	30-Sep-2022	30-Sep-2023	30-Sep-2022	31-Mar-2023
Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited			Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
							Incomes						
3,893.96	3,741.24	3,215.80	7,635.20	6,299.21	14,272.63	1	Sales	3,612.86	3,474.47	2,891.65	7,087.33	5,708.80	13,088.91
32.02	31.77	19.08	63.79	28.90	79.52	2	Other operating income	31.50	31.18	19.06	62.68	28.88	78.43
3,925.98	3,773.01	3,234.88	7,698.99	6,328.11	14,352.15	3	Revenue from operations (1+2)	3,644.36	3,505.65	2,910.71	7,150.01	5,737.68	13,167.34
18.76	13.86	12.22	32.62	16.70	37.47	4	Other income	20.73	15.72	12.56	36.45	19.00	42.84
3,944.74	**3,786.87**	**3,247.10**	**7,731.61**	**6,344.81**	**14,389.62**	5	**Total income (3+4)**	**3,665.09**	**3,521.37**	**2,923.27**	**7,186.46**	**5,756.68**	**13,210.18**
							Expenses						
2,905.14	2,798.83	2,721.92	5,703.97	5,104.81	10,973.96	(a)	Costs of materials consumed	2,653.38	2,574.50	2,427.02	5,227.88	4,631.80	10,015.23
33.90	47.66	16.59	81.56	31.65	69.45	(b)	Purchases of stock-in-trade	33.90	47.66	16.59	81.56	31.65	69.45
40.24	1.01	(286.84)	41.25	(347.37)	(334.66)	(c)	Changes in inventories of finished goods, work-in-progress and stock-in	40.78	3.04	(268.18)	43.82	(345.51)	(350.49)
72.35	65.67	50.72	138.02	98.98	220.50	(d)	Employee benefits expense	65.88	60.89	46.72	126.77	91.70	205.71
103.08	69.60	71.14	172.68	132.45	305.50	(e)	Finance cost	97.77	64.12	67.72	161.89	126.83	290.76
28.17	27.23	26.05	55.40	50.98	104.34	(f)	Depreciation and amortisation expense	25.00	24.09	22.77	49.09	44.79	91.94
524.59	513.68	506.61	1,038.27	976.76	2,195.95	(g)	Other expenses	500.50	488.59	461.10	989.09	894.18	2,077.99
3,707.47	**3,523.68**	**3,106.19**	**7,231.15**	**6,048.26**	**13,535.04**	6	**Total expenses**	**3,417.21**	**3,262.89**	**2,773.74**	**6,680.10**	**5,475.44**	**12,400.59**
237.27	**263.19**	**140.91**	**500.46**	**296.55**	**854.58**	7	**Profit before tax & share in net profit / (loss) of associates (5-6)**	**247.88**	**258.48**	**149.53**	**506.36**	**281.24**	**809.59**
(0.50)	(0.04)	-	(0.54)	-	(0.02)	8	**Share in net profit / (loss) of associates**						
236.77	**263.15**	**140.91**	**499.92**	**296.55**	**854.56**	9	**Profit before tax (7+8)**	**247.88**	**258.48**	**149.53**	**506.36**	**281.24**	**809.59**
						10	**Tax expense**						
64.11	67.26	40.02	131.37	75.19	221.80	(a)	Current tax	63.46	66.63	39.71	130.09	74.70	211.83
(1.22)	(1.54)	(1.74)	(2.76)	(3.73)	(6.81)	(b)	Deferred tax	(1.20)	(1.53)	(1.80)	(2.73)	(3.43)	(6.73)
-	-	-	-	-	1.85	(c)	Current tax in respect of earlier years	-	-	-	-		1.83
173.88	**197.43**	**102.63**	**371.31**	**225.09**	**637.72**	11	**Profit after tax (9-10)**	**185.62**	**193.38**	**111.62**	**379.00**	**209.97**	**602.66**
							Other comprehensive income (OCI)						
						(A)	**Items that will not be reclassified to profit or loss**						
(2.66)	(0.04)	(1.57)	(2.70)	(3.14)	(0.15)	(i)	Items that will not be reclassified to profit or loss	(2.66)	(0.04)	(1.57)	(2.70)	(3.14)	(0.15)
0.67	0.01	0.40	0.68	0.79	0.04	(ii)	Income tax relating to items that will not be reclassified to profit or loss	0.67	0.01	0.40	0.68	0.79	0.04
						(B)	**Items that will be reclassified to profit or loss**						
94.62	(80.70)	(41.59)	13.92	(181.49)	(82.87)	(i)	Items that will be reclassified to profit or loss	93.22	(80.49)	(44.92)	12.73	(189.19)	(94.54)
(23.28)	20.08	11.31	(3.20)	47.62	23.79	(ii)	Income tax relating to items that will be reclassified to profit or loss	(23.28)	20.08	11.31	(3.20)	47.62	23.79
69.35	**(60.65)**	**(31.45)**	**8.70**	**(136.22)**	**(59.19)**	12	**Other comprehensive income (OCI)**	**67.95**	**(60.44)**	**(34.78)**	**7.51**	**(143.92)**	**(70.86)**
243.23	**136.78**	**71.18**	**380.01**	**88.87**	**578.53**	13	**Total comprehensive income for the period/year (11+12)**	**253.57**	**132.94**	**76.84**	**386.51**	**66.05**	**531.80**
							Profit for the period/year attributable to						
173.88	197.43	102.63	371.31	225.09	637.72	(a)	Owners of the Company	185.62	193.38	111.62	379.00	209.97	602.66
	-	-	-	-	-	(b)	Non-controlling interest				-		
							Other comprehensive income attributable to						
69.35	(60.65)	(31.45)	8.70	(136.22)	(59.19)	(a)	Owners of the Company	67.95	(60.44)	(34.78)	7.51	(143.92)	(70.86)
-	-	-	-	-	-	(b)	Non-controlling interest				-		
							Total comprehensive income attributable to						
243.23	**136.78**	**71.18**	**380.01**	**88.87**	**578.53**	(a)	**Owners of the Company**	**253.57**	**132.94**	**76.84**	**386.51**	**66.05**	**531.80**
-	-	-	-	-	-	(b)	Non-Controlling interest				-		
38.27	38.27	38.27	38.27	38.27	38.27	14	Paid-up equity share capital (Face value of the share ₹ 10 each)	38.27	38.27	38.27	38.27	38.27	38.27
					2,198.12	15	Reserves excluding revaluation reserve						2,021.23
						16	Earnings per share (EPS) (₹)						
45.44	51.59	26.82	97.03	58.82	166.64		- Basic and Diluted	48.50	50.53	29.17	99.04	54.87	157.48

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APAR Industries Ltd Mumbai

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APAR INDUSTRIES LIMITED

Statement of segment revenue, segment result, segment assets and segment liabilities for the quarter and half year ended 30th September 2023

(₹ in crores)

Particulars	Consolidated (Refer Note 3)					
	For the Quarter ended			For the Half year ended		For the Year ended
	30-Sep-2023	30-Jun-2023	30-Sep-2022	30-Sep-2023	30-Sep-2022	31-Mar-2023
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
Segment revenue						
Conductors	1,943.25	1,774.23	1,438.88	3,717.48	2,987.11	7,013.05
Transformer and speciality oils	1,198.63	1,198.04	1,175.81	2,396.67	2,236.67	4,656.69
Power / Telecom cables	882.26	966.75	761.59	1,849.01	1,399.39	3,263.45
Others	29.24	28.91	23.48	58.15	54.07	107.27
Total segment revenue	**4,053.38**	**3,967.93**	**3,399.76**	**8,021.31**	**6,677.24**	**15,040.46**
Less:- Inter-segment revenue	(127.40)	(194.92)	(164.88)	(322.32)	(349.13)	(688.31)
Total external revenue (revenue from operations)	**3,925.98**	**3,773.01**	**3,234.88**	**7,698.99**	**6,328.11**	**14,352.15**
Segment results (profit before finance cost and tax expenses share in net profit (loss) of associates)						
Conductors	207.01	170.48	113.28	377.49	190.67	682.49
Transformer and speciality oils	59.80	72.66	51.63	132.46	164.23	225.08
Power / Telecom cables	90.63	101.94	63.84	192.57	108.21	316.81
Others	3.33	3.09	1.21	6.42	1.71	6.78
Total segment results	**360.77**	**348.17**	**229.96**	**708.94**	**464.82**	**1,231.16**
Less:- Finance cost	(103.08)	(69.60)	(71.14)	(172.68)	(132.45)	(305.50)
Less:- Unallocable expenditure (net of incomes)	(20.43)	(15.38)	(17.91)	(35.81)	(35.82)	(71.08)
Add / (Less):- Share in net profit / (loss) of associates	(0.49)	(0.04)	-	(0.53)	-	(0.02)
Profit before tax	**236.77**	**263.15**	**140.91**	**499.92**	**296.55**	**854.56**
Segment assets						
Conductors	4,063.68	4,096.91	3,306.51	4,063.68	3,306.51	4,011.43
Transformer and speciality oils	2,394.27	2,531.12	2,523.56	2,394.27	2,523.56	2,376.39
Power / Telecom cables	1,988.65	2,025.37	1,697.40	1,988.65	1,697.40	1,988.18
Others / Unallocable	168.43	213.89	138.63	168.43	138.63	188.21
Total segment assets	**8,615.03**	**8,867.29**	**7,666.10**	**8,615.03**	**7,666.10**	**8,564.21**
Less:- Inter-segment assets	(279.93)	(378.95)	(343.08)	(279.93)	(343.08)	(346.56)
Total asset	**8,335.10**	**8,488.34**	**7,323.02**	**8,335.10**	**7,323.02**	**8,217.65**
Segment liabilities						
Conductors	2,941.36	2,985.93	2,618.55	2,941.36	2,618.55	2,953.22
Transformer and speciality oils	1,557.80	1,738.44	1,831.81	1,557.80	1,831.81	1,577.63
Power / Telecom cables	1,170.43	1,431.71	1,009.74	1,170.43	1,009.74	1,377.22
Others / Unallocable	117.05	110.14	77.89	117.05	77.89	93.90
Total segment liabilities	**5,786.64**	**6,266.22**	**5,537.99**	**5,786.64**	**5,537.99**	**6,001.97**
Less:- Inter-segment liabilities	(279.93)	(378.95)	(343.08)	(279.93)	(343.08)	(346.56)
Total liabilities	**5,506.71**	**5,887.27**	**5,194.91**	**5,506.71**	**5,194.91**	**5,655.41**

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APAR Industries Ltd. Mumbai

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Statement of Assets and Liabilities as at 30th September 2023

(₹ in crores)

Consolidated		Particulars	Standalone	
30-Sep-2023	31-Mar-2023		30-Sep-2023	31-Mar-2023
Reviewed	Audited		Reviewed	Audited
		ASSETS		
		Non-current assets		
939.63	884.42	Property, plant and equipments	832.36	774.52
64.42	64.95	Right to use assets	19.03	17.54
154.02	99.07	Capital work-in-progress	152.16	99.07
0.89	1.11	Other intangible assets	0.89	1.11
0.53	0.24	Intangible assets under development	0.53	0.24
		Financial Assets		
3.65	4.18	Investments in subsidiaries & associates	5.47	5.47
23.86	27.51	Trade receivables	23.86	27.51
1.44	2.51	Loans	1.44	2.51
7.98	-	Derivative financial assets	7.98	-
39.68	10.81	Other financial assets	39.12	10.24
55.71	54.27	Non-current tax assets (net)	50.62	45.31
64.96	61.02	Other non-current assets	64.96	59.28
1,356.77	**1,210.09**	**Total non current assets**	**1,198.42**	**1,042.80**
		Current Assets		
2,457.52	2,575.64	Inventories	2,322.59	2,460.75
		Financial assets		
2.01	50.10	Investments	-	50.10
3,479.70	3,198.07	Trade receivables	3,303.25	2,987.44
408.62	498.81	Cash and cash equivalents	342.98	407.68
46.51	31.29	Bank balances other than above	46.51	31.28
3.23	5.20	Loans	0.74	1.09
33.91	34.53	Derivative financial assets	33.91	34.53
49.82	47.61	Other financial assets	42.16	43.08
497.01	566.31	Other current assets	476.60	546.10
6,978.33	**7,007.56**	**Total current assets**	**6,568.74**	**6,562.05**
8,335.10	**8,217.65**	**TOTAL ASSETS**	**7,767.16**	**7,604.85**
		EQUITY AND LIABILITIES		
		Equity		
38.27	38.27	Equity share capital	38.27	38.27
2,425.06	2,198.12	Other equity	2,254.68	2,021.23
2,463.33	**2,236.39**	**Total equity**	**2,292.95**	**2,059.50**
		Non-current liabilities		
		Financial liabilities		
245.70	151.37	Borrowings	245.70	151.37
62.86	63.70	Lease liabilities	15.05	14.20
0.16	-	Derivatives financial liabilities	0.16	-
7.99	10.35	Other financial liabilities	7.99	10.35
10.86	12.18	Provisions	10.67	12.04
21.46	21.70	Deferred tax liabilities (net)	21.74	21.95
349.03	**259.30**	**Total non-current liabilities**	**301.31**	**209.91**
		Current liabilities		
		Financial liabilities		
97.89	152.79	Borrowings	97.89	155.07
9.47	8.37	Lease liabilities	5.23	4.31
		Trade payables		
14.58	84.90	a) Total outstanding dues of micro and small enterprises	14.58	84.90
4,997.18	5,121.67	b) Total outstanding dues of other than micro and small enterprises	4,617.46	4,752.60
7.83	21.42	Derivatives financial liabilities	7.83	21.42
96.75	71.81	Other financial liabilities	91.91	68.35
229.10	209.01	Other current liabilities	276.25	209.33
10.98	4.26	Provisions	8.18	2.03
58.96	47.73	Current tax liabilities (net)	53.57	37.43
5,522.74	**5,721.96**	**Total current liabilities**	**5,172.90**	**5,335.44**
5,871.77	**5,981.26**	**Total liabilities**	**5,474.21**	**5,545.35**
8,335.10	**8,217.65**	**TOTAL EQUITY AND LIABILITIES**	**7,767.16**	**7,604.85**

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STATEMENT OF CASH FLOW

₹ in crore

Consolidated Half Year ended			Standalone Half Year ended	
30-Sep-2023	30-Sep-2022		30-Sep-2023	30-Sep-2022
Reviewed	Reviewed		Reviewed	Reviewed
		Cash flow from operating activities		
500.46	296.55	Profit before tax	506.37	281.24
		Adjustments for		
55.40	50.98	- Depreciation / amortisation	49.09	44.79
0.05	(0.05)	- (Gain)/loss on sale of property, plant and equipment	0.05	(0.05)
130.34	99.16	- Interest costs	121.39	98.57
(13.74)	(3.92)	- Interest incomes	(13.22)	(3.50)
5.41	19.97	- Provision for Doubtful Debts / advances (net)	5.41	19.97
8.57	4.69	- Unrealised exchange loss/(gain)	8.57	4.69
(4.42)	(1.13)	- Profit on sale of investments	(4.41)	(1.13)
		Movement in working capital		
(263.52)	(380.32)	(Increase) / decrease in trade and other receivables	(298.18)	(269.30)
119.34	(406.30)	(Increase) / decrease in inventories	138.17	(340.89)
(174.04)	543.26	Increase/ (decrease) in trade and other payables	(136.51)	298.24
(124.28)	(53.34)	Tax paid	(121.96)	(52.02)
239.57	**169.55**	**Net cash generated from / (used in) operating activities**	**254.77**	**80.61**
		Cash flow from investing activities		
(152.62)	(102.25)	Acquisition of property, plant and equipment	(152.46)	(94.51)
0.42	0.05	Proceeds from sale of property, plant and equipment	0.42	0.05
-	(3.67)	Sale / (purchase) of investment in subsidiary & associate	-	(3.80)
52.48	31.08	Sale / (purchase) of investments - net	54.51	31.08
(99.72)	**(74.79)**	**Net cash generated from / (used in) investing activities**	**(97.53)**	**(67.18)**
		Cash flow from financing activities		
(54.67)	80.89	Proceeds/(repayments) from short-term borrowings - net	(56.95)	87.54
94.50	(13.13)	Proceeds/(repayments) of long-term borrowings - net	94.50	(13.13)
(5.93)	(3.45)	Repayment of Lease Liabilities	(3.11)	(0.11)
(112.18)	(54.24)	Interest received/(paid) - net	(103.70)	(48.72)
(152.82)	(57.32)	Dividend Payment	(152.82)	(57.32)
(231.10)	**(47.25)**	**Net cash (used in) / generated from financing activities**	**(222.08)**	**(31.74)**
(91.26)	47.51	Net increase / (decrease) in cash and cash equivalents	(64.84)	(18.31)
1.06	2.48	Effect of exchanges rate changes on cash and cash equivalents	0.14	1.71
498.81	253.16	Cash and cash equivalents at the beginning of the year	407.68	242.65
408.62	**303.15**	**Cash and cash equivalents at the end of the year**	**342.98**	**226.06**

Notes :

1) Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 Statement of cash flows.

2) Purchase of property, plant and equipment includes movement of capital work-in-progress, capital advances and creditors for capital expenditur

3) Cash and cash equivalents represents cash and bank balances. In the standalone cash flow statement it includes unrealised gain of 0.14 crores; (pevious year unrealised gain of 1.71 crores) and in the consolidated cash flow statement it includes unrealised gain of 1.06 crores; (previous year unrealised gain of 2.48 crores on account of translation of foreign currency cash and cash equivalent.

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Notes to published results:-

1) These financial statements have been prepared in accordance with Indian Accounting Standard prescribed under the Companies (Indian Accounting Standard) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013.
2) The above standalone and consolidated unaudited financial results were reviewed by the Audit Committee of Directors and approved by the Board of Directors at their meeting held on October 26, 2023. In compliance with Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a limited review of the above results have been carried out by the Statutory Auditors for which they have issued an unmodified opinion.
3) Segment revenue, segment results, segment assets and segment liabilities are disclosed only in respect of the Consolidated financial statements as permitted by the Ind AS 108 - Operating segments
4) The aforesaid financial results of the Company are being forwarded to the Stock Exchanges (BSE and NSE) for uploading on their respective websites and the same are also made available on the Company's website viz., www.apar.com.

For Apar Industries Limited.

(Kushal N. Desai)
Chairman & Managing Director
DIN:00008084

Date: 26th October, 2023.
Place: Mumbai

C N K & ASSOCIATES LLP
MUMBAI
Chartered Accountants

APAR Industries Ltd. Mumbai

Independent Auditors' Report

To the Members of APAR Industries Limited
Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **APAR Industries Limited** (hereinafter referred to as 'the Holding Company'), its subsidiaries (the Holding Company and; its subsidiaries together referred to as 'the Group') and its associates comprising of the Consolidated Balance Sheet as at 31st March 2023, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on Separate Financial Statements and on the other financial information of the subsidiaries and associates, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31st March 2023, their consolidated profit and other comprehensive income, consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Litigations, Provisions and Contingent Liabilities** There are several litigations pending before various forums against the Company. These also include matters under various statutes and involves significant management judgement and estimates on the possible outcome of the litigations and consequent provisioning thereof or disclosure as contingent liabilities. We identified this as a key matter as the estimate of these amounts involve a significant degree of management judgement and high estimation uncertainty. (Refer Note 45 to the Consolidated Financial Statements).	To address this key audit matter, our procedures included: Obtaining from the management details of matters under disputes including ongoing and completed tax assessments, demands and other litigations. Evaluation and testing of the design of internal controls followed by the Company relating to litigations and open tax positions for direct and indirect taxes and process followed to decide provisioning or disclosure as Contingent Liabilities. Discussing with Company's legal team and taxation team for sufficient understanding of on-going and potential legal matters impacting the Company.

Sr. No.	Key Audit Matter	Auditor's Response
		We also involved our firm's internal expert to evaluate the management's underlying judgements in making their estimates with regard to such matters.
2.	**IT systems and controls over financial reporting.** We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, specifically with respect to revenue and raw material consumption. Also, due to large transaction volumes and the increasing challenge to protect the integrity of the Company's systems and data, cyber security has become more significant. Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over program development and changes, access to program and data and IT operations, IT application controls and interfaces between IT applications are required to be designed and to operate effectively to ensure accurate financial reporting.	In view of the significance of the matter, we applied the following audit procedures among others, to obtain sufficient and appropriate audit evidence: • Assessed the complexity of the IT environment through discussion with the IT team and identified IT applications that are relevant to our audit; • Evaluated the operating effectiveness of IT general controls over program development and changes, access to program and data and IT operations; • Performed inquiry procedures with the IT team of the Company in respect of the overall security architecture and any key threats addressed by the Company in the current year; • Evaluated the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company; • Assessed the operating effectiveness of controls relating to data transmission through the different IT systems to the financial reporting.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the Other Information. The Other Information comprises the information included in the boards report including Annexures, Business Responsibility and Sustainability Report, Management Discussion and Analysis Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements, Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with the audit of the Consolidated Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Consolidated Financial Statements or the knowledge obtained during the course of the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibility for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of the Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represents the underlying transactions and events in a manner that achieve fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph a) of the section titled 'Other Matters' in this audit report.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) We did not audit the financial statements and other financial information, in respect of two subsidiaries whose Consolidated or Standalone Financial Statements and other financial information as applicable, include total assets (before consolidation adjustments) of ₹ 125.81 crores as at 31st March, 2023 and total revenues (before consolidation adjustments) of ₹ 164.93 crores, total net profit after tax (before consolidation adjustments) of ₹ 29.35 crores, total comprehensive income (before consolidation adjustments) of ₹ 29.34 crores and net cash inflow (before consolidation adjustments) of ₹ 2.24 crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The Consolidated Financial Statements also include the Group's share of net loss after tax of ₹ (0.00) crores and total comprehensive loss of ₹ (0.00) crores for the year ended 31st March 2023, as considered in the Consolidated Financial Statements, in respect of an associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate and our report in terms of sub-sections (3) and (11) of section 143 of the Companies Act, 2013 in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such other auditors.

b) The accompanying Consolidated Financial Statements include unaudited financial statements and other unaudited financial information in respect of a subsidiary, whose Consolidated Financial Statements and other financial information reflect total assets (before consolidation adjustments) of ₹ 105.76 crores as at 31st March 2023, total revenues (before consolidation adjustments) of ₹ 0.95 crores, total net profit after tax (before consolidation adjustments) of ₹ 0.34 crores, total comprehensive income (before consolidation adjustments) of ₹ 0.34 crores and net cash inflow (before consolidation adjustments) of ₹ 2.81 crores for the year ended on that date. These unaudited financial statements and other unaudited financial information have been approved and furnished to us by the management. The Consolidated Financial Statements also include the Group's share of net loss after tax of ₹ (0.01) crores and total comprehensive loss of ₹ (0.01) crores for the year ended 31st March 2023, as considered in the Consolidated Financial Statements, in respect of an associate, whose financial statements, other financial information have been approved and furnished to us by the management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary and our report in terms of sub-sections (3) and (11) of section 143 of the Companies Act, 2013 in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements and other unaudited financial information.

*Amount less than ₹ 50 lakhs

The Financial Statements of these subsidiaries and the associates have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and the associates and the report in terms of Section 143(3) of the Act, in so far as it relates to the subsidiaries incorporated in India and associate, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the matters covered in paragraph a) and b) above with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on the audit and on the consideration of the reports of the other auditors on Separate Financial Statements and the other

financial information of subsidiaries and associates, as noted in the 'Other Matters' paragraph we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit of the aforesaid Consolidated Financial Statements;

b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from the examination of those books and the reports of the other auditors;

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the auditors of the subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India, is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Companies covered under the Act and the operating effectiveness of such controls, refer to the separate Report in 'Annexure A' which is based on the auditors' reports of the Holding Company and its associate incorporated in India;

g) As the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable for the year under audit.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of auditors' reports of the Holding Company and its associate incorporated in India, the remuneration paid by the Holding Company and its associate incorporated in India to their directors during the year is in accordance with the provisions of Section 197 of the Act;

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on Separate Financial Statements as also the other financial information of the subsidiaries and assoicates, as noted in the 'Other Matters' paragraph:

   i. The Consolidated Financial Statements has disclosed the impact of pending litigations on consolidated financial position of the Group and its associate in Note 45 to the Consolidated Financial Statements;

   ii. There were no long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its associate incorporated in India;

   iv. i. The respective managements of the Holding Company and its associate which are the companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associate respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its associate to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The respective managements of the Holding Company and its associate which are the companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associate respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or its associate from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the associate which is the company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause i) and ii) contain any material mis-statement;

v. The dividend paid by the Holding Company during the year in respect of F.Y 2021-2022 is in accordance with Section 123 of the Act to the extent it applies to payment of Dividend.

As stated in Note no.16A to the Financial Statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditors' report, according to the information and explanations given to us and based on the CARO report issued by us for the Holding Company and based on CARO reports issued by other auditors in respect of subsidiary companies and, associate, audited by other auditors respectively and included in the consolidated financial statements, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No.: 037391
UDIN: 23037391BGULVJ2464

Place: Mumbai
Date: 8th May 2023

Annexure A to Independent Auditors' Report

[Referred to in paragraph 1 f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Report on the Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of APAR Industries Limited ("the Company") and in respect of its subsidiaries incorporated in India and its associates wherein such audit of internal financial controls over financial reporting was carried out by other Auditors whose reports have been forwarded to us and have been appropriately dealt with by us in making this report as on 31st March 2023 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies incorporated in India and the associate, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company, its subsidiary companies incorporated in India and the associate considering essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective companies' policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies incorporated in India and the associate, based on the audit. We conducted the audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. The audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the companies are being made only in accordance with authorizations of management and directors of the Company; and

3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company, its subsidiary companies incorporated in India and its associate have, in all material respects, an internal financial controls with reference to financial statements of the Company and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and the operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary companies and associate companies, which are incorporated in India, are solely based on the corresponding reports of the auditors of such companies.

Our Opinion is not modified in respect of above matter.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No.: 037391
UDIN: 23037391BGULVJ2464

Place: Mumbai
Date: 8th May 2023

Consolidated Balance Sheet

as at 31 March, 2023

(₹ crore)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2	884.42	817.50
Right to use assets	2A	64.95	62.26
Capital work-in-progress	2	99.07	38.33
Other intangible assets	2B	1.11	1.48
Intangible assets under development	2B	0.24	0.16
Financial assets			
Investments	3	4.18	0.52
Loans	4	2.51	0.83
Trade receivables	10	27.51	11.29
Derivative financial assets	5	-	42.80
Other financial assets	6	10.81	14.91
Non current tax assets (net)		54.27	24.10
Other non-current assets	7	61.02	35.49
Total non current assets		**1,210.09**	**1,049.67**
Current Assets			
Inventories	8	2,575.64	2,138.65
Financial assets			
Investments	9	50.10	30.00
Trade receivables	10	3,198.07	2,531.13
Cash and cash equivalents	11	498.81	253.16
Bank balances other than above	12	31.29	13.25
Loans	13	5.20	7.40
Derivative financial assets	5	34.53	161.07
Other financial assets	14	47.61	22.81
Other current assets	15	566.31	400.38
Total current assets		**7,007.56**	**5,557.85**
TOTAL ASSETS		**8,217.65**	**6,607.52**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16A	38.27	38.27
(b) Other equity	16B, 16C	2,198.12	1,676.96
Total equity		**2,236.39**	**1,715.23**
Non current liabilities			
Financial liabilities			
Borrowings	17	151.37	195.37
Lease liabilities		63.70	60.93
Derivative financial liabilities	18	-	-
Other financial liabilities	19	5.09	3.13
Provisions	20	12.18	12.32
Deferred tax liabilities (net)	21	21.70	52.34
Total non current liabilities		**254.04**	**324.09**
Current liabilities			
Financial liabilities			
Borrowings	22	152.79	96.54
Lease liabilities		8.37	6.35
Trade payables	23		
a) Total outstanding dues of micro enterprises and small enterprises		84.90	20.01
b) Total outstanding dues of creditors other than micro enterprises and small enterprises.		5,121.67	4,063.40
Derivative financial liabilities	18	21.42	89.00
Other financial liabilities	24	77.07	30.15
Other current liabilities	25	209.01	243.47
Provisions	26	4.26	6.37
Current tax liabilities (net)		47.73	12.91
Total current liabilities		**5,727.22**	**4,568.20**
Total liabilities		**5,981.26**	**4,892.29**
TOTAL EQUITY AND LIABILITIES		**8,217.65**	**6,607.52**
See accompanying notes to financial statement	1 - 50		

As per our report of even date attached
CNK & Associates LLP
Chartered Accountants
Firm's registration No : 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No 037391

For and on behalf of the Board of Directors

Kushal N Desai
Chairman & Managing Director
& Chief Executive Officer
DIN : 00008084

Nina Kapasi
Independent Director
DIN : 02856816

Ramesh Iyer
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Place: Mumbai
Date: 08th May, 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ crore)

Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from operations	27	14,352.15	9,316.57
Other income	28	37.47	32.49
Total income		**14,389.62**	**9,349.06**
EXPENSES			
Cost of materials consumed	29	10,973.96	7,418.32
Purchases of stock-in-trade		69.45	130.71
Changes in inventories of finished goods, stock-in-trade and work-in-progress	30	(334.66)	(341.21)
Employee benefits expense	31	220.50	172.49
Finance costs	32	305.50	140.62
Depreciation and amortization expense	2,2A,2B	104.34	97.84
Other expenses	33	2,195.95	1,388.41
Total expenses		**13,535.04**	**9,007.18**
Profit before share of profit/(loss) of an associates and exceptional items		**854.58**	**341.88**
Share in net profit / (loss) of associates		(0.02)	0.12
Profit before exceptional items		854.56	342.00
Exceptional items		-	-
Profit before tax		**854.56**	**342.00**
Tax expense:	35		
Current tax		221.80	83.61
Deferred tax charge / (credit)		(6.81)	1.29
Taxes of earlier years (net)		1.85	0.36
Total tax expenses		**216.84**	**85.27**
Profit / (Loss) for the year from continuing operations		**637.72**	**256.73**
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss:-			
A) Re-measurement gains /(losses) of defined benefit plans		(0.15)	(6.28)
Income tax on items that will not be reclassified to profit or loss	35	0.04	1.58
Items that will be reclassified to profit or loss:-			
A) Effective portion of gains / (losses) on hedging instruments in a cash flow hedge		(94.54)	128.90
B) Exchange differences in translating the financial statements of foreign operations	35	11.67	3.58
Income tax on items that will be reclassified to profit or loss		23.79	(32.44)
Total other comprehensive income / (loss)		**(59.19)**	**95.34**
Total comprehensive income / (loss) for the year		**578.53**	**352.07**
XII. Earnings per equity share (Face value of ₹ 10 each)	34		
Basic		166.64	67.09
Diluted		166.64	67.09

As per our report of even date attached
CNK & Associates LLP
Chartered Accountants
Firm's registration No : 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No 037391

For and on behalf of the Board of Directors

Kushal N Desai
Chairman & Managing Director
& Chief Executive Officer
DIN : 00008084

Nina Kapasi
Independent Director
DIN : 02856816

Ramesh Iyer
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Place: Mumbai
Date: 08th May, 2023

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(₹ crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit before share of profit/(loss) of an associate and exceptional items	854.58	341.88
Adjustments for:-		
Depreciation and amortisation	104.34	97.84
(Gain)/loss on sale of property, plant and equipment	1.51	(0.22)
Interest costs	174.75	67.10
Interest income	(19.41)	(6.27)
Bad debts/ provision for doubtful debts made / (written back/reversed)	46.09	42.69
Unrealised exchange loss/(gain)	33.42	12.97
Profit on sale of investments	(1.66)	(7.40)
Movement in working capital		
(Increase) / decrease in trade and other receivables	(836.23)	(999.46)
(Increase) / decrease in inventories	(424.40)	(575.96)
Increase/ (decrease) in trade and other payables	984.34	1,361.41
Tax paid	(218.99)	(90.83)
Net cash generated from / (used in) operating activities	**698.34**	**243.75**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(247.83)	(130.03)
Acquisition of intangible assets	-	(0.44)
Proceeds from sale of property, plant and equipment	1.13	1.22
Sale / (purchase) of investment in subsidiary & associate	(3.80)	-
Sale / (purchase) of investments other than investment in subsidiary and associate (net)	(18.44)	38.64
Net cash generated from / (used in) investing activities	**(268.94)**	**(90.61)**
Cash flow from financing activities		
Proceeds/(repayments) from short-term borrowings - net	57.50	(21.49)
Proceeds/(repayments) of long-term borrowings - net	(54.19)	4.44
Repayment of lease liabilities	(10.03)	(5.59)
Interest received/(paid) - net	(119.98)	(47.35)
Dividend paid	(57.36)	(36.36)
Net cash (used in) / generated from financing activities	**(184.06)**	**(106.35)**
Net increase / (decrease) in cash and cash equivalents	245.34	46.79
Effect of exchanges rate changes on cash and cash equivalents	0.31	(0.65)
Cash and cash equivalents at the beginning of the year	253.16	207.02
Cash and cash equivalents at the end of the year (Refer Note 11)	**498.81**	**253.16**

Notes:

1) Statement of cash flows has been prepared as per the indirect method as set out in the Ind AS 7 statement of cash flows.
2) Cash and cash equivalents represents cash and bank balances. It includes unrealised gain of ₹ 0.31 crore; (previous year unrealised loss of ₹ 0.65 crore) on account of translation of foreign currency cash and cash equivalents.
3) Refer Note 17 c) for changes in liabilities arising from financing activities

As per our report of even date attached
CNK & Associates LLP
Chartered Accountants
Firm's registration No : 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No 037391

For and on behalf of the Board of Directors

Kushal N Desai
Chairman & Managing Director
& Chief Executive Officer
DIN : 00008084

Nina Kapasi
Independent Director
DIN : 02856816

Ramesh Iyer
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Place: Mumbai
Date: 08th May, 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(a) Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount ₹ crore	No. of shares	Amount ₹ crore
Balance at the beginning of the reporting period	38,268,619	38.27	38,268,619	38.27
Changes in equity share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	38,268,619	38.27	38,268,619	38.27
Changes in equity share capital during the current year	-	-	-	-
Balance at the end of the reporting period	**38,268,619**	**38.27**	**38,268,619**	**38.27**

(b) Other equity

(₹ crore)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income			Total
	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Retained earnings - surplus	Foreign currency translation reserve	Effective portion of cash flow hedges	Re-measurement of defined benefit plans	
Balance at April 1, 2022	**23.46**	**205.18**	**14.98**	**292.30**	**1,049.43**	**12.88**	**85.34**	**(6.61)**	**1,676.96**
Profit for the year	-	-	-	-	637.72	-	-	-	637.72
Other comprehensive income for the year	-	-	-	-	-	11.67	(70.75)	(0.11)	(59.19)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**637.72**	**11.67**	**(70.75)**	**(0.11)**	**578.53**
Transactions with the owners of the Group	-	-	-	-	-	-	-	-	-
Dividend paid on equity shares	-	-	-	-	(57.40)	-	-	-	(57.40)
Other adjustments	-	-	-	-	-	-	-	-	-
Transfer to / from general reserve	-	-	-	60.00	(60.00)	-	-	-	-
Balance at March 31, 2023	**23.46**	**205.18**	**14.98**	**352.30**	**1,569.75**	**24.55**	**14.59**	**(6.72)**	**2,198.12**
Balance at April 1, 2021	**23.46**	**205.18**	**14.98**	**268.30**	**853.06**	**9.30**	**(11.11)**	**(1.92)**	**1,361.25**
Profit for the year	-	-	-	-	256.73		-	-	256.73
Other comprehensive income for the year	-	-	-	-	-	3.58	96.46	(4.70)	95.34
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**256.73**	**3.58**	**96.46**	**(4.70)**	**352.07**
Transactions with the owners of the Group	-	-	-	-	-	-	-	-	-
Dividend paid on equity shares	-	-	-	-	(36.36)	-	-	-	(36.36)
Other adjustments	-	-	-	-	-	-	-	-	-
Transfer to / from general reserve	-	-	-	24.00	(24.00)	-	-	-	-
Balance at March 31, 2022	**23.46**	**205.18**	**14.98**	**292.30**	**1,049.43**	**12.88**	**85.34**	**(6.61)**	**1,676.96**

Effective from the second quarter of financial year 2022-2023, the Group has adopted hedge accounting under Ind AS 109 by formally designating, foreign currency denominated financial liabilities relating to procurement of imported raw material in a cashflow hedge relationship for hedge of foreign exchange risk associated with highly probable future sales transactions. Consequent to this change, through demonstration of hedge effectiveness as per requirements of Ind AS 109, the effective portion of gain / loss arising on re-statement of the foreign currency denominated financial liabilities relating to procurement of imported raw material is recognised initially in cash flow hedge reserve account and is then reclassified to the consolidated statement of profit and loss in the period of settlement when the sales are effected and ineffective portion is charged to the consolidated statement of profit and loss as at the year ended 31 March 2023, the effective portion of gain of ₹ 1.09 crores on revaluation of financial liabilities designated hedge relationship is deferred to cash flow hedge reserve.

Nature and purpose of reserves

i. Capital reserve

Capital reserve comprises of gains of capital nature earned by the Group and credited directly to such reserve.

ii. Securities premium

Securities premium used to record the premium received on the issue of shares. It is utilised in accordance with the provisions of the Companies Act 2013. It also comprises of profit on 16,35,387 treasury shares sold in the year 2015-16.

iii. Capital redemption reserve

Capital redemption reserve represents amounts set aside by the Group for redemption of capital which may arise in future.

iv. General reserve

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

v. Retained earnings

Retained earnings comprises of accumulated balance of profits/(losses) of current and prior years including transfers made to / from other reserves from time to time. The reserve can be utilized or distributed by the Group in accordance with the provisions of the Companies Act, 2013.

vi. Effective portion of cash flow hedges

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in consolidated statement of profit or loss as the hedged cash flows or items that affect profit or loss.

vii. Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign subsidiaries with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

viii. Re-measurement of defined benefit plans

The re-measurement of defined benefit plan comprises of actuarial gains / losses, actual return on plan asset and change in effect of asset ceiling, if any

As per our report of even date attached
CNK & Associates LLP
Chartered Accountants
Firm's registration No : 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No 037391

For and on behalf of the Board of Directors

Kushal N Desai
Chairman & Managing Director
& Chief Executive Officer
DIN : 00008084

Nina Kapasi
Independent Director
DIN : 02856816

Ramesh Iyer
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Place: Mumbai
Date: 08th May, 2023

Note 1 – Significant Accounting Policies

1. General information

APAR Industries Limited ("the Company"), founded by Late Shri. Dharmsinh D. Desai in the year 1958 is one among the best established companies in India, operating in the diverse fields of electrical and metallurgical engineering, offering value added products and services in Power Transmission Conductors, Petroleum Specialty Oils and Power & Telecom Cables and Housewires. The Company is incorporated in India. The registered office of the Company is situated at 301, Panorama Complex, R. C. Dutt Road, Vadodara, Gujarat – 390 007. The Company has manufacturing plants in state of Maharashra, Gujarat, Orissa & Union Territory of Dadra and Nagar Haveli.

2. Statement of compliance

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act (to the extent notified) read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

These financial statements are approved for issue by the Board of Directors on May 08, 2023.

3. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is the Group's functional currency. All amounts have been rounded off to two decimal places to the nearest crore, unless otherwise indicated.

4. Basis of preparation

The consolidated financial statements have been prepared on a going concern basis using the historical cost basis except for the following items:

- certain financial assets and liabilities (including mutual fund investments and derivatives) that are measured at fair value;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments.

5. Key estimates and assumptions

The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates, assumptions and judgements for some items, which might have an effect on their recognition and measurement in the (i) balance sheet and (ii) consolidated statement of profit and loss and other comprehensive income. The actual amounts may differ from these estimates.

Estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives of tangible assets and intangible assets**

  Useful lives of assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds corresponds to the probable maturity of the post-employment benefit obligations.

- **Recognition of deferred tax assets**

  Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and unabsorbed depreciation and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

- **Evaluation of control**

  The Group makes assumptions when assessing whether it exercises control, joint control or significant influence over companies in which it holds less than 100 percent of the voting rights. These assumptions are made based on the contractual rights with the other shareholders, relevant facts and circumstances which indicate that the Group has power over the potential subsidiary or that joint control exists. Changes to contractual arrangements or facts and circumstances are monitored and are evaluated to determine whether they have a potential impact on the assessment as to whether the Group is exercising control over its investment.

- **Recognition and measurement of other provisions**

  The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

- **Discounting of long-term financial assets/liabilities**

  All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities which are required to subsequently measure at amortised cost, interest is accrued using the effective interest method.

- **Fair value of financial instruments**

  Derivatives and investments in mutual funds are carried at fair value. Derivative includes Foreign Currency Forward Contracts, Commodity futures contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts and Commodity future contracts are determined using the fair value reports provided by merchant bankers and London Metal Exchange (LME) brokers respectively. Fair values of Interest Rate Swaps are determined with respect to current market rate of interest.

- **Sales incentives and customer loyalty programs**

  Rebates are generally provided to distributors or dealers as an incentive to sell the group's products. Rebates are based on purchases made during the period by distributor / customer. The Group determines the estimate of benefits accruing to the distributors/ dealers based on the schemes introduced by the Group.

  The amount allocated to the loyalty program/ incentive is deferred and is recognised as revenue when the Group has fulfilled its obligation to supply the discounted products under the terms of the program or when it is no longer probable that the points under the program will be redeemed.

  The cash incentives offered under various schemes are in the nature of sales promotion and provisions are made for such incentives.

6. Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant observable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2:* inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- *Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

7. Significant accounting policies followed by the Group

A. Basis of consolidation

i. Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in equity under the head 'Capital reserve'. Transaction costs are expensed as incurred, except if related to the issue of equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, net of deferred taxes, are eliminated.

v. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture, since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consoldiated statement of profit and loss reflects the Group's share of the result of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of unanimous changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently report profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit and loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

B. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the consolidated statement of profit and loss.

The Group has adopted Appendix B to Ind AS 21, Foreign Currency transactions and advance considerations notified in the Companies (Indian Accounting Standards) Rules, 2018. Accordingly, the exchange rate for translation of foreign currency transaction; in cases when the Group receives or pays advance consideration is earlier of;

- the date of initial recognition of non-monetary prepayment asset or deferred income liability or
- the date that the related item is recognized in the financial statements.

If the transaction is recognized in stages; then a transaction date will be established for each stage.

C. Revenue recognition

i. Revenue from contract with customers for sale of goods and provision of services

The Group recognizes revenue from contracts with the customers based on five step model defined in Ind AS 115. The Group satisfies a performance obligation and recognizes revenue over time, if any of the conditions given in Ind AS 115 are satisfied; else revenue is recognized at point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue towards satisfaction of performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of returns, allowance, trade discounts, volume rebates and schemes offered by the Group as a part of the contract. Revenues are recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue & costs, if applicable, can be measured reliably.

a. Performance obligation

The Group derives its revenue from sale of products in Conductors, Transformers, Cables, Speciality Oils, Power & Telecom Cables and Housewires. It also derives revenue from rendering of services in Power Transmission Conductors

The Group is required to assess each of its contracts with customers to determine whether performance obligation is satisfied over time or at a point in time in order to determine the appropriate method for recognizing of revenue. The Group recognizes the revenue over time only if it satisfies the criteria given in Ind AS 115. Where the criteria as per Ind AS 115 are not met, revenue is recognized at a point in time.

The Group satisfies its performance obligation when the control over the goods is transferred to the customer or benefits of the services being provided is received and consumed by the customer.

In cases where the Group determines that performance obligation is satisfied at a point in time, revenue is recognized when the control over the goods is transferred to the customer or benefits of the services being provided is received by the customer. The Group considers that the customer has obtained the control of promised goods or services; when the goods have been dispatched/delivered to the destination as per terms of the contract or services has been provided to the customer as per agreed terms and the Group has unconditional right to consideration.

In cases where the Group determines that performance obligation is satisfied over time then revenue is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction (Input Method). The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

1. The amount of revenue can be measured reliably;
2. It is probable that the economic benefits associated with the transaction will flow to the Group;
3. The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stage of completion is determined by the proportion of actual costs incurred to date to the estimated total costs of the transaction.

The Group considers that the use of the input method, which requires revenue recognition on the basis of the Group's efforts to the satisfaction of performance obligation, provides the best reference of revenue actually earned. In applying the input method, the Group estimates the efforts or inputs to the satisfaction of a performance obligation. In addition to the cost of meeting contractual obligation to the customers, these estimates mainly include;

- For service contracts, the time elapsed

b. Transaction price

The Group is required to determine the transaction price in respect of each of its contracts with customers.

Contract with customers for sale of goods or services are either on a fixed price or on variable price basis.

For allocating the transaction price, the Group measures the revenue in respect of each performance obligation of contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In making judgment about the standalone selling price, the Group also assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration if any, the Group uses the "most likely amount" method as per IND AS 115 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

c. **Discounts, Rebates & Incentive to Customers**

The Group accounts for volume discounts, rebates and pricing incentives to customers based on the ratable allocation of the discounts / rebates to each of the underlying performance obligation that corresponds to the progress made by the customer towards earning that discount, rebate or incentive. The Group also recognises the liability based on the past performance of the customers fulfilling the criteria to get the discounts, rebates or incentives and the future outflow of the same is probable. If it is probable that the criteria for the discounts will not be met or if the amounts thereof cannot be estimated reliably, then the discount is not recognised until the payment is probable and the amount can be estimated reliably. The Group accounts for discounts, rebates and pricing incentives in the year of payment where customer qualifies for the same and wherein provision was not made due to Group's inability to make reliable estimates based on the available data at reporting date.

ii. **Lease income:**

The Group has determined that the payments by the lessee are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Accordingly rental income arising from operating leases is accounted for on an accrual basis as per the terms of the lease contract

iii. Interest income is accrued on a time basis, by reference to the principal outstanding and using effective interest rate.

iv. Dividend income is recognised when the right to receive the payment is established.

D. Employee benefits

i. **Short term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. **Defined contribution plans**

- **Provident Fund Scheme**

The Group makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952.

- **Superannuation Scheme**

The Group makes specified contributions to the superannuation fund administered by the Group and the return on investments is adequate to cover the commitments under the scheme. The Group's contribution paid/payable under the scheme is recognised as expense in the consolidated statement of profit and loss during the period in which the employee renders the related service.

iii. **Defined benefit plans**

The following post – employment benefit plans are covered under the defined benefit plans:

- **Gratuity Fund**

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit/ liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense/ (income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/ (asset), to the net defined liability/(asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Long-term Compensated Absences are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the consolidated statement of Profit and Loss.

E. Grants/ Subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset the cost of the asset is shown at gross value and grant thereon is treated as capital grant. The capital grant will be recognised as income in the consolidated statement of profit and loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognised in the consolidated statement of profit and loss in the same period as the related cost, which they are intended to compensate are accounted for.

F. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except;

a. to the extent that it relates to a business combination, or

b. items recognised directly in equity or in OCI. Such as, re-measurements of the defined benefit plans and the effective portion of gain and loss on hedging instruments in a cash flow hedge

i. Current tax

Current tax comprises the expected tax payable on taxable income or receivable on taxable loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

G. Inventories

Inventories and work in progress are measured at the lower of cost and net realizable value. Inventory of scrap is valued at estimated realizable value. The cost of inventories is determined using the weighted average cost method. Cost includes direct materials, labour, other direct cost and manufacturing overheads. Inventories also include applicable taxes, other than those which are subsequently recoverable from tax authorities.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

H. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the consolidated statement of profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

The cost of the property, plant and equipment at 1st April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value at that date.

ii. **Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

iii. **Depreciation**

Depreciation is provided, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except in the case where the estimated useful life based on management experience and technical evaluation differs.

Depreciation is charged on the Straight-Line method (SLM) or the Written Down Value method (WDV) based on the method consistently followed by the respective entities in the Group.

The depreciation method followed by each division is as below:

Particulars	Conductor Division	Oil Division	Cable Division	Head Office
Leasehold Land	SLM	SLM	SLM	SLM
Buildings	SLM	SLM	SLM	SLM
Plant and Equipment	SLM	SLM	SLM	SLM
Furniture and Fixtures	SLM	WDV	SLM	WDV
Office Equipment	SLM	WDV	SLM	WDV
Motor Vehicles	SLM	WDV	SLM	WDV

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Capital expenditure in respect of which ownership does not vest with the Group is amortized over a period of five years. Leasehold land is amortised over the period of lease.

Useful life as per Group's technical estimates in Plant & Equipment's are as below:

Description of Assets	Useful Life in Schedule II	Useful Life as per technical estimates
Plant and Equipment's – Oil division (other than filling lines)	15 Years	20 Years
Plant and Equipment's - Conductor Division	15 Years	20 Years
Plant and Equipment's -Cable Division	15 Years	25 Years

I. Intangible Assets

Intangible assets which are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

Enterprise Resource Planning Software cost: Cost of implementation of ERP Software including all related direct expenditure is amortized over a period of 5 years on successful implementation.

The cost of the intangible assets at 1st April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value at that date.

J. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

K. Share-based payments

a. Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

b. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

c. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

d. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

e. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

f. For cash settled share-based payments, a liability is recognised for the services availed. At the end of the reporting period, until liability is settled, the fair value of liability is remeasured with any changes in fair value recognised in profit or loss.

L. Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in securities premium.

M. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as Foreign Exchange Forward Contracts, Commodity Future Contracts, Interest Rate Swaps, Currency Options and Embedded Derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

i. Financial assets

Classification

The financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for management of the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Debt instruments at amortised cost

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at Fair Value Through Profit And Loss (FVTPL)

- Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as Fair Value through Other Comprehensive Income (FVOCI), is classified as at FVTPL.

- In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

- Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

- Investments into Equity instruments and Mutual Funds

- All investments in the scope of Ind-AS 109 are measured at fair value. Equity instruments and mutual funds which are held for trading are classified as at FVTPL. For all other equity instruments and mutual funds, the Group decides to classify the same either as at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

- Equity instruments and mutual funds included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

Derecognition

- A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

ii. **Financial liabilities**

Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in consolidated statement of profit and loss.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in consolidated statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iii. **Derivative financial instruments and hedge accounting**

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash Flow Hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under the "effective portion of cash flow hedges". The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on the present value basis, from the inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial items cost of initial recognition or for other cash flow hedges, it is reclassified to profit or loss in the same period as the hedged future cash flows affect the profit or loss.

If the hedged cash flows are no longer expected to occur, then the amounts that have been accumulated in the other equity are immediately reclassified to profit or loss.

The Group formally designates foreign currency denominated financial liabilities relating to imported raw materials, in one of the division, in a cash flow hedge relationship for hedging of foreign exchange risk associated with highly probable future sales transactions. The Effective portion of gains or losses arising on restatement of the foreign currency denominated financial liabilities is initially recognized in other comprehensive income and is reclassified to profit or loss in the period of settlement when the sales are affected. Ineffective portions, if any, is be charged to profit or loss.

Effective from the second quarter of financial year 2022 - 2023, the Group has adopted hedge accounting under Ind AS 109 by formally designating, foreign currency denominated financial liabilities relating to procurement of imported raw material in a cash-flow hedge relationship for hedge of foreign exchange risk associated with highly probable future sales transactions. Consequent to this change, through demonstration of hedge effectiveness as per requirements of Ind AS 109, the effective portion of gain / loss arising on restatement of the foreign currency denominated financial liabilities relating to procurement of imported raw material is being recognised initially in cash flow hedge reserve account and reclassified to consolidated statement of profit and loss in the period of settlement when the sales are effected and ineffective portion, if any charged to the profit & loss statement.

Provisions and contingent liabilities

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible outflow of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognised but disclosed in the consolidated financial statements where an inflow of economic benefit is probable.

N. Leases

The Group has adopted Ind AS 116, effective from annual reporting period beginning April 1, 2019 and applied the standard to its existing leases, with the modified retrospective method. This has resulted into recognition of Right of use assets at an amount equals to Lease liability on date of initial application (April 1, 2019).

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception is comprising of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the Group's incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in consolidated statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to;

1. Short-term leases of all assets that have a lease term of 12 months or less, and

2. Leases for which the underlying asset is of low value.

   The lease payments associated with above 2 types of leases are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

At the inception of the lease, the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

O. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

P. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group cash management.

Q. Segment Reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments have been identified on the basis of nature of products / services.

The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the Group. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, trade receivables and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

R. Earnings per share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

S. Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flow. The cash flows from operating, investing and financing activities of the Group are segregated based on available information.

T. Dividends

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

U. Cash settled employee stock options

For cash settled share-based payments, a liability is recognised for the services availed. It is measured initially at the fair value of the liability. At the end of the reporting period, until liability is settled as well as at the end of the settlement, the fair value of liability is remeasured with any changes in fair value is recognised in consolidated statement of profit and loss.

8. Recent Amendments

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into following amendments in the existing Accounting Standards which are applicable from April 1, 2023.

a) **Ind AS 101 – First time adoption of Ind AS** – modification relating to recognition of deferred tax asset by a first-time adopter associated with (a) right to use assets and related liabilities and (b) decommissioning, restoration and similar liabilities and corresponding amounts recognised as cost of the related assets.

b) **Ind AS 102 – Share-based Payment** – modification relating to adjustment after vesting date to the fair value of equity instruments granted.

c) **Ind AS 103 – Business Combination** – modification relating to disclosures to be made in the first financial statements following a business combination.

d) **Ind AS 107 – Financial Instruments Disclosures** – modification relating to disclosure of material accounting policies including information about basis of measurement of financial instruments.

e) **Ind AS 109 – Financial Instruments** – modification relating to reassessment of embedded derivatives.

f) **Ind AS 1 – Presentation of Financials Statements** – modification relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

g) **Ind AS 8 –** Accounting Policies, Change in Accounting Estimates and Errors – modification of definition of 'accounting estimate' and application of changes in accounting estimates.

h) **Ind AS 12 – Income Taxes** – modification relating to recognition of deferred tax liabilities and deferred tax assets.

i) **Ind AS 34 – Interim Financial Reporting** – modification in interim financial reporting relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.

The Group is evaluating the amendments and the expected impact, if any, on the Group's consolidated financial statements on application of the amendments for annual reporting periods beginning on or after 1 April 2023.

Note - 2 Property, Plant and Equipment

(₹ crore)

Particulars	Gross block					Depreciation				Net block
	As at April 01, 2022	Additions	Deductions	Effect of movement in exchange rates	As at March 31, 2023	As at April 01, 2022	For the year	Deductions	Upto March 31, 2023	As at March 31, 2023
(i) Tangible assets										
Land- Freehold	39.45	0.05	-	-	39.50	-	0.00	-	0.00	39.50
Land-Leasehold	10.89	-	-	-	10.89	0.98	0.14	-	1.12	9.77
Building (Refer Note d) below)	315.20	28.75	-	3.44	347.39	56.80	11.75	-	68.55	278.84
Plant and Machinery (Refer Note a) and b) below)	802.00	119.96	(10.40)	4.75	916.31	329.38	76.01	(9.03)	396.36	519.95
Furniture and fixtures	14.36	0.91	(0.02)	0.16	15.41	7.21	1.88	(0.02)	9.07	6.34
Office Equipments	45.46	3.64	(0.42)	-	48.68	20.86	3.14	(0.34)	23.66	25.02
Motor vehicles	10.36	1.45	(0.97)	0.03	10.87	4.99	1.71	(0.83)	5.87	5.00
Sub total (i)	1,237.72	154.76	(11.81)	8.38	1,389.05	420.22	94.63	(10.22)	504.63	884.42
(ii) Capital work-in-progress										
Buildings	-	-	-	-	-	-	-	-	-	17.70
Plant and equipments	-	-	-	-	-	-	-	-	-	81.37
Sub total (ii)	-	-	-	-	-	-	-	-	-	99.07
Total										983.49

(₹ crore)

Particulars	Gross block					Depreciation				Net block
	As at April 01, 2021	Additions	Deductions	Effect of movement in exchange rates	As at March 31, 2022	As at April 01, 2021	For the year	Deductions	Upto March 31, 2022	As at March 31, 2022
(i) Tangible assets										
Land- Freehold	39.23	0.22			39.45	-			-	39.45
Land-Leasehold	10.63	0.26			10.89	0.84	0.14		0.98	9.91
Building (Refer Note d) below)	297.54	16.62		1.04	315.20	45.72	11.08		56.80	258.40
Plant and Machinery (Refer Note a) and b below)	744.86	62.44	(7.64)	2.34	802.00	265.94	69.68	(6.24)	329.38	472.62
Furniture and fixtures	13.98	0.37		0.01	14.36	5.20	2.01		7.21	7.15

Note - 2 Property, Plant and Equipment (Contd..)

(₹ crore)

Particulars	Gross block					Depreciation				Net block
	As at April 01, 2021	Additions	Deductions	Effect of movement in exchange rates	As at March 31, 2022	As at April 01, 2021	For the year	Deductions	Upto March 31, 2022	As at March 31, 2022
Office Equipments	42.65	2.73	(0.15)	0.23	45.46	15.93	5.02	(0.09)	20.86	24.60
Motor vehicles	9.49	3.21	(2.35)	0.01	10.36	5.65	1.43	(2.09)	4.99	5.37
Sub total (i)	**1,158.38**	**85.85**	**(10.14)**	**3.63**	**1,237.72**	**339.28**	**89.36**	**(8.42)**	**420.22**	**817.50**
(ii) Capital work-in-progress										
Buildings	-	-	-	-	-	-	-	-		16.08
Plant and equipments	-	-	-	-	-	-	-	-		22.25
Sub total (ii)	-	-	-	-	-	-	-	-		**38.33**
Total										**855.83**

Capital work-in-progress Ageing Schdule

(₹ crore)

Particulars	As at March 31, 2023					As at March 31, 2022				
	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	Total
Projects in progress	80.83	18.22	0.02		99.07	35.07	1.14	1.91	0.21	38.33
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	**80.83**	**18.22**	**0.02**	**-**	**99.07**	**35.07**	**1.14**	**1.91**	**0.21**	**38.33**

Capital work-in-progress Completion Schedule

(₹ crore)

Particulars	As at March 31, 2023 To be completed in				Particulars	As at March 31, 2022 To be completed in			
	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years		Less than 1 year	1 - 2 years	2- 3 years	More than 3 years
					CTC - Cold Rolling Mill	0.58	-	-	-
					Confomring Line - 1 No.	3.73	-	-	-
					Modification of Trolley Wd 2	0.40	-	-	-
Total	**-**	**-**	**-**	**-**	**Total**	**4.71**	**-**	**-**	**-**

Note - 2A Right to use assets

(₹ crore)

Particulars	Gross block					Amortisation				Net block
	As at April 01, 2022	Additions	Deductions	Effect of movement in exchange rates	As at March 31, 2023	As at April 01, 2022	For the year	Deductions	Upto March 31, 2023	As at March 31, 2023
Righ to use assets	80.70	8.41	-	3.23	92.34	18.44	8.95	-	27.39	64.95
Total	**80.70**	**8.41**	**-**	**3.23**	**92.34**	**18.44**	**8.95**	**-**	**27.39**	**64.95**

(₹ crore)

Particulars	Gross block					Amortisation				Net block
	As at April 01, 2021	Additions	Deductions	Effect of movement in exchange rates	As at March 31, 2022	As at April 01, 2021	For the year	Deductions	Upto March 31, 2022	As at March 31, 2022
Righ to use assets	69.78	15.76	(6.29)	1.46	80.70	12.78	7.72	(2.06)	18.44	62.26
Total	**69.78**	**15.76**	**(6.29)**	**1.46**	**80.70**	**12.78**	**7.72**	**(2.06)**	**18.44**	**62.26**

Note - 2B Intangible assets

(₹ crore)

Particulars	Gross block					Depreciation				Net block
	As at April 01, 2022	Additions	Deductions	Effect of movement in exchange rates	As at March 31, 2023	As at April 01, 2022	For the year	Deductions	Upto March 31, 2023	As at March 31, 2023
Specialised software	7.67	0.39	-	-	8.06	6.22	0.73	-	6.95	1.11
Non compete fee	0.41	-	-	-	0.41	0.38	0.03	-	0.41	-
Total	**8.08**	**0.39**	**-**	**-**	**8.48**	**6.60**	**0.76**	**-**	**7.36**	**1.11**
Intangible asset under development					-				-	0.24
Total	**8.08**	**0.39**	**-**	**-**	**8.48**	**6.60**	**0.76**	**-**	**7.36**	**1.35**

Note - 2B Intangible assets (Contd..)

(₹ crore)

Particulars	Gross block					Depreciation				Net block
	As at April 01, 2021	Additions	Deductions	Effect of movement in exchange rates	As at March 31, 2022	As at April 01, 2021	For the year	Deductions	Upto March 31, 2022	As at March 31, 2022
Specialised software	7.23	0.44	-	-	7.67	5.50	0.72	-	6.22	1.45
Non compete fee	0.41	-	-	-	0.41	0.33	0.05	-	0.38	0.03
Total	**7.64**	**0.44**	**-**	**-**	**8.08**	**5.83**	**0.77**	**-**	**6.60**	**1.48**
Intangible asset under development										0.16
Total	**7.64**	**0.44**	**-**	**-**	**8.08**	**5.83**	**0.77**	**-**	**6.60**	**1.64**

Note

a) Includes expenditure on research and development ₹ 0.36 crore, (Previous Year ₹ 0.54 crore) for plant and machinery (refer note 46).

b) Additions to plant and machinery includes ₹ Nil crore (Previous Year ₹ 2.06 crore) on account of interest cost capitalised on foreign currency borrowings. The unamortised amount of such interest cost at the end of the year is ₹ 4.83 crore (Previous Year ₹ 6.99 crore).

c) Refer Note 17 a) for details of existence and amounts of restrictions on the title and Property, Plant and Equipment pledged as securities.

d) The Group holds all the title deeds of immovable property and there are no immovable property which are not being held in the name of the Group during current year and previous year.

Note 3 Non-Current Investments

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments in equity instruments		
In associate company (carried at cost)		
Ampoil APAR Lubricants Private Limited		
- 400,000 (Previous year 400,000) Equity shares of of ₹ 10 each fully paid up	0.40	0.52
Clean Max Rudra Private Limited (w.e.f. 08 August 2022) (Refer Note below)		
- 25,946 (Previous year Nil) Equity shares of ₹ 10 each fully paid up	3.78	-
Total	**4.18**	**0.52**
a. Aggregate amount of quoted investments	-	-
b. Aggregate amount of un-quoted investments	4.18	0.52
c. Aggregate amount of impairment in values of investments (Refer Note below)	-	-

Note:- Clean Max Rudra Private Limited has invoked force majeure clause on 01 April 2023 due to pending government formalities required to commence the operation. These fomalities in the opinion of the management are procedural in nature and hence this will not impact carrying value of investment. Accordingly, no impairment provision is recognised as at the year ended 31 March 2023

Note 4 Non-Current Loans

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good - Unsecured		
Loan to employees	2.51	0.83
Total	**2.51**	**0.83**

Note 5 Derivative Financial Assets

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Derivative contracts - Non current	-	42.80
Derivative contracts - Current	34.53	161.07
Total	**34.53**	**203.87**

Note 6 Other Non-Current Financial Assets

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Security deposits	9.26	10.63
Fixed Deposits with maturity of more than 12 months (Refer Note below)	1.55	4.28
Total	**10.81**	**14.91**

Note:- All fixed deposits are under lien.

Note 7 Other Non-Current Non-Financial Assets

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	57.55	33.06
Balance with government authorities	3.47	2.43
Total	**61.02**	**35.49**

Note 8 Inventories

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials and components	1,066.70	777.10
Raw materials-in transit	169.47	375.64
Work-in-progress	410.69	290.07
Finished goods	456.96	504.11
Finished goods - in transit	374.20	107.15
Stock-in-trade	32.63	36.35
Stock-in-trade - in transit	0.03	-
Stores and spares	64.96	48.23
Total	**2,575.64**	**2,138.65**

Note : Inventories are valued at lower of cost (computed on weighted average basis) and net realisable value.

Note 9 Current investments

(₹ crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Units	Amount	Units	Amount
Investment in mutual funds				
Canara Robeco Liquid Fund Direct Growth Plan	258,616.16	30.01	58,835.34	15.00
Union KBC Liquid Fund Growth - Direct Plan	-	-	73,150.10	15.00
SBI Overnight Fund	54,835.22	20.09		-
Total	**313,451.38**	**50.10**	**131,985.44**	**30.00**
a) Aggregate amount of quoted investments				
Book value		50.10		30.00
Market value		50.10		30.00
b) Aggregate amount of un-quoted investments		-		-
c) Aggregate amount of impairment in values of investments		-		-

All the above investments have been classified and measured at FVTPL. Information about The Group's Fair values and risk management Disclosure are included in Note 39

Note 10 Trade Receivables

(₹ crore)

Particulars	Non - current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Considered good, secured	-	-	2,095.83	1,479.50
Considered good, unsecured (Refer Note ii) below)	27.51	11.29	1,103.22	1,057.01
Trade Receivables which have significant increase in credit risk	-	-		0.34
Trade receivables, credit impaired	-	-	45.18	33.02
	27.51	**11.29**	**3,244.22**	**2,569.87**
Less: Loss allowance (Refer note (ii) below)			46.15	38.74
Total	**27.51**	**11.29**	**3,198.07**	**2,531.13**

Note

i) Refer note 22 for receivables offered as security against borrowing

ii) Receivable from associate is as below; Also Refer Note 44

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Ampoil APAR Lubricants Private Limited	0.02	0.24
Total	**0.02**	**0.24**

The Group's exposure to credit and currency risk related to trade receivables is disclosed in Note 40

iv) Trade receivable ageing

As at March 31, 2023

(₹ crore)

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed trade receivables - considered good	2,517.54	552.40	75.71	13.87	60.60	6.43	3,226.55
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed trade receivables - Credit Impaired	-	3.71	0.78	6.26	3.38	14.68	28.81
iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables - Credit Impaired	-	-	0.22	3.51	1.17	11.47	16.37
Total	**2,517.54**	**556.11**	**76.71**	**23.64**	**65.15**	**32.58**	**3,271.73**
Less: loss allowances							46.15
Trade receivable net of loss allowance							**3,225.58**
Of the above current trade receivable							**3,198.07**
Of the above non-current trade receivable							**27.51**

Note 10 Trade Receivables (Contd.)

As at March 31, 2022

(₹ crore)

Particulars	Not due	Outstanding for following periods from due date of payment: Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed trade receivables - considered good	2044.9	358.17	47.23	66.27	20.00	11.21	2,547.78
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	0.35	-	-	0.35
iii) Undisputed trade receivables - Credit Impaired	-	0.31	1.57	2.03	6.07	11.19	21.17
iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables - Credit Impaired	-	-	-	-	0.44	11.42	11.86
Total	**2044.9**	**358.48**	**48.80**	**68.65**	**26.51**	**33.82**	**2,581.16**
Less: loss allowances							38.74
Trade receivable net of loss allowance							**2,542.42**
Of the above current trade receivable							**2,531.13**
Of the above non-current trade receivable							**11.29**

Note 11 Cash and Cash Equivalents

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks	483.40	233.43
Deposits with original maturity of less than three months	-	0.17
Balance in cash credit bank account	15.14	12.46
Cash on hand	0.27	0.26
Cheques on hand	-	0.20
Funds in transit	-	6.64
Total	**498.81**	**253.16**

Note 12 Bank Balance Other than Cash and Cash Equivalents

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with original maturity for more than 3 months but less than 12 months (refer note i below)	9.35	10.89
Margin money deposit (refer note ii below)	19.57	0.02
Unclaimed dividend account (refer note iii below)	0.81	0.77
Balances with bank in foreign currencies having restriction on repatriation	1.56	1.57
Total	**31.29**	**13.25**

Notes:

i) All fixed deposits are under lien

Note 12 Bank Balance Other than Cash and Cash Equivalents (Contd.)

ii) The Group has placed ₹ 5.07 crores against letters of credit for import of raw materials and working capital loans for one of its division. Balance ₹ 14.50 crores is interest free margin against performance guarantees

iii) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2023 (Previous year : ₹ Nil crore)

Note 13 Loans

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Others		
Loan to employees	1.09	0.81
Loan to Others	4.11	6.59
Total	**5.20**	**7.40**

Note 14 Other Current Financial Assets

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	8.77	13.28
Advances to related parties	0.91	0.47
Contract assets (refer note 47)	37.26	8.77
Interest accrued but not due on deposits	0.67	0.29
Total	**47.61**	**22.81**

Note 15 Other Current Assets

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with statutory / government authorities	304.32	165.33
Prepayments	51.51	31.22
Claims receivable	115.07	50.56
Other receivable	3.32	2.26
Advances to vendors	92.09	151.01
Total	**566.31**	**400.38**

Note 16A Equity Share Capital

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised :		
10,19,98,750 (Previous year 101,998,750) Equity shares of ₹ 10 each	102.00	102.00
	102.00	**102.00**
Issued :		
3,82,68,619 (Previous year 38,268,619) Equity shares of ₹ 10 each	38.27	38.27
	38.27	**38.27**
Subscribed and paid up :		
3,82,68,619 (Previous year 38,268,619) Equity shares of ₹ 10 each	38.27	38.27
	38.27	**38.27**

Note 16A Equity Share Capital (Contd.)

Reconciliation of number of shares outstanding at the beginning and end of the year :

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding at the beginning of the year	3,82,68,619	3,82,68,619
Changes during the year	-	-
Outstanding at the end of the year	**3,82,68,619**	**3,82,68,619**

Terms/rights attached to equity shares

i) The Company has one class of equity share having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Events after the reporting date

The Company declares and pays dividends in Indian rupees. The Board of Directors of the Company have recommended final dividend for the financial year 2022-23 @ ₹ 40 per share aggregating to ₹ 153.07 crore on 38,268,619 equity shares of ₹ 10/- each fully paid. This will be paid after approval of shareholders at the ensuing Annual General Meeting.

The actual dividend amount is dependent upon the relevant share capital outstanding as on the record date / book closure date.

Shareholders holding more than 5% shares in The Group

(₹ crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of shares	% of total shares	No of shares	% of total shares
Kushal N. Desai	92,08,503	24.06	92,08,503	24.06
Chaitanya N. Desai	91,24,185	23.84	90,97,432	23.77
Maithili N. Desai Family Pvt. Trust No. 2 - Trustee Maithili Trusteeship Services Private Limited	44,02,687	11.50	44,02,687	11.50
HDFC Trustee Company Limited	24,18,293	6.32	33,10,837	8.65

Shares reserved for issue under options

There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

Shareholding of Promoter / Promoter Group - shares held by promoters at the end of the year

Promoter Name	As at March 31, 2023			As at March 31, 2022		
	No of Shares	% of total shares	%Change during the year	No of Shares	% of total shares	%Change during the year
Kushal N. Desai	92,08,503	24.06	-	9,208,503	24.06	-
Chaitanya N. Desai	91,24,185	23.84	0.07	9,097,432	23.77	0.10
Rishabh K. Desai	42,398	0.11	-	42,398	0.11	-
Gaurangi K. Desai	3,200	0.01	-	3,200	0.01	-

Note 16A Equity Share Capital (Contd.)

Promoter Name	As at March 31, 2023			As at March 31, 2022		
	No of Shares	% of total shares	%Change during the year	No of Shares	% of total shares	%Change during the year
Noopur K. Desai	2,139	0.01	-	2,139	0.01	-
Jinisha C. Desai	500	* 0.00	-	500	* 0.00	-
Devharsh C. Desai	1,31,555	0.34	-	1,31,555	0.34	-
APAR Corporation Pvt Ltd	1,09,853	0.29	-	1,09,853	0.29	-
Maithili N. Desai Family Pvt. Trust	98,983	0.26	-	98,983	0.26	-
Maithili Trusteeship Services Pvt. Ltd.	300	* 0.00	-	300	* 0.00	-
Maithili N. Desai Family Pvt. Trust No. 2	4,40,2687	11.50	-	44,02,687	11.50	-
Kushal N. Desai Family Private Trust	40,000	0.10	-	40,000	0.10	-
Chaitanya N. Desai Family Private Trust	40,000	0.10	-	40,000	0.10	-

* denotes holding less than 0.01%

Note 16B Other Equity

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserve	23.46	23.46
Securities premium	205.18	205.18
Capital Redemption Reserve	14.98	14.98
General reserve	352.30	292.30
Retained earnings - Surplus	1,569.75	1,049.43
Reserves and Surplus	**2,165.67**	**1,585.35**

Note: The nature and purpose of each of the Reserves have been explained under Statement of changes in Equity

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserve		
Opening balance	23.46	23.46
Increase / (decrease) during the year	-	-
Closing Balance	**23.46**	**23.46**
Securities premium		
Opening balance	205.18	205.18
Increase / (decrease) during the year	-	-
Closing balance	**205.18**	**205.18**
Capital Redemption Reserve		
Opening balance	14.98	14.98
Increase / (decrease) during the year	-	-
Closing balance	**14.98**	**14.98**
General reserve		
Opening balance	292.30	268.30
Transfer from Retained Earnings	60.00	24.00
Closing balance	**352.30**	**292.30**

Note 16B Other Equity (Contd.)

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained earnings - Surplus		
Opening balance	1,049.43	853.06
Profit for the year	637.72	256.73
Transfer to General Reserves	(60.00)	(24.00)
Dividend paid	(57.40)	(36.36)
Closing balance	**1,569.75**	**1,049.43**

Note 16C Other Comprehensive Income

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Foreign currency translation reserve	24.55	12.88
Effective portion of cash flow hedges	14.59	85.34
Re-measurement of defined benefit plan	(6.72)	(6.61)
Items of other comprehensive income	**32.42**	**91.61**
Foreign currency translation reserve		
Opening balance	12.88	9.30
Other comprehensive income for the year	11.67	3.58
Closing balance	**24.55**	**12.88**
Effective portion of cash flow hedges		
Opening balance	85.34	(11.11)
Other comprehensive income for the year	(70.75)	96.45
Closing balance	**14.59**	**85.34**
Remeasurement of defined benefit plan		
Opening balance	(6.61)	(1.92)
Other comprehensive income for the year	(0.11)	(4.69)
Closing balance	**(6.72)**	**(6.61)**

Note 17 Long Term Borrowings

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Term loans (Secured)		
Rupee term loan from bank	-	23.88
Foreign currency term loan from bank	151.37	171.50
Total	**151.37**	**195.37**

For Current Portion of Long Term Borrowings Refer Note 22

Information about the Group's exposure to liquidity risk, foreign currency and interest rate is included in Note 40

Rupee term loan and foreign currency loan from banks are secured as under:

a) Details of security

The rupee term loan from Kotak Mahindra Bank is secured by first charge on property located at Jharsuguda and Lapanga (Movable & Immovable Fixed Assets)

Note 17 Long Term Borrowings (Contd.)

Foreign currency term loan from State Bank of India, Tokyo is secured by way of a first charge on movable and immovable fixed assets of the Group by way of hypothecation / equitable mortgage of Khatalwad unit and office building (Building No. 4 Corporate park, Chembur). Minimum Fixed Assets Coverage Ratio(FACR) of 1.25 to be maintained during the entire tenor of the loan.

b) Terms of repayment and interest rate of term loan :

In respect of Rupee Term Loan from Kotak Bank, it has a moratorium period of 18 months and loan will be repaid in 10 half yearly installments. The repayment has started from 08 September 2019 onwards, first 2 installments are of ₹ 7.50 crore each, next 2 installment are of ₹ 8.50 crore each, subsequent next 2 installment are of ₹ 10.00 crore each and last 4 installments are of ₹ 12.00 crore each. The interest is payable at 8.30% p.a.

In respect of foreign currency term loan from State Bank of India, Tokyo, it has a moratorium period of 18 months and loan will be repaid in 20 quarterly installments. The repayment has started from 05 September 2021 onwards, next installments are of ₹ 3.79 crore will be paid in June 2022, thereafter next 5 installment are of ₹ 5.69 crore each, next 1 installment is of ₹ 7.57 crore, next 5 installment are of ₹ 13.26 crore each, subsequent 2 installment are of ₹ 15.16 crore each and last 3 installments are of ₹ 18.95 crore each. The interest is payable at 3 months Libor + 1.70% on quarterly basis.

The Group does not have any continuing default as on the Balance Sheet date in respect of repayment of principle and interest.

c) Changes in liabilities arising from Financing Activities

(₹ crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Long term	Short term	Long term	Short term
Opening Balance				
Long Term borrowing	195.37	-	191.59	
Short term borrowing (Refer Note 22)	-	96.54	-	72.59
Current maturities of long term borrowing (Refer Note 22)	57.48	(57.48)	51.10	(51.10)
Total Opening Balance	**252.85**	**39.06**	**242.69**	**21.49**
Cash flow movements				
Proceeds/(repayments) from long term borrowings - net	(54.19)	-	4.44	-
Proceeds/(repayments) from short term borrowings - net	-	57.50	-	(21.49)
Total Cash flow movements	**(54.19)**	**57.50**	**4.44**	**(21.49)**
Foreign exchange adjustments	8.94	-	5.72	-
Total Foreign exchange adjustments	**8.94**	**-**	**5.72**	**-**
Closing Balance				
Long Term borrowing	151.37	-	195.37	-
Short term borrowing (Refer Note 22)	-	152.79	-	96.54
Current maturities of long term borrowing (Refer Note 22)	56.23	(56.23)	57.48	(57.48)
Total Closing Balance	**207.60**	**96.56**	**252.85**	**39.06**

Note 18 Derivative Financial Liabilities

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Derivatives contracts - Non Current	-	-
Derivatives contracts - Current	21.42	89.00
Total	**21.42**	**89.00**

Note 19 Non-Current Other Financial Liabilities

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits from dealers (Refer Note below)	5.09	3.13
Total	**5.09**	**3.13**

Note: Measured at amortised cost

Note 20 Long Term Provisions

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Provision for gratuity - in respect of directors (Refer Note 38A)	2.75	2.55
Provision for gratuity - In respect of leave encashment	9.43	9.77
Total	**12.18**	**12.32**

Note 21 Deferred Tax Liabilities (net)

(a) Movement in deferred tax balances as at March 31, 2023

(₹ crore)

Particulars	Net opening balance	For the year ended March 31, 2023		As at March 31, 2023		
		Recognised in profit or loss	Recognised in OCI	Net closing balance	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(39.44)	1.15	-	(38.29)	-	(38.29)
Derivatives	(27.30)	0.20	23.79	(3.31)	-	(3.31)
Loans and borrowings	(0.37)	0.11	-	(0.26)	-	(0.26)
Employee benefits	4.39	1.24	0.04	5.67	5.67	-
Lease Expenses	0.26	0.14	-	0.40	0.40	-
Deferred income	0.14	(0.14)	-	0.00	0.00	-
Provisions	9.98	4.11	-	14.09	14.09	-
Deferred tax assets/ (liabilities)	**(52.34)**	**6.81**	**23.83**	**(21.70)**	**20.16**	**(41.86)**
Set off of deferred tax asset	-	-	-	-	-	**20.16**
Net deferred tax assets (liabilities)	-	-	-	-	-	**(21.70)**

(b) Movement in deferred tax balances as at March 31, 2022

(₹ crore)

Particulars	Net opening balance	For the year ended March 31, 2022		As at March 31, 2022		
		Recognised in profit or loss	Recognised in OCI	Net closing balance	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(40.30)	0.86	-	(39.44)	-	(39.44)
Derivatives	4.37	0.77	(32.44)	(27.30)	-	(27.30)

Note 21 Deferred Tax Liabilities (net) (Contd.)

(₹ crore)

Particulars	Net opening balance	For the year ended March 31, 2022		As at March 31, 2022		
		Recognised in profit or loss	Recognised in OCI	Net closing balance	Deferred tax asset	Deferred tax liability
Loans and borrowings	(0.48)	0.11	-	(0.37)	-	(0.37)
Employee benefits	2.97	(0.16)	1.58	4.39	4.39	-
Lease Expenses	0.44	(0.18)	-	0.26	0.26	-
Deferred income	0.10	0.04	-	0.14	0.14	-
Provisions	12.71	(2.73)	-	9.98	9.98	-
Deferred tax assets (liabilities)	**(20.19)**	**(1.29)**	**(30.86)**	**(52.34)**	**14.77**	**(67.11)**
Set off of deferred tax asset	-	-	-	-	-	14.77
Net deferred tax assets (liabilities)	**-**	**-**	**-**	**-**	**-**	**(52.34)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred tax assets will be recovered.

Note 22 Short Term Borrowings

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured Loans		
Current Portion of Long Term Borrowing (Refer Note below)		
(i) Foreign currency term loan	34.64	20.57
(ii) Rupee term loan	21.59	23.87
(iii) Foreign currency term loans from others	-	13.04
Unsecured Loans		
Buyer's credit facilities	72.04	-
From others (bills discounting with recourse)	24.52	39.06
Total	**152.79**	**96.54**

Note:

The Group does not have any continuing default as at the balance sheet date in repayment of loans and interest

Note 23 Trade Payable

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Acceptances	4,136.57	2,756.80
Due to micro and small Enterprises	84.90	20.01
Due to other than micro and small enterprises	985.10	1,306.60
Total	**5,206.57**	**4,083.41**

Note 23 Trade Payable (Contd.)

Note

There are no amounts due to associate companies.

Trade Payable ageing schedule

As at March 31, 2023

(₹ crore)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i) MSME	84.90	-	-	-	-	84.90
ii) Others	4,489.54	595.42	25.10	7.17	4.44	5,121.67
iii) Disputed dues - MSME	-	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-	-
Total	**4,574.44**	**595.42**	**25.10**	**7.17**	**4.44**	**5,206.57**

As at March 31, 2022

(₹ crore)

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i) MSME	20.01	-	-	-	-	20.01
ii) Others	3,973.31	70.50	6.66	10.40	2.53	4,063.40
iii) Disputed dues - MSME	-	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-	-
Total	**3,993.32**	**70.50**	**6.66**	**10.40**	**2.53**	**4,083.41**

Note 24 Other Current Financial Liabilities

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due	54.10	21.38
Creditors for capital expenditure	13.96	6.87
Liability for share based payments	8.07	-
Unclaimed dividend (Refer Note below)	0.81	0.77
Deposit from dealers	0.13	1.13
Total	**77.07**	**30.15**

Note :-

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on the reporting date.

Note 25 Other Current Non-Financial Liabilities

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Contract liability (Refer note 47 iv)	176.20	216.93
Statutory dues	12.28	7.12
Other payables	8.22	10.85
Salary, wages and others benefits payable to employees	12.31	8.57
Total	**209.01**	**243.47**

Note 26 Short Term Provisions

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits		
Provision for gratuity (Refer Note 38A)	2.43	4.78
Provision for leave benefits	1.83	1.59
Total	**4.26**	**6.37**

Note 27 Revenue from Operations

(₹ crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of goods	14,228.06	9,265.83
Sale of services	44.57	21.39
Other operating revenue		
Scrap sales	53.25	25.34
Export incentives	25.21	4.02
Others	1.06	-
Total	**14,352.15**	**9,316.57**

Note 28 Other Income

(₹ crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on financial assets measured at amortized cost	19.41	6.27
Gain on foreign exchange translations (net)	-	8.99
Profit on sale of property, plant & equipments (net)	-	0.22
Gain on sale of investments (net)	1.66	7.40
Bad debts written off in earlier years written back	5.14	-
Provisions no longer required written back	7.00	4.44
Miscellaneous incomes	4.26	5.17
Total	**37.47**	**32.49**

Note 29 Cost of Material Consumed

(₹ crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventory at the beginning of the year	1,152.74	925.23
Add : Purchases	11,046.50	7,641.73
	12,199.24	8,566.96
Less: Inventory at the end of the year	1,236.17	1,152.74
Foreign currency translation	10.89	4.10
Total	**10,973.96**	**7,418.32**

Note 30 Changes in Inventories of Finished Goods, Stock-in -Trade and Work-in-Progress

(₹ crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year		
Finished goods	611.26	377.10
Work-in-progress	290.07	203.63
Traded goods	36.35	15.43
	937.68	**596.16**
Inventories at the end of the year		
Finished goods	831.16	611.26
Work-in-progress	410.69	290.07
Traded goods	32.66	36.35
	1,274.51	**937.68**
Foreign currency translation	2.17	0.31
Total	**(334.66)**	**(341.21)**

Note 31 Employee Benefit Expenses

(₹ crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages, bonus, etc.	188.20	151.24
Contribution to provident and other funds	8.65	7.18
Gratuity expense	2.55	1.93
Share based payments	8.07	-
Staff welfare expenses	13.03	12.14
Total	**220.50**	**172.49**

Note 32 Finance Costs

(₹ crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on borrowings	12.63	8.49
Interest on suppliers credit	159.32	56.17
Unwinding of lease liabilities	2.80	2.44
Other borrowing cost	82.09	43.90
Exchange differences regarded as an adjustment to borrowing costs	48.66	29.62
Total	**305.50**	**140.62**

Note 33 Other Expenses

(₹ crore)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spares	60.49	41.40
Packing materials	367.47	272.72
Storage charges	16.57	17.21
Power, electricity and fuel	127.04	89.98
Processing charges, fabrication and labour charges	276.71	173.92
Freight and forwarding charges	788.63	468.67
Statutory levies, duties and taxes	4.16	2.96
Insurance	21.59	13.40
Repairs and maintenance		
Plant and machinery	8.61	4.53
Buildings	2.78	2.28
Others	10.94	8.80
Advertising and sales promotion	11.29	4.51
Sales commission	188.24	72.88
Travelling and conveyance	28.89	15.17
Printing and stationery	1.84	1.45
Legal and professional fees	55.31	21.47
Loss on foreign exchange translations (net)	10.50	-
Directors' sitting fees	0.16	0.14
Commission to Directors	16.76	6.09
Lease rental (Refer note 48)	11.67	1.99
Expenditure on corporate social responsibility activities	4.53	3.93
Donations	0.07	0.01
Royalty	25.57	39.69
Bank charges and commission	38.61	30.12
Bad debts and advances written-off	30.33	52.40
Less: loss allowances utilised	(25.77)	(45.15)
Loss allowances for doubtful debts and advances	34.49	35.47
Loss on sale of property, plant and equipments (net)	1.51	-
Miscellaneous expenses	76.96	52.37
Total	**2,195.95**	**1,388.41**

Note 34 Earning Per Share

The calculation of basic and diluted earnings per share is based on profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

(₹ crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit attributable to equity shareholders (₹ crore)	637.72	256.73
Weighted average number at end of the year	3,82,68,619	3,82,68,619
Earning per share (Basic & Diluted) (₹)	**166.64**	**67.09**
Face value per share **(₹)**	10.00	10.00

Note 35 Tax Expenses

(a) Amounts recognised in profit and loss

(₹ crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax		
In respect of current year	221.80	83.61
In respect of prior year	1.85	0.36
	223.65	83.97
Deferred tax		
In respect of current year origination or reversal of temporary difference	(6.81)	1.29
	(6.81)	1.29
Income Tax expense for the year	**216.84**	**85.27**

(b) Amounts recognised in other comprehensive income

(₹ crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(0.15)	1.58
Items that will be reclassified to profit or loss		
The effective portion of gains / losses on hedging instruments in a cash flow hedge	23.79	(32.44)
Income tax expense for the year	**23.64**	**(30.86)**

(c) Reconciliation of effective tax rate

(₹ crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before share of profit/(loss) of an associates and exceptional items	854.58	341.88
Enacted Income tax rate in India	25.168%	25.168%
Tax using the Group's domestic tax rate	215.08	86.04
Tax effect of:		
Non-deductible tax expenses	1.11	0.99
Deduction under chapter VIA	(0.03)	(0.24)
Employee benefits	-	1.90
Others	0.28	(0.44)
Non-taxable subsidiaries and effect of differential tax rates compared to local laws	(1.45)	(3.35)
Income tax recognised in respect of earlier years	1.85	0.36
Income Tax expense for the year	**216.84**	**85.27**

Note 36 Analysis of Financial Ratios

Particulars	As at March 31, 2023	As at March 31, 2022	Variances%	Formulae
Performance Ratios				
Net profit margin (%)	4.4%	2.8%	1.7%	Profit after tax X 100 / Revenue from operations

Note 36 Analysis of Financial Ratios (Contd.)

Particulars	As at March 31, 2023	As at March 31, 2022	Variances%	Formulae
Net capital turnover ratio (times)	12.65	10.89	16.2%	(Revenue from operations) / (average working capital)
Return on capital employed (%)	33.8%	17.0%	16.8%	(Profit before interest on borrowings) / (Total equity + Long term borrowings + Short Term Borrowings +Deferred tax liability) * tax X 100
Return on equity ratio (%)	32.3%	16.5%	15.8%	(Profit after tax) / (Average equity)
Return on investment (%)	4.5%	14.5%	(10.0%)	(Gain from sale of investments + Interest income on bank deposits) * 100 / (Average investments + Fixed deposits)
Debt service coverage ratio (times)	11.03	9.65	14.3%	(Profit after tax + Interest on borrowings) / (Long term borrowing + short term borrowing +Lease payments)
Leverage Ratios				
Debt - Equity Ratio (times)	0.14	0.17	(20.1%)	(Long Term borrowing + short term borrowing) / Total equity
Liquidity Ratios				
Current Ratio (times)	1.22	1.22	0.6%	(Current Assets) / (Current Liabilities)
Activity Ratios				
Inventory Turnover ratio (times)	4.54	3.89	16.6%	(Cost of material consumed + changes in inventories + purchase of stock in trade) / (Average inventory)
Trade receivable turnover ratio (times)	4.98	4.22	17.8%	(Revenue from operations) / (Average Trade receivables)
Trade payable turnover ratio (times)	2.39	2.18	9.6%	(Purchases of materials and stock-in-trade + Other expenses) / Average Trade payables

Note 37 Statement of Net Assets & Profit or Loss Attributable to Owners & Non Controlling Interest

Name of the entity	Net Assets i.e. Total assets minus Total liabilities		Share in profit / (loss)		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	Amount ₹ Crore	As % of consolidated profit or loss	Amount ₹ Crore	As % of other comprehensive income	Amount ₹ Crore	As % of total comprehensive income	Amount ₹ Crore
Parent								
APAR Industries Limited	92.09%	2,059.50	94.50%	602.66	119.72%	(70.86)	91.92%	531.80
Subsidiaries								
Indian								-
APAR Transmission & Distribution Projects Private Limited	1.78%	39.70	4.30%	27.43	0.00%	-	4.74%	27.43
APAR Distribution and Logistics Private Limited	0.15%	3.43	0.30%	1.91	0.00%	-	0.33%	1.91
Foreign								
Petroleum Specialities Pte Limited	5.60%	125.14	0.05%	0.34	0.00%	-	0.06%	0.34
Petroleum Specialities FZE	4.97%	111.22	0.93%	5.94	0.00%	-	1.03%	5.94

Note 37 Statement of Net Assets & Profit or Loss Attributable to Owners & Non Controlling Interest (Contd.)

Name of the entity	Net Assets i.e. Total assets minus Total liabilities		Share in profit / (loss)		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	Amount ₹ Crore	As % of consolidated profit or loss	Amount ₹ Crore	As % of other comprehensive income	Amount ₹ Crore	As % of total comprehensive income	Amount ₹ Crore
CEMA Wires & Cables Inc. (w.e.f. 26 April 2022) $	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Non-controlling interests in all subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associate (Investment accounted as per the equity method)								
Indian								
Ampoil APAR Lubricants Private Limited	0.05%	1.19	0.01%	(0.01)	0.00%	-	0.00%	(0.01)
Clean Max Rudra Private Limited (w.e.f. 08 August 2022)	0.65%	14.57	(0.01%)	(0.04)	0.00%	-	(0.01%)	(0.04)
Consolidation adjustments/ Eliminations	(5.29%)	(118.36)	(0.08%)	(0.51)	(19.72%)	11.67	1.93%	11.16
Total	**100.00%**	**2,236.39**	**100.00%**	**637.72**	**100.00%**	**(59.19)**	**100.00%**	**578.53**

$ Company yet to commence any operation

Note 38A Employee Benefits

(i) Defined Contribution Plans:

The Group makes contributions towards provident fund, superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Group recognised ₹ 2.1 crore (previous year ₹ 1.94 crore) for superannuation contribution and other retirement benefit contributions in the Consolidated statement of profit and loss.

The Group recognised ₹ 6.56 crore (previous year ₹ 5.24 crore) for provident fund contributions in the Consolidated statement of profit and loss.

The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plan:

The Employees' Gratuity Fund Scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit seperately to build up the final obligation.

The obligation for leave encashment is recognised in the same manner as gratuity. The Group provides for leave encashment liabiltiy as per the acturial valuation carried out as at March 31, 2023. The Group has recognised ₹ 1.27 crore (previous year ₹ 3.44 crore) for leave encashment liability in the Consolidated Statement of Profit and Loss.

As at 31 March 2023, actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's consolidated financial statements as at reporting date:

Note 38A Employee Benefits (Contd.)

Movement in net defined benefit (asset) liability

(₹ crore)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Defined benefit obligation at beginning of the year	25.37	18.16
Current service cost	2.11	1.49
Interest cost	1.75	1.28
Re-measurement or Actuarial (gain) / loss arising from:		
Demographic assumptions	-	0.95
Financial assumptions	(0.78)	4.54
Experience adjustment	0.41	0.85
Benefits paid	(2.32)	(1.97)
Liability transferred in /Acquisitions	-	0.05
Defined benefit obligation at end of the year	**26.54**	**25.37**

Table showing change in fair value of plan assets

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at beginning of the year	19.45	18.16
Interest income	1.34	1.28
Return on plan assets, excluding interest income	(0.52)	0.06
Employer Contribution	5.55	1.92
Benefit paid	(2.32)	(1.97)
Fair value of plan assets at year end	**23.50**	**19.45**
Actual return on plan assets	0.82	1.34
Expected contribution for next year	4.72	3.82

Expense recognised during the year

(₹ crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Gratuity	Gratuity
Included in consolidated statement of profit and Loss		
Current service cost	2.11	1.49
Interest cost	1.75	1.28
Net actuarial (gain) / loss		
Return on plan assets,excluding acturial gain or loss	(1.34)	(1.28)
	2.52	**1.49**
Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
Demographic assumptions	-	0.95
Financial assumptions	(0.78)	4.54
Experience adjustment	0.41	0.85
Return on plan assets, excluding interest income	0.52	(0.06)
	0.15	**6.28**

Note 38A Employee Benefits (Contd.)

Net asset / (liability) recognised in the consolidated balance sheet

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets	23.50	19.45
Present value of defined benefit obligation	(26.54)	(25.37)
Amount recognised in consolidated balance sheet *	**(3.04)**	**(5.92)**

Balance sheet Reconciliation

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Net Liability	5.85	-
Expenses recognised consolidated statement of profit & loss	2.52	1.49
Expenses recognised in Other comprehensive income	0.15	6.28
Employer Contribution	(5.55)	(1.92)
Closing Net Liability	**2.97**	**5.85**

i) Actuarial assumptions

In arriving at the valuation for gratuity & leave benefit following assumptions were used:

(₹ crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Mortality Table (LIC)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Retirement Age	60 years	60 years
Employee Turnover rate*	4.80% p.a. to 11.60%	4.80% p.a. to 11.60%
Discount Rate	6.90%	6.90%
Expected rate of return on plan assets (per annum)	6.90%	6.90%
Rate of escalation in salary (per annum)*	6.90% p.a. to 10.00% p.a.	6.90% p.a. to 10.00% p.a.

*Range is pertaining to different divisions of the Group for Employee Turnover rate and rate of escalation in salary.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.40)	1.57	(1.49)	1.67
Future salary growth (1% movement)	1.54	(1.40)	1.63	(1.49)
Employee Turnover (1% movement)	(0.10)	0.09	(0.15)	0.14

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Note 38A Employee Benefits (Contd.)

These plan typically exposes The Group to actuarial risks such as salary risk, investment risk, interest yield risk, logentivity risk etc.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in The Group financial statements as at balance sheet date:

Maturity analysis of the benefit payments: from the fund

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Projected benefits payable in future years from the date of reporting		
1st following year	3.50	2.07
2nd following year	2.06	2.10
3rd following year	3.07	2.16
4th following year	3.20	2.60
5th following year	3.83	2.93
From 6 to 10 years	12.53	15.21
From 11 years and above	16.64	15.96

Insurers funds

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Insurance funds	1.22	1.14
Mutual funds	18.87	18.13
Cash and cash equivalents	3.41	0.18
Fair value of plan assets	**23.50**	**19.45**

Note 38 B Share Based Payments

The disclosures pertaining to cash-settled share-based payment arrangments in the year are as below:

(₹ crore)

Particulars	As at March 31, 2023
Employees covered	Select senior management
Date of Grant of Share appreciation right (SAR)	26th April, 2022
Number of SAR	60,000
Vesting period	1/3rd at the end of year 1
	1/3rd at the end of year 2
	1/3rd at the end of year 3

Note 39 Fair Value of Financial Instruments

A. Hierarchy of fair value of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note 39 Fair Value of Financial Instruments (Contd.)

As at March 31, 2023

(₹ crore)

Particulars	Note No.	Carrying Amount				Fair value		
		FVTPL	FVTOCI	Amortized Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Total
Financial assets								
Current Investments								
- Non-current	3	-	-	4.18	4.18			
- Current	9	50.10	-	-	50.10	50.10	-	50.10
Loans								
- Non-current	4	-	-	2.51	2.51			
- Current	13	-	-	5.20	5.20			
Trade Receivables								
- Non-current	10	-	-	27.51	27.51			
- Current	10	-	-	3,198.07	3,198.07			
Cash and Cash Equivalents	11	-	-	498.81	498.81			
Other Bank Balances	12	-	-	31.29	31.29			
Other financial assets								
- Non-current	6	-	-	10.81	10.81			
- Current	14	-	-	47.61	47.61			
Derivatives								
- Non-current	5	-	-	-	-	-	-	-
- Current	5	0.05	34.48	-	34.53	-	34.53	34.53
Total financial assets		**50.15**	**34.48**	**3,825.99**	**3,910.62**	**50.10**	**34.53**	**84.63**
Financial liabilities								
Borrowings								-
- Non-current	17	-	-	151.37	151.37			
- Current	22	-	-	152.79	152.79			
Lease liabilities								
- Non-current		-	-	63.70	63.70			
- Current		-	-	8.37	8.37			
Other financial liabilities								
- Non-current	19	-	-	5.09	5.09			
- Current	24	-	-	77.07	77.07			
Derivatives								
- Non-current	18	-	-	-	-			-
- Current	18	4.80	16.62	-	21.42	-	21.42	21.42
Trade Payables	23	-	-	5,206.57	5,206.57			-
Total financial liabilities		**4.80**	**16.62**	**5,664.96**	**5,686.38**	**-**	**21.42**	**21.42**

Note 39 Fair Value of Financial Instruments (Contd.)

As at March 31, 2022

(₹ crore)

Particulars	Note No.	Carrying Amount				Fair value		
		FVTPL	FVTOCI	Amortized Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Total
Financial assets								
Current Investments								
- Non Current	3	-	-	0.52	0.52			
Current Investments	9	30.00	-	-	30.00	30.00	-	30.00
Loans & advances								
- Non-current	4	-	-	0.83	0.83			
- Current	13	-	-	7.40	7.40			
Trade Receivables					-			
- Non-current	10	-	-	11.29	11.29			
- Current	10	-	-	2,531.13	2,531.13			
Cash and Cash Equivalents	11	-	-	253.16	253.16			
Other Bank Balances	12	-	-	13.25	13.25			
Other financial assets								
- Non-current	6	-	-	14.91	14.91			
- Current	14	-	-	22.81	22.81			
Derivatives								
- Non-current	5	-	42.80	-	42.80	-	42.80	42.80
- Current	5	0.39	160.68	-	161.07	-	161.07	161.07
Total financial assets		**30.39**	**203.48**	**2,855.31**	**3,089.17**	**30.00**	**203.87**	**233.87**
Financial liabilities								
Borrowings								
- Non-current	17	-	-	195.37	195.37			-
- Current	22	-	-	96.54	96.54			
Liabilities								
- Non-current				60.93	60.93			
- Current				6.35	6.35			
Other financial liabilities								
- Non-current	19	-	-	3.13	3.13			
- Current	24	-	-	30.15	30.15			
Derivatives								
- Non-current	18	-	-	-	-			
- Current	18	89.00	-	-	89.00	-	89.00	89.00
Trade Payables	23	-	-	4,083.41	4,083.41			
Total financial liabilities		**89.00**	**-**	**4,408.60**	**4,564.88**	**-**	**89.00**	**89.00**

Notes:

i) The fair value for financial instruments which are measured at amortised cost (e.g. trade receivables, cash and cash equivalents, trade payables etc.) has fair value which is reasonably approximate to its carrying value. Fair values for those financial assets and finacial liabilities have not been disclosed in the above table.

ii) There are no financial instruments which are measured using level 3 valuation technique.

Note 39 Fair Value of Financial Instruments (Contd.)

B. Measurement of fair values

Valuation techniques and significant observable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant observable inputs used (if any).

Financial instruments measured at fair value

Type	Valuation technique
Mutual fund investments	Net asset value quoted by mututal funds
Commodity futures	Basis the quotes given by the LME broker/dealer.
Derivative liability forward contracts for foreign exchange	FEDAI rate adjusted for interpolated spreads based on residual maturity
Interest rate swap for variable foreign currency loans	Basis the quotes given by the Bank

Note 40 Financial Instruments

The Group has exposure to the following risks arising from financial instruments:

(A) Credit risk ;

(B) Liquidity risk ; and

(C) Market risk

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports to the board of directors on its activities. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(A) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument defaults to meet its contractual obligations. It arises principally from amounts receivables from customers and loans and advances. The Group's export receivables are covered under ECGC credit insurance policy. The Group also takes credit insurance for its domestic receivables. The carrying amount of following financial assets represents the maximum credit exposure:

At March 31, the maximum exposure (age wise) to credit risk for trade and other receivables is as follows:

Trade receivables

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Neither past due nor impaired	2,517.54	2,044.90
past due less than 6 months	556.11	358.48
past due 6 months - 1 year	76.71	48.80
past due 1 - 2 years	23.64	68.65

Note 40 Financial Instruments (Contd.)

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
past due 2 - 3 years	65.15	26.51
past due more than 3 years	32.58	33.82
Total	**3,271.73**	**2,581.16**
Less: Loss allowance	46.15	38.74
Net Total	**3,225.58**	**2,542.42**

Short term loans

At March 31, the maximum exposure (age wise) to credit risk for short term loans and advances is as follows:

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Neither past due nor impaired	7.71	8.23
past due less than 6 months	-	-
past due 6 months - 1 year	-	-
past due 1 - 2 years	-	-
past due 2 - 3 years	-	-
past due more than 3 years	-	-
Total	**7.71**	**8.23**

Management believes that the unimpaired amounts which are past due are fully recoverable / receivable.

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances.

The Group follows 'simplified approach' for recognition of impairment loss on these financial assets. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a division wise provision matrix. The provision matrix takes into account historical credit loss experience, delay in receipt of payments and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows :

Provision matrix for credit loss

Particulars	Oil Division	Cable Division	Conductor Division
past due less than 6 months	0.0%	2.0%	0.0%
past due 6 months - 1 year	0.0%	0.0%	0.0%
past due 1 - 2 years	6.5%	8.8%	0.0%
past due 2 - 5 years	6.5%	8.8%	0.0%
past due more than 5 years	6.5%	8.8%	0.0%

Expected credit loss is worked out on the trade receivables for which no specific provision is made

Note 40 Financial Instruments (Contd.)

Provision matrix for delay in receipts

Particulars	Oil Division	Cable Division	Conductor Division
past due less than 6 months	15.3%	23.3%	24.9%
past due 6 months - 1 year	64.4%	69.6%	72.8%
past due 1 - 2 years	83.5%	93.8%	93.6%
past due 2 - 5 years	83.5%	93.8%	93.6%
past due more than 5 years	83.5%	93.8%	93.6%

Movement in loss allowances for expected credit loss

(₹ crore)

Particulars	Trade and other receivables	Short term loans and advances
Balance as on 1 April 2021	48.42	-
Amounts provided	35.47	-
Amount written back / utilised	(45.15)	-
Balance as on 31 March 2022	38.74	-
Amounts provided	34.49	-
Amount written back / utilised	(25.77)	-
Foreign currency translation reserve	0.08	
Balance as on 31 March 2023	**47.54**	-

Other non-current financial assets

Other non-current financial assets includes earnest money deposit, security deposits to customers. These advances and deposits were made in continuation of business related activities and are made after review as per company's policy.

Cash and cash equivalents

The Group holds cash and cash equivalents of ₹ 498.81 Crore (Previous Year ₹ 253.16 Crore). The cash and cash equivalents are held with the bank and financial institutions having good credit ratings.

Derivatives

Derivatives are entered with counterparties who have good credit ratings.

(B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or affecting to the Group's reputation.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments but exclude the impact of netting agreements.

Note 40 Financial Instruments (Contd.)

As at March 31, 2023

(₹ crore)

Particulars	Carrying amount	Contractual cash flows				
		Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	207.60	207.60	56.23	57.51	93.86	-
Other short term borrowings	96.56	96.56	96.56	-	-	-
Trade and other payables	5,206.57	5,206.57	5,206.57	-	-	-
Other current financial liabilities	77.07	77.07	77.07	-	-	-
Lease liabilities	72.07	72.07	8.37	8.59	16.99	38.12
Derivative financial liabilities						
Forward exchange contracts/ Futures used for hedging/ Natural hedging						
- Outflow	21.42	21.42	21.42	-	-	-

As at March 31, 2022

(₹ crore)

Particulars	Carrying amount	Contractual cash flows				
		Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	252.85	252.85	57.48	55.81	139.56	-
Other short term borrowings	39.06	39.06	39.06	-	-	-
Trade and other payables	4,083.41	4,083.41	4,083.41	-	-	-
Other current financial liabilities	30.15	30.15	30.15	-	-	-
Lease liabilities	67.28	67.28	6.35	7.27	18.62	35.04
Derivative financial liabilities						
Forward exchange contracts/ Futures used for hedging/ Natural hedging						
- Outflow	89.00	89.00	89.00	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to the financial liabilities which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Contractual outflow of other non-current financial liabilities amounting to ₹ 5.09 crores (Previous year ₹ 3.13 crores) has not been included above as the amount cannot be ascertained on reporting date.

(C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, payables and long term debt.

The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of Group's investments. Thus, Group's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure.

Note 40 Financial Instruments (Contd.)

Commodity risk

The Group is affected by the price volatility of certain commodities viz. Aluminum, Copper and Oil. Its operating activities require the ongoing purchase and manufacture of the conductors, cables and oil and thus require continuous supply of these commodities. Due to the increase in volatility of the price of the commodities namely Aluminum and Copper, the Group has entered into forward contracts (for which there is an active market).

Currency risk

The Group is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee (₹). The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The Group does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The summarised quantitative data about the group's exposure to currency risk as reported to the management of The Group is as follows.

(₹ crore)

Particulars	Currency	Trade Receivables	Cash and Cash Equivalent	Borrowings	Trade Payable	Net Exposure Receivable/ (Payable)
As at March 31, 2023	USD	20.65	3.32	(3.27)	(18.06)	2.65
As at March 31, 2022		13.64	0.89	(2.72)	(19.05)	(7.24)
As at March 31, 2023	EUR	1.13	0.04	-	(0.03)	1.14
As at March 31, 2022		0.54	0.01	-	(0.04)	0.51
As at March 31, 2023	CAD	0.17	0.00	-	-	0.17
As at March 31, 2022		0.10	0.00	-	-	0.10
As at March 31, 2023	ETB	-	0.97	-	-	0.97
As at March 31, 2022		-	0.97	-		0.97
As at March 31, 2023	NPR	-	0.13	-	-	0.13
As at March 31, 2022		-	0.23	-	-	0.23
As at March 31, 2023	KES	-	0.04	-	-	0.04
As at March 31, 2022			0.04			0.04
As at March 31, 2023	EGP	-	0.01	-	-	0.01
As at March 31, 2022		-	0.01	-	-	0.01

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee ₹ against all other currencies by 100 basis points at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. Sensitivity analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ crore)

Particulars	Currency appreciation / (depreciation) against ₹ by 100 basis points	As at March 31, 2023			As at March 31, 2022		
		Average Exchange Rate	Year end spot Rate	Effect on Profit / (Loss)	Average Exchange Rate	Year end spot Rate	Effect on Profit / (Loss)
US Dollars (USD)	1%	78.98	82.17	2.17	74.51	75.79	(5.49)

Note 40 Financial Instruments (Contd.)

(₹ crore)

Particulars	Currency appreciation / (depreciation) against ₹ by 100 basis points	As at March 31, 2023			As at March 31, 2022		
		Average Exchange Rate	Year end spot Rate	Effect on Profit / (Loss)	Average Exchange Rate	Year end spot Rate	Effect on Profit / (Loss)
Euro (EURO)	1%	86.83	89.44	1.02	86.58	84.22	0.43
Canadian Dollars (CAD)	1%	60.58	60.67	0.10	59.44	60.49	0.06
Ethiopian Birr (ETB)	1%	1.77	1.53	0.01	1.60	1.47	0.01
Nepalese Rupee (NPR)	1%	0.63	0.63	* 0.00	0.63	0.63	* 0.00
Kenyan Shilling (KES)	1%	0.64	0.62	* 0.00	0.67	0.66	* 0.00
Egyptian Pound (EGP)	1%	3.41	2.67	* 0.00	4.68	4.15	* 0.00

* denotes amounts less than ₹ 50,000

Strenghtening of foreign currency as against ₹ will reduce the net profit while weakning of foreign cyrrency as agaisnst ₹ will increase net profit. Sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

(₹ crore)

Particulars	Nominal amount	
	As at March 31, 2023	As at March 31, 2022
Fixed rate instruments	1,722.48	960.76
Floating-rate instruments*	1,795.42	1,883.81
Total	**3,517.90**	**2,844.57**

**Floating rate intruments include foreign letter of credit*

Cash flow sensitivity analysis for floating-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ crore)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Increase in 100 basis points	Decrease in 100 basis points	Increase in 100 basis points	Decrease in 100 basis points
Floating-rate instruments	(17.95)	17.95	(18.84)	18.84
Cash flow sensitivity (net)	**(17.95)**	**17.95**	**(18.84)**	**18.84**

Note 41 Hedge Accounting

The objective of hedge accounting is to represent, in the Group's financial statements, the effect of the Group's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss.

Currency risk-

The Group's risk management policy is to hedge its estimated foreign currency exposure in respect of highly forecasted sales. The Group uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as fair value hedges. Groups's policy is to match the critical terms of the forward exchange contracts with that of the hedged item. Commodity risk

The Group's risk management policy is to mitigate the impact of fluctuations in the aluminium/copper/zinc prices on highly forecast purchase transactions. The Group uses future contracts to hedge its commodity risk. Such contracts are generally designated as cash flow hedges. Interest rate

The Group's risk management policy is to mitigate its interest rate risk exposure on floating rate borrowings by entering into fixed-rate instruments like interest rate swaps to eliminate the variability of cash flows attributable to movements in interest rates. Such hedges are designated as cash flow hedges.

For derivative contracts designated as hedge, the Grooup documents at inception the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. The hedging book consists of transactions to hedge Balance Sheet assets or liabilities. The tenor of hedging instrument may be less than or equal to the tenor of underlying hedged asset or liability.

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge.

Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Group assesses hedge effectiveness both on prospective and retrospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.

On the other hand, the retrospective hedge effectiveness test is a backward-looking evaluation of whether the changes in the fair value or cash flows of the hedging position have been highly effective in offsetting changes in the fair value or cash flows of the hedged position since the date of designation of the hedge. Hedge effectiveness is assessed through the application of critical terms match method/Dollar offset method. Any ineffectiveness in a hedging relationship is accounted for in the Consolidated Statement of Profit and Loss

Note 41 Hedge Accounting (Contd.)

The tables below provide details of the derivatives that have been designated as hedges for the periods presented

Sr No	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Interest rate hedge	Floating rate financial asset or liability	Floating rate financial asset or liability is converted into a fixed rate financial asset or liability using a floating to fixed interest rate swap. This is usually denominated in the currency of the underlying (which in most cases is the functional currency). if not, it may be combined currency swap.	Interest rate swap	Interest rate swap is a derivative instrument whereby The Group recieves or pays (in case of asset or a liability respectively) at a floating rate in return for a fixed rate asset or liability.	Cash flow hedge
2	Future contract	Highly probable purchase transaction	Mitigate the impact of fluctuations in aluminium copper & zinc prices, on projected purchase contracts for metal	Futures contract	Company enters into a forward derivative contract to purchase a commodity at a fixed price and at a future date. These are customized contracts transacted in the over—the—counter market. Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future.	Cash flow hedge
3	Forward contract	Foreign currency risk of highly probable forecast transactions	Mitigate the impact of fluctuations in foreign exchange rates	Currency forward	Company enters into a forward derivative contract to hedge the foreign currency risk of highly probable forecast transactions using forward contracts. These are customized contracts transacted in the over—the—counter market.	Cash flow hedge
4	Forecasted Export Sales	Forecasted Export Sales	Mitigate the impact of fluctuations in foreign exchange rates	Foreign currency denominated Import Purchases	Company uses its Forecasted Foreign currency denominated Import Purchases to mitigate the risk of foreign currency movement in collection of Forecasted Export Sales	Cash flow hedge

The Group, inter alia, takes into account the following criteria for constructing a hedge structure as part of its hedging strategy:

(a) The hedge is undertaken to reduce the variability in the profit & loss i.e the profit or loss arising from the hedge structure should be lesser than the profit & loss on the standalone underlying exposure. In case of cash flow hedge for covering interest rate risk the hedge shall be only undertaken to convert floating cash flows to fixed cash flows i.e. the underlying has to be a floating rate asset or liability.

(b) At any point in time the outstanding notional value of the derivative deal(s) undertaken for the purpose of hedging shall not exceed the underlying portfolio notional. The hedge ratio therefore does not exceed 100% at the time of establishing the hedging relationship.

Note 41 Hedge Accounting (Contd.)

As at March 31, 2023

(₹ crore)

	Notional principal amounts (Net)	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to (profit) or loss	Line item in profit or loss affected by the reclassification	Balance in cash flow hedge reserve*	Balance in cash flow hedge reserve**
Foreign exchange forward contracts	829.32	0.56	1.44	1.28	2.96	NA	NA	(1.68)	COGS	2.96	NA
Commodity contracts	678.57	33.92	15.41	(141.02)	(97.53)	NA	NA	(43.49)	COGS	(97.53)	NA
Foreign currency denominated purchases	110.18	-	0.12	0.03	0.03	NA	NA	-	Sales	0.03	NA

As at March 31, 2022

(₹ crore)

	Notional principal amounts (Net)	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to (profit) or loss	Line item in profit or loss affected by the reclassification	Balance in cash flow hedge reserve*	Balance in cash flow hedge reserve**
Foreign exchange forward contracts	600.38	0.39	0.75	(1.80)	(0.63)	NA	NA	2.05	COGS	(0.63)	NA
Commodity contracts	30.94	203.48	87.43	120.70	130.19	NA	NA	8.59	COGS	130.19	NA
Foreign currency denominated purchases	133.77	-	0.82	(1.50)	(0.66)	NA	NA	0.84	Sales	(0.66)	NA

* where hedge accounting is continued

** where hedge accounting is discontinued

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting

(₹ crore)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	(114.04)	14.84
Effective portion of changes in fair value:		
a) Commodity price risk	141.02	(120.70)
b) Foreign currency risk	(1.28)	1.80
c) Forecasted Export Sales	(0.03)	1.50
Net amount reclassified to profit or loss:		
a) Commodity price risk	(43.49)	(8.59)
b) Foreign currency risk	(1.68)	(2.05)
c) Forecasted Export Sales	-	(0.84)
Closing balance	**(19.50)**	**(114.04)**

Note 42 Capital Management

For the purpose of the Group's capital management, capital includes issued capital and other reserves forming part of other equity except cash flow hedge reserve. The primary objective of the Group's capital m anagement is to maximise shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using Adjusted net debt / (cash) to adjusted equity ratio. For this purpose, adjusted net debt / (cash) is defined as total debt less cash and cash equivalents. Adjusted equity is defined as total equity less cash flow hedge reserve.

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings	304.16	291.91
Less : Cash and cash equivalent	498.81	253.16
Adjusted net (cash) / debt	**(194.65)**	**38.75**
Total equity	2,236.39	1,715.23
Less : Cash flow hedge reserve	14.59	85.34
Adjusted equity	**2,221.80**	**1,629.89**
Adjusted net (cash) / debt to adjusted equity ratio	**(8.76%)**	**2.38%**

Note 43 Segment Reporting

A. General Information

(a) Factors used to identify the entity's reportable segments, including the basis of organisation

The operations of the Group are segmented into Primary Segment (Business Segment) & Secondary Segment (Geographical Segment).

(b) Following are reportable segments

- Conductor
- Transformer & Specialities Oils
- Power/Telecom Cables
- Others

(c) Identification of segments

The Chief Operating Decision Maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on Profit or Loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of nature of products / services.

(d) Segment revenue and results

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

(e) Segment assets and liabilities

Segment assets include all operating assets used by the operating segment. Segment liabilities includes all operating liabilities used by the operating segments. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable corporate assets/ liabilities.

Note 43 Segment Reporting (Contd.)

B. Information about reportable segments

For the year ended March 31, 2023

(₹ crore)

Particulars	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments	Others	Elimination	Total
External revenues (Gross)	6,425.84	4,613.75	3,205.65	14,245.24	106.91	-	14,352.15
Intersegment revenue	587.21	42.94	57.80	687.95	0.36	(688.31)	-
Segment revenue	**7,013.05**	**4,656.69**	**3,263.45**	**14,933.19**	**107.27**	**(688.31)**	**14,352.15**
Segment profit / (loss) before finance cost & tax expenses	**682.49**	**225.08**	**316.81**	**1,224.38**	**6.78**	-	**1,231.16**
Less : finance cost							305.50
Less : other unallocated expenditure net of unallocable income							71.08
Less : share in net loss of associates	-	0.02	-	-	-	-	0.02
Profit before tax							**854.56**
Tax expenses							216.84
Profit after tax							**637.72**
Capital Employed							
Segment assets	4,011.43	2,376.39	1,988.18	8,376.00	48.45	(346.55)	8,077.89
Unallocable corporate assets							139.76
Total Asset	**4,011.43**	**2,376.39**	**1,988.18**	**8,376.00**	**48.45**	**(346.55)**	**8,217.65**
Segment liabilities	2,953.22	1,577.63	1,377.22	5,908.07	14.89	(346.55)	5,576.41
Unallocable corporate liabilities							79.01
Total Liabilities	**2,953.22**	**1,577.63**	**1,377.22**	**5,908.07**	**14.89**	**(346.55)**	**5,655.42**
Segment capital expenditure	89.74	22.68	129.24	241.66	3.98	-	245.64
Unallocable capital expenditure							2.19
Segment depreciation and amortisation expense	24.69	38.18	34.19	97.05	1.03		98.09
Unallocable depreciation and amortisation				-		-	6.25

Note 43 Segment Reporting (Contd.)

For the year ended March 31, 2022

(₹ crore)

Particulars	Reportable segments				Others	Elimination	Total
	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments			
External revenues (Gross)	3,774.74	3,507.19	1,961.74	9,243.67	72.90		9,316.57
Intersegment revenue	425.69	37.00	32.00	494.69	0.11	(494.80)	-
Segment revenue	**4,200.43**	**3,544.19**	**1,993.74**	**9,738.36**	**73.01**	**(494.80)**	**9,316.57**
Segment profit/ (loss) before finance cost & tax expenses	**162.75**	**267.58**	**79.79**	**510.12**	**4.48**	**-**	**514.60**
Less :- finance cost							140.62
Less:- other unallocated expenditure net of unallocable income							32.10
Add: - share in net profit of associate	-	0.12	-	-	-	-	0.12
Profit before tax							**342.00**
Tax expenses							85.27
Profit after tax							**256.73**
Capital Employed							
Segment assets	3,240.93	1,824.22	1,614.82	6,679.97	38.29	(224.09)	6,494.17
Unallocable corporate and other assets							113.35
Total Segment Asset	**3,240.93**	**1,824.22**	**1,614.82**	**6,679.97**	**38.29**	**(224.09)**	**6,607.52**
Segment liabilities	2,520.17	1,169.76	1,033.58	4,723.51	8.05	(224.09)	4,507.47
Unallocable corporate and other liabilities (Refer note 1)							40.57
Total Segment Liabilities	**2,520.17**	**1,169.76**	**1,033.58**	**4,723.51**	**8.05**	**(224.09)**	**4,548.04**
Segment capital expenditure	23.47	33.98	65.37	122.82	2.41	-	125.23
Unallocable capital expenditure							5.24
Segment depreciation and amortisation expense	36.02	23.02	31.46	90.50	0.96	-	91.46
Unallocable depreciation and amortisation							6.38

C. Information about geographical areas

a) Revenue from external customers

(₹ crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
- Within India*	7,418.08	5,708.62
- Outside India	6,934.07	3,607.95
	14,352.15	**9,316.57**

* include deemed exports ₹ 14.25 crore (Previous year ₹ 77.52 crore)

Note 43 Segment Reporting (Contd.)

b) Revenue from external customers outside India currency wise

(₹ crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
USD (US Dollar)	6,601.26	3,291.05
EUR (EURO)	246.20	180.89
GBP (British Pound)	-	0.75
CAD (Canadian Dollar)	50.57	5.08
SGD (Singapore Dollar)	-	0.08
AUD (Australian Dollar)	-	3.16
NPR (Nepalese Rupee)	-	0.24
INR	36.04	126.70
Total	**6,934.07**	**3,607.95**

c) Segment assets

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
- Within India	7,644.47	6,116.40
- Outside India	573.18	491.12
	8,217.65	**6,607.52**

d) Segment assets outside India currency wise

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
USD (US Dollar)	573.18	491.12
Total	**573.18**	**491.12**

(e) Information about Major Customers

Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Group's total revenue.

Note 44 Related Party

The Group's related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business. All the transactions with related parties are on arm's length basis.

A. List of Related Parties with whome company had transaction or balances during the year are as follows

a) Associate Company:

Ampoil APAR Lubricants Private Limited

Clean Max Rudra Private Limited (w.e.f. August 08, 2022)

b) Key Managerial Personnel:

Mr. K. N. Desai - Chairman & Managing Director

Mr. C. N. Desai - Managing Director

Mr. Rishabh Kushal Desai - Non Executive and Non Independent Director

Mr. Ramesh Iyer- Chief Financial Officer (w.e.f. February 3, 2022)

Note 44 Related Party (Contd.)

Mr. V C Diwadkar - Chief Financial Officer (till February 2, 2022)

Mr. Sanjaya Kunder- Company Secretary

d) Independent Directors

Mrs. Nina Kapasi

Mr. F. B. Virani (upto November 03, 2022)

Mr. Rajesh Sehgal

Mr. Kaushal Sampat

e) Relatives of Key Managerial Personnel

Ms. Maithili N. Desai

Mrs. Noopur Kushal Desai

Mrs. Harshana R. Desai

Ms. Gaurangi K. Desai

Mrs. Jinisha C. Desai

Mr. Devharsh C. Desai

Ms. Nitika C. Desai

f) Entities controlled by key management personnel/ individuals having significant influence:

APAR Investment (Singapore) Pte. Ltd

APAR Investment Inc.

APAR Technologies Private Limited

APAR Technologies Pte. Ltd.

Chaitanya N. Desai Family Private Trust

Maithili N. Desai Family Private Trust

Maithili N. Desai Family Private Trust No. 2

Catalis World Private Ltd

Gayatri Associates

Maithili Trusteeship Services Private Limited

Kushal N. Desai Family Private Trust

Narendra D. Desai Family Private Trust

Hari Haribol Dairy Products Private Limited

EM & EM Personal Care Private Limited

Cutting Chai Technologies Private Limited (upto November 03, 2022)

Annamrita Foundation, Mumbai

DDMM Heart Institute (GMCC Care & Research Society)

Dharmsinh Desai Foundation

Sri Nityanand Education Trust

B. Related Party Transactions in ordinary course of business

(i) Associate company:

Transactions for the year

(₹ crore)

Sr No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Sale of finished goods/ Raw materials / traded goods	-	0.52

Balances outstanding as at year end

(₹ crore)

Sr No.	Particulars	As at March 31, 2023	As at March 31, 2022
1.	Investment made	4.18	0.52
2.	Receivable from associate company for supply of raw material & finished goods	0.02	0.24

Note 44 Related Party (Contd.)

(ii) Key managerial personnel :

Transactions for the year

(₹ crore)

Sr No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1.	Remuneration	23.11	12.33
2.	Dividends paid (payment basis)	27.83	17.56
3.	Sitting fees	0.16	0.14

Balances outstanding as at year end

(₹ crore)

Sr No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Commission payable	16.76	6.09

(iii) Relatives of Key Managerial Personnel:

Transactions for the year

(₹ crore)

Sr No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1.	Dividends paid (payment basis)	0.21	0.13
2.	Salary paid	0.25	0.10

(iv) Entities controlled by key management personnel/individuals having significant influence:

Transactions for the year

(₹ crore)

Sr No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Rent paid	1.79	1.32
2	Dividends paid (payment basis)	6.77	4.29
3	Sale of finished goods/ Raw materials / traded goods/services	0.93	0.05
4	Interest on loan	0.28	0.33
5	Purchase of finished goods/ Raw materials / traded goods/services	0.02	0.30
6	Corporate social responsibility expenses	3.28	3.38

Note 44 Related Party (Contd.)

Balances outstanding as at year end

(₹ crore)

Sr No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Receivable for supply of finished goods / services / reimbursements	0.92	0.48
2	Payable for supply of finished goods / services / reimbursements	-	0.03
3	Security deposit given	0.76	0.76
4	Commitments	6.01	7.76
5	Other Receivable	0.09	-
6	Borrowing	-	13.04

C. Compensation of key management personnel

(₹ crore)

Sr No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Short-term employment benefits	22.73	12.01
2	Post Employment benefis	0.20	0.20
3	Other Long term employee benefits	0.18	0.12
		23.11	**12.33**

Note 45 Contingent Liabilities

A) Contingent liabilities not provided for:

(₹ crore)

Sr No.	Particulars	As at March 31, 2023	As at March 31, 2022
a.	**Claims against the Group not acknowledged as debts (Refer Note 1)**		
	i) Demand/ Show cause-cum-demand notices received and contested by the Group with the relevant appellate authorities:		
	Excise duty	8.26	7.08
	GST	-	15.39
	Customs duty	2.08	2.40
	Sales tax	12.06	12.99
	Income tax	20.28	10.74
	ii) Arbitration award regarding dispute of alleged contractual non-performance by the Group, against which the Group is in appeal before Bombay High Court.	13.84	15.00
	iii) Labour matters	0.05	0.05
	iv) Others	7.33	17.13
b)	**Corporate Guarantees (Refer Note 2)**		
	i) Letter of gurantee given by the Group	-	4.65

Note 45 Contingent Liabilities (Contd.)

B) Capital commitments

(₹ crore)

Sr No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	139.78	41.86

Notes:

1 It is not practicable for the Group to estimate the timing of the cash outflows, if any, in respect of the matters in note a (i) to a (iv) mentioned in A - Contingent Liabilities, pending resolution of the arbitration/appellate proceedings. The liability mentioned as aforesaid includes interest except in cases where the Group has determined that the possibility of such levy is very remote.

2 The cash outflows in respect of Corporate Guarantees mentioned in note b of A - contingent liabilities, could generally occur upto the period over which the validity of such guarantees extends or it could occur any time during the subsistence of the borrowing to which the guarantees relate.

3 The Group does not expect any reimbursements in respect of the above contingent liabilities.

Note 46 Expenditure on Research and Development

(A) R & D Center-OIL (Rabale - DSIR Recognised)

(₹ crore)

Sr No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Salary, wages and other benefits	2.27	2.37
	Consumables and Other expenses	0.13	0.14
	Sub-total	**2.40**	**2.51**
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	-
	Sub-total	**-**	**-**
	Total	**2.40**	**2.51**

(B) R & D Center-Conductor (Silvassa)

(₹ crore)

Sr No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Salary, wages and other benefits	-	-
	Consumables and other expenses	7.25	0.86
	Sub-total	**7.25**	**0.86**
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	0.36	0.54
	Sub-total	**0.36**	**0.54**
	Total	**7.61**	**1.40**

Note 46 Expenditure on Research and Development (Contd.)

(C) R & D Center-Cable (Khatalwad)

(₹ crore)

Sr No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Salary, wages and other benefits	0.26	0.28
	Consumables and other expenses	2.78	3.77
	Sub-total	**3.04**	**4.05**
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	-
	Sub-total	**-**	**-**
	Total	**3.04**	**4.05**
	Grand Total (A+B+C)	**13.05**	**7.97**

Note 47 Ind AS 115 Revenue from Contract with customer

i Revenue from contracts with customers

(₹ crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue recognised at point in time	14,281.31	9,291.17
Revenue recognised over time	44.57	21.39
Total revenue from contracts with customers	**14,325.88**	**9,312.55**
Other operating revenue	26.27	4.02
Total revenue from operation	**14,352.15**	**9,316.57**

ii Disaggregated revenue

The chief operating decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on consolidated statement of profit & loss and is measured consistently with consolidated statement of profit & loss in the financial statements. Operating segments have been identified on the basis of nature of products / services.

The Group uses the same operating segment information for reporting purposes in all its communication to various stakeholders i.e. annual report, investor presentations.

(₹ crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Within India (including deemed exports)	7,418.08	5,708.62
Outside India	6,934.07	3,607.95
Total	**14,352.15**	**9,316.57**

Note 47 Ind AS 115 Revenue from Contract with Customer (Contd.)

iii Sales by performance obligation

(₹ crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Upon shipment	14,281.31	9,291.17
Upon providing of services	44.57	21.39
Total	**14,325.88**	**9,312.55**

iv Contract assets and liabilities

A) Contract Assets

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at the beginning of the year	8.77	0.73
Add: Addition during the year	31.16	8.77
	39.93	9.50
Less: Trasferred to receivable	2.67	0.73
Balance as at the end of the year	**37.26**	**8.77**

B) Contract liabilities

(₹ crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances from customers		
Balance as at the beginning of the year	216.93	106.39
Add: Addition during the year	462.47	311.76
	679.40	418.14
Less: Revenue recognised during the year	503.20	201.21
Balance as at the end of the year	**176.20**	**216.93**

Refer note no 14 - for contract assets balances & note no 25 for contract liabilities

v. Remaining performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period are having performance obligations, which are a part of the contracts that has an original expected duration of one year or less. Hence, the Group has applied practical expedient as per para 121 of the Ind AS 115 in regards to remaining performance obligations.

Note 48 Ind AS 116 Leases

(₹ crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Right to use Assets		
Additions during the year	8.41	15.76
Deletions during the year	-	(6.29)
Amortisation for the year	8.95	7.72

Note 48 Ind AS 116 Leases (Contd.)

(₹ crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Carrying value at the end of the year	64.95	62.26
Maturity analysis of lease liabilities		
Less than 1 year	8.37	6.35
1 - 2 years	8.59	7.27
2 - 5 years	16.99	18.62
More than 5 years	38.12	35.04
Total lease liabilities at the year end	**72.07**	**67.28**
Recognised into statement of Financial Position		
Non Current	63.70	60.93
Current	8.37	6.35
Amount recognised into consolidated statement of profit & Loss		
Amortisation of Right to use assets	8.95	7.72
Unwinding of lease liabilities	2.80	2.44
Expenses relating to Short term leases & low value leases	11.67	1.99
Amount recognised into consolidated cash flows		
Total cash outflows of lease payments (including short term leases & low value leases	21.70	7.58

Note 49 Master Netting Arrangement

The following table presents the recognised financial instruments that are subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2023 and March 31, 2022.

As at March 31, 2023

(₹ crore)

Particulars	Effects of offsetting on the balance sheet		
	Amounts of financial instruments recognised in the consolidated balance sheet	Related amounts that are not off set	Net amounts after set off
Financial assets			
Derivative instruments			
Forward contracts	34.53	(10.55)	45.08
Total	**34.53**	**(10.55)**	**45.08**
Financial liabilities			
Derivative instruments			
Forward contracts	21.42	(10.55)	31.97
Total	**21.42**	**(10.55)**	**31.97**

Note 49 Master Netting Arrangement (Contd.)

As at March 31, 2022

(₹ crore)

Particulars	Effects of offsetting on the balance sheet		
	Amounts of financial instruments recognised in the consolidated balance sheet	Related amounts that are not off set	Net amounts after set off
Financial assets			
Derivative instruments			
Forward contracts	203.87	86.90	116.97
Total	**203.87**	**86.90**	**116.97**
Financial liabilities			
Derivative instruments			
Forward contracts	89.00	86.90	2.10
Total	**89.00**	**86.90**	**2.10**

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreement. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in same currency are aggregated into a single net amount that is payable by one party to other.

In certain circumstances e.g. when a credit event such as default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a net amount is payable in the settlement of all transactions.

The ISDA master netting agreement do not meet the criteria for offsetting in the balance sheet. This is because the Group does not have currently legally enforceable right to offset recognized amounts, because the right to offset is enforceable only on default.

Note 50 Additional Disclosures

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group did not have any material transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the financial year.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the period/year.

(v) The Group has not advanced or loaned or invested funds to any other person / persons or entity / entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

Note 50 Additional Disclosures (Contd.)

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group has not received any funds from any person / persons or entity / entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

vii) The Group has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

viii) The Group is not declared as wilful defaulter by any bank or financial institution or other lender.

ix) During the year Group has not entered into any scheme of arrangement.

As per our report of even date attached
CNK & Associates LLP
Chartered Accountants
Firm's registration No : 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No 037391

For and on behalf of the Board of Directors

Kushal N Desai
Chairman & Managing Director
& Chief Executive Officer
DIN : 00008084

Nina Kapasi
Independent Director
DIN : 02856816

Ramesh Iyer
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Place: Mumbai
Date: 08th May, 2023

Independent Auditor's Report

To the Members of Apar Industries Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS:

Opinion

We have audited the accompanying Consolidated Financial Statements of **Apar Industries Limited** (hereinafter referred to as 'the Holding Company') , its subsidiaries (the Holding Company and; its subsidiaries together referred to as 'the Group') and its associate comprising of the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement for the year then ended, the Consolidated Statement of Changes in Equity and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Group as at 31st March 2022, its consolidated profit including Other Comprehensive Income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Litigations, Provisions and Contingent Liabilities There are several litigations pending before various forums against the Company. These also include matters under various statutes and involves significant management judgement and estimates on the possible outcome of the litigations and consequent provisioning thereof or disclosure as contingent liabilities. We identified this as a key matter as the estimate of these amounts involve a significant degree of management judgement and high estimation uncertainty. (Refer Note 49 to the Consolidated Financial Statements).	To address this key audit matter, our procedures included: Obtaining from the management details of matters under disputes including ongoing and completed tax assessments, demands and other litigations. • Evaluation and testing of the design of internal controls followed by the Company relating to litigations and open tax positions for direct and indirect taxes and process followed to decide provisioning or disclosure as Contingent Liabilities. • Discussing with Company's legal team and taxation team for sufficient understanding of on-going and potential legal matters impacting the Company. • We also involved our firm's internal expert to evaluate the management's underlying judgements in making their estimates with regard to such matters.

Other Information

The Holding Company's Board of Directors is responsible for the preparation of the Other Information. The Other Information comprises the information included in the boards report including Annexures, Management Discussion and Analysis Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with the audit of the Consolidated Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Consolidated Financial Statements or the knowledge obtained during the course of the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error;

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so;

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group

Auditor's Responsibility for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing my opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.;
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of the Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represents the underlying transactions and events in a manner that achieve fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditor. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion;

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 3 subsidiary companies included in the audited consolidated financial results, whose audited financial results reflect total assets of ₹154.01 crores as at 31st March 2022, total revenue of ₹77.09 crores, total net profit after tax of ₹9.08 crores, total comprehensive income of ₹9.08 crores and total cash outflow of ₹13.09 crores for the year ended 31st March; 2022.

We did not audit the financial statements of 1 associate, included in the Consolidated Financial Statements, whose financial statements include group share of total net profit / (loss) of ₹ (0.00)* for the year ended 31st March 2022.

*Amount less than ₹50 lakhs

The financial statements of these subsidiaries and the associate have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and the associate and the report in terms of Section 143(3) of the Act, in so far as it relates to the subsidiaries incorporated in India and associate, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on the audit and on the consideration of the reports of the other auditors on separate financial statements we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit of the aforesaid Consolidated Financial Statements;

   b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from the examination of those books and the reports of the other auditors;

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

   d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the auditors of the subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India, is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Companies covered under the Act and the operating effectiveness of such controls, refer to the separate Report in 'Annexure A';

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements:

      i. The Consolidated Financial Statements has disclosed the impact of pending litigations on consolidated financial position of the Group in Note 49 to the Consolidated Financial Statements;

      ii. There were no long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the companies incorporated in India;

      iv. i. The Holding Company Management has represented that, to the best of it's knowledge and belief, (refer Note No. 54(v) to the Consolidated Financial Statements) no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiaries and its associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries and its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      ii. The Holding Company Management has represented, that, to the best of it's knowledge and belief, (refer Note No. 54(vi) to the Consolidated Financial Statements) no funds have been received by the Holding Company, its subsidiaries and its associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries and its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement;

v. The final dividend declared and paid by the Holding Company during the year in respect of the the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of Dividend.

As stated in Note no.16A(f) to the Financial Statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditors' report, according to the information and explanations given to us and based on the CARO report issued by us for the Holding Company and based on CARO reports issued by other auditors in respect of subsidiary companies and, associate, audited by other auditors respectively and included in the consolidated financial statements, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No.: 037391
UDIN: 22037391AJRYDB9378

Place: Mumbai
Date: 27th May 2022

Annexure A to Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Apar Industries Limited** ("the Company") and in respect of its subsidiaries incorporated in India and an associate wherein such audit of internal financial controls over financial reporting was carried out by other Auditors whose reports have been forwarded to us and have been appropriately dealt with by us in making this report as on 31st March 2022 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies incorporated in India and the associate, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company, its subsidiary companies incorporated in India and the associate considering essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective companies' policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies incorporated in India and the associate, based on the audit. We conducted the audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. The audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for my audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the companies are being made only in accordance with authorizations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company, its subsidiary companies incorporated in India and its associate have, in all material respects, an internal financial controls with reference to financial statements of the Company and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and the operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary companies incorporated in India and associate company are solely based on the corresponding reports of the auditors of such companies.

Our Opinion is not modified in respect of above matter.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No.: 101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No.: 037391
UDIN: 22037391AJRYDB9378

Place: Mumbai
Date: 27th May 2022

Consolidated Balance Sheet as at March 31, 2022

(₹ crore)

Particulars	Note	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
ASSETS				
Non-current assets				
Property, Plant and Equipment	2	817.50	819.10	830.18
Right to use Assets	2A	62.26	57.00	52.05
Capital work-in-progress	2	38.33	28.71	54.67
Other Intangible assets	2B	1.48	1.81	2.43
Intangible asset under development	2B	0.16	-	0.04
Financial Assets				
Investments	3	0.52	0.40	-
Trade receivables	10A	11.29	7.69	3.06
Loans	4	0.83	0.89	1.01
Derivative assets	5	42.80	4.25	-
Other financial assets	6	14.91	12.51	12.50
Non current Tax Assets (net)		24.10	15.67	12.16
Other non-current assets	7	35.49	8.38	8.79
Total non current assets		**1,049.67**	**956.41**	**976.89**
Current Assets				
Inventories	8	2,138.66	1,562.71	1,331.43
Financial Assets				
Investments	9	30.00	60.00	-
Trade receivables	10	2,531.13	1,860.57	1,892.44
Cash and cash equivalents	11	253.16	207.02	163.92
Bank balances other than above	12	13.44	15.43	13.05
Loans	13	7.40	8.85	9.34
Derivative assets	5	161.07	24.21	24.79
Other financial assets	14	173.63	37.23	64.65
Other current assets	15	249.36	266.55	167.61
Total current assets		**5,557.85**	**4,042.57**	**3,667.23**
TOTAL ASSETS		**6,607.52**	**4,998.98**	**4,644.12**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	16A	38.27	38.27	38.27
(b) Other equity	16B,16C	1,676.96	1,361.25	1,118.48
Equity attributable to owners of APAR Industries Limited		**1,715.23**	**1,399.52**	**1,156.75**
Non-controlling interests		-	-	-
Total equity		**1,715.23**	**1,399.52**	**1,156.75**
Non current liabilities				
Financial liabilities				
Borrowings	17	195.37	191.59	187.93
Lease liabiliies		60.93	55.11	48.55
Derivative liabilities	18	-	0.72	7.34
Other financial liabilities	19	3.13	3.11	3.37
Provisions	20	12.32	8.13	8.18
Deferred tax liabilities (net)	21	52.34	20.18	0.67
Total non current liabilities		**324.09**	**278.84**	**256.04**
Current liabilities				
Financial liabilities				
Borrowings	22	57.48	72.58	129.26
Lease liabiliies		6.35	5.53	5.80
Trade payables	23			
a) Total Outstanding dues of micro enterprises and small enterprises		20.01	27.77	17.23
b) Total outstanding dues of creditors other than micro enterprises and small enterprises.		4,102.46	3,010.31	2,821.48
Derivative liabilities	18	89.00	46.92	124.50
Other financial liabilities	24	30.15	18.12	40.80
Other current liabilities	25	243.47	125.01	90.83
Provisions	26	6.37	3.05	1.43
Current tax liabilities (net)		12.91	11.33	-
Total current liabilities		**4,568.20**	**3,320.62**	**3,231.33**
Total liabilities		**4,892.29**	**3,599.46**	**3,487.37**
Total Equity and Liabilities		**6,607.52**	**4,998.98**	**4,644.12**
See accompanying notes to financial statement	1			

As per our report attached

CNK & Associates LLP
Chartered Accountants
Firm's Registration No.: 101961W / W-100036

Himanshu Kishnadwala
Partner
Membership No.: 037391

Place: Mumbai **Date:** 27th May, 2022

For and on behalf of the Board of Directors

Kushal N. Desai
Chairman, Managing Director
& Chief Executive Officer
DIN: 00008084

Nina P. Kapasi
Director
DIN: 02856816

Ramesh Iyer
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Consolidated Statement of Profit and Loss for the Year Ended March 31, 2022

(₹ crore)

Particulars	Note	For the year ended March 31	
		2022	2021
Revenue			
I. Revenue from operations	27	9,319.99	6,388.02
II. Other income	28	32.49	18.61
III. Total revenue		**9,352.48**	**6,406.63**
IV. Expenses			
Cost of materials consumed	29	7,418.32	4,675.78
Purchases of Stock-in-Trade	30	130.71	78.97
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	31	(341.21)	45.35
Employee benefits expense	32	172.49	160.38
Finance costs	33	140.62	136.04
Depreciation and amortization expense	2,2A,2B	97.84	93.44
Other expenses	34	1,391.83	1,008.40
Total expenses		**9,010.60**	**6,198.36**
V. Profit before share of profit/(loss) of an associate and exceptional items		**341.88**	**208.27**
VI. Share in net profit / (loss) of associate*		**0.12**	**(0.00)**
VII. Profit before exceptional items (V + VI)		**342.00**	**208.27**
VIII. Exceptional items		-	-
IX. Profit before tax		**342.00**	**208.27**
X. Tax expense:			
1. Current tax		83.61	51.45
2. Deferred tax		1.29	(4.20)
3. Taxes of earlier years		0.36	0.52
		85.27	**47.77**
XI. Profit/(Loss) for the year from Continuing Operations (IX-X)		**256.73**	**160.50**
XII. Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Items that will not be reclassified to profit or loss		(6.28)	0.73
Income tax relating to items that will not be reclassified to profit or loss		1.58	(0.18)
Items that will be reclassified to profit or loss			
Items that will be reclassified to profit or loss		132.48	105.27
Income tax relating to items that will be reclassified to profit or loss		(32.44)	(23.52)
Total Other comprehensive income (OCI)		**95.34**	**82.30**
XIII. Total comprehensive income for the year (XI+XII) (Comprising profit and other comprehensive income for the period)		**352.07**	**242.80**
Profit for the year attributable to			
a) Owners of the Parent		**256.73**	**160.50**
b) Non-Controlling Interests		-	-
Other comprehensive income attributable to			
a) Owners of the Parent		**95.34**	**82.30**
b) Non-Controlling Interests		-	-
Total comprehensive income attributable to			
a) Owners of the Parent		**352.08**	**242.80**
b) Non-Controlling Interest		-	-
XIV. Earnings per equity share (Face value of ₹10 each)	35		
Basic		**67.09**	**41.94**
Diluted		**67.09**	**41.94**
Significant accounting policies	1		
*Amount Less than ₹0.50 lacs			

As per our report attached

CNK & Associates LLP
Chartered Accountants
Firm's Registration No.: 101961W / W-100036

Himanshu Kishnadwala
Partner
Membership No.: 037391

Place: Mumbai
Date: 27th May, 2022

For and on behalf of the Board of Directors

Kushal N. Desai
Chairman, Managing Director
& Chief Executive Officer
DIN: 00008084

Nina P. Kapasi
Director
DIN: 02856816

Ramesh Iyer
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Consolidated Statement of Cash Flows for the Year Ended March 31, 2022

(₹ crore)

Particulars	For the year ended March 31 2022	For the year ended March 31 2021
Cash flow from operating activities		
Profit before tax	341.88	208.27
Adjustments for		
Depreciation on non current assets	89.35	84.96
Amortisation of Right of use assets	7.72	7.60
Amortisation of intangible assets	0.78	0.89
(Gain) / loss on sale of property, plant and equipment	(0.22)	(0.49)
Interest costs	67.10	61.59
Interest income	(6.27)	(5.40)
Bad debts/ Provision for Doubtful Debts made / (written back/reversed)	42.69	19.34
Unrealised exchange loss/(gain)	12.97	(3.11)
Profit on sale of investments	(7.40)	(1.05)
Movement in working capital		
(Increase) / decrease in trade and other receivables	(999.46)	(67.89)
(Increase) / decrease in inventories	(575.96)	(231.27)
Increase / (decrease) in trade and other payables	1,361.41	252.07
Tax paid	(90.83)	(44.14)
Net cash generated by / (used in) operating activities	**243.75**	**281.37**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(130.03)	(55.57)
Acquisition of intangibles	(0.44)	(0.24)
Proceeds from sale of property, plant and equipment	1.22	0.68
(Purchase) / Sale of investments (net)	38.64	(59.17)
Sale / (purchase) of investment in Ampoil Apar Lubricants Pvt Ltd	-	(0.40)
Net cash generated by / (used in) investing activities	**(90.61)**	**(114.70)**
Cash flow from financing activities		
Proceeds/(repayments) from short-term borrowings - net	(21.49)	(72.53)
Proceeds/(repayments) of long-term borrowings - net	4.44	21.09
Repayment of Lease Liabilities	(5.59)	(5.31)
Interest received / (paid) - net	(47.35)	(66.29)
Dividend Payment	(36.36)	(0.12)
Net cash (used in) / generated by financing activities	**(106.35)**	**(123.16)**
Net increase / (decrease) in cash and cash equivalents	46.79	43.51
Effect of exchanges rate changes on cash and cash equivalents	(0.65)	(0.41)
Cash and cash equivalents at the beginning of the year	207.02	163.92
Cash and cash equivalents at the end of the year	**253.16**	**207.02**

Notes:

1) Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 Statement of cash flows.
2) Purchase of property, plant and equipment includes movement of capital work-in-progress during the year.
3) Cash and cash equivalents represents cash and bank balances and includes unrealised loss of ₹0.65 crore; (previous year unrealised loss of ₹0.41 crore) on account of translation of foreign currency bank balances.

Changes in liabilities arising from Financing Activities ₹ crore

Particulars*	Long Term Borrrowings	Short Term Borrowings	Total
Opening balance as at April 1, 2020	**224.89**	**94.02**	**318.91**
Proceeds/(repayments) from financing activities - net	**21.09**	(72.54)	(51.45)
Foreign exchange adjustments	**(2.67)**	0.00	(2.67)
Closing balance as on March 31, 2021	**243.31**	**21.49**	**264.79**
Proceeds/(repayments) from financing activities - net	**4.44**	(21.49)	(17.05)
Foreign exchange adjustments	**5.10**	-	5.10
Closing balance as on March 31, 2022	**252.85**	-	**252.84**
*Please refer note 17C for long term borrowings & note 22 for short term borrowings.			

As per our report attached

CNK & Associates LLP
Chartered Accountants
Firm's Registration No.: 101961W / W-100036

Himanshu Kishnadwala
Partner
Membership No.: 037391

For and on behalf of the Board of Directors

Kushal N. Desai
Chairman, Managing Director & Chief Executive Officer
DIN: 00008084

Nina P. Kapasi
Director
DIN: 02856816

Ramesh Iyer
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Place: Mumbai **Date**: 27th May, 2022

Consolidated Statement of Changes in Equity

(a) Equity share capital	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount ₹ crore	No. of Shares	Amount ₹ crore
Balance at the beginning of the reporting period	38,268,619	38.27	38,268,619	38.27
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the current reporting period	38,268,619	38.27	38,268,619	38.27
Changes in equity share capital during the current year	-	-	-	-
Balance at the end of the reporting period	**38,268,619**	**38.27**	**38,268,619**	**38.27**

(₹ crore)

(b) Other equity	Reserves and Surplus					Items of OCI			Total	Attributable to	
For the year ended	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Retained earnings - surplus	Foreign Currency translation re+serve	Hedging reserve	Other items of OCI		Owners of the Parent	Non - controlling interest
Balance at April 1, 2021	**23.46**	**205.18**	**14.98**	**268.30**	**853.06**	**9.30**	**(11.10)**	**(1.91)**	**1,361.25**	**1,361.25**	-
Total comprehensive income for the year											
Profit for the year					256.73				256.73	256.73	-
Other comprehensive income for the year						**3.58**	96.46	(4.70)	95.34	95.34	-
Total comprehensive income for the year	-	-	-	-	**256.73**	**3.58**	**96.46**	**(4.70)**	**352.07**	**352.07**	-
Transactions with the owners of the Company											
Contributions and distributions											
Dividends (including tax on dividend)					(36.36)				(36.36)	**(36.36)**	-
Transfer / Receipt	-			24.00	(24.00)		-		-	-	-
Balance at March 31, 2022	**23.46**	**205.18**	**14.98**	**292.30**	**1,049.43**	**12.88**	**85.34**	**(6.62)**	**1,676.96**	**1,676.96**	-
Balance at April 1, 2020 (Restated)	**23.77**	**205.18**	**14.98**	**254.00**	**706.52**	**8.50**	**(92.01)**	**(2.46)**	**1,118.48**	**1,118.48**	-
Total comprehensive income for the year											
Profit for the year					160.50				160.50	**160.50**	-
Other comprehensive income for the year						**0.80**	80.95	0.55	82.30	**82.30**	-
Total comprehensive income for the year	-	-	-	-	**160.50**	**0.80**	**80.95**	**0.55**	**242.79**	**242.79**	-
Transactions with the owners of the Group											
Dividends (including tax on dividend)				-					-	-	-
Transfer / Receipt	(0.30)			14.30	(13.96)		(0.04)		(0.00)	**(0.00)**	-
Balance at March 31, 2021	**23.46**	**205.18**	**14.98**	**268.30**	**853.06**	**9.30**	**(11.10)**	**(1.91)**	**1,361.27**	**1,361.25**	-
Balance at April 1, 2019	**23.77**	**205.18**	**14.98**	**240.00**	**682.69**	**3.33**	**(4.26)**	**(1.59)**	**1,164.10**	**1,164.10**	-
Total comprehensive income for the year											
Profit for the year					135.15				135.15	**135.15**	-
Other comprehensive income for the year						**5.17**	(87.75)	(0.87)	(83.45)	**(83.45)**	-
Total comprehensive income for the year	-	-	-	-	**135.15**	**5.17**	**(87.75)**	**(0.87)**	**51.70**	**51.70**	-
Transactions with the owners of the Company											
Contributions and distributions											
Dividends					(87.64)				(87.64)	**(87.64)**	-
Transfer / Receipt				14.00	(14.00)				-		-
Balance at March 31, 2020	**23.77**	**205.18**	**14.98**	**254.00**	**716.20**	**8.50**	**(92.00)**	**(2.46)**	**1,128.17**	**1,128.17**	-
Adjustment for earlier years					(9.68)				(9.68)	**(9.68)**	-
Balance at April 1, 2020 (Restated)	**23.77**	**205.18**	**14.98**	**254.00**	**706.52**	**8.50**	**(92.00)**	**(2.46)**	**1,118.48**	**1,118.48**	-

Consolidated Statement of Changes in Equity (contd..)

Nature and purpose of reserves

i. Hedging reserve
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in statement of profit or loss as the hedged cash flows or items that affect profit or loss.

ii. Securities premium
The Securities Premium used to record the premium received on the issue of shares. It is utilised in accordance with the provisions of the Companies Act 2013. The reserve also comprises the profit on treasury shares sold off 16,35,387 in FY 2015-16

iii. Capital reserve
The reserve comprises of profits/gains of capital nature earned by the Group and credited directly to such reserve.

iv. Capital redemption reserve
Capital redemption reserve represents amounts set aside by the Group for future redemption of capital.

v. General reserve
General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

vi. Foreign currency translation reserve
The exchange differences arising from the translation of financial statements of foreign subsidiaries with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

As per our report attached

CNK & Associates LLP
Chartered Accountants
Firm's Registration No.: 101961W / W-100036

Himanshu Kishnadwala
Partner
Membership No.: 037391

Place: Mumbai **Date:** 27th May, 2022

For and on behalf of the Board of Directors

Kushal N. Desai
Chairman, Managing Director
& Chief Executive Officer
DIN: 00008084

Nina P. Kapasi
Director
DIN: 02856816

Ramesh Iyer
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Notes to the Consolidated Financial Statements as at March 31, 2022

Note 1 – Significant Accounting Policies

1. General information

   APAR Industries Limited ("the Company"), founded by Late Shri. Dharmsinh D. Desai in the year 1958 is one among the best established companies in India, operating in the diverse fields of electrical and metallurgical engineering offering value added products and services in Power Transmission Conductors, Petroleum Specialty Oils and Power & Telecom Cables. The Company is incorporated in India. The registered office of the Company is situated at 301, Panorama Complex, R. C. Dutt Road, Vadodara, Gujarat – 390 007. The Company has manufacturing plants in state of Maharashra, Gujarat, Orissa & Union Territory of Dadra and Nagar Haveli.

   These financial statements are approved for issue by the Board of Directors on May 27, 2022.

2. Statement of compliance

   These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act (to the extent notified) read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

   Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

3. Functional and presentation currency

   These consolidated financial statements are presented in Indian Rupees (₹), which is the Group's functional currency. All amounts have been rounded off to two decimal places to the nearest crore, unless otherwise indicated.

4. Basis of preparation

   The consolidated financial statements have been prepared on a going concern basis using the historical cost basis except for the following items:

   - certain financial assets and liabilities (including mutual fund investments and derivatives) that are measured at fair value;
   - defined benefit plans – plan assets measured at fair value; and
   - share-based payments.

5. Key estimates and assumptions

   The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the (i) balance sheet and (ii) statement of profit and loss. The actual amounts may differ from these estimates.

   Estimates and assumptions are required in particular for:

   - Determination of the estimated useful lives of tangible assets and intangible assets

     Useful lives of assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

   - Recognition and measurement of defined benefit obligations

     The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds corresponds to the probable maturity of the post-employment benefit obligations.

   - Recognition of deferred tax assets

     Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and unabsorbed depreciation and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

   - Evaluation of control

     The Group makes assumptions, when assessing whether it exercises control, joint control or significant influence over companies in which it holds less than 100 percent of the voting rights. These assumptions are made based on the contractual rights with the other shareholders, relevant facts and circumstances which indicate that the Group has power over the potential subsidiary or that joint control exists. Changes to contractual arrangements or facts and circumstances are monitored and are evaluated to determine whether they have a potential impact on the assessment as to whether the Group is exercising control over its investment

   - Recognition and measurement of other provisions

     The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

- Discounting of long-term financial assets/liabilities

  All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities which are required to subsequently measure at amortised cost, interest is accrued using the effective interest method.

- Fair value of financial instruments

  Derivatives and investments in mutual funds are carried at fair value. Derivative includes Foreign Currency Forward Contracts, Commodity futures contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts and Commodity future contracts are determined using the fair value reports provided by merchant bankers and London Metal Exchange (LME) brokers respectively. Fair values of Interest Rate Swaps are determined with respect to current market rate of interest.

- Sales incentives and Customer Loyalty Programs

  Rebates are generally provided to distributors or dealers as an incentive to sell the Group's products. Rebates are based on purchases made during the period by distributor / customer. The Group determines the estimates of benefits accruing to the distributors/ dealers based on the schemes introduced by the Group.

  The amount allocated to the loyalty program/ incentive is deferred and is recognised as revenue when the Group has fulfilled its obligations to supply the discounted products under the terms of the program or when it is no longer probable that the points under the program will be redeemed.

  The cash incentives offered under various schemes are in the nature of sales promotion and provisions is made for such incentives.

6. Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant observable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

7. Significant accounting policies followed by the Group

A. Basis of consolidation

i. Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in equity under the head 'Capital reserve'. Transaction costs are expensed as incurred, except if related to the issue of equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, net of deferred taxes, are eliminated.

v. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

B. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of profit and loss.

The Group has adopted Appendix B to Ind AS 21, Foreign Currency transactions and advance considerations notified in the Companies (Indian Accounting Standards) Rules, 2018. Accordingly, the exchange rate for translation of foreign currency transaction; in cases when the Group receives or pays advance consideration is earlier of;

- the date of initial recognition of non-monetary prepayment asset or deferred income liability or
- the date that the related item is recognized in the financial statements.

If the transaction is recognized in stages; then a transaction date will be established for each stage.

C. Revenue recognition

i. Revenue from contract with customers for sale of goods and provision of services

The Group recognizes revenue from contracts with the customers based on five step model defined in Ind AS 115. The Group satisfies a performance obligation and recognizes revenue over time, if any of the conditions given in Ind AS 115 are satisfied; else revenue is recognized at point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenues are recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue & costs, if applicable, can be measured reliably.

a. Performance Obligation

The Group derives its revenue from selling products and services in Power Transmission Conductors, Transformer & Speciality Oils and Cables.

The Group is required to assess each of its contracts with customers to determine whether performance obligation is satisfied over time or at a point in time in order to determine the appropriate method for recognizing of revenue. The Group recognizes the revenue over time only if it satisfies the criteria given in Ind AS 115. Where the criteria as per Ind AS 115 are not met, revenue is recognized at a point in time.

The Group satisfies its performance obligation when the control over the goods is transferred to the customer or benefits of the services being provided is received and consumed by the customer.

In cases where the Group determines that performance obligation is satisfied at a point in time, revenue is recognized when the control over the goods is transferred to the customer or benefits of the services being provided is received by the customer. The Group considers that the customer has obtained the control of promised goods or services; when the goods have been dispatched/delivered to the destination as per terms of the contract or services has been provided to the customer as per agreed terms and the Group has unconditional right to consideration.

In cases where the Group determines that performance obligation is satisfied over time, then revenue is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction (Input Method). The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

1. The amount of revenue can be measured reliably;
2. It is probable that the economic benefits associated with the transaction will flow to the Group;
3. The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stage of completion is determined by the proportion of actual costs incurred to-date, to the estimated total costs of the transaction.

The Group considers that the use of the input method, which requires revenue recognition on the basis of the Group's efforts to the satisfaction of performance obligation, provides the best reference of revenue actually earned. In applying the input method, the Group estimates the efforts or inputs to the satisfaction of a performance obligation. In addition to the cost of meeting contractual obligation to the customers, these estimates mainly include;

- For service contracts, the time elapsed

b. Transaction Price

The Group is required to determine the transaction price in respect of each of its contracts with customers.

Contract with customers for sale of goods or services are either on a fixed price or on variable price basis.

For allocating the transaction price, the Group measures the revenue in respect of each performance obligation of contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In making judgment about the standalone selling price, the Group also assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration if any, the Group uses the "most likely amount" method as per IND AS 115 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

c. Discounts, Rebates & Incentive to Customers

The Group accounts for volume discounts, rebates and pricing incentives to customers based on the ratable allocation of the discounts / rebates to each of the underlying performance obligation that corresponds to the progress made by the customer towards earning that discount, rebate or incentive. The Group also recognises the liability based on the past performance of the customers fulfilling the criteria to get the discounts, rebates or incentives and the future outflow of the same is probable. If it is probable that the criteria for the discounts will not be met or if the amounts thereof cannot be estimated reliably, then the discount is not recognised until the payment is probable and the amount can be estimated reliably. The Group accounts for discounts, rebates and pricing incentives in the year of payment where customer qualifies for the same and wherein provision was not made due to Group's inability to make reliable estimates based on the available data at reporting date.

ii. Lease income:

The Group has determined that the payments by the lessee are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Accordingly rental income arising from operating leases is accounted for on an accrual basis as per the terms of the lease contract

iii. Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.

iv. Dividend income is recognised when the right to receive the payment is established.

D. Employee benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

- Provident Fund Scheme

The Group makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952.

- Superannuation Scheme

The Group makes specified contributions to the superannuation fund administered by the Group and the return on investments is adequate to cover the commitments under the scheme. The Group's contribution paid/payable under the scheme is recognised as expense in the statement of profit and loss during the period in which the employee renders the related service.

iii. Defined benefit plans

The following post – employment benefit plans are covered under the defined benefit plans:

- Gratuity Fund

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit/liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset), to the net defined liability/(asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Long-term Compensated Absences are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss.

E. Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the net gain or loss on financial assets at FVTPL
- exchange differences arising from monetary assets and liabilities

Interest income or expense is recognised using the effective interest rate method.

F. Grants/ Subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset the cost of the asset is shown at gross value and grant thereon is treated as capital grant. The capital grant will be recognised as income in the statement of profit and loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognised in the statement of profit and loss in the same period as the related cost, which they are intended to compensate are accounted for.

G. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except;

a. to the extent that it relates to a business combination, or

b. items recognised directly in equity or in OCI. Such as;

i. Items that will not be reclassified to profit or loss and their related income tax effects

1. Re-measurements of the defined benefit plans

ii. Items that will be reclassified to profit or loss and its related income tax effects;

1. The effective portion of gain and loss on hedging instruments in a cash flow hedge

i. Current tax

Current tax comprises the expected tax payable on taxable income or receivable on taxable loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

H. Inventories

Inventories are measured at the lower of cost and net realizable value. Inventory of scrap is valued at estimated realizable value. The cost of inventories is determined using the weighted average cost method. Cost includes direct materials, labour, other direct cost and manufacturing overheads. Inventories of finished goods also includes applicable taxes.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

I. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the statement of profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

The cost of the property, plant and equipment's at 1st April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value at that date.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

iii. Depreciation

Depreciation is provided, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except in the case where the estimated useful life based on management experience and technical evaluation differs.

Depreciation is charged on the Straight-Line method (SLM) or the Written Down Value method (WDV) based on the method consistently followed by the respective entities in the Group.

The depreciation method followed by each division is as below:

Particulars	Conductor Division	Oil Division	Cable Division	Head Office
Leasehold Land	SLM	SLM	SLM	SLM
Buildings	SLM	SLM	SLM	SLM
Plant and Equipment's	SLM	SLM	SLM	SLM
Furniture and Fixtures	SLM	WDV	SLM	WDV
Office Equipment's	SLM	WDV	SLM	WDV
Motor Vehicles	SLM	WDV	SLM	WDV

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Capital expenditure in respect of which ownership does not vest with the Group is amortized over a period of five years. Leasehold land is amortised over the period of lease.

Useful life as per Group's technical estimates in Plant & Equipment's are as below:

Description of Assets	Useful Life in Schedule II	Useful Life as per technical estimates
Plant and Equipment's –Oil division (other than filling lines)	15 Years	20 Years
Plant and Equipment's - Conductor Division	15 Years	20 Years
Plant and Equipment's -Cable Division	15 Years	25 Years

J. Intangible Assets

Intangible assets which are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

Enterprise Resource Planning Software cost: Cost of implementation of ERP Software including all related direct expenditure is amortized over a period of 5 years on successful implementation.

The cost of the intangible assets at 1st April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value at that date.

K. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

L. Share-based payments:

a. Employees of the Group receives remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

b. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

c. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

d. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

e. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

M. Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in securities premium.

N. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as Foreign Exchange Forward Contracts, Commodity Future Contracts, Interest Rate Swaps, Currency Options and Embedded Derivatives in the host contract. Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

i. Financial assets

Classification

The financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for management of the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Debt instruments at amortised cost

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
  a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at Fair Value Through Profit And Loss (FVTPL)

- Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as Fair Value through Other Comprehensive Income (FVOCI), is classified as at FVTPL.
- In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').
- Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.
- Investments into Equity instruments and Mutual Funds
- All investments in the scope of Ind-AS 109 are measured at fair value. Equity instruments and mutual funds which are held for trading are classified as at FVTPL. For all other equity instruments and mutual funds, the Group decides to classify the same either as at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
- Equity instruments and mutual funds included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

- A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset
- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

ii. Financial liabilities

Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iii. Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash Flow Hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under the "effective portion of cash flow hedges". The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on the present value basis, from the inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to profit and loss in the same period or periods during which the hedged expected future cash flows affect profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial items cost of initial recognition or for other cash flow hedges, it is reclassified to profit and loss in the same period as the hedged future cash flows affect the profit and loss.

If the hedged cash flows are no longer expected to occur, then the amounts that have been accumulated in the other equity are immediately reclassified to profit and loss.

Provisions and contingent liabilities

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible outflow of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognised but disclosed in the consolidated financial statements where an inflow of economic benefit is probable.

O. Leases

The Group has adopted Ind AS 116, effective from annual reporting period beginning April 1, 2019 and applied the standard to its existing leases, with the modified retrospective method. This has resulted into recognition of Right of use assets at an amount equals to Lease liability on date of initial application (April 1, 2019).

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception is comprising of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the Group's incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to;

1. Short-term leases of all assets that have a lease term of 12 months or less, and
2. Leases for which the underlying asset is of low value.

The lease payments associated with above 2 types of leases are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

At the inception of the lease, the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

P. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

Q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group cash management.

R. Segment Reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments have been identified on the basis of nature of products / services.

The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the Group. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, trade receivables and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

S. Earnings per share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

T. Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flow. The cash flows from operating, investing and financing activities of the Group are segregated based on available information.

U. Dividends

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

8. Recent Amendments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2022.

Notes to the Consolidated Financial Statements as at March 31, 2022

Note - 2 Property, plant and equipment

(₹ crore)

Particulars	Gross Carrying Amount					Depreciation				Net block	
	As at 01-04-2021	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2022	As at 01-04-2021	For the year	Deductions/ adjustments	Upto 31-03-2022	As at 31-03-2022	As at 31-03-2021
(i) Tangible assets											
Land-Freehold	39.23	0.22			39.45	-			-	39.45	39.23
Land-Leasehold	10.63	0.28			10.90	0.84	0.14		0.98	9.92	9.79
Building (Refer Note below)	297.54	16.62		1.04	315.20	45.72	11.08		56.80	258.40	251.82
Plant and equipments (Refer Note below)	744.86	62.44	(7.64)	2.34	802.00	265.94	69.68	(6.24)	329.38	472.62	478.92
Furniture and fixtures	13.98	0.37		0.01	14.36	5.20	2.01		7.21	7.15	8.78
Office Equipments	42.65	2.73	(0.15)	0.23	45.46	15.93	5.02	(0.09)	20.87	24.59	26.72
Motor vehicles	9.49	3.21	(2.35)	0.01	10.36	5.65	1.43	(2.09)	4.99	5.38	3.84
Sub total (i)	**1,158.38**	**85.86**	**(10.15)**	**3.63**	**1,237.72**	**339.28**	**89.36**	**(8.42)**	**420.22**	**817.50**	**819.10**
(ii) Capital work-in-progress											
Buildings					-				-	16.08	6.84
Plant and equipments					-				-	22.26	21.87
Sub total (ii)	-	-	-	-	-	-	-	-	-	**38.33**	**28.71**
Grand Total										**855.84**	**847.81**

Particulars	Gross Carrying Amount					Depreciation				Net block	
	As at 01-04-2020	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2021	As at 01-04-2020	For the year	Deductions/ adjustments	Upto 31-03-2021	As at 31-03-2021	As at 31-03-2020
(i) Tangible assets											
Land- Freehold	38.68	0.55	-	-	39.23	-	-	-	-	39.23	38.68
Land-Leasehold	10.63	-	-	-	10.63	0.70	0.14	-	0.84	9.79	9.93
Building (Refer Note below)	273.62	24.84	(0.00)	(0.92)	297.54	35.01	10.71	(0.00)	45.72	251.82	238.61
Plant and equipments (Refer Note below)	709.99	38.07	(0.53)	(2.67)	744.86	199.19	66.97	(0.22)	265.94	478.92	510.80
Furniture and fixtures	10.21	3.83	(0.05)	(0.01)	13.98	3.51	1.71	(0.02)	5.20	8.78	6.70
Office Equipments	33.28	9.32	(0.47)	0.52	42.65	12.01	4.34	(0.42)	15.93	26.72	21.27
Motor vehicles	9.65	0.84	(0.99)	(0.01)	9.49	5.47	1.08	(0.90)	5.65	3.84	4.19
Sub total (i)	**1,086.07**	**77.45**	**(2.04)**	**(3.09)**	**1,158.38**	**255.89**	**84.95**	**(1.56)**	**339.28**	**819.10**	**830.18**
(ii) Capital work-in-progress											
Buildings					-				-	6.84	22.55
Plant & Equipment										21.87	32.12
Sub total (ii)	-	-	-	-	-	-	-	-	-	**28.71**	**54.67**
Grand Total										**847.81**	**884.85**

CWIP Ageing Schdule

(₹ crore)

Particulars	FY 2022				Total	FY2021				Total
	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years		Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	
Projects in progress	33.90	1.14	1.91	0.21	37.16	19.25	8.73	0.71	0.02	28.71
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	33.90	1.14	1.91	0.21	37.16	19.25	8.73	0.71	0.02	28.71

Particulars	FY 2020				Total
	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years	
Projects in progress	35.71	18.67	0.29	-	54.67
Projects temporarily suspended	-	-	-	-	-
Total	35.71	18.67	0.29	-	54.67

CWIP Completion Schedule

(₹ crore)

Particulars	FY 2022				Particulars	FY2021			
	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years		Less than 1 year	1 - 2 years	2- 3 years	More than 3 years
CTC - COLD ROLLING MILL	0.58				CTC - COLD ROLLING MILL	0.49	-	-	-
CONFOMRING LINE - 1 NO.	3.73								
MODIFICATION OF TROLLEY WD 2	0.40								
Total	4.71	-	-	-		0.49	-	-	-

Particulars	FY 2022			
	Less than 1 year	1 - 2 years	2- 3 years	More than 3 years
VILLAGE ROAD REPAIRING WORK 2.0 KM	0.06	-	-	-
CCR for Lapanga plant	-	-	0.29	-
BAR CODING SOLUTION FOR RECYCLE DRUM	0.13	-	-	-
DOUBLE TWIST BUNCHING M/C 1250-4 SETS (8 ROBBINS)	0.01	-	-	-
CONTRACT LABOUR MANAGEMENT SYSTEM - RAKHOLI	-	0.04	-	-
DEVLOPMENT OF COATED CONDUCTOR	0.08	-	-	-
GREASE HOGGER WITH GREASE SCRAPPING M/C-2 NO	0.16	-	-	-
Total	0.43	0.04	0.29	-

Note - 2A Right of use assets

(₹ crore)

Particulars	Gross Carrying Amount					Amortisation				Net block	
	As at 01-04-2021	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2022	As at 01-04-2021	For the year	Deductions/ adjustments	Upto 31-03-2022	As at 31-03-2022	As at 31-03-2021
Right of use Assets	69.78	15.76	(6.29)	1.46	80.71	12.78	7.72	(2.06)	18.44	62.27	57.00
Total	69.78	15.76	(6.29)	1.46	80.71	12.78	7.72	(2.06)	18.44	62.27	57.00

(₹ crore)

Particulars	Gross Carrying Amount					Amortisation				Net block	
	As at 01-04-2020	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2021	As at 01-04-2020	For the year	Deductions/ adjustments	Upto 31-03-2021	As at 31-03-2021	As at 31-03-2020
Righ of use Assets	59.55	14.55	(4.32)	-	69.78	7.50	7.60	(2.32)	12.78	57.00	52.05
Grand Total	**59.55**	**14.55**	**(4.32)**	**-**	**69.78**	**7.50**	**7.60**	**(2.32)**	**12.78**	**57.00**	**52.05**

Note - 2B Intangible assets

(₹ crore)

Particulars	Gross block					Amortisation				Net block	
	As at 01-04-2021	Additions	Deductions	Other adjustments	As at 31-03-2022	As at 01-04-2021	For the year	Deductions/ adjustments	Upto 31-03-2022	As at 31-03-2022	As at 31-03-2021
Specialised software	7.23	0.44	-	-	7.67	5.50	0.72	-	6.22	1.45	1.73
Non compete fee	0.41	-	-	-	0.41	0.33	0.05	-	0.38	0.03	0.08
	7.64	**0.44**	**-**	**-**	**8.08**	**5.83**	**0.78**	**-**	**6.61**	**1.48**	**1.81**
Intangible asset under development										0.16	-
TOTAL	**7.64**	**0.44**	**-**	**-**	**8.08**	**5.83**	**0.78**	**-**	**6.61**	**1.63**	**1.81**

Particulars	Gross block					Amortisation				Net block	
	As at 01-04-2020	Additions	Deductions	Other adjustments	As at 31-03-2021	As at 01-04-2020	For the year	Deductions/ adjustments	Upto 31-03-2021	As at 31-03-2021	As at 31-03-2020
Specialised software	6.96	0.27	-	-	7.23	4.66	0.84		5.50	1.73	2.29
Non compete fee	0.41	-	-	-	0.41	0.28	0.05		0.33	0.08	0.13
TOTAL	**7.37**	**0.27**	**-**	**-**	**7.64**	**4.94**	**0.89**	**-**	**5.83**	**1.81**	**2.43**
Intangible asset under development										-	-
TOTAL	**7.37**	**0.27**	**-**	**-**	**7.64**	**4.94**	**0.89**	**-**	**5.83**	**1.81**	**2.43**

Note:

a. Includes expenditure on Research and development ₹0.54 crore, (Previous year ₹0.94 crore) for Plant and machinery (Refer Note 50).

b. Addition to fixed assets includes ₹2.56 crore (Previous Year ₹6.99 crore) on account of interest cost capitalised on foreign currency borrowings. The unamortised amount of such interest cost is ₹0 crore (Previous Year ₹0 crore)

c. The Group had contractual commitments of ₹41.86 crore for the year ended 31 March 2022 (Previous year ₹10.92 crore).

d. Existence and amounts of restrictions on the title, and PPE pledged as securities. Refer Note 17 (a) on long term borrowing.

e. The Group has capitalised the CWIP for building of ₹0.50 crore during current year in Lapanga (Freehold land - ₹0.22 crore and Lease hold land ₹0.28 crore). During previous year, ₹0.50 crore was held in CWIP building due to pending registration of the property in the name of the Group.

f. The Group holds all the title deeds of immovable property and there are no immovable property which are not being held in the name of the Group during current year and previous year.

Notes to the Consolidated Financial Statements as at March 31, 2022

(₹ crore)

Note 3 Investments - Non Current	March 31, 2022	March 31, 2021	April 1, 2020
a. Investments in equity instruments			
In Associate Company			
- 400,000 (Previous year: 400,000) Equity shares of AMPOIL Apar Lubricants Private Limited of ₹10 each, fully paid up	0.52	0.40	-
	0.52	**0.40**	**-**
a. Aggregate amount of quoted investments	-	-	-
b. Aggregate amount of un-quoted investments	0.52	0.40	
c. Aggregate amount of impairment in values of investments	-	-	-

Note 4 Loans - non current	March 31, 2022	March 31, 2021	April 1, 2020
Loan to employees	0.83	0.89	1.01
	0.83	**0.89**	**1.01**

Note 5 Derivative assets	March 31, 2022	March 31, 2021	April 1, 2020
Derivative contracts used for hedging - Non current	42.80	4.25	-
Derivative contracts used for hedging - Current	161.07	24.21	24.79
	203.87	**28.47**	**24.79**

Note 6 Other financial assets - non current	March 31, 2022	March 31, 2021	April 1, 2020
Unsecured, considered good			
Security deposits	10.63	9.74	9.72
Other financial assets (Refer Note i below)	4.28	2.78	2.78
	14.91	**12.51**	**12.50**

Note i : Includes fixed deposit of ₹2.95 crore (Previous Year ₹2.78 crore) under lien.

Note 7 Other assets - non current	March 31, 2022	March 31, 2021	April 1, 2020
Capital advances	33.06	5.10	5.25
Balance with government authorities	2.43	3.28	3.54
	35.49	**8.38**	**8.79**

Note 8 Inventories	March 31, 2022	March 31, 2021	April 1, 2020
Raw materials and components	777.10	582.44	500.99
Raw materials-in transit	375.63	342.79	147.76
Work-in-progress	290.07	203.63	222.83
Finished goods	504.11	359.18	382.91
Finished goods - in transit	107.15	18.24	22.07
Stock-in-trade	36.35	15.23	13.70
Stock-in-trade - in transit	-	0.20	-
Stores and spares	48.24	41.00	41.17
	2,138.66	**1,562.71**	**1,331.43**

Note : Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of input tax credits

(₹ crore)

Note 9 Current investments	March 31, 2022	March 31, 2021	April 1, 2020
a. Investment in mutual funds			
Canara Robeco Liquid Fund Direct Growth Plan No. of units : 58835.34 (March 31, 2021: Nil)	15.00		
Union KBC Liquid Fund Growth - Direct Plan No. of units : 73150.1 (March 31, 2021: 50455.28)	15.00	10.00	-
Application for units of Union KBC Liquid Fund Growth - Direct Plan No. of units : 252156.72 (March 31, 2020: Nil) (refer note below)	-	50.00	-
Note: Application money of ₹50.00 crore was paid on March 31, 2021 against which 252156.72 units were allotted on April 5, 2021	-	-	-
	30.00	**60.00**	
a. Aggregate amount of quoted investments			
Book value	30.00	10.00	-
Market value	30.00	10.00	-
b. Aggregate amount of un-quoted investments	-	-	
c. Aggregate amount of impairment in values of investments	-	-	

All the above securities have been classified and measured at FVTPL. Information about the Group's exposure to credit & market risks fair value measurements is included in note 40.

Note 10 Trade receivables - current	March 31, 2022	March 31, 2021	April 1, 2020
Considered good, secured	1,479.50	980.80	883.23
Considered good, unsecured (refer note (iv) below)	1,057.01	884.94	1,011.27
Trade Receivables which have significant increase in credit risk	0.34	5.75	3.05
Trade receivables, credit impaired	33.02	37.53	37.66
	2,569.87	1,909.02	1,935.22
Less: Loss allowance (refer note (ii) below)	38.74	48.45	42.78
	2,531.13	**1,860.57**	**1,892.44**

Note

i) For receivables offered as security against borrowing refer note 22.

ii) Including allowances for Expected Credit Loss ₹5.39 crore (Previous year ₹5.17 crore) - refer note 41.

iii) The Group's exposure to credit and currency risk related to trade receivables are disclosed in note 41 and note 43 respectively.

iv) Includes receivable from associate and contract assets as below;

	March 31, 2022	March 31, 2021	April 1, 2020
Due from related party (refer note 48)	0.24	0.28	-
	0.24	**0.28**	

v) Trade receivable ageing - (current)

(₹ crore)

As at March 31, 2022	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i) Undisputed trade receivables - considered good	2,033.61	358.17	47.23	66.27	20.00	11.23	2,536.51
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	0.35	-	-	0.35
iii) Undisputed trade receivables - Credit Impaired	-	0.31	1.57	2.03	6.07	11.19	21.16
iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables - Credit Impaired	-	-	-	0.00	0.44	11.42	11.86
Total	**2,033.61**	**358.48**	**48.80**	**68.65**	**26.50**	**33.83**	**2,569.88**
Less: Loss Allowances							38.74
Trade receivable - current							**2,531.14**

(₹ crore)

As at March 31, 2021	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i) Undisputed trade receivables - considered good	1,454.24	238.40	85.53	55.62	27.94	4.01	1,865.74
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	2.12	3.63	5.75
iii) Undisputed trade receivables - Credit Impaired	-	-	0.07	7.80	4.60	12.18	24.66
iv) Disputed trade receivables - considered good		-	-	-	-	-	-
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivables - Credit Impaired	-	-	0.00	0.44	0.23	12.21	12.88
Total	**1,454.24**	**238.40**	**85.60**	**63.86**	**34.89**	**32.02**	**1,909.02**
Less: Loss Allowances							48.45
Trade receivable - current							**1,860.57**

As at April 1, 2020	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i) Undisputed trade receivables - considered good	1,177.86	533.46	121.38	43.55	10.74	7.52	1,894.51
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	3.05	3.05
iii) Undisputed trade receivables - Credit Impaired	-	0.18	2.36	12.95	3.75	7.24	26.47
iv) Disputed trade receivables - considered good		-	-	-	-	-	-
v) Disputed trade receivables - which have significant increase in credit risk		-	-	-	-	-	-
vi) Disputed trade receivables - Credit Impaired	-	-	-	0.23	5.32	5.64	11.19
Total	**1,177.86**	**533.65**	**123.73**	**56.73**	**19.81**	**23.44**	**1,935.22**
Less: Loss Allowances							42.78
Trade receivable - current							**1,892.44**

Note 10A Trade receivables (non - current)	March 31, 2022	March 31, 2021	April 1, 2020
Considered good, secured	-	-	-
Considered good, unsecured	11.29	7.69	3.06
Trade Receivables which have significant increase in credit risk	-	-	-
Trade receivables, credit impaired	-	-	-
	11.29	7.69	3.06
Less: Loss allowance	-	-	-
	11.29	**7.69**	**3.06**

Trade receivable ageing - (non-current)	March 31, 2022	March 31, 2021	April 1, 2020
Amount not due	11.29	7.69	3.06
	11.29	**7.69**	**3.06**

Note 11 Cash and cash equivalents	March 31, 2022	March 31, 2021	April 1, 2020
Balances with banks	233.43	188.41	128.04
Deposits with original maturity of less than three months*	0.17	0.00	35.00
Balance in cash credit bank account	12.46	18.05	-
Cash on hand	0.26	0.30	0.24
Cheques on hand	0.20	0.26	0.64
Funds in transit	6.64	-	-
	253.16	**207.02**	**163.92**

* Amount less than ₹0.05 lakhs

(₹ crore)

Note 12 Bank balances other than (Note 11) above	March 31, 2022	March 31, 2021	April 1, 2020
Deposits with original maturity for more than 3 months but less than 12 months (refer note i below)	11.08	12.35	12.15
Margin money deposit (refer note ii below)	0.02	-	0.01
On unclaimed dividend account (refer note iii below)	0.77	0.77	0.89
Balances with bank in foreign currencies having restriction on repatriation (refer note iv below)	1.57	2.31	-
	13.44	**15.43**	**13.05**

Note:

i Includes fixed deposit of ₹10.90 crore (Previous Year ₹11.47 crore) under lien.

ii Against letters of credit for Group's import of raw materials and working capital loans.

iii There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2022 (Previous year : Nil)

iv Bank balances of ₹1.57 crore (Previous Year ₹2.31 crore) held in foreign currencies which have restriction on repatriation.

Note 13 Loans	March 31, 2022	March 31, 2021	April 1, 2020
Considered good - Unsecured, unless otherwise stated #			
Loans to related parties	-	-	-
Others			
Loan to employees	0.81	0.79	1.00
Loans to Others	6.59	8.07	8.34
	7.40	**8.85**	**9.34**

Note 14 Other financial assets - current	March 31, 2022	March 31, 2021	April 1, 2020
Security deposits	13.38	14.67	26.64
Advances to related parties (refer note 48)	0.47	0.08	0.04
Contract assets (refer note 51)	8.77	0.73	6.15
Advances to vendors	151.01	21.74	31.82
	173.63	**37.23**	**64.65**

Note 15 Other current assets	March 31, 2022	March 31, 2021	April 1, 2020
Balances with statutory/government authorities	165.33	171.59	91.81
Prepayments	31.22	28.75	23.06
Claims receivable	50.56	63.74	48.80
Other receivable	2.26	2.47	3.94
	249.36	**266.55**	**167.61**

Note 16A Equity share capital	March 31, 2022	March 31, 2021	April 1, 2020
a Authorised:			
101,998,750 (Previous year 101,998,750) Equity shares of ₹10 each	102.00	102.00	102.00
TOTAL	102.00	102.00	102.00
b Issued:			
38,268,619 (Previous year 38,268,619) Equity shares of ₹10 each	38.27	38.27	38.27
TOTAL	38.27	38.27	38.27
c Subscribed and paid up:			
38,268,619 (Previous year 38,268,619) Equity shares of ₹10 each	38.27	38.27	38.27
	38.27	**38.27**	**38.27**

Note 16A Equity share capital	March 31, 2022	March 31, 2021	April 1, 2020
d Reconciliation of number of shares outstanding at the beginning and end of the year:			
Outstanding at the beginning of the year	38,268,619	38,268,619	38,268,619
Changes during the year (Issued/Buy back during the year)	-	-	
Outstanding at the end of the year	**38,268,619**	**38,268,619**	**38,268,619**
e Aggregate no. and class of shares bought back during the period of five years immediately preceding the reporting date:			
No of Shares bought back			
Equity Shares bought back (FY 2016-17)	228,150	228,150	228,150
	228,150	**228,150**	**228,150**

f Terms/rights attached to equity shares

i) The Company has one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Events after the reporting date

The Company declares and pays dividends in Indian rupees. The Board of Directors of the Company have recommended final dividend for the financial year 2021 - 22 @ ₹15 per share aggregating to ₹57.40 crore on 38,268,619 Equity shares of ₹10/- each fully paid. This will be paid after approval by shareholders at the ensuing Annual General Meeting.

The actual dividend amount is dependent upon the relevant share capital outstanding as on the record date / book closure.

g Shareholders holding more than 5% shares in the company is set below:	March 31, 2022		March 31, 2021		April 1, 2020	
	No of shares	%	No of shares	%	No of shares	%
Kushal N. Desai	9,208,503	24.06	9,208,503	24.06	9,048,503	23.65
Chaitanya N. Desai	9,097,432	23.77	9,058,946	23.67	8,964,946	23.43
Maithili N. Desai Family Pvt. Trust No. 2 - Trustee Maithili Trusteeship Services Private Limited	4,402,687	11.51	4,402,687	11.51	4,360,000	11.39
HDFC Trustee Company Limited	3,310,837	8.65	3,539,727	9.25	3,539,727	9.25
Reliance Capital Trustee Company Limited	-	-	-	-	2,412,738	6.31
L&T Mutual Fund Trustee Limited	-	-	2,021,139	5.28	2,341,249	6.12

Shares reserved for issue under options

There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

Note 16B Other Equity (Refer Note below)	March 31, 2022	March 31, 2021	April 1, 2020
Capital reserve	23.46	23.46	23.77
Securities premium	205.18	205.18	205.18
Capital Redemption Reserve	14.98	14.98	14.98
General reserve	292.30	268.30	254.00
Retained earnings - Surplus	1,049.43	853.06	706.52
	1,585.36	**1,364.99**	**1,204.45**
Capital reserve			
Opening balance	23.46	23.77	23.77
Increase/(decrease) during the year	-	(0.31)	-
Closing Balance	**23.46**	**23.46**	**23.77**
Securities premium			
Opening balance	205.18	205.18	205.18
Increase/(decrease) during the year	-	-	-
Closing balance	**205.18**	**205.18**	**205.18**

Shares reserved for issue under options (contd..)

There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

Note 16B Other Equity (Refer Note below)	March 31, 2022	March 31, 2021	April 1, 2020
Capital Redemption Reserve			
Opening balance	14.98	14.98	14.98
Increase/(decrease) during the year	-	-	
Closing balance	**14.98**	**14.98**	**14.98**
General reserve			
Opening balance	268.30	254.00	240.00
Increase/(decrease) during the year	24.00	14.30	14.00
Closing balance	**292.30**	**268.30**	**254.00**
Retained earnings - Surplus			
Opening balance	853.06	706.52	682.69
Increase/(decrease) during the year	196.37	146.54	33.51
Adjustment for earlier years	-	-	(9.68)
Closing balance	**1,049.43**	**853.06**	**706.52**

Note 16C Items of other comprehensive income (OCI)	March 31, 2022	March 31, 2021	April 1, 2020
Currency fluctuation reserve	**12.88**	**9.30**	**8.50**
Hedging reserve	85.34	(11.10)	(92.01)
Other items of OCI	(6.62)	(1.91)	(2.46)
	91.60	**(3.72)**	**(85.97)**
Currency fluctuation reserve			
Opening balance	9.30	8.50	3.33
Increase/(decrease) during the year	3.58	0.80	5.17
Closing balance	**12.88**	**9.30**	**8.50**
Hedging reserve			
Opening balance	(11.10)	(92.01)	(4.26)
Increase/(decrease) during the year	96.44	80.91	(87.75)
Closing balance	**85.34**	**(11.10)**	**(92.01)**
Other items of OCI			
Opening balance	(1.91)	(2.46)	(1.59)
Increase/(decrease) during the year	**(4.70)**	**0.55**	**(0.87)**
Closing balance	**(6.61)**	**(1.91)**	**(2.46)**

Note: The nature, purpose and movement of each of the Reserves have been explained under Statement of changes in Equity.

Note 17 Borrowings	March 31, 2022	March 31, 2021	April 1, 2020	March 31, 2022	March 31, 2021	April 1, 2020
	Non current			Current		
Term loans (Secured)						
Rupee term loans from banks	23.88	47.74	67.61	23.87	19.87	16.87
Foreign currency term loans from banks	171.50	136.89	120.32	20.57	7.83	18.37
Term loans (Unsecured)						
Foreign currency term loans from others	-	**6.96**	-	**13.04**	**23.40**	-
	195.37	**191.59**	**187.93**	**57.48**	**51.09**	**35.24**

Information about the Group's exposure to liquidity risk, foreign currency and interest rate are included in Note 42, 43 and 44 respectively.

Rupee term loan and foreign currency loan from banks are secured as under:

a Details of security

i The Foreign Currency Term Loan from State Bank of India, Tokyo is secured by way of a First Charge on movable and immovable fixed assets of the company by way of Hypothecation/Equitable Mortgage of Khatalwad Unit and Office Building (Building No. 4 Corporate park, Chembur). Minimum Fixed Assets Coverage Ratio(FACR) of 1.25 to be maintained during the entire tenor of the loan.

ii The rupees term loan from Kotak Mahindra Bank is secured by charge on property located at Jharsuguda and Lapanga (Movable & Immovable Fixed Assets)

iii The foreign currency term loan from Arab Banking Corporation (ABC) Bank, kingdom of Bahrain was secured by:

a) Mortgage over specified assets situated at Plot No. 1C-02D1, Hamriyah Free Zone,Sharjah - UAE.

b) Joint and several guarantees of Petroleum specialities PTE Ltd - Singapore and APAR Industries Limited - India.

c) This has been paid on 29th March 2021.

b Terms of repayment of term loan:

i In respect of foreign currency term loan from ABC Bank, Kingdom of Bahrain; the group has repaid entire outstanding amount of ₹34.77 crore on 29 March 2021

ii In respect of Rupee Term Loan from Kotak Bank, it has a moratorium period of 18 months and loan will be repaid in 10 half yearly installments. The repayment has started from 08 September 2019 onwards, first 2 installments of ₹7.50 crore each, next 2 installment of ₹8.50 crore each, subsequent next 2 installment of ₹10.00 crore each and last 4 installments of ₹12.00 crore each. The interest is payable at 8.30% p.a.

iii In respect of foreign currency term loan from State Bank of India, Tokyo, it has a moratorium period of 18 months and loan will be repaid in 20 quarterly installments. The repayment has started from 05 September 2021 onwards, next installments of ₹3.79 crore will be paid in June 2022, thereafter next 5 installment of ₹5.69 crore each, next 1 installment of ₹7.57 crore, next 5 installment of ₹13.26 crore each, subsequent 2 installment of ₹15.16 crore each and last 3 installments of ₹18.95 crore each. The interest is payable at 3 months Libor + 1.70% on quarterly basis.

iv In respect of foreign currency term loan from APAR Invesment, INC, the last installment of ₹13.04 crore will be repaid by 30 June 2022. The interest is payable at 3 months Libor + 2.25% p.a. on quarterly basis

The Group does not have any continuing default as on the consolidated Balance Sheet date in repayment of loans and interest.

c Borrowings reconciliation

(₹ crore)

Borrowings as at	March 31, 2022	March 31, 2021
Short term borrowings (Refer note 22)	-	21.49
Interest accrued but not due on above	-	-
Long term borrowings	252.85	242.69
Interest accrued but not due on above	0.80	0.63
Net borrowings	**253.65**	**264.81**

(₹ crore)

Note 18 Derivatives-Liability	March 31, 2022	March 31, 2021	April 1, 2020
Derivatives used for hedging - Non Current	-	0.72	7.34
Derivatives used for hedging - Current	89.00	46.92	124.50
	89.00	**47.65**	**131.84**

Note 19 Other financial liabilities - non current	March 31, 2022	March 31, 2021	April 1, 2020
Deposits from dealers (Refer Note*)	3.13	3.11	3.37
	3.13	**3.11**	**3.37**

*Note: Measured at amortised cost

Note 20 Provisions - non current	March 31, 2022	March 31, 2021	April 1, 2020
Provision for employee benefits (refer note 39)			
Provision for gratuity - In respect of directors	2.55	1.45	1.29
Provision for leave benefits	**9.77**	**6.68**	**6.13**
Provision for gratuity - In respect of other employees	-	-	0.76
	12.32	**8.13**	**8.18**

Note 21 DEFERRED TAX BALANCES (NET)

(₹ crore)

(a) Movement in deferred tax balances		2021-22		March 31, 2022		
Particulars	Net balance April 1, 2021	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(40.30)	0.86		(39.44)	-	(39.44)
Derivatives	4.37	0.77	(32.44)	(27.30)	-	(27.30)
Loans and borrowings	(0.48)	0.11		(0.37)	-	(0.37)
Employee benefits	2.97	(0.16)	1.58	4.40	4.40	-
Lease Expenses	0.44	(0.18)		0.26	0.26	-
Deferred income	0.10	0.04		0.15	0.15	-
Provisions	12.71	(2.73)		9.98	9.98	-
Investments	-	(0.00)		(0.00)	-	(0.00)
Security Deposits	0.00	(0.00)		-	-	-
Other items	-	-	-	-	-	-
Tax assets (liabilities)	**(20.18)**	**(1.29)**	**(30.86)**	**(52.33)**	**14.78**	**(67.11)**
Set off of deferred tax asset						**14.78**
Net tax assets (liabilities)	**(20.18)**	**(1.29)**	**(30.86)**	**(52.33)**	**14.78**	**(52.33)**

(₹ crore)

(b) Movement in deferred tax balances		2020-21		March 31, 2021		
Particulars	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(40.57)	0.27	-	(40.30)	-	(40.30)
Derivatives	29.91	0.84	(26.38)	4.37	4.37	-
Loans and borrowings	(0.58)	0.10	-	(0.48)	-	(0.48)
Employee benefits	2.54	0.62	(0.18)	2.97	2.97	-
Lease Expenses	0.33	0.11	-	0.44	0.44	-
Deferred income	-	0.10	-	0.10	0.10	-
Provisions	10.55	2.16	-	12.71	12.71	-
Investments	-	-	-	-	-	-
Security Deposits	0.00	(0.00)	-	0.00	0.00	-
Other items	(2.85)	-	2.85	-	-	-
Tax assets (Liabilities)	**(0.67)**	**4.20**	**(23.71)**	**(20.18)**	**20.60**	**(40.78)**
Set off of deferred tax asset						**20.60**
Net tax Assets (Liabilities)						**(20.18)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Note 22 Borrowings	March 31, 2022	March 31, 2021	April 1, 2020
Secured Loans			
Working capital loans from banks (refer notes below)			
Bank Overdraft	-	-	0.00
Packing credit loan in foreign currency from banks	-	-	63.75
Current portion of long-term foreign currency loan (Refer Note 17)	20.57	31.23	18.37
Current portion of long-term Rupee loan (Refer Note 17)	23.87	19.87	16.87
Current portion of long-term Foreign currency term loans from others (Refer Note 17)	13.04	-	-
Unsecured Loans			
Buyer's credit facilities	-	21.49	-
Loan from Related Party	-	-	30.27
	57.48	72.58	129.26

Note:

Working capital loans from banks are secured by:

(i) hypothecation of specified stocks, specified book debts specified movable fixed assets of the Group.

(ii) first charge by way of equitable mortgage by deposit of title deeds of Group's specified immovable properties, both present and future.

(iii) The Group does not have any continuing default as on the Balance Sheet date in repayment of loans and interest.

(iv) The Group has obtained financing from banks for managing its short term and long term funding requirements. None of the group companies except Parent is availing Funds based facilities from the banks. Hence, only parent is submitting statement of current assets to banks. Kindly refer note 22(iv) of standalone financial statement disclosures for reconciliation between quarterly returns filed by the Parent with its banks and standalone books of accounts.

Note 23 Trade payables	March 31, 2022	March 31, 2021	April 1, 2020
Acceptances	2,756.80	2,053.58	1,738.38
Due to Micro, Small and Medium Enterprises	20.01	27.77	17.23
Due to other than micro and small and medium enterprises	1,345.66	956.73	1,083.10
Total	4,122.47	3,038.08	2,838.71

There are no Micro, Small and Medium Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at the consolidated balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

The disclosure as per the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act).

	March 31, 2022	March 31, 2021	April 1, 2020
(a) i) Principal amount unpaid as on March 31	-	-	-
ii) Interest due as on March 31	-	-	-
(b) Total interest paid on all delayed payments during the year under the provision of the Act	0.07	-	-
(c) Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act	0.05	0.05	-
(d) Interest accrued but not due	-	-	-
(e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-	-

Trade Payable ageing schedule

(₹ crore)

As at March 31, 2022	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i) MSME	20.01	-	-	-	-	20.01
ii) Others	4,012.38	70.50	6.66	10.40	2.53	4,102.46
iii) Disputed dues - MSME	-	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-	-
Total	**4,032.39**	**70.50**	**6.66**	**10.40**	**2.53**	**4,122.47**

As at March 31, 2021	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i) MSME	27.77	-	-	-	-	27.77
ii) Others	2,941.21	43.39	18.01	3.60	4.09	3,010.31
iii) Disputed dues - MSME	-	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-	-
Total	**2,968.98**	**43.39**	**18.01**	**3.60**	**4.09**	**3,038.08**

As at April 1, 2020	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
i) MSME	17.23	-	-	-	-	17.23
ii) Others	2,730.69	73.48	3.95	5.70	7.66	2,821.48
iii) Disputed dues - MSME	-	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-	-
Total	**2,747.92**	**73.48**	**3.95**	**5.70**	**7.66**	**2,838.71**

Note 24 Other financial liabilities - current	March 31, 2022	March 31, 2021	April 1, 2020
Interest accrued but not due	21.38	8.44	18.49
Creditors for capital expenditure	6.87	8.45	15.87
Channel Finance	-	-	1.62
Bill Discounting with Recourse	-	-	0.83
Unclaimed dividend (Refer Note*)	0.77	0.77	0.89
Book Overdraft	-	-	2.43
Deposit from Dealers	1.13	0.45	0.67
	30.15	**18.12**	**40.80**

*Note :-

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March 2022. (Previous year Nil)

Note 25 Other liabilities - current	March 31, 2022	March 31, 2021	April 1, 2020
Contract liabilities (refer note 51)	216.93	106.39	64.08
Statutory dues towards government	7.12	7.78	5.39
Salary, wages and others benefits payable to employees	8.57	8.11	9.25
Other payables	10.85	2.73	12.11
	243.47	**125.01**	**90.83**

Note 26 Provisions - current	March 31, 2022	March 31, 2021	April 1, 2020
Provision for employee benefits (refer note 39)			
Provision for gratuity	4.78	1.05	-
Provision for leave benefits	1.59	2.00	1.43
	6.37	**3.05**	**1.43**

(₹ crore)

Note 27 Revenue from operations	2021-22	2020-21
Sale of products		
Finished goods	8,893.22	6,128.94
Raw materials	124.48	54.29
Traded goods	173.97	98.86
Total	**9,191.67**	**6,282.09**
Sale of services	**98.96**	**77.42**
Other operating revenue		
Scrap Sales	25.34	15.19
Export Incentives	0.02	12.50
Duty Drawback	4.00	0.82
Total	29.36	28.51
Revenue from operations	**9,319.99**	**6,388.02**

Note 28 Other Income	2021-22	2020-21
Interest income on financial assets measured at amortized cost	6.27	5.40
Gain on foreign exchange translations (net)	8.99	4.07
Profit on sale of Property, plant and equipments (net)	0.22	0.49
Gain on sale of investments (net)	7.40	1.05
Provision no longer required (net)	4.44	4.35
Miscellaneous Income	5.17	3.25
TOTAL	**32.49**	**18.61**

Note 29 Cost of materials consumed	2021-22	2020-21
Inventory at the beginning of the year	925.23	648.75
Add : Purchases	7,645.83	4,952.26
	8,571.05	5,601.01
Less: Closing Inventory	1,152.74	925.23
TOTAL	**7,418.32**	**4,675.78**

(₹ crore)

Note 30 Purchases of Stock-in-Trade	2021-22	2020-21
Thermoplastic Elastomers	5.02	4.95
Lubricants	27.12	16.41
Aluminium,HTLS Hardware & GSW Steel Wire, etc.	83.74	44.51
Others	14.83	13.10
	130.71	**78.97**

Note 31 Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	2021-22	2020-21
Inventories at the beginning of the year		
Finished goods	377.10	404.98
Work-in-progress	203.63	222.83
Traded goods	15.43	13.70
	596.16	**641.51**
Inventories at the end of the year		
Finished goods	610.94	377.10
Work-in-progress	290.07	203.63
Traded goods	36.35	15.43
	937.36	**596.16**
	(341.21)	**45.35**

Notes to the Consolidated Financial Statements as at March 31, 2022

(₹ crore)

Note 32 Employee benefits expense	2021-22	2020-21
Salaries, wages, bonus, etc.	151.24	142.71
Contribution to provident and other funds	7.18	6.47
Gratuity expense	1.93	1.92
Staff welfare expenses	12.14	9.28
	172.49	**160.38**

Note 33 Finance costs	2021-22	2020-21
Interest on borrowings	8.49	9.60
Interest on suppliers credit	56.17	49.45
Interest on lease liabilities	2.44	2.54
Other borrowing cost	43.90	64.26
Applicable net loss on foreign currency transactions and translation	29.62	10.18
	140.62	**136.04**

(₹ crore)

Note 34 Other expenses	2021-22	2020-21
Consumption of stores and spares	41.40	33.49
Packing materials	272.72	214.28
Storage charges	17.21	17.12
Power, electricity and fuel	89.98	78.28
Processing charges, fabrication and labour charges	173.92	160.66
Freight and forwarding charges	468.67	264.46
Rent	0.87	0.93
Statutory levies, Duties and taxes	6.38	5.31
Insurance	13.40	12.29
Repairs and maintenance		
Plant and machinery	4.53	5.35
Buildings	2.28	1.68
Others	8.80	7.76
Advertising and sales promotion	4.51	4.75
Sales commission	72.88	43.57
Travelling and conveyance	15.17	10.10
Printing and stationery	1.45	1.58
Legal and professional fees	21.00	13.69
Directors' sitting fees	0.14	0.12
Commission to Directors	6.09	3.86
Lease rental	1.12	0.85
Corporate Social Responsibility Activities	3.93	4.28
Donations	0.01	0.11
Royalty	39.69	39.91
Bank charges and commission	30.12	20.72
Bad debts and advances written-off	52.40	13.78
Less: Allowances for doubtful debts utilised	(45.15)	(11.27)
Allowances for doubtful debts and advances	35.47	18.16
Miscellaneous expenses	52.84	42.58
	1,391.83	**1,008.40**

Note 35 Earnings per share (EPS)

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders (basic)		March 31, 2022	March 31, 2021
Profit (loss) for the year, attributable to ordinary shareholders	A	256.73	160.50
Weighted average number of shares at March 31	B	38,268,619	38,268,619
Basic and Diluted EPS (₹)	A/B	67.09	41.94
Face value per Share (₹)		10	10

Note 36 - Ratios				
Particulars	March 31, 2022	March 31, 2021	Variances%	Formulae
Current Ratio	1.22	1.22	-0.1%	Current Assets / Current Liabilities
Debt - Equity Ratio	0.15	0.17	-16.0%	Long Term borrowing + short term borrowing / Total equity
Debt service coverage ratio	0.83	0.50	67.4%	Profit after tax + Depn+ Interest on borrowings / Long term borrowing + short term borrowing +Lease payments
Return on Equity ratio	16.5%	12.6%	31.3%	Profit after tax / Average equity
Inventory Turnover ratio	3.89	3.32	17.4%	Cost of material consumed + changes in inventories + purchase of stock in trade / Average Inventory
Trade receivable turnover ratio	4.23	3.39	24.5%	Revenue from operations / Average Trade receivables
Trade payable turnover ratio	2.56	2.06	24.6%	Purchases of materials and stock-in-trade + Other expenses / Average Trade payables
Net capital turnover ratio	10.89	11.03	-1.3%	Revenue from operations / Average Working Capital
Net profit margin	2.8%	2.5%	9.6%	Profit after tax X 100 / Revenue from operations
Return on Capital employed	18.9%	13.8%	37.1%	Profit before interest on borrowings and tax X 100 / Total equity + Long Term Borrowings + Short Term Borrowings +Deferred tax liability
Return on investment	4.7%	2.8%	68.2%	Gain from sale of investments + Interest income on financial assets X 100 / Average Investments + Cash & Cash equivalent

Reason for variation of more than 25%

a. Debt service coverage ratio

The ratio has improved due to incremental PBT in current financial year as compared to last financial year

b. Return on Equity ratio

The ratio has improved due to incremental PAT in current financial year as compared to last financial year.All the divisions of the company have registered strong growth and profit during the year as compared to last year leading to an improved PAT for the company as a whole.

c. Return on Capital employed

The ratio has improved due to incremental profit before interest on borrowings and tax for the reason mentioned above in current financial year as compared to last financial year

d. Return on investment

The ratio has improved due to higher gain on sale of investments in current financial year as compared to last financial year

Note 37 Additional information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as subsidiaries
Statement of net assets & profit or loss attributable to owners & non controlling interest

Name of the entity	Net Assets i.e. Total assets minus Total liabilities		Share in profit/ (loss)		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	Amount ₹ crore	As % of consolidated profit or loss	Amount ₹ crore	As % of consolidated profit or loss	Amount ₹ crore	As % of consolidated profit or loss	Amount ₹ crore
Parent								
APAR Industries Limited	92.41	1,585.10	90.99	233.61	96.25	91.76	92.42	325.37
Subsidiaries								
Indian								
APAR Transmission & Distribution Projects Pvt Ltd	0.72	12.27	3.52	9.02	-	-	2.56	9.02
APAR Distribution and Logistics Pvt Ltd	0.09	1.52	0.27	0.69	(0.00)	(0.00)	0.19	0.69
Foreign								
Petroleum Specialities Pte Limited	5.99	102.76	(0.25)	(0.63)	0.82	0.78	0.04	0.15
Petroleum Specialities FZE	5.59	95.85	5.42	13.92	2.94	2.80	4.75	16.72
Non-controlling interests in all subsidiaries / associate								
Subsidiaries								
Indian	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Associate (Investment as per the equity method)								
Indian								
Ampoil Apar Lubricants Private Limited	0.03	0.52	0.05	0.12	-	-	0.03	0.12
Adjustments / Eliminations	(4.83)	(82.80)	-	-	-	-	-	-
Total	100.00	1,715.23	100.00	256.73	100.00	95.34	100.00	352.07

Note 38 Tax expense

Tax expense

(a) Amounts recognised in profit and loss

(₹ crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current income tax	83.61	51.45
Taxes of earlier years	0.36	0.52
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	1.29	(4.20)
Deferred tax expense	1.29	(4.20)
Tax expense for the year	85.27	47.77

(b) Amounts recognised in other comprehensive income	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	(6.28)	1.58	(4.70)	0.73	(0.18)	0.55
Items that will be reclassified to profit or loss						
The effective portion of gains and loss on hedging instruments in a cash flow hedge	132.48	(32.44)	100.04	105.27	(23.52)	81.75
	126.21	**(30.86)**	**95.34**	**106.00**	**(23.71)**	**82.30**

(c) Reconciliation of effective tax rate	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	**342.00**	**208.00**
Enacted Income tax rate in India	25.168%	25.168%
Tax using the Company's domestic tax rate	86.08	52.48
Tax effect of:		
Non-deductible tax expenses	0.99	1.11
Deduction Under Chapter VI A	(0.24)	(0.42)
Others	2.26	0.52
Employee Benefits	(0.47)	0.18
Non-Taxable subsidiaries and effect of Differential tax rate under various jurisdication	(3.35)	(6.04)
	85.27	**47.77**

Note 39 Employee benefits

(i) Defined Contribution Plans:

The Group makes contributions towards provident fund, superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Group recognised ₹1.94 crore (previous year ₹1.95 crore) for superannuation contribution and other retirement benefit contributions in the consolidated statement of profit and loss.

The Group has recognised ₹5.24 crore (previous year ₹4.85 crore) for provident fund contributions in the consolidated statement of profit and loss.

The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plan:

The Employees' Gratuity Fund Scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit seperately to build up the final obligation.

The obligation for leave encashment is recognised in the same manner as gratuity. The group provides for leave encashment liabiltiy as per the acturial valuation carried out as at March 31, 2022. The Group has recognised ₹3.51 crore (previous year ₹1.45 crore) for leave encashment liability in the Statement of Profit and Loss.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

In case of foreign subsidiaries, the Group has recognised ₹0.45 crore (previous year ₹0.28 crore) towards defined benefit obligation in the consolidated statement of profit and loss.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's consolidated financial statements as at consolidated balance sheet date:

Movement in net defined benefit (asset) liability

(₹ crore)

Particulars	March 31, 2022 Gratuity	March 31, 2021 Gratuity
Table showing change in benefit obligation		
Defined benefit obligation at beginning of the year	**18.16**	**16.89**
a) Included in consolidated statement of profit and loss		
Current service cost	1.49	1.44
Interest cost	1.28	1.17
Acturial Gain/loss	-	-
	2.77	**2.61**
b) Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
Demographic assumptions	**0.95**	-
Financial assumptions	4.54	(0.14)
Experience adjustment	0.85	0.32
	6.34	**0.18**
c) Other		
Benefits paid	(1.97)	(1.52)
Liabilities transferred in / Acquisitions	0.05	-
	(1.92)	**(1.52)**
Defined Benefit obligation at end of the year	**25.36**	**18.16**

Table showing change in Fair Value of Plan Assets	March 31, 2022 Gratuity	March 31, 2021 Gratuity
Fair value of plan assets at beginning of the year	18.16	16.89
Interest income	1.28	1.17
Return on plan assets, excluding interest	0.07	0.90
Employer Contribution	1.91	0.71
Benefit paid	(1.97)	(1.52)
Fair value of plan assets at year end	**19.45**	**18.16**
Actual return on plan assets	1.35	2.08
Expected Contribution for next year	3.82	1.48

Defined benefit obligations

i) **Actuarial assumptions**

In arriving at the valuation for gratuity & leave benefit following assumptions were used:

Particulars	March 31, 2022	March 31, 2021
Mortality Table (LIC)	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate
Retirement Age	60 years	60 years
Employee Turnover rate	2.00% p.a. to 11.60%	2.00%
Discount Rate	6.90% to 7.35%	7.05%
Expected rate of return on plan assets (per annum)	NA to 6.90%	7.05%
Rate of escalation in salary (per annum)	5.80% p.a. to 10.00% p.a.	5.00%

*Range is pertaining to different divisions of the Group for Employee Turnover rate and Rate of escalation in salary.

ii. **Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ crore)

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.50)	1.68	(1.34)	1.54
Future salary growth (1% movement)	1.64	(1.50)	1.56	(1.38)
Employee Turnover (1% movement)	(0.15)	0.14	0.22	(0.24)

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's Consolidated financial statements as at balance sheet date:

Net asset / (liability) recognised in the consolidated balance sheet as at	March 31, 2022	March 31, 2021
	Gratuity	Gratuity
Fair value of plan assets	19.45	18.16
Present value of obligation	(25.36)	(18.16)
Amount recognised in consolidated balance sheet*	(5.92)	-

*Includes amount payable to directors

	March 31, 2022	March 31, 2021
Gratuity Payable to Directors	(2.55)	(1.45)

Expense recognised during the year	March 31, 2022	March 31, 2021
	Gratuity	Gratuity
Included in consolidated statement of profit and Loss		
Current service cost	1.49	1.44
Interest cost	1.28	1.17
Net actuarial (gain) / loss		
Return on plan assets,excluding acturial gain or loss	(1.28)	(1.17)
Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
Demographic assumptions	0.95	-
Financial assumptions	4.54	(0.14)
Experience adjustment	0.85	0.32
Return on plan assets, excluding interest	(0.07)	(0.90)
Net Cost	**7.78**	**0.72**

Maturity analysis of the benefit payments: from the fund	March 31, 2022	March 31, 2021
	Gratuity	Gratuity
Projected benefits payable in future years from the date of reporting		
1st following year	2.07	1.81
2nd following year	2.10	0.73
3rd following year	2.16	1.34
4th following year	2.60	1.30
5th following year	2.93	1.48
From 6 to 10 years	15.21	9.44
From 11 years and above	15.96	20.60

(₹ crore)

Category of Plan Assets	March 31, 2022	March 31, 2021
Insurance Funds	1.14	1.07
Mutual Funds	18.13	16.86
Cash And Cash Equivalents	0.18	0.23
Fair value of plan assets	**19.45**	**18.16**

Note 40 Financial instruments – Fair value measurement

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ crore)

March 31, 2022	Note No.	Carrying amount					Fair value			
		Fair value-hedging instruments	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets										
Investments										
- Non-current	3				0.52	0.52				-
- Current	9		30.00			30.00	30.00			30.00
Loans										
- Non-current	4				0.83	0.83				-
- Current	13				7.40	7.40				-
Trade Receivables										-
- Non-current	10A				11.29	11.29				-
- Current	10				2,531.13	2,531.13				-
Cash and Cash Equivalents	11				253.16	253.16				-
Other Bank Balances	12				13.44	13.44				-
Other financial assets						-				
- Non-current	6				14.91	14.91				-
- Current	14				173.63	173.63				-
Derivatives								-		
- Non-current	5	42.80	-	42.80		42.80		42.80		42.80
- Current	5	161.07	0.39	160.68		161.07		161.07		161.07
Total financial assets		**203.87**	**30.39**	**203.48**	**3,006.31**	**3,240.17**	**30.00**	**203.87**	**-**	**233.86**
						-				
Financial liabilities										
Borrowings						-				-
- Non-current	17				195.37	195.37				-
- Current	22				57.48	57.48				
Lease liabiliies										
- Non-current					60.93	60.93				
- Current					6.35	6.35				
Other financial liabilities										
- Non-current	19				3.13	3.13				-
- Current	24				30.15	30.15				-
Derivatives										-
- Non-current	18	-	-	-		-		-		-
- Current	18	89.00	89.00	-		89.00		89.00		89.00
Trade Payables	23				4,122.47	4,122.47				-
Total financial liabilities		**89.00**	**89.00**	**-**	**4,475.89**	**4,564.89**	**-**	**89.00**	**-**	**89.00**

(₹ crore)

March 31, 2021	Notes	Carrying amount					Fair value			
		Fair value-hedging instruments	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets										
Investments										
- Non Current					0.40	0.40				-
- Current	9		60.00			60.00	60.00			60.00
Loans & advances										-
- Non-current	4				0.89	0.89				-
- Current	13				8.85	8.85				-
Trade Receivables						-				-
- Non-current	10A				7.69	7.69				
- Current	10				1,860.57	1,860.57				
Cash and Cash Equivalents	11				207.02	207.02				-
Other Bank Balances	12				15.43	15.43				-
Other financial assets										-
- Non-current	6				12.51	12.51				-
- Current	14				37.23	37.23				-
Derivatives						-		-		-
- Non-current	5	4.25		4.25		4.25		4.25		4.25
- Current	5	24.21		24.21		24.21		24.21		24.21
Total financial assets		**28.47**	**60.00**	**28.47**	**2,150.60**	**2,239.06**	**60.00**	**28.47**	**-**	**88.47**
Financial liabilities										
Borrowings										-
- Non-current	17				191.59	191.59				
- Current					72.58	72.58				
Leases										
- Non-current	22				55.11	55.11				-
- Current					5.53	5.53				
Other financial liabilities										
- Non-current	19				3.11	3.11				-
- Current	24				18.12	18.12				-
Derivatives										
- Non-current	18	0.72	-	0.72		0.72		0.72		0.72
- Current	18	46.92	0.60	46.32		46.92		46.92		46.92
Trade Payables	23				3,038.08	3,038.08				-
Total financial liabilities		**47.65**	**0.60**	**47.04**	**3,384.12**	**3,431.76**	**-**	**47.64**	**-**	**47.64**

B. Measurement of fair values

Valuation techniques and significant observable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant observable inputs used (if any).

Financial instruments measured at fair value

Type	Valuation technique	Level
Mutual fund investments	Quoted NAV	1
Commodity futures	Basis the quotes given by the LME broker / dealer.	2
Derivative liability Forward contracts for foreign exchange	FEDAI rate adjusted for interpolated spreads based on residual maturity	2
Interest rate swap for variable foreign currency loans	Basis the quotes given by the Bank	1

Note: The fair value for financial instruments such as trade receivables, cash and cash equivalents, trade payables etc have not been disclosed because the carrrying values approximate the fair value.

Refer note 1.6 for different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors are responsible for developing and monitoring the Group's risk management.

The Group's risk management framework, are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Note 41 Financial instruments – Fair values and risk management Credit Risk

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans and advances. The Group's export receivables are covered under ECGC credit insurance policy. The group has also taken credit insurance for its domestic receivables in cable and conductor division.

The carrying amount of following financial assets represents the maximum credit exposure:

At March 31, the maximum exposure to credit risk for trade and other receivables age wise was as follows.

Trade receivables	March 31, 2022	March 31, 2021
Neither past due nor impaired	2,044.91	1,461.93
past due less than 6 months	358.48	238.40
past due 6 months - 1 year	48.80	85.60
past due 1 - 2 years	68.65	63.86
past due 2 - 3 years	26.50	34.89
past due more than 3 years	33.83	32.02
Total	2,581.17	1,916.71
Less: Loss allowance	38.74	48.45
Net Total	**2,542.43**	**1,868.26**

Management believes that the unimpaired amounts which are past due are fully collectible.

Short term loans and advances

At March 31, the maximum exposure to credit risk for short term loans and advances age wise was as follows.

(₹ crore)

	March 31, 2022	March 31, 2021
Not due	7.40	8.85
past due less than 6 months	-	-
past due 6 months - 1 year	-	-
past due 1 - 2 years	-	-
past due 2 - 3 years	-	-
past due more than 3 years		
	7.40	8.85

Management believes that the unimpaired amounts which are past due are fully collectable.

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances. The entity has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a division wise prov. matrix. The Provision matrix takes into account historical credit loss experience, delay in receipt of payments and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days of receivables are due and the rates are given in prov. matrix. The provision matrix at the end of reporting period is as follows. The Group follows 'simplified approach' for recognition of impairment loss on these financial assets. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

The entity has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a division wise provision matrix. The provision matrix takes into account historical credit loss experience, delay in receipt of payments and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows :

Provision matrix for credit loss;

Expected credit loss (%)*	Oil Division	Cable Division	Conductor Division
past due less than 6 months	0.0%	0.4%	0.0%
past due 6 months - 1 year	0.0%	0.0%	0.0%
past due 1 - 2 years	6.0%	2.1%	0.0%
past due 2 - 3 years	6.0%	2.1%	0.0%
past due more than 3 years	6.0%	2.1%	0.0%

*Expected credit loss is worked out on the trade receivables for which no specific provision is made.

Provision matrix for delay in receipts

Expected credit loss (%)*	Oil Division	Cable Division	Conductor Division
past due less than 6 months	8.7%	19.0%	12.5%
past due 6 months - 1 year	64.0%	67.7%	60.7%
past due 1 - 2 years	85.3%	91.2%	89.4%
past due 2 - 3 years	85.3%	91.2%	89.4%
past due more than 3 years	85.3%	91.2%	89.4%

The movement in the allowance for impairment in respect of trade receivable and short term loans and advances as follows

(₹ crore)

Loss Allowances for Doubtful Debts	Trade and other receivables	Short term loans and advances
Balance as on 1 April 2020	40.72	-
Amounts provided	14.17	-
Amount written back / utilised	(11.60)	-
Balance as on 31 March 2021	43.28	-
Amounts provided	35.86	-
Amount written back / utilised	(45.78)	-
Balance as on 31 March 2022	**33.36**	**-**

(₹ crore)

Loss Allowances for Expected Credit Loss	As at 31.3.2022	As at 31.3.2021
Balance at the beginning of the year	5.17	2.06
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0.22	3.11
Balance at the end of the year	**5.39**	**5.17**

Other non-current financial assets

Other non-current financial assets includes earnest money deposit, security deposits to customers. These advances and deposits were made in continuation of business related activities and are made after review as per companies policy.

Cash and cash equivalents

The Group holds cash and cash equivalents of ₹253.16 Crore as on 31 March 2022 (₹207.02 Crore as on 31 March 2021). The cash and cash equivalents are held with the bank and financial institutions, with good credit ratings.

Derivatives

Derivatives are entered with counterparties who have good credit ratings.

Note 42 Financial instruments — Fair values and risk management Liquidity Risk

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments but exclude the impact of netting agreements.

March 31, 2022	Contractual cash flows					(₹ crore)
	Carrying amount	Total	1 year or less	1-2 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	239.81	239.81	44.43	55.81	139.57	-
Term loans from others	13.04	13.04	13.04	-	-	-
Trade and other payables	4,122.47	4,122.47	4,122.47	-	-	-
Other financial liabilities	30.15	30.15	30.15	-	-	-
Leases	67.28	67.31	6.35	7.27	18.62	35.07
Derivative financial liabilities						
Forward exchange contracts/Futures used for hedging/Natural hedging						
- Outflow	89.00	89.00	89.00	-	-	-

March 31, 2021	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	212.33	212.33	27.70	38.48	132.69	13.46
Term loans from others	30.36	30.36	23.40	6.96	-	-
Short term loan from bank (Unsecured)	21.49	21.49	21.49	-	-	-
Trade and other payables	3,038.08	3,038.08	3,038.08	-	-	-
Other financial liabilities	18.12	18.12	18.12	-	-	-
Leases	60.65	60.65	5.53	4.40	14.14	36.57
Derivative financial liabilities						
Forward exchange contracts/Futures used for hedging/Natural hedging						
- Outflow	47.64	47.64	46.92	0.72	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to the financial liabilities which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Contractual outflow of other non current financial liabilities amounting to ₹3.13 crores (Previous year ₹3.11 crores) can not be ascertained on reporting date.

Note 43 Financial instruments – Fair values and risk management

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Commodity risk

The Group is affected by the price volatility of certain commodities viz. Aluminum, Copper and Oil. Its operating activities require the ongoing purchase and manufacture of the conductors, cables and Oil and thus requires continuous supply of these commodities. Due to the increase in volatility of the price of the commodities namely Aluminum and Copper, the Group has entered into forward contracts (for which there is an active market).

Currency risk

The Group is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Group does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows.

Fig. in crore

Particulars	March 31, 2022					
	USD	EUR	CAD	ETB	NPR	KES
Trade receivables	13.64	0.54	0.10	-	-	-
Cash and cash equivalents	0.89	0.01	0.00	0.97	0.23	0.04
Long term Borrowings	(2.55)	-	-	-	-	-
Short term borrowings	(0.17)	-	-	-	-	-
Trade payables	(19.05)	(0.04)	-	-	-	-
Net Exposure	**(7.24)**	**0.51**	**0.10**	**0.97**	**0.23**	**0.04**

Fig. in crore

Particulars	March 31, 2022					
	EGP	AUD	AED			
Trade receivables	-	0.00	-			
Cash and cash equivalents	0.01	-	0.00			
Net Exposure	**0.01**	**0.00**	**0.00**	-	-	-

Fig. in Crore

Particulars	March 31, 2021					
	USD	EUR	CAD	ETB	NPR	KES
Trade receivables	7.40	0.53	0.03	(0.27)		-
Cash and cash equivalents	0.46	0.01	0.00	1.26	0.10	0.04
Long term Borrowings	(2.42)	-	-	-	-	
Short term borrowings	(0.29)	-	-	-	-	-
Trade payables	(16.22)	0.01	-	(0.20)		-
Net outstanding payable / (receivable)	**(11.07)**	**0.55**	**0.03**	**0.79**	**0.10**	**0.04**

Fig. in crore

Particulars	March 31, 2021					
	EGP	AUD				
Trade receivables	-	(0.00)				
Cash and cash equivalents	0.01	-				
Net Exposure	**0.01**	**(0.00)**	-	-	-	-

The following significant exchange rates have been applied during the year.

Particulars	Average rate		Year-end spot rate	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
US Dollars (USD)	74.51	74.23	75.79	73.11
Euro (EURO)	86.58	86.61	84.22	85.75
Canadian Dollars (CAD)	59.44	56.21	60.49	58.03
Pound sterling (GBP)	101.80	97.04	99.46	100.75
Ethiopian Birr (ETB)	1.60	2.01	1.47	1.79
Nepalese rupee (NPR)	0.63	0.63	0.63	0.63
Kenyan Shilling (KES)	0.67	0.68	0.66	0.67
Egyptian Pound (EGP)	4.68	4.70	4.15	4.65
United Arab Emirates Dirham (AED)	20.27	20.17	20.64	19.91
Austrailian Dollar (AUD)	55.08	53.36	56.74	55.70

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in INR Crore	Profit or loss	
	Strengthening	Weakening
March 31, 2022		
USD (1% movement)	5.48	(5.48)
EUR (1% movement)	(0.43)	0.43
CAD (1% movement)	(0.06)	0.06
ETB (1% movement)	(0.01)	0.01
NPR (1% movement)	(0.00)	0.00
KES (1% movement)	(0.00)	0.00
EGP (1% movement)	(0.00)	0.00
AED (1% movement)	(0.00)	0.00
AUD (1% movement)	(0.00)	0.00
	4.98	**(4.98)**

Effect in ₹ Crore	Profit or loss	
	Strengthening	Weakening
March 31, 2021		
USD (1% movement)	8.09	(8.09)
EUR (1% movement)	(0.47)	0.47
CAD (1% movement)	(0.02)	0.02
ETB (1% movement)	(0.01)	0.01
NPR (1% movement)	(0.00)	0.00
KES (1% movement)	(0.00)	0.00
EGP (1% movement)	(0.00)	0.00
AUD (1% movement)	0.00	(0.00)
	7.59	**(7.59)**

Note 44 Financial instruments – Fair values and risk management Interest rate risk

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Gruop's interest rate risk arises from borrowings. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ crore)

Particulars	Nominal amount	
	March 31, 2022	March 31, 2021
Fixed rate instruments	47.74	67.61
Variable-rate instruments*	2,812.87	1,547.77
	2,860.61	**1,615.38**

**Variable rate intruments include letter of credit*

Interest rate sensitivity for fixed rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through statement of profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ crore

Particulars	Profit or loss	
	100 Basis Point increase	100 Basis Point decrease
March 31, 2022		
Variable-rate instruments	(28.13)	28.13
Cash flow sensitivity (net)	(28.13)	28.13
March 31, 2021		
Variable-rate instruments	(15.48)	(15.48)
Cash flow sensitivity (net)	(15.48)	15.48

Note 45 Financial instruments – Hedge accounting

The objective of hedge accounting is to represent, in the Group's consolidated financial statements, the effect of the Group's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss.

Currency risk

The Group's risk management policy is to hedge its estimated foreign currency exposure in respect of highly forecasted purchase transactions. The Group uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges. Group's policy is to match the critical terms of the forward exchange contracts with that of the hedged item.

Commodity risk

The Group's risk management policy is mitigate the impact of fluctuations in the aluminium, copper and zinc prices on highly forecast purchase transactions. The Group uses futures contract to hedge its commodity risk. Such contracts are generally designated as cash flow hedges.

Interest rate

The Group's risk management policy is to mitigate its interest rate risk exposure on floating rate borrowings by entering into fixed-rate instruments like interest rate swaps to eliminate the variability of cash flows attributable to movements in interest rates. Such hedges are designated as cash flow hedges.

For derivative contracts designated as hedge, the Group documents at inception the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. The hedging book consists of transactions to hedge Balance Sheet assets or liabilities. The tenor of hedging instrument may be less than or equal to the tenor of underlying hedged asset or liability.

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge.

Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Group assesses hedge effectiveness both on prospective and retrospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.

On the other hand, the retrospective hedge effectiveness test is a backward-looking evaluation of whether the changes in the fair value or cash flows of the hedging position have been highly effective in offsetting changes in the fair value or cash flows of the hedged position since the date of designation of the hedge.

Hedge effectiveness is assessed through the application of critical terms match method/Dollar offset method. Any ineffectiveness in a hedging relationship is accounted for in the consolidated statement of profit and loss

Sr. No.	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Interest rate hedge	Floating rate financial asset or liability	Floating rate financial asset or liability is converted into a fixed rate financial asset or liability using a floating to fixed interest rate swap. This is usually denominated in the currency of the underlying (which in most cases is the functional currency). if not, it may be combined currency swap.	Interest rate swap	Interest rate swap is a derivative instrument whereby the Group recieves or pays (in case of asset or a liability respectively) at a floating rate in return for a fixed rate asset or liability.	Cash flow hedge
2	Future contract	Highly probable purchase transaction	Mitigate the impact of fluctuations in aluminium, copper & zinc prices, on projected purchase contracts for metal.	Futures contract	Group enters into a forward derivative contract to purchase a commodity at a fixed price and at a future date. These are customized contracts transacted in the over—the—counter market. Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over—the—counter market.	Cash flow hedge
3	Forward contract	foreign currency risk of highly probable forecast transactions using forward contracts	Mitigate the impact of fluctuations in foreign exchange rates	Currency forward	Group enters into a forward derivative contract to hedge the foreign currency risk of highly probable forecast transactions using forward contracts. These are customized contracts transacted in the over—the—counter market.	Cash flow hedge
4	Forecasted Export Sales	Forecasted Export Sales	Mitigate the impact of fluctuations in foreign exchange rates	Foreign currency denominated Import Purchases	Group uses its Forecasted Foreign currency denominated Import Purchases to mitigate the risk of foreign currency movement in collection of Forecasted Export Sales	Cash flow hedge

The Group, inter alia, takes into account the following criteria for constructing a hedge structure as part of its hedging strategy:

(a) The hedge is undertaken to reduce the variability in the profit & loss i.e the profit or loss arising from the hedge structure should be lesser than the profit & loss on the standalone underlying exposure. In case of cash flow hedge for covering interest rate risk the hedge shall be only undertaken to convert floating cash flows to fixed cash flows i.e. the underlying has to be a floating rate asset or liability.

(b) At any point in time the outstanding notional value of the derivative deal(s) undertaken for the purpose of hedging shall not exceed the underlying portfolio notional. The hedge ratio therefore does not exceed 100% at the time of establishing the hedging relationship.

(c) At any point in time the maturity of each underlying forming a part of the cluster/portfolio hedged shall be higher than the maturity of the derivative hedging instrument.

The tables below provide details of the derivatives that have been designated as hedges for the periods presented:

As at 31 March 2022									(₹ crore)
Particulars	Notional principal amounts (Net)	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Foreign exchange forward contracts	600.38	0.39	0.75	(1.80)	(0.63)	NA	NA	2.05	COGS
Commodity contracts	30.94	203.48	87.43	120.70	130.19	NA	NA	9.49	COGS
Foreign currency denominated Import Purchases	133.77	-	0.82	(1.50)	(0.66)	NA	NA	0.84	Sales
As at 31 March 2021									(₹ crore)
Particulars	Notional principal amounts (Net)	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps	-	-	-	(0.86)	0.61	NA	NA	1.47	Finance Cost
Foreign exchange forward contracts	18.28	0.07	0.93	(1.81)	(4.59)	NA	NA	(2.77)	COGS
Commodity contracts	120.27	28.40	44.73	118.72	106.93	NA	NA	(11.79)	COGS
Foreign currency denominated Import Purchases	111.54	-	0.16	(1.09)	3.49	NA	NA	4.58	Sales

The tables below provide details of the Group's hedged items under cash flow hedges: (₹ crore)

Particulars	As at 31 March 2022			As at 31 March 2021		
	Change in the value of hedged item for the year	Balance in cash flow hedge reserve		Change in the value of hedged item for the year	Balance in cash flow hedge reserve	
		Where hedge accounting is continued	Where hedge accounting is discontinued		Where hedge accounting is continued	Where hedge accounting is discontinued
Floating rate borrowing	-	-	NA	(0.86)	-	NA
Highly probable purchases	(1.80)	0.36	NA	(1.81)	0.86	NA
Highly probable forecast transactions	120.70	(116.04)	NA	118.72	16.33	NA
Forecasted Export Sales	(1.50)	0.82	NA	(1.09)	0.16	NA

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

(₹ crore)

Particulars	Movement in Cash flow hedge reserve for the years ended	
	March 31, 2022	March 31, 2021
Opening balance	14.82	121.26
Effective portion of changes in fair value:		
a) Interest rate risk	-	0.86
b) Commodity price risk	(120.70)	(118.72)
c) Foreign currency risk	1.80	1.81
d) Forecasted Export Sales	1.50	1.09
Net amount reclassified to profit or loss:		
a) Interest rate risk	-	(1.47)
b) Commodity price risk	(9.49)	11.79
c) Foreign currency risk	(2.05)	2.77
d) Forecasted Export Sales	(0.84)	(4.58)
Movements on reserves during the year		
Closing balance	(114.96)	14.82

Disclosure of effects of hedge accounting on financial performance

31st March, 2022

(₹ crore)

Type of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectieness recognisd in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in consolidated statement of profit and loss because of the reclassification
Cash Flow Hedge				
Foreign exchange risk	(0.63)	NA	2.05	COGS
Commodity price risk	130.19	NA	9.49	COGS
Forecasted Export Sales	(0.66)	NA	0.84	Sales

31st March, 2021

(₹ crore)

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectieness recognisd in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in consolidated statement of profit and loss because of the reclassification
Cash Flow Hedge				
Interest rate risk	0.61	NA	1.47	Finance Cost
Foreign exchange risk	(4.59)	NA	(2.77)	COGS
Commodity price risk	106.93	NA	(11.79)	COGS
Highly Probable Purchases	3.49	NA	4.58	Sales

Note 46 Capital Management

For the purpose of the Group's capital management, capital includes issued capital and other equity reserves . The primary objective of the Groups Capital Management is to maximise shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants. The Group monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances

(₹ crore)

	As at arch 31, 2022	As at March 31, 2021
Borrowings	252.85	264.17
Less : Cash and cash equivalent	253.16	207.02
Adjusted net debt	**(0.31)**	**57.15**
Total equity	1,715.23	1,399.52
Less : Hedging reserve	85.34	(11.10)
Adjusted equity	**1,629.90**	**1,410.61**
Adjusted net debt to adjusted equity ratio	**(0.00)**	**0.04**

Note 47 Segment reporting

A. General Information

(a) **Factors used to identify the entity's reportable segments, including the basis of organisation -**
The operations of the Group are segmented into Primary Segment (Business Segment) & Secondary Segment (Geographical Segment).

(b) **Following are reportable segments**
Reportable segment
Conductor
Transformer & Specialities Oils
Power/Telecom Cables

(c) **Identification of segments:**
The Chief Operating Decision Maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on Profit or Loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments have been identified on the basis of nature of products / services.

(d) **Segment revenue and results:**
The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

(e) **Segment assets and liabilities:**
Segment assets include all operating assets used by the operating segment and mainly consist of property plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets / liabilities.

B. Information about reportable segments

(₹ crore)

For the year ended March 31, 2022							
Particulars	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments	Other segments	Elimination	Total
External revenues (Gross)	3,778.17	3,523.44	1,961.74	9,263.35	56.64	-	9,319.99
Other income	5.83	11.78	7.10	24.70	0.03	-	24.74
Unallocable Income							7.75
Intersegment revenue	425.69	37.00	32.00	494.68	0.12	(494.80)	-
Segment revenue	**4,209.68**	**3,572.22**	**2,000.83**	**9,782.73**	**56.79**	**(494.80)**	**9,352.48**
Segment profit (loss) before tax & Finance Cost	162.75	268.36	79.79	510.90	3.70	-	514.60
Less :- Interest expense							140.62
Less:- Other unallocated expenditure net of unallocable income							32.10
Add : -Share in net profit / (loss) of associate		0.12		0.12			0.12
Profit before tax							342.00
Tax expenses							85.27
Profit after tax							256.73

B. Information about reportable segments (contd..)

(₹ crore)

For the year ended March 31, 2022							
Particulars	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments	Other segments	Elimination	Total
Capital Employed							
Segment assets	3,240.93	1,825.31	1,614.82	6,681.06	37.20	(224.09)	6,494.17
Unallocable corporate and other assets				-			113.35
Total Asset	**3,240.93**	**1,825.31**	**1,614.82**	**6,681.06**	**37.20**	**(224.09)**	**6,607.52**
Segment liabilities	2,559.23	1,170.04	1,033.58	4,762.85	7.77	(224.09)	4,546.53
Unallocable corporate and other liabilities				-			40.57
Total Liabilities	**2,559.23**	**1,170.04**	**1,033.58**	**4,762.85**	**7.77**	**(224.09)**	**4,587.10**
Capital expenditure	23.47	33.98	65.37	122.82	2.41	-	125.23
Capital expenditure -Unallocable							5.24
Depreciation and Amortisation expense	36.02	23.02	31.46	90.51	0.96	-	91.47
Depreciation and Amortisation- Unallocable							6.38

(₹ crore)

For the year ended March 31, 2021	Reportable segments						
Particulars	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments	Other segments	Elimination	Total
External revenues	2,742.82	2,357.19	1,246.54	6,346.55	41.47	-	6,388.02
Other income	9.44	5.37	0.26	15.07	0.10	-	15.17
Unallocable Income							3.44
Intersegment revenue	165.21	6.64	22.97	194.82	1.48	(196.30)	-
Segment revenue	**2,917.47**	**2,369.20**	**1,269.77**	**6,556.44**	**43.05**	**(196.30)**	**6,406.63**
Segment profit (loss) before tax & Finance Cost	68.00	266.33	32.80	367.14	3.46	-	370.60
Less :- Interest expense							136.04
Less:- Other unallocated expenditure net of unallocable income							26.28
Profit before tax							208.28
Tax expenses							47.77
Share in net profit (loss) of associates / JV accounted by Equity method	-	(0.00)	-	(0.00)	-	-	(0.00)
Profit after tax							160.51
Capital Employed							
Segment assets	2,090.00	1,551.42	1,164.31	4,805.73	50.57	-	4,856.31
Unallocable corporate and other assets							142.67
Total Asset	2,090.00	1,551.42	1,164.31	4,805.73	50.57	-	4,998.98
Segment liabilities	1,584.00	968.81	725.03	3,277.84	8.43	-	3,286.27
Unallocable corporate and other liabilities							28.83
Total Liabilities	1,584.00	968.81	725.03	3,277.84	8.43	-	3,315.10
Capital expenditure	12.83	9.24	25.26	47.34	1.67	-	49.01
Capital expenditure -Unallocable	-	-	-	-	-	-	6.80
Depreciation and Amortisation- Expense	35.69	21.14	30.55	87.38	0.77	-	88.15
Depreciation and Amortisation- Unallocable				-			5.29

C. Information about geographical areas

(₹ crore)

(a) Revenue from external customers	For the year ended March 31, 2022	For the year ended March 31, 2021
- Within India*	5,712.04	3,829.53
- Outside India	3,607.95	2,558.49
	9,319.99	**6,388.02**

*include deemed exports ₹42.54 crore (Previous year ₹77.52 crore)

(₹ crore)

Revenue from external customers outside India currency wise	March 31, 2022	March 31, 2021
USD (US Dollar)	3,291.05	2,050.78
EUR (EURO)	180.89	150.23
GBP (British Pound)	0.75	-
CAD (Canadian Dollar)	5.08	97.09
SGD (Singapore Dollar)	0.08	0.13
AUD (Australian Dollar)	3.16	13.82
NPR (Nepalese Rupee)	0.24	
INR	126.70	246.43
Total	**3,607.95**	**2,558.49**

(b) Segment Assets	For the year ended March 31, 2022	For the year ended March 31, 2021
- Within India	6,116.40	4,662.81
- Outside India	491.12	336.17
	6,607.52	**4,998.98**

Segment assets outside India currency wise	March 31, 2022	March 31, 2021
USD (US Dollar)	491.12	336.17
Total	**491.12**	**336.17**

(c). Information about Major Customers

Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Group's total revenue.

Note 48 Related party relationships, transactions and balances

A. List of Related Parties:

The Group's related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business. All the transactions with related parties are on arm's length basis.

a). Key Managerial Personnel:

Mr. K. N. Desai - Chairman & Managing Director

Mr. C. N. Desai - Managing Director

Mr. Rishabh Kushal Desai - Non Executive and Non Independent Director

Mr. Ramesh Iyer- Chief Financial Officer (w.e.f. February 3, 2022)

Mr. V C Diwadkar - Chief Financial Officer (till February 2, 2022)

Mr. Sanjaya Kunder- Company Secretary

b). Independent Directors

Mrs. Nina Kapasi

Mr. F. B. Virani

Mr. Rajesh Sehgal

Mr. Kaushal Sampat

c). Associate Company

Ampoil Apar Lubricants Private Limited (40% shareholding acquired for ₹0.40 crores w.e.f. Sep 19, 2020)

d). Relatives of Key Managerial Personnel

Ms. Maithili N. Desai

Mrs. Noopur Kushal Desai

Mrs. Harshana R. Desai

Ms. Gaurangi K. Desai

Mrs. Jinisha C. Desai

Mr. Devharsh C. Desai

Ms. Nikita C. Desai

e). Entities controlled by key management personnel/ individuals having significant influence:

APAR Corporation Private Ltd and its' subsidiaries, viz

a) APAR Investment (Singapore) Pte. Ltd.

b) APAR Investment Inc.

APAR Technologies Private Limited

APAR Technologies Pte Ltd

Chaitanya N. Desai Family Private Trust

Maithili N. Desai Family Private Trust

Maithili N. Desai Family Private Trust No. 2

Catalis World Private Ltd

Gayatri Associates

Maithili Trusteeship Services Private Limited

Kushal N. Desai Family Private Trust

Narendra D. Desai Family Private Trust

Hari Haribol Dairy Products Private Limited

EM & EM Personal Care Private Limited

Cutting Chai Technologies Private Limited

Annamrita Foundation, Mumbai

DDMM Heart Institute (GMCC Care & Research Society)

Dharmsinh Desai Foundation

Sri Nityanand Education Trust

B. Related Party Transactions

(i) Associate company:

(₹ crore)

Sr. No.	Transactions	2021-22	2020-21
1	Sale of finished goods/ Raw materials / traded goods	0.52	0.30

Sr. No.	Balances outstanding as at year end	2021-22	
1	Investment made	0.40	0.40
2	Receivable from associate company for supply of raw material & finished goods	0.24	0.28

(ii) Key Managerial Personnel :

(₹ crore)

Sr. No.	Transactions	2021-22	2020-21
1	Remuneration	12.33	6.31
2	Dividends paid (payment basis)	17.56	-
3	Sitting fees	0.14	0.12

(₹ crore)

Sr No.	Balances outstanding as at year end	2021-22	2020-21
1	Commission payable	6.09	3.86

(iii) Relatives of Key Managerial Personnel:

Sr. No.	Transactions	2021-22	2020-21
1	Dividends paid (payment basis)	0.13	-
2	Salary paid	0.10	0.04

(iv) Entities controlled by key management personnel/individuals having significant influence:

(₹ crore)

Sr. No.	Transactions	2021-22	2020-21
1	Rent paid	1.32	1.30
2	Dividends paid (payment basis)	4.29	-
3	Sale of finished goods/ Raw materials / traded goods/services	0.05	0.04
4	Purchase of finished goods/ Raw materials / traded goods/services	0.30	0.03
5	Corporate social responsibility expenses	3.38	3.33

(₹ crore)

Sr. No.	Balances outstanding as at year end	2021-22	2020-21
1	Receivable for supply of finished goods / services	0.48	0.08
2	Payable for supply of finished goods / services	0.03	0.00
3	Borrowings	13.04	30.36
4	Security deposit given	0.11	0.08
5	Commitments	7.76	1.19

C. Compensation of key management personnel of the Group

(₹ crore)

Sr. No.	Nature of transaction	2021-22	2020-21
1	Short-term employment benefits	12.01	5.95
2	Post Employment benefis	0.20	0.19
3	Other Long term employee benefits	0.12	0.17
		12.33	6.31

Note 49 Contingent liabilities and Commitments

(₹ crore)

Particulars	March 31, 2022	March 31, 2021
A) Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities		
a) Claims against the group not acknowledged as debts -		
i) Demand/ Show cause-cum-demand notices received and contested by the group with the relevant appellate authorities:		
Excise duty	7.08	6.03
GST	15.39	21.73
Customs duty	2.40	2.40
Sales tax	12.99	12.66
Income tax	10.74	12.03
ii) Arbitration award regarding dispute of alleged contractual non-performance by the Group, against which the Group is in appeal before Bombay High Court.	15.00	14.54
iii) Labour matters	0.05	0.05
iv) Others	17.13	19.23
b) Guarantees		
i) Letter of Guarantees given by the Group.	4.65	8.59
B) Capital commitments		
Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	41.86	37.87

Notes:

1 It is not practicable for the Group to estimate the timing of the cash outflows, if any, in respect of the matters in note a (i) to a (v) of claims against the Group not acknowleged as debts mentioned in A - Contingent Liabilities, pending resolution of the arbitration/appallate proceedings. The liability mentioned as aforesaid includes interest except in cases where the Group has determined that the possibility of such levy is very remote.

2 The cash outflows in respect of Corporate Guarantees mentioned in note b of A - contingent liabilities, could generally occur upto the period over which the validity of such guarantees extends or it could occur any time during the subsistence of the borrowing to which the guarantees relate.

3 The Group does not expect any reimbursements in respect of the above contingent liabilities.

4 The guarantee given are issued in the ordinary course of business from which it is anticipated that no material liability will arise.

Note 50 Expenditure on Research and Development:

(₹ crore)

(A)	R & D Center-OIL (Rabale - DSIR Recognised)	2022-21	2020-21
(a)	Salary, wages and other benefits	2.37	2.17
	Consumables and Other expenses	0.14	0.19
	sub-Total	2.51	2.36
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	0.42
		-	0.42
	Total	**2.51**	**2.78**

(₹ crore)

(B)	R & D Center-Conductor (Silvassa)	2022-21	2020-21
(a)	Salary, wages and other benefits	-	-
	Consumables and other expenses	0.86	2.03
	sub-Total	0.86	2.03
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	0.54	0.51
		0.54	0.51
		1.40	**2.55**

(C)	R & D Center-Cable (Khatalwada)	2022-21	2020-21
(a)	Salary, wages and other benefits	0.28	0.21
	Consumables and other expenses	3.77	1.08
	sub-Total	4.05	1.29
(b)	Capital expenditure		
	Building	-	-
	Plant and machinery	-	-
	Total	**4.05**	**1.29**
	Grand Total (A+B+C)	**7.97**	**6.62**

Note 51 IND AS 115 - Revenue from Contracts with Customers

(₹ crore)

i.	Revenue from contracts with customers	2021-22	2020-21
	Revenue recognised at point in time	9,221.03	6,310.60
	Revenue recognised over time	98.96	77.42
	Total revenue from contracts with customers	**9,319.99**	**6,388.01**

ii. Disaggregated revenue

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on Profit or Loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments have been identified on the basis of nature of products / services.

The Group uses the same operating segment information for reporting purposes in all its communication to various stakeholders i.e. annual report, investor presentations

	2021-22	2020-21
Within India (including deemed exports)	5,712.04	3,829.53
Outside India	3,607.95	2,558.49
	9,319.99	**6,388.02**
iii. Sales by performance obligation		
Upon shipment	9,221.03	6,310.60
Upon providing of services	98.96	77.42
	9,319.99	**6,388.01**
iv. Contract balances		
<u>Contract assets</u>		
As at April 1	0.73	6.15
Add: Addition during the year	8.77	0.73
	9.50	6.88
Less: Trasferred to Receivable	0.73	6.15
As at Mar 31	**8.77**	**0.73**
<u>Contract liabilities</u>		
<u>Advances from customers</u>		
As at April 1	106.39	64.08
Add: Addition during the year	311.76	70.31
	418.14	134.38
Less: Revenue recognised during the year	201.22	28.00
As at Mar 31	**216.93**	**106.39**

Refer note no 14 - for contract assets balances & note no 25 for contract liabilities

v. Remaining performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period are having performance obligations, which are a part of the contracts that has an original expected duration of one year or less.Hence, the Group has applied practical expedient as per para 121 of the Ind As 115 in regards to remaining performance obligations.

Note 52 IND AS 116 - Leases

(₹ crore)

Particulars	2021-22	2020-21
Right of use Assets		
Addition during the year	15.76	14.55
Deletion during the year	(6.29)	(4.32)
Amortisation for the year	7.72	7.60
Carrying value at the end of the year	62.27	57.00
Maturity Analysis of lease liabilities		
Less than 1 year	6.35	5.53
1 - 2 years	7.27	4.40
3 - 5 years	18.62	14.14
More than 5 years	35.07	36.57
Total undiscounted lease liabilities at the year end	67.31	60.65
Recognised into statement of Financial Position		
Non Current	60.93	55.11
Current	6.35	5.53
Amount recognised into Profit & Loss account		
Amortisation of Right of use assets	7.72	7.60
Interest expenses on Lease liabilities	2.44	2.54
Expenses relating to Short term leases & low value assets leases	1.99	1.78
The expense relating to variable lease payments not included in the measurement of lease liabilities Income from subleasing right-of-use assets	-	-
Gains or losses arising from sale and leaseback transactions	-	-
Amount recognised into Cash flows		
Total cash outflows of lease payments (including short term leases & low value assets leases	10.01	9.63

The Group has applied paragraph 6 of IND AS 116; for accounting of Short term leases having lease period of less than 12 months and leases for which the underlying asset if of low value.

Lease payments associated with these leases are accounted either on straight line basis over the lease term or another systematic basis which is more representative of the lease payment pattern.

Note 53 Master Netting

The following table presents the recognised financial instruments that are subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2022 and March 31, 2021.

₹ crore

Particulars	Effects of offsetting on the consolidated balance sheet		
	Gross and net amounts of financial instruments in the consolidated balance sheet	Related amounts that are not off set	Net amounts
March 31, 2022			
Financial assets			
Derivative instruments			
Forward contract/Futures	203.87	86.90	116.96
Total	**203.87**	**86.90**	**116.96**
Financial liabilities			
Derivative instruments			
Forward contract/Futures	89.00	86.90	2.10
Total	**89.00**	**86.90**	**2.10**

₹ crore

Particulars	Effects of offsetting on the consolidated balance sheet		
	Gross and net amounts of financial instruments in the consolidated balance sheet	Related amounts that are not off set	Net amounts
March 31, 2021			
Financial assets			
Derivative instruments			
Forward contract / futures	28.47	22.58	5.89
Total	**28.47**	**22.58**	**5.89**
Financial liabilities			
Derivative instruments			
Forward contract / futures	47.65	22.58	25.07
Total	**47.65**	**22.58**	**25.07**

Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreement. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in same currency are aggregated into a single net amount that is payable by one party to other.

In certain circumstances e.g. when a credit event such as default occurs-all outstanding transactions under the agreement are terminated, the termination value is assessed and only a net amount is payable in the settlement of all transactions.

The ISDA master netting agreement do not meet the criteria for offsetting in the consolidated balance sheet. This is because the Group does not have any currently legally enforceable right to offset recognized amounts, because the right to offset is enforceable only on default.

Note 54 Additional Disclosures

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.

(ii) The Group did not have any material transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the financial year.

(iii) The group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The group have not traded or invested in Crypto currency or Virtual Currency during the period/year.

(v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

vii) The group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

viii) The group is not declared as willful defaulter by any bank or financial Institution or other lender.

ix) During the year group has not entered into any scheme of arrangement.

Note 55 Additional Disclosures

Interest paid on delayed payment of Income Tax for the Financial Year 2015-16 to Financial Year 2018-19 had been erroneously recorded into "Non-current Tax Assets" instead of charging it to the Profit and Loss of the respective years. As a consequence, profit for these respective years has been overstated. During the reporting year, the error has been rectified as per IND AS 8 by charging it to the retained earnings as on April 1, 2020 (the earliest prior period presented). Accordingly, restated financial position as on April 1, 2020 and March 31, 2021 is as under;

Particulars	As on March 31, 2021	Adjustment	As on March 31, 2021
	Previously Reported		Restated
Non current Tax Assets (net)	25.35	(9.68)	15.67
Total non current assets	966.09	(9.68)	956.41
TOTAL ASSETS	**5,008.66**	**(9.68)**	**4,998.98**
Other equity	1,370.93	(9.68)	1,361.25
Total equity	1,409.20	(9.68)	1,399.52
TOTAL EQUITY AND LIABILITIES	**5,008.66**	**(9.68)**	**4,998.98**

Particulars	As on April 1, 2020	Adjustment	As on April 1, 2020
	Previously Reported		Restated
Non current Tax Assets (net)	21.84	(9.68)	12.16
Total non current assets	986.57	(9.68)	976.89
TOTAL ASSETS	**4,653.80**	**(9.68)**	**4,644.12**
Other equity	1,128.16	(9.68)	1,118.48
Total equity	1,166.43	(9.68)	1,156.75
TOTAL EQUITY AND LIABILITIES	**4,653.80**	**(9.68)**	**4,644.12**

Note 56 Figures for previous year have been regrouped, wherever necessary

As per our report attached

CNK & Associates LLP
Chartered Accountants
Firm's Registration No.: 101961W / W-100036

Himanshu Kishnadwala
Partner
Membership No.: 037391

Place: Mumbai **Date:** 27th May, 2022

For and on behalf of the Board of Directors

Kushal N. Desai
Chairman, Managing Director
& Chief Executive Officer
DIN: 00008084

Nina P. Kapasi
Director
DIN: 02856816

Ramesh Iyer
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Independent Auditors' Report

To the Members of APAR Industries Limited

Report on the Consolidated Financial Statements:

Opinion

We have audited the accompanying Consolidated Financial Statements of APAR Industries Limited (hereinafter referred to as 'the Holding Company') , its subsidiaries and its associate (the Holding Company, its subsidiaries and its associate together referred to as 'the Group') comprising of the Consolidated Balance Sheet as at 31 March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement for the year then ended, the Consolidated Statement of Changes in Equity and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Group as at 31st March, 2021, its consolidated profit including Other Comprehensive Income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. no	Key audit matters	Auditor's Response
1.	Revenue Recognition including related rebates, discounts, sales returns. We have identified the following key areas for consideration of revenue recognition as key audit matters: • Cut-off procedures • Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in conformity with Ind AS 115 • Recognition of related rebates, discounts, sales return etc. The application of the Accounting Standard involves certain key judgements relating to identification of distinct performance, obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, accounting standard contains disclosures, which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Revenue is recognised net of accruals for sales returns, rebates & discounts, etc. The estimates relating to the accruals are important given the significance of revenue and considering the distinctive terms of arrangement with customers. These estimates are complex and requires significant judgement and estimation by the Company for establishing an appropriate accrual mechanism. Accuracy of revenues may deviate because of change in judgements and estimates. Revenue from operations (net of rebate, discount, sales return) for the year ended 31st March 2021 is Rs. 6388.02 crores (Refer Note 25 to the Consolidated Financial Statements).	To address this key audit matter, our procedure included: • Obtaining an understanding of the accounting processes and relevant controls relating to the accounting of revenue and related costs • Performing walkthroughs of the revenue recognition processes and assessed and tested the design effectiveness as well as operative effectiveness of key controls. • Reviewing significant existing / new contracts / orders to understand the terms and conditions and their impact on recognition of revenue. • Performing cut off tests to ensure appropriate accounting of revenue related to the accounting year under audit. • Assessing the adequacy of the Company's disclosures on revenue as per Ind AS 115 as given in note 25 and 48 of the Consolidated Financial Statements. • Performing analytical procedures for reasonableness of revenues disclosed by type and service offerings. With regard to rebates, discounts, sales returns, • We obtained and reviewed Management's calculations for accruals and assessed the assumptions used with reference to the Company's commercial policies and the terms of the applicable contracts. • We assessed management analysis of the historical pattern of accruals to validate management's assumption for creation of such provisions and estimates made in the earlier years. • We also performed analytical procedures to test recording of revenue and the related costs in appropriate period. Based on the procedures performed we consider that revenue and the related costs are fairly stated in the Consolidated Financial Statements.

2.	Litigations, Provisions and Contingent Liabilities There are several litigations pending before various forums against the Company. These also include matters under various statutes and involves significant management judgement and estimates on the possible outcome of the litigations and consequent provisioning thereof or disclosure as contingent liabilities. We identified this as a key matter as the estimate of these amounts involve a significant degree of management judgement and high estimation (Refer note 46 to the Consolidated Financial Statements).	To address this key audit matter, our procedures included: Obtaining from the management details of matters under disputes including ongoing and completed tax assessments, demands and other litigations. • Evaluation and testing of the design of internal controls followed by the Company relating to litigations and open tax positions for direct and indirect taxes and process followed to decide provisioning or disclosure as Contingent Liabilities. • Discussed with Company's legal team and taxation team for sufficient understanding of on-going and potential legal matters impacting the Company. • We also involved our firm's internal experts to evaluate the management's underlying judgements in making their estimates with regard to such matters.

Other Information

The Holding Company's Board of Directors is responsible for the preparation of the Other Information. The Other Information comprises the information included in the boards report including Annexures, Management Discussion and Analysis Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with the audit of the Consolidated Financial Statements, our responsibility is to read the Other Information identified above when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the Consolidated Financial Statements or the knowledge obtained during the course of the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error;

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so;

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group

Auditor's Responsibility for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing my opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of the Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a

material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represents the underlying transactions and events in a manner that achieve fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditor. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 4 subsidiary companies included in the audited consolidated financial results, whose audited financial results reflect total assets of Rs. 452.27 crores as at 31st March, 2021, total revenue of Rs. 493.60 crores, total net profit after tax of Rs. 23.68 crores, total comprehensive income of Rs. 25.15 crores and total cash inflow of Rs. 1.11 crores for the year ended 31st March, 2021.

We did not audit the financial statements of 1 associate, included in the Consolidated Financial Statements, whose financial statements include group share of total net profit / (loss) of Rs. (0.00)* for the year ended 31st March 2021.

*Amount less than Rs. 0.50 lakh

The financial statements of these subsidiaries and the associate have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and the associate and the report in terms of Section 143(3) of the Act, in so far as it relates to the subsidiaries incorporated in India and associate, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors

Report on Other Legal and Regulatory Requirements

1., As required by Section 143(3) of the Act, based on the audit and on the consideration of the reports of the other auditors on separate financial statements we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from the examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the auditors of the subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India, is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Companies covered under the Act and the operating effectiveness of such controls, refer to the separate Report in '**Annexure A**';

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements:

i. The Consolidated Financial Statements has disclosed the impact of pending litigations on consolidated financial position of the Group in Note 46 to the Consolidated Financial Statements.

ii. There were no long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection fund by the companies incorporated in India.

iv. i. The Holding Company Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiaries and its associate to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiaries and its associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii. The Holding Company Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Holding Company, its subsidiaries and its associate from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiaries and its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. In respect of dividend declared / paid during the year, by entities incorporated in India, the provisions of the section 123 of the Companies Act, 2013, have been complied with.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. 101961W/W-100036

Himanshu Kishnadwala

Partner
Membership no. 037391
UDIN: 21037391AAAACR4834
Mumbai, 31st May 2021

Annexure 'A' to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Apar Industries Limited** ("the Company") and in respect of its subsidiaries and associate incorporated in India wherein such audit of internal financial controls over financial reporting was carried out by other Auditors whose reports have been forwarded to us and have been appropriately dealt with by us in making this report as on 31st March, 2021 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies incorporated in India and the associate, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Holding Company, its subsidiary companies incorporated in India and the associate considering essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective companies' policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies incorporated in India and the associate, based on the audit. We conducted the audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. The audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for my audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the companies are being made only in accordance with authorizations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company, its subsidiary companies incorporated in India and its associate has, in all material respects, an internal financial controls with reference to financial statements of the Company and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and the operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary companies incorporated in India and associate company are solely based on the corresponding reports of the auditors of such companies.

Our Opinion is not modified in respect of above matter.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. 101961W/W-100036

Himanshu Kishnadwala

Partner
Membership no. 037391
UDIN: 21037391AAAACR4834
Mumbai, 31st May 2021

Consolidated Balance Sheet as at 31st March, 2021

(₹ in crore)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	2	819.10	830.18
Right to use Assets	2A	57.00	52.05
Capital work-in-progress	2	28.71	54.67
Other intangible assets	2B	1.81	2.43
Intangible asset under development	2B	-	0.04
Financial assets			
Investments	3	0.40	-
Trade receivables	9A	7.69	3.06
Derivatives assets	4	4.25	-
Other Financial Assets	5	13.40	13.51
Non current tax assets (net)		25.35	21.84
Other non-current assets	6	8.38	8.79
Total non current assets		**966.09**	**986.57**
Current assets			
Inventories	7	1,562.71	1,331.43
Financial assets			
Investments	8	60.00	-
Trade receivables	9	1,861.29	1,898.60
Cash and cash equivalents	10	209.34	163.92
Bank balances other than above	11	12.42	12.31
Loans	12	16.89	29.91
Derivatives assets	4	24.21	24.79
Other current assets	13	295.71	206.27
Total current assets		**4,042.57**	**3,667.23**
TOTAL ASSETS		**5,008.66**	**4,653.80**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14A	38.27	38.27
(b) Other equity	14B,14C	1,370.93	1,128.16
Equity attributable to equity holders of APAR Industries Limited		1,409.20	1,166.43
Non-controlling interests		-	-
Total equity		**1,409.20**	**1,166.43**
Non current liabilities			
Financial liabilities			
Borrowings	15	191.59	187.93
Leases Liabilities		55.11	48.55
Derivatives liabilities	16	0.72	7.34
Other financial liabilities	17	3.11	3.37
Provisions	18	8.13	8.18
Deferred tax liabilities (net)	19	20.18	0.67
Total non current liabilities		**278.84**	**256.04**
Current liabilities			
Financial liabilities			
Borrowings	20	21.49	94.02
Leases Liabilities		5.53	5.80
Trade payables	21		
a) Total outstanding dues of micro enterprises and small enterprises		27.77	17.23
b) Total outstanding dues of creditors other than micro enterprises and small enterprises.		3,010.31	2,830.73
Derivatives liabilities	16	46.92	124.50
Other financial liabilities	22	69.21	76.04
Other current liabilities	23	124.91	81.58
Provisions	24	3.15	1.43
Current tax liabilities (net)		11.33	-
Total current liabilities		**3,320.62**	**3,231.33**
Total liabilities		**3,599.46**	**3,487.36**
Total equity and liabilities		**5,008.66**	**4,653.80**
See accompanying notes to financial statement	**1**		

As per our report attached
C N K & Associates LLP
Chartered Accountants
Firm Registration No.101961W/W-100036

For and on behalf of the Board of Directors

Himanshu Kishnadwala
Partner
Membership No. 037391
Mumbai, 31st May, 2021

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 31st May, 2021

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Consolidated Statement of profit and loss as at 31st March, 2021

(₹ in crore)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue			
I. Revenue from Operations	25	6,388.02	7,425.45
II. Other income	26	22.26	17.99
III. Total Income		**6,410.28**	**7,443.44**
IV. Expenses			
Cost of materials consumed	27	4,675.78	5,723.54
Purchases of stock-in-trade	28	78.97	148.60
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	29	45.35	(164.82)
Employee benefits expense	30	160.38	168.83
Finance costs	31	136.04	227.65
Depreciation and amortization expense	2,2A,2B	93.44	87.12
Other expenses	32	1,012.68	1,084.33
Total Expenses		**6,202.64**	**7,275.25**
Less : Transfer to property, plant & equipment's		0.63	1.22
Net total expenses		**6,202.01**	**7,274.03**
V. Profit before share of profit/(loss) of an associate and exceptional items		**208.27**	**169.41**
VI. Share in net profit / (loss) of associate*		(0.00)	-
VII. Profit before exceptional items (V + VI)		**208.27**	**169.41**
VIII. Exceptional items		-	-
IX. Profit before tax		208.27	169.41
X. Tax expense:			
1. Current tax		51.45	46.49
2. Deferred tax		(4.20)	(12.33)
3. Taxes of earlier years		0.52	0.10
		47.77	**34.26**
XI. Profit/(Loss) for the year from Continuing Operations (IX-X)		**160.50**	**135.15**
XII.Other comprehensive income (OCI)		-	-
Items that will not be reclassified to profit or loss			
Items that will not be reclassified to profit or loss		0.73	(1.17)
Income tax relating to items that will not be reclassified to profit or loss		(0.18)	0.30
Items that will be reclassified to profit or loss			
Items that will be reclassified to profit or loss		105.27	(109.54)
Income tax relating to items that will be reclassified to profit or loss		(23.52)	26.97
Total Other comprehensive income (OCI)		**82.30**	**(83.44)**
XIII. Total comprehensive income for the year (XI+XII) (Comprising profit and other comprehensive income for the period)		**242.80**	**51.71**
Profit for the year attributable to			
a) Owners of the Parent		160.50	135.15
b) Non-Controlling Interests		-	-
Other comprehensive income attributable to			
a) Owners of the Parent		82.30	(83.46)
b) Non-Controlling Interests		-	-
Total comprehensive income attributable to			
a) Owners of the Parent		242.80	51.71
b) Non-Controlling Interest		-	-
XIV. Earnings per equity share (Face value of ₹ 10 each)	**33**		
Basic		41.94	35.32
Diluted		41.94	35.32
Significant accounting policies	**1**		

*Amount Less than ₹ 0.50 lacs

As per our report attached

C N K & Associates LLP
Chartered Accountants
Firm Registration No.101961W/W-100036

Himanshu Kishnadwala
Partner
Membership No. 037391
Mumbai, 31st May, 2021

For and on behalf of the Board of Directors

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 31st May, 2021

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Consolidated Statement of Cash Flows as at 31st March, 2021

(₹ in crore)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	208.27	169.41
Adjustments for		
Depreciation on non current assets	84.96	76.21
Amortisation of Right to use assets	7.60	7.83
Amortisation of intangible assets	0.89	3.08
(Gain)/loss on sale of property, plant and equipment	(0.49)	2.81
Foreign currency translation reserve	(2.03)	6.24
Finance costs	105.61	156.71
Finance income	(5.40)	(5.26)
Provision for Doubtful Debts made / (written back / reversed)	5.55	6.52
Unrealised exchange loss/(gain)	(3.11)	40.95
Profit on sale of investments	(5.12)	(3.15)
Movement in working capital		
(Increase) / decrease in trade and other receivables	(51.90)	265.84
(Increase) / decrease in inventories	(231.27)	(48.56)
Increase / (decrease) in trade and other payables	254.10	(504.74)
Tax paid	(44.14)	(79.72)
Net cash generated by / (used in) operating activities	**323.52**	**94.17**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(55.57)	(144.86)
Acquisition of intangibles	(0.24)	(0.40)
Proceeds from sale of property, plant and equipment	0.68	0.67
(Purchase) / Sale of investments (net)	(54.99)	189.81
Sale / (purchase) of investment in Ampoil APAR Lubricants Pvt Ltd	(0.40)	-
Net cash generated by / (used in) investing activities	**(110.52)**	**45.22**
Cash flow from financing activities		
Proceeds/(repayments) from short-term borrowings - net	(72.53)	2.60
Proceeds/(repayments) of long-term borrowings - net	21.09	55.40
Repayment of Lease Liabilities	(5.31)	(5.36)
Interest received/(paid) - net	(110.30)	(153.99)
Dividend Payment (including Dividend Distribution tax)	(0.12)	(87.47)
Net cash (used in) / generated by financing activities	**(167.17)**	**(188.83)**
Net increase / (decrease) in cash and cash equivalents	45.83	(49.44)
Effect of exchanges rate changes on cash and cash equivalents	(0.41)	0.12
Cash and cash equivalents at the beginning of the year	163.92	213.24
Cash and cash equivalents at the end of the year	**209.34**	**163.92**

Notes :

1) Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 statement of cash flows.

2) Purchase of property, plant and equipments includes movement of capital work-in-progress during the year.

3) Cash and cash equivalents represents cash and bank balances and includes unrealised loss of ₹ 0.41 crore; (Previous year unrealised gain of ₹ 0.12 crore) on account of translation of foreign currency bank balances.

(₹ in crore)

Particulars*	Long Term Borrowings	Short Term Borrowings	Total
Opening balance as at April 1, 2019	**166.91**	**87.82**	**254.73**
Proceeds/(repayments) from financing activities - net	55.40	2.60	58.00
Foreign exchange adjustments	2.58	3.60	6.18
Closing balance as on March 31, 2020	**224.89**	**94.02**	**318.91**
Proceeds/(repayments) from financing activities - net	21.09	(72.54)	(51.45)
Foreign exchange adjustments	(2.66)	0.00	(2.66)
Closing balance as on March 31, 2021	**243.32**	**21.49**	**264.80**

*Please refer note 15C for long term borrowings & note 20 for short term borrowings.

As per our report attached

C N K & Associates LLP

Chartered Accountants

Firm Registration No.101961W/W-100036

For and on behalf of the Board of Directors

Himanshu Kishnadwala
Partner
Membership No. 037391
Mumbai, 31st May, 2021

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 31st May, 2021

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Consolidated Statement of changes in equity

(₹ in crore)

(a) Equity share capital	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Balance at the beginning of the reporting period Balance	**3,82,68,619**	**38.27**	**3,82,68,619**	**38.27**
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	**3,82,68,619**	**38.27**	**3,82,68,619**	**38.27**

(b) Other equity	Reserves & Surplus					Items of OCI				Attributable to	
For the year ended	Retained earnings - Surplus	General reserve	Securities premium	Capital reserve	Capital Redemption Reserve	Foreign currency translation reserve	Hedging reserve	Other items of OCI	Total	Owners of the Parent	Non - controlling interest
Balance at April 1, 2019	**682.69**	**240.00**	**205.18**	**23.77**	**14.98**	**3.33**	**(4.26)**	**(1.59)**	**1,164.10**	**1,164.10**	-
Total comprehensive income for the year											
Profit for the year	135.15								135.15	135.15	-
Other comprehensive income for the year						5.17	(87.75)	(0.87)	(83.45)	(83.45)	-
Total comprehensive income for the year	**135.15**	-	-	-	-	**5.17**	**(87.75)**	**(0.87)**	**51.70**	**51.70**	-
Transactions with the owners of the Group											
Contributions and distributions											
Dividends (including tax on dividend)	(87.64)	-							(87.64)	(87.64)	-
Transfer / Receipt	(14.00)	14.00							-	-	-
Balance at March 31, 2020	**716.20**	**254.00**	**205.18**	**23.77**	**14.98**	**8.50**	**(92.01)**	**(2.46)**	**1,128.16**	**1,128.16**	-
Total comprehensive income for the year											
Capital Contribution											
Profit for the year	160.50								160.50	160.50	-
Other comprehensive income for the year						0.80	80.95	0.55	82.30	82.30	-
Total comprehensive income for the year	**160.50**	-	-	-	-	**0.80**	**80.95**	**0.55**	**242.80**	**242.80**	-
Transactions with the owners of the Group											
Contributions and distributions											
Dividends (including tax on dividend)	-								-	-	-
Transfer / Receipt	(13.96)	14.30		(0.30)			(0.04)		-	-	-
Balance at March 31, 2021	**862.74**	**268.30**	**205.18**	**23.46**	**14.98**	**9.30**	**(11.11)**	**(1.92)**	**1,370.93**	**1,370.93**	-

Nature and purpose of reserves

i. Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows or items affect profit or loss.

ii. Securities premium

The Securities Premium used to record the premium received on the issue of shares. It is utilised in accordance with the provisions of the Companies Act 2013. The reserve also comprises the profit on treasury shares sold off 16,35,387 in FY 2015-16

iii. Capital reserve

The reserve comprises of profits/gains of capital nature earned by the Group and credited directly to such reserve.

iv. Capital redemption reserve

Capital redemption reserve represents amounts set aside by the Group for future redemption of capital.

v. General reserve

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

vi. Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign subsidiaries with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve.

As per our report attached
C N K & Associates LLP
Chartered Accountants
Firm Registration No.101961W/W-100036

For and on behalf of the Board of Directors

Himanshu Kishnadwala
Partner
Membership No. 037391
Mumbai, 31st May, 2021

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 31st May, 2021

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Note	1	Significant Accounting Policies

1. **General information**

APAR Industries Limited ("the Company"), founded by Late Shri. Dharmsinh D. Desai in the year 1958 is one among the best established companies in India, operating in the diverse fields of electrical and metallurgical engineering offering value added products and services in Power Transmission Conductors, Petroleum Specialty Oils and Power & Telecom Cables. The Company is incorporated in India. The registered office of the Company is situated at 301, Panorama Complex, R. C. Dutt Road, Vadodara, Gujarat – 390 007. The Company has manufacturing plants in state of Maharashtra, Gujarat, Orissa & Union Territory of Dadra and Nagar Haveli.

These financial statements are approved for issue by the Board of Directors on May 31, 2021.

2. **Statement of compliance**

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act (to the extent notified) read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

3. **Functional and presentation currency**

These consolidated financial statements are presented in Indian Rupees (₹), which is the Group's functional currency. All amounts have been rounded off to two decimal places to the nearest crore, unless otherwise indicated.

4. **Basis of preparation**

The consolidated financial statements have been prepared on a going concern basis using the historical cost basis except for the following items:

- certain financial assets and liabilities (including mutual fund investments and derivatives) that are measured at fair value;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments.

5. **Key estimates and assumptions**

The preparation of consolidated financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the (i) balance sheet and (ii) statement of profit and loss. The actual amounts may differ from these estimates.

Estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives of tangible assets and intangible assets**

  Useful lives of assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds corresponds to the probable maturity of the post-employment benefit obligations.

- **Recognition of deferred tax assets**

  Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and unabsorbed depreciation and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

- **Evaluation of control**

  The Group makes assumptions, when assessing whether it exercises control, joint control or significant influence over companies in which it holds less than 100 percent of the voting rights. These assumptions are made based on the contractual rights with the other shareholders, relevant facts and circumstances which indicate that the Group has power over the potential subsidiary or that joint control exists. Changes to contractual arrangements or facts and circumstances are monitored and are evaluated to determine whether they have a potential impact on the assessment as to whether the Group is exercising control over its investment

- **Recognition and measurement of other provisions**

  The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

- **Discounting of long-term financial assets/liabilities**

  All financial assets/liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities which are required to subsequently measure at amortised cost, interest is accrued using the effective interest method.

- **Fair value of financial instruments**

  Derivatives and investments in mutual funds are carried at fair value. Derivative includes Foreign Currency Forward Contracts, Commodity futures contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts and Commodity future contracts are determined using the fair value reports provided by merchant bankers and London Metal Exchange (LME) brokers respectively. Fair values of Interest Rate Swaps are determined with respect to current market rate of interest.

- **Sales incentives and Customer Loyalty Programs**

  Rebates are generally provided to distributors or dealers as an incentive to sell the Group's products. Rebates are based on purchases made during the period by distributor / customer. The Group determines the estimates of benefits accruing to the distributors/ dealers based on the schemes introduced by the Group.

  The amount allocated to the loyalty program/ incentive is deferred and is recognised as revenue when the Group has fulfilled its obligations to supply the discounted products under the terms of the program or when it is no longer probable that the points under the program will be redeemed.

  The cash incentives offered under various schemes are in the nature of sales promotion and provisions is made for such incentives.

6. Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant observable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

7. Significant accounting policies followed by the Group

A. Basis of consolidation

i. Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in equity under the head 'Capital reserve'. Transaction costs are expensed as incurred, except if related to the issue of equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, net of deferred taxes, are eliminated.

v. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Note	1	Significant Accounting Policies

B. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of profit and loss.

The Group has adopted Appendix B to Ind AS 21, Foreign Currency transactions and advance considerations notified in the Companies (Indian Accounting Standards) Rules, 2018. Accordingly, the exchange rate for translation of foreign currency transaction; in cases when the Group receives or pays advance consideration is earlier of;

- the date of initial recognition of non-monetary prepayment asset or deferred income liability or
- the date that the related item is recognized in the financial statements.

If the transaction is recognized in stages; then a transaction date will be established for each stage.

C. Revenue recognition

i. Revenue from contract with customers for sale of goods and provision of services

The Group recognizes revenue from contracts with the customers based on five step model defined in Ind AS 115. The Group satisfies a performance obligation and recognizes revenue over time, if any of the conditions given in Ind AS 115 are satisfied; else revenue is recognized at point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenues are recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue & costs, if applicable, can be measured reliably.

a. Performance Obligation

The Group derives its revenue from selling products and services in Power Transmission Conductors, Transformer & Speciality Oils and Cables.

The Group is required to assess each of its contracts with customers to determine whether performance obligation is satisfied over time or at a point in time in order to determine the appropriate method for recognizing of revenue. The Group recognizes the revenue over time only if it satisfies the criteria given in Ind AS 115. Where the criteria as per Ind AS 115 are not met, revenue is recognized at a point in time.

The Group satisfies its performance obligation when the control over the goods is transferred to the customer or benefits of the services being provided is received and consumed by the customer.

In cases where the Group determines that performance obligation is satisfied at a point in time, revenue is recognized when the control over the goods is transferred to the customer or benefits of the services being provided is received by the customer. The Group considers that the customer has obtained the control of promised goods or services; when the goods have been dispatched/delivered to the destination as per terms of the contract or services has been provided to the customer as per agreed terms and the Group has unconditional right to consideration.

In cases where the Group determines that performance obligation is satisfied over time, then revenue is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction (Input Method). The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

1. The amount of revenue can be measured reliably;
2. It is probable that the economic benefits associated with the transaction will flow to the Group;
3. The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stage of completion is determined by the proportion of actual costs incurred to-date, to the estimated total costs of the transaction.

The Group considers that the use of the input method, which requires revenue recognition on the basis of the Group's efforts to the satisfaction of performance obligation, provides the best reference of revenue actually earned. In applying the input method, the Group estimates the efforts or inputs to the satisfaction of a performance obligation. In addition to the cost of meeting contractual obligation to the customers, these estimates mainly include;

- For service contracts, the time elapsed

b. Transaction Price

The Group is required to determine the transaction price in respect of each of its contracts with customers.

Contract with customers for sale of goods or services are either on a fixed price or on variable price basis.

For allocating the transaction price, the Group measures the revenue in respect of each performance obligation of contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In making judgment about the standalone selling price, the Group also assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration if any, the Group uses the "most likely amount" method as per IND AS 115 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

c. Discounts, Rebates & Incentive to Customers

The Group accounts for volume discounts, rebates and pricing incentives to customers based on the ratable allocation of the discounts / rebates to each of the underlying performance obligation that corresponds to the progress made by the customer towards earning that discount, rebate or incentive. The Group also recognises the liability based on the past performance of the customers fulfilling the criteria to get the discounts, rebates or incentives and the future outflow of the same is probable. If it is probable that the criteria for the discounts will not be met or if the amounts thereof cannot be estimated reliably, then the discount is not recognised until the payment is probable and the amount can be estimated reliably. The Group accounts for discounts, rebates and pricing incentives in the year of payment where customer qualifies for the same and wherein provision was not made due to Group's inability to make reliable estimates based on the available data at reporting date.

ii. Lease income:

The Group has determined that the payments by the lessee are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Accordingly rental income arising from operating leases is accounted for on an accrual basis as per the terms of the lease contract

iii. Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.

iv. Dividend income is recognised when the right to receive the payment is established.

D. Employee benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

- **Provident Fund Scheme**

The Group makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952.

- **Superannuation Scheme**

The Group makes specified contributions to the superannuation fund administered by the Group and the return on investments is adequate to cover the commitments under the scheme. The Group's contribution paid/payable under the scheme is recognised as expense in the statement of profit and loss during the period in which the employee renders the related service.

iii. Defined benefit plans

The following post – employment benefit plans are covered under the defined benefit plans:

- **Gratuity Fund**

  The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

  The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

  Re-measurement of the net defined benefit/liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset), to the net defined liability/(asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

  When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. **Other long-term employee benefits**

Long-term Compensated Absences are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss.

E. Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- the net gain or loss on financial assets at FVTPL
- exchange differences arising from monetary assets and liabilities

Interest income or expense is recognised using the effective interest rate method.

F. Grants/ Subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset the cost of the asset is shown at gross value and grant thereon is treated as capital grant. The capital grant will be recognised as income in the statement of profit and loss over the period and in proportion in which depreciation is charged.

Revenue grants are recognised in the statement of profit and loss in the same period as the related cost, which they are intended to compensate are accounted for.

G. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except;

a. To the extent that it relates to a business combination, or

b. Items recognised directly in equity or in OCI. Such as;

i. Items that will not be reclassified to profit or loss and their related income tax effects

   a. Re-measurements of the defined benefit plans

ii. Items that will be reclassified to profit or loss and its related income tax effects;

   a. The effective portion of gain and loss on hedging instruments in a cash flow hedge

i. Current tax

Current tax comprises the expected tax payable on taxable income or receivable on taxable loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Note	1	Significant Accounting Policies

Current tax assets and liabilities are offset only if, the Group:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

H. Inventories

Inventories are measured at the lower of cost and net realizable value. Inventory of scrap is valued at estimated realizable value. The cost of inventories is determined using the weighted average cost method. Cost includes direct materials, labour, other direct cost and manufacturing overheads. Inventories of finished goods also includes applicable taxes.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

I. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in the statement of profit or loss.

Note	1	Significant Accounting Policies

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

The cost of the property, plant and equipment's at 1st April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value at that date.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

iii. Depreciation

Depreciation is provided, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except in the case where the estimated useful life based on management experience and technical evaluation differs.

Depreciation is charged on the Straight-Line method (SLM) or the Written Down Value method (WDV) based on the method consistently followed by the respective entities in the Group.

The depreciation method followed by each division is as below:

Particulars	Conductor Division	Oil Division	Cable Division	Head Office
Leasehold Land	SLM	SLM	SLM	SLM
Buildings	SLM	SLM	SLM	SLM
Plant and Equipments	SLM	SLM	SLM	SLM
Furniture and Fixtures	SLM	WDV	SLM	WDV
Office Equipments	SLM	WDV	SLM	WDV
Motor Vehicles	SLM	WDV	SLM	WDV

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Capital expenditure in respect of which ownership does not vest with the Group is amortized over a period of five years. Leasehold land is amortised over the period of lease.

Useful life as per Group's technical estimates in Plant & Equipments are as below:

Description of Assets	Useful Life in Schedule II	Useful Life as per technical estimates
Plant and Equipments - Oil division (other than filling lines)	15 Years	20 Years
Plant and Equipments - Conductor Division	15 Years	20 Years
Plant and Equipments - Cable Division	15 Years	25 Years

J. Intangible Assets

Intangible assets which are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

Enterprise Resource Planning Software cost: Cost of implementation of ERP Software including all related direct expenditure is amortized over a period of 5 years on successful implementation.

The cost of the intangible assets at 1st April 2015, the Group's date of transition to Ind AS, was determined with reference to its carrying value at that date.

Note	1	Significant Accounting Policies

K. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

L. Share-based payments:

a. Employees of the Group receives remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

b. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

c. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

d. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

e. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

M. Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in securities premium.

N. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as Foreign Exchange Forward Contracts, Commodity Future Contracts, Interest Rate Swaps, Currency Options and Embedded Derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

i. Financial assets

Classification

The financial assets are classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for management of the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Debt instruments at amortised cost

- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at fair value through profit and loss (FVTPL)

- Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as Fair Value through Other Comprehensive Income (FVOCI), is classified as at FVTPL.
- In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').
- Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Investments into Equity instruments and Mutual Funds

- All investments in the scope of Ind-AS 109 are measured at fair value. Equity instruments and mutual funds which are held for trading are classified as at FVTPL. For all other equity instruments and mutual funds, the Group decides to classify the same either as at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
- Equity instruments and mutual funds included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

- A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when:
- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset
- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither } transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

ii. **Financial liabilities**

Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities measured at fair value through profit or loss.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Note	1	Significant Accounting Policies

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iii. Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash Flow Hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under the "effective portion of cash flow hedges". The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on the present value basis, from the inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit and loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to profit and loss in the same period or periods during which the hedged expected future cash flows affect profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial items cost of initial recognition or for other cash flow hedges, it is reclassified to profit and loss in the same period as the hedged future cash flows affect the profit and loss.

If the hedged cash flows are no longer expected to occur, then the amounts that have been accumulated in the other equity are immediately reclassified to profit and loss.

Note	1	Significant Accounting Policies

Provisions and contingent liabilities

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible outflow of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognised but disclosed in the consolidated financial statements where an inflow of economic benefit is probable.

O. Leases

The Group has adopted Ind AS 116, effective from annual reporting period beginning April 1, 2019 and applied the standard to its existing leases, with the modified retrospective method. This has resulted into recognition of Right of use assets at an amount equals to Lease liability on date of initial application (April 1, 2019).

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception is comprising of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the Group's incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to;

1. Short-term leases of all assets that have a lease term of 12 months or less, and

2. Leases for which the underlying asset is of low value.

The lease payments associated with above 2 types of leases are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

At the inception of the lease, the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

P. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

Q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group cash management.

R. Segment Reporting

The Chief Operational Decision Maker (CODM) monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments have been identified on the basis of nature of products / services.

The Accounting Policies adopted for segment reporting are in line with the Accounting Policies of the Group. Segment assets include all operating assets used by the business segments and consist principally of fixed assets, trade receivables and inventories. Segment liabilities include the operating liabilities that result from the operating activities of the business. Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively. Income / Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income / expenses.

S. Earnings per share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

T. Cash flows

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flow. The cash flows from operating, investing and financing activities of the Group are segregated based on available information.

U. Dividends

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

8. Recent Amendments

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are as below;

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as:
  - Compliance with approved schemes of arrangements
  - Compliance with number of layers of companies
  - Title deeds of immovable property not held in name of company
  - Loans and advances to promoters and directors, key managerial personnel (KMP) and related parties
  - Details of benami property held
- Various ratios:
  - Current Ratio
  - Debt-Equity Ratio
  - Debt Service Coverage Ratio
  - Return on Equity Ratio
  - Inventory turnover ratio
  - Trade Receivables turnover ratio
  - Trade payables turnover ratio
  - Net capital turnover ratio
  - Net profit ratio
  - Return on Capital employed
  - Return on investment

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of standalone financial statements

  The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

Note	2	Property, plant and equipment

(₹ in crore)

	Gross Carrying Amount					Depreciation				Net Block	
	As at 01-04-2020	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2021	As at 01-04-2020	For the year	Deductions/ Adjustments	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
(i) Tangible assets											
Land- Freehold	38.68	0.55	-		39.23	-	-	-	-	39.23	38.68
Land-Leasehold	10.63	-	-		10.63	0.70	0.14	-	0.84	9.79	9.93
Building (Refer Note below)	273.62	24.84	(0.00)	(0.92)	297.54	35.01	10.71	(0.00)	45.72	251.82	238.61
Plant and equipments (Refer Note below)	709.99	38.07	(0.53)	(2.67)	744.86	199.19	66.97	(0.22)	265.94	478.92	510.80
Furniture and fixtures	10.21	3.83	(0.05)	(0.01)	13.98	3.51	1.71	(0.02)	5.20	8.78	6.70
Office Equipments	33.28	9.32	(0.47)	0.52	42.65	12.01	4.34	(0.42)	15.93	26.72	21.27
Motor vehicles	9.65	0.84	(0.99)	(0.01)	9.49	5.47	1.08	(0.90)	5.65	3.84	4.19
Sub total (i)	**1,086.07**	**77.45**	**(2.04)**	**(3.09)**	**1,158.38**	**255.89**	**84.95**	**(1.56)**	**339.28**	**819.10**	**830.18**
(ii) Capital work-in-progress											
Buildings					-				-	6.84	22.55
Plant and Equipments					-				-	21.87	32.12
Sub total (ii)	-	-	-	-	-	-	-	-	-	**28.71**	**54.67**
Grand Total										**847.81**	**884.85**

(₹ in crore)

	Gross Carrying Amount					Depreciation				Net Block	
	As at 01-04-2019	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2020	As at 1-04-2019	For the year	Deductions/ Adjustments	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
(i) Tangible assets											
Land- Freehold	26.92	11.76	-	-	38.68	-	-	-	-	38.68	26.92
Land-Leasehold	10.63	-	-	-	10.63	0.56	0.14	-	0.70	9.93	10.07
Building (Refer Note below)	243.79	29.97	(2.73)	2.59	273.62	25.84	9.91	(0.74)	35.01	238.61	217.95
Plant and equipments (Refer Note below)	565.02	141.52	(3.48)	6.93	709.99	140.80	59.98	(1.59)	199.19	510.80	424.22
Furniture and fixtures	6.73	3.46	-	0.02	10.21	2.32	1.19	0.00	3.51	6.70	4.41
Office Equipments	23.84	9.51	(0.07)	-	33.28	8.39	3.66	(0.04)	12.01	21.27	15.45
Motor vehicles	9.12	0.80	(0.29)	0.03	9.65	4.44	1.33	(0.30)	5.47	4.19	4.68
Sub total (i)	**886.05**	**197.02**	**(6.57)**	**9.57**	**1,086.07**	**182.35**	**76.21**	**(2.67)**	**255.89**	**830.18**	**703.70**
(ii) Capital work-in-progress											
Buildings					-				-	22.55	16.02
Plant and equipments					-				-	32.12	87.46
Sub total (ii)	-	-	-	-	-	-	-	-	-	**54.67**	**103.48**
Grand Total										**884.85**	**807.18**

Note 2A Right to use assets

(₹ in crore)

	Gross Carrying Amount					Amortisation				Net Block	
	As at 01-04-2020	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2021	As at 01-04-2020	For the year	Deductions/ Adjustments	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Right to Use Assets	59.55	14.55	(4.32)	-	69.78	7.50	7.60	(2.32)	12.78	57.00	52.05
Total	**59.55**	**14.55**	**(4.32)**	-	**69.78**	**7.50**	**7.60**	**(2.32)**	**12.78**	**57.00**	**52.05**

(₹ in crore)

	Gross Carrying Amount					Amortisation				Net Block	
	As at 01-04-2020	Additions	Deductions	Effect of movement in exchange rates	As at 31-03-2021	As at 01-04-2020	For the year	Deductions/ Adjustments	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Right of Use Assets	-	60.60	(1.05)	-	59.55	-	7.83	(0.33)	7.50	52.05	-
Total	**-**	**60.60**	**(1.05)**	**-**	**59.55**	**-**	**7.83**	**(0.33)**	**7.50**	**52.05**	**-**

Note 2B Intangible assets

	Gross Block					Amortisation				Net Block	
	As at 01-04-2020	Additions	Deductions	Other Adjustment	As at 31-03-2021	As at 01-04-2020	For the year	Deductions/ Adjustments	As at 31-03-2021	As at 31-03-2021	As at 31-03-2020
Specialised software	6.96	0.27	-		7.23	4.66	0.84	-	5.50	1.73	2.29
Non compete fee	0.41	-	-		0.41	0.28	0.05	-	0.33	0.08	0.13
	7.37	0.27	-	-	7.64	4.94	0.89	-	5.83	1.81	2.43
Intangible assets under development											0.04
TOTAL	**7.37**	**0.27**	**-**	**-**	**7.64**	**4.94**	**0.89**	**-**	**5.83**	**1.81**	**2.47**

(₹ in crore)

	Gross Block					Amortisation				Net Block	
	As at 01-04-2019	Additions	Deductions	Other Adjustment	As at 31-03-2020	As at 01-04-2019	For the year	Deductions/ Adjustments	As at 31-03-2020	As at 31-03-2020	As at 31-03-2019
Specialised software	6.59	0.37	-	-	6.96	3.74	0.93		4.66	2.29	2.85
Non compete fee	0.41	-	-	-	0.41	0.22	0.05		0.28	0.13	0.19
	7.00	0.37	-	-	7.37	3.96	0.98	-	4.94	2.43	3.04
Intangible assets under development										0.04	-
TOTAL	**7.00**	**0.37**	**-**	**-**	**7.37**	**3.96**	**0.98**	**-**	**4.94**	**2.47**	**3.04**

Note

a. Includes expenditure on Research and development ₹ 0.94 crore, (Previous year ₹ 1.64 crore) for Plant and machinery (Refer Note 47)

b. Addition to Property, plant and equipments includes, ₹ 0.26 crore for the year ended 31 March 2021 (Previous year ₹ 0.05 crore) on account of Exchange Difference arising on conversion of Long Term Foreign Currency Monetary Items relating to acquisition of depreciable assets. The unamortised amount of such exchange differences, as on 31st March, 2021 is ₹ 6.06 crore (Previous year ₹ 7.31 crore)

c. The Group had contractual commitments of ₹ 37.87 crore for the year ended 31 March 2021 (Previous year ₹ 12.36 crore).

d. Refer Note 15 (a) on Long term Borrowing for amounts of restrictions on the title and PPE pledged as securities.

e. CWIP for building includes ₹ 0.50 crore paid for acquisition of land in Lapanga pending registration in the name of the Company.

Note	3	Investments - Non current

(₹ in crore)

	March 31, 2021	March 31, 2020
a. Investments in equity instruments		
In Associate Company		-
- 400,000 (Previous year: Nil) Equity shares of AMPOIL APAR Lubricants Private Limited of	0.40	
of ₹ 10 each, fully paid up		
	0.40	-
a. Aggregate amount of quoted investments	-	-
b. Aggregate amount of un-quoted investments	0.40	-
c. Aggregate amount of impairment in values of investments	-	-

Note	4	Derivative assets

(₹ in crore)

	March 31, 2021	March 31, 2020
Derivative contracts used for hedging - Non current	4.25	-
Derivative contracts used for hedging - Current	24.21	24.79
	28.46	24.79

Note	5	Other financial assets - non current

(₹ in crore)

	March 31, 2021	March 31, 2020
Unsecured, considered good		-
Security deposits	9.74	9.72
Other financial assets (Refer Note i below)	3.66	3.79
	13.40	**13.51**

Note i : Includes fixed deposit of ₹ 2.78 crore (Previous Year ₹ 2.78) under lien.

Note	6	Other assets - non current

(₹ in crore)

	March 31, 2021	March 31, 2020
Capital advances	5.10	5.25
Balance with government authorities	3.28	3.54
	8.38	**8.79**

Note	7	Inventories

(₹ in crore)

	March 31, 2021	March 31, 2020
Raw materials and components	582.44	500.99
Raw materials-in transit	342.79	147.76
Work-in-progress	203.63	222.83
Finished goods	359.18	382.91
Finished goods - in transit	18.24	22.07
Stock-in-trade	15.23	13.70
Stock-in-trade - in transit	0.20	-
Stores and spares	41.00	41.17
	1,562.71	**1,331.43**

Note : Inventories are valued at lower of cost and net realisable value. Cost is computed on weighted average basis and is net of input tax credits.

Note	8	Current investments

(₹ in crore)

	March 31, 2021	March 31, 2020
a. Investment in mutual funds		
Union KBC Liquid Fund Growth - Direct Plan No. of units : 50455.28 (March 31, 2020: Nil)	10.00	-
Application for units of Union KBC Liquid Fund Growth - Direct Plan No. of units : 252156.72 (March 31, 2020: Nil) (refer note below)	50.00	-
Note: Application money of ₹ 50.00 crore was paid on March 31, 2021 against which 252156.72 units were allotted on April 5, 2021	-	-
	60.00	**-**
a. Aggregate amount of quoted investments		
Book value	10.00	-
Market value	10.00	-
b. Aggregate amount of un-quoted investments		
c. Aggregate amount of impairment in values of investments	-	-

All the above securities have been classified and measured at FVTPL. Information about the Group's exposure to credit and market risks, and fair value measurement, is included in Note 37.

Note	9	Trade receivables (Current)

(₹ in crore)

	March 31, 2021	March 31, 2020
Considered good, secured	0.52	0.52
Considered good, unsecured (refer note (iv) below)	1,860.76	1,898.08
Trade Receivables which have significant increase in credit risk	-	-
Trade receivables, credit impaired	48.45	42.78
	1,909.73	1,941.38
Less: Loss allowance	48.45	42.78
	1,861.29	**1,898.60**

Note

i) For receivables offered as security against borrowing refer note 20

ii) For allowances for Expected Credit Loss refer note 38

iii) The Group's exposure to credit and currency risk related to trade receivables are disclosed in note 38 and note 40 respectively.

iv) Includes receivable from associate and contract assets as below;

(₹ in crore)

	March 31, 2021	March 31, 2020
Due from related party (refer note 45)	0.28	-
Contract assets (refer note 48)	0.73	6.15
	1.00	**6.15**

Note	9A	Trade receivables (non current)

(₹ in crore)

	March 31, 2021	March 31, 2020
Considered good, secured	-	-
Considered good, unsecured	7.69	3.06
Trade Receivables which have significant increase in credit risk	-	-
Trade receivables, credit impaired	-	-
	7.69	3.06
Less: Loss allowance	-	-
	7.69	3.06

Note	10	Cash and cash equivalents

(₹ in crore)

	March 31, 2021	March 31, 2020
Balances with banks	190.73	128.04
On deposits with original maturity of less than three months*	0.00	35.00
Balance in cash credit bank account	18.05	-
Cash on hand	0.30	0.24
Cheques on hand	0.26	0.64
	209.34	**163.92**

Note: Bank balances include ₹ 2.31 Crore (Previous Year ₹ 0.22 Crore) held in foreign currencies which have restriction on repatriation.
*Amount Less than ₹ 0.50 lacs

Note	11	Bank balances other than (note 10) above

(₹ in crore)

	March 31, 2021	March 31, 2020
Deposits with original maturity for more than 3 months but less than 12 months (refer note i below)	11.65	11.41
Margin money deposit (refer note ii below)	-	0.01
On unclaimed dividend account (refer note iii below)	0.77	0.89
	12.42	**12.31**

Note:

i Includes fixed deposit of ₹ 11.47 crore (Previous Year ₹ 11.25 crore) under lien.

ii Against letters of credit for Group's import of raw materials and working capital loans.

iii There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at March 31, 2021. (Previous year: Nil)

Note	12	Loans

(₹ in crore)

	March 31, 2021	March 31, 2020
Considered good, Unsecured, unless otherwise stated		
Loans and advances to related parties	0.08	0.04
Others		
Security deposits	14.53	26.58
Interest accrued but not due on fixed deposits	0.70	0.74
Interest accrued but not due on security deposits	0.14	0.06
Other receivable	1.44	2.49
	16.89	**29.91**

Note 13 Other current assets

(₹ in crore)

	March 31, 2021	March 31, 2020
Balances with statutory/government authorities	171.59	91.81
Prepayments	28.75	23.06
Claim receivables	63.74	48.80
Other current assets	**31.63**	**42.60**
	295.71	**206.27**

Note 14A Equity share capital

(₹ in crore)

		March 31, 2021	March 31, 2020
a	**Authorised :**		
	101,998,750 (Previous year 101,998,750) Equity shares of ₹ 10 each	102.00	102.00
	TOTAL	**102.00**	**102.00**
b	**Issued :**		
	38,268,619 (Previous year 38,268,619) Equity shares of ₹ 10 each	38.27	38.27
	TOTAL	**38.27**	**38.27**
c	**Subscribed and Paid up :**		
	38,268,619 (Previous year 38,268,619) Equity shares of ₹ 10 each	38.27	38.27
	TOTAL	**38.27**	**38.27**

(₹ in crore)

		31 March 2021	31 March 2020
d	**Reconciliation of number of shares outstanding at the beginning and end of the year :**		
	Outstanding at the beginning of the year	38,268,619	38,268,619
	Issued / (Buy Back) during the year	-	-
	Outstanding at the end of the year	**38,268,619**	**38,268,619**
e	**Aggregate no. and class of shares bought back during the period of five years immediately preceding the reporting date:**		
	No of Shares bought back	31 March 2021	31 March 2020
	Equity Shares bought back (2016-2017)	228,150	228,150
		228,150	**228,150**

f **Terms/rights attached to equity shares**

i) The Company has one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Events after the reporting period

The Company declares and pays dividends in Indian rupees. The Board of Directors of the Company have recommended final dividend for the financial year 2020 - 21 @ ₹ 9.50 per share aggregating to ₹ 36.36 crore on 38,268,619 Equity shares of ₹ 10/- each fully paid. This will be paid after approval by shareholders at the ensuing Annual General Meeting. The actual dividend amount is dependent upon the relevant share capital outstanding as on the record date / book closure.

(₹ in crore)

g	Shareholders holding more than 5% shares in the company is set out below:	31 March 2021		31 March 2020	
		No of shares	%	No of shares	%
	Kushal N. Desai	9,208,503	24.06%	9,048,503	23.65%
	Chaitanya N. Desai	9,058,946	23.67%	8,964,946	23.43%
	Maithili N. Desai Family Pvt. Trust No. 2 - Trustee maithili trusteeship services private limited	4,402,687	11.51%	4,360,000	11.39%
	HDFC Trustee Company Limited	3,539,727	9.25%	3,539,727	9.25%
	Reliance Capital Trustee Company Limited	-	-	2,412,738	6.31%
	L&T Mutual Fund Trustee Limited	2,021,139	5.28%	2,341,249	6.12%

h Shares reserved for issue under options

There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

Note 14B Other Equity (Refer Note below)

(₹ in crore)

	March 31, 2021	March 31, 2020
Capital reserve	23.46	23.77
Securities premium	205.18	205.18
Capital redemption reserve	14.98	14.98
General reserve	268.30	254.00
Retained earnings - surplus	862.74	716.20
	1,374.66	**1,214.14**
Capital reserve		
Opening balance	23.77	23.77
Increase/(decrease) during the year	(0.30)	-
Closing balance	**23.46**	**23.77**
Securities premium		
Opening balance	205.18	205.18
Increase/(decrease) during the year	-	-
Closing balance	**205.18**	**205.18**
Capital redemption reserve		
Opening balance	14.98	14.98
Increase/(decrease) during the year	-	-
Closing balance	**14.98**	**14.98**
General reserve		
Opening balance	254.00	240.00
Increase/(decrease) during the year	14.30	14.00
Closing balance	**268.30**	**254.00**
Retained earnings - surplus		
Opening balance	716.20	682.69
Increase/(decrease) during the year	146.54	33.51
Closing balance	**862.74**	**716.20**

Note 14C Items of other comprehensive income (OCI)

(₹ in crore)

	March 31, 2021	March 31, 2020
Currency fluctuation reserve	9.30	8.50
Hedging reserve	(11.11)	(92.01)
Other items of OCI	(1.92)	(2.46)
	(3.73)	**(85.97)**
Currency fluctuation reserve		
Opening balance	8.50	3.33
Increase/(decrease) during the year	0.80	5.17
Closing balance	**9.30**	**8.50**
Hedging reserve		
Opening balance	(92.01)	(4.26)
Increase/(decrease) during the year	80.90	(87.75)
Closing balance	**(11.11)**	**(92.01)**
Other items of OCI		
Opening balance	(2.46)	(1.59)
Increase/(decrease) during the year	0.55	(0.87)
Closing balance	**(1.92)**	**(2.46)**

Note: The nature, purpose and movement of each of the Reserves have been explained under Statement of changes in Equity.

Note 15 Borrowings

(₹ in crore)

	March31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Non current		Current	
Term loans (Secured)				
Rupee term loans from banks	47.74	67.61	19.87	16.87
Foreign currency term loans from banks	136.89	120.32	7.83	18.37
Term loans (Unsecured)				
Foreign currency term loans from others	6.96	-	23.40	-
	191.59	**187.93**	**51.10**	**35.24**

Information about the Group's exposure to liquidity risk, foreign currency and interest rate are included in Note 39, 40 and 41 respectively

Details of security:

a **Rupee term loan and foreign currency loans from banks are secured as under:**

i The foreign currency term loan from Arab Banking Corporation (ABC) Bank, kingdom of Bahrain was secured by :

a) Mortgage over specified assets situated at Plot No. 1C-02D1, Hamriyah Free Zone,Sharjah - UAE.

b) Joint and several guarantees of Petroleum specialities PTE Ltd - Singapore and APAR Industries Limited - India.

ii The rupees term loan from Kotak Mahindra Bank is secured by charge on property located at Jharsuguda and Lapanga (Movable & Immovable Fixed Assets)

iii The Foreign Currency Term Loan from State Bank of India, Tokyo is secured by way of a First Charge on movable and immovable assets of the company by way of Hypothecation/Equitable Mortgage of Khatalwad Unit and Office Building (Building No. 4 Corporate park, Chembur). Minimum Fixed Assets Coverage Ratio(FACR) of 1.25 to be maintained during the entire tenor of the loan.

b **Terms of repayment of term loan :**

i In respect of foreign currency term loan from ABC Bank, Kingdom of Bahrain; the group has repaid entire outstanding amount of ₹ 34.77 crore on 29 March 2021

ii In respect of Rupee Term Loan from Kotak Bank, it has a moratorium period of 18 months and loan will be repaid in 10 half yearly installments. The repayment has started from 08 September 2019 onwards, first 2 installments of ₹ 7.50 crore each, next 2 installment of ₹ 8.50 crore each, subsequent next 2 installment of ₹ 10.00 crore each and last 4 installments of ₹ 12.00 crore each. The interest is payable at 8.30% p.a.

iii In respect of foreign currency term loan from State Bank of India, Tokyo, it has a moratorium period of 18 months and loan will be repaid in 20 quarterly installments. The repayment will start from 05 September 2021 onwards, first 4 installments of ₹ 2.71 crore each, next 5 installment of 4.06 crore each, next 1 installment of ₹ 5.41 crore, next 5 installment of ₹ 9.48 crore each, subsequent 2 installment of ₹ 10.83 crore each and last 3 installments of ₹ 13.54 crore each. The interest is payable at 3 months Libor + 1.70% on quarterly basis

iv In respect of foreign currency term loan from APAR Invesment, INC, the loan will be repaid in 3 installments starting from 30 September 2021. The first installment of ₹ 10.97 will be repaid on 30 september 2021, the second installment of ₹ 12.43 crore will be repaid on 31 March 2022 and last installment of ₹ 6.95 crore will be repaid on 30 June 2022. The interest is payable at 3 months Libor + 2.25% p.a. on quarterly basis

The Group does not have any continuing default as on the consolidated Balance Sheet date in repayment of loans and interest.

c. **Borrowings reconciliation**

(₹ in crore)

	March 31, 2021	March 31, 2020
Short term borrowings (Refer note 20)	21.49	94.02
Interest accrued but not due on above	-	-
Long term borrowings	242.69	223.17
Interest accrued but not due on above	0.63	1.72
Net borrowings	**264.81**	**318.91**

Note 16 Derivatives Liabilities

(₹ in crore)

	March 31, 2021	March 31, 2020
Derivatives used for hedging - Non Current	0.72	7.34
Derivatives used for hedging - Current	46.92	124.50
	47.65	**131.84**

Note 17 Other financial liabilities - non-current

(₹ in crore)

	March 31, 2021	March 31, 2020
Deposits from dealers(refer note*)	3.11	3.37
	3.11	**3.37**

***Note : Measured at amortised cost**

Information about the Group’s exposure to liquidity risk, foreign currency and interest rate are included in Note 39, 40 and 41 respectively

Note 18 Provisions - non current

(₹ in crore)

	March 31, 2021	March 31, 2020
Provision for employee benefits (refer note 36)		
Provision for gratuity- In respect of directors	1.45	1.29
Provision for leave benefits	6.68	6.13
Provision for gratuity- In respect of other employees	-	0.76
	8.13	**8.18**

Note	19	DEFERRED TAX BALANCES (NET)

(a) Movement in deferred tax balances

(₹ in crore)

		2020-2021		March 31, 2021		
	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(40.57)	0.27		(40.30)	-	(40.30)
Derivatives	29.91	0.84	(26.38)	4.37	4.37	-
Loans and borrowings	(0.58)	0.10		(0.48)	-	(0.48)
Employee benefits	2.54	0.62	(0.18)	2.98	2.98	-
Lease Expenses	0.33	0.11		0.44	0.44	-
Deferred income	-	0.10		0.10	0.10	-
Provisions	10.55	2.16		12.71	12.71	-
Investments	-	-		-	-	-
Security Deposits	0.00	(0.00)		0.00	0.00	-
Other items	(2.85)	-	2.85	-	-	-
Tax assets (Liabilities)	**(0.67)**	**4.20**	**(23.71)**	**(20.18)**	**20.60**	**(40.78)**
Set off of deferred tax asset						**20.60**
Net tax Assets (Liabilities)	**(0.67)**	**4.20**	**(23.71)**	**(20.18)**	**20.60**	**(20.18)**

(b) Movement in deferred tax balances

(₹ in crore)

		2019-2020		March 31, 2020		
	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Property, plant and equipment	(56.26)	15.69	-	(40.57)	-	(40.57)
Derivatives	2.08	(0.21)	28.04	29.91	29.91	-
Loans and borrowings	(0.24)	(0.34)	-	(0.58)	-	(0.58)
Employee benefits	2.65	(0.41)	0.30	2.54	2.54	-
Lease Expenses	-	0.33	-	0.33	0.33	-
Deferred income	0.11	(0.11)	-	-	-	-
Provisions	12.37	(1.82)	-	10.55	10.55	-
Investments	(0.06)	0.06	-	-	-	-
Security Deposits	0.00	0.00	-	0.00	0.00	-
Other items	(0.92)	(0.86)	(1.07)	(2.85)	-	(2.85)
Tax assets (Liabilities)	**(40.27)**	**12.33**	**27.27**	**(0.67)**	**43.33**	**(44.00)**
Set off of deferred tax asset						**43.33**
Net tax Assets (Liabilities)	**(40.27)**	**12.33**	**27.27**	**(0.67)**	**43.33**	**(0.67)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

Note 20 Borrowings

(₹ in crore)

	March 31, 2021	March 31, 2020
Secured loans		
Working capital loans from banks (refer notes below)		
Bank overdraft	-	0.00
Packing credit loan in foreign currency from banks	-	63.75
	-	63.75
Unsecured loans		
Buyer's credit facilities	21.49	-
Loan from Related Party	-	30.27
	21.49	**94.02**

Note :

Working capital loans from banks are secured by :

(i) hypothecation of specified stocks, specified book debts of the Group.

(ii) first charge by way of equitable mortgage by deposit of title deeds of Group's specified immovable properties, both present and future.

The Group does not have any continuing default as on the consolidated balance sheet date in repayment of loans and interest.

Note 21 Trade payables

(₹ in crore)

	March 31, 2021	March 31, 2020
Acceptances	2053.58	1,738.38
Due to micro, small and medium enterprises	27.77	17.23
Due to other than micro and small and medium enterprises	956.73	1,092.35
Total	**3,038.08**	**2,847.96**

There are no Micro, Small and Medium Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at the consolidated balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

The disclosure as per the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act).

(₹ in crore)

	March 31, 2021	March 31, 2020
(a) i) Principal amount unpaid as on March 31	27.77	17.23
ii) Interest due as on March 31	0.05	-
(b) Total interest paid on all delayed payments during the year under the provision of the Act	-	-
(c) Interest due on principal amounts paid beyond the due date during the year but without the interest amounts under this Act	0.05	-
(d) Interest accrued but not due	-	-
(e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

Note 22 Other financial liabilities - current

(₹ in crore)

	March 31, 2021	March 31, 2020
Current portion of long-term foreign currency loan (Refer Note 15)	31.23	18.37
Current portion of long-term Rupee loan (Refer Note 15)	19.87	16.87
Interest accrued but not due	8.44	18.49
Channel finance	-	1.62
Bill discounting with recourse	-	0.83
Creditors for capital expenditure	8.45	15.87
Unclaimed dividend (Refer Note*)	0.77	0.89
Book overdraft	-	2.43
Deposits from dealers	0.45	0.67
	69.21	**76.04**

***Note:-**

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on 31st March 2021. (Previous year Nil)

Note 23 Other liabilities - current

(₹ in crore)

	March 31, 2021	March 31, 2020
Contract liabilities (refer note 48)	106.39	64.08
Statutory dues towards government	7.78	5.39
Other payables (refer note i below)	10.74	12.11
	124.91	**81.58**

Note i - Other payables includes security deposits of ₹ 0.45 crore (previous year ₹ 0.01 crore)

Note 24 Provisions - current

(₹ in crore)

	March 31, 2021	March 31, 2020
Provision for employee benefits (refer note 36)		
Provision for gratuity	1.05	-
Provision for leave benefits	2.00	1.43
	3.15	**1.43**

Note 25 Revenue from operations

(₹ in crore)

	2020-21	2019-20
Sale of products		
Finished goods	6,128.94	7,044.52
Raw materials	54.29	91.58
Traded goods	98.86	165.11
Total	6,282.09	7,301.21
Sale of services	77.42	76.03
Other operating revenue		
Scrap sales	15.19	20.45
Export incentives	12.50	26.22
Duty drawback	0.82	1.54
Total	28.51	48.21
Revenue from operations	**6,388.02**	**7,425.45**

Note 26 Other Income

(₹ in crore)

	2020-21	2019-20
Interest income on financial assets measured at amortized cost	5.40	5.26
Gain on foreign exchange translations (net)	4.07	-
Profit on sale of Property, plant and equipments (net)	0.49	-
Gain on sale of investments (net)	1.05	3.15
Provision no longer required (net)	8.01	3.82
Miscellaneous Income	3.24	5.76
	22.26	**17.99**

Note 27 Cost of materials consumed

(₹ in crore)

	2020-21	2019-20
Inventory at the beginning of the year	648.75	768.12
Add : Purchases	4,952.26	5,604.17
	5,601.01	**6,372.29**
Less: Closing Inventory	925.23	648.75
	4,675.78	**5,723.54**

Note 28 Purchases of Stock-in-Trade

(₹ in crore)

	2020-21	2019-20
Thermoplastic Elastomers	4.95	3.83
Lubricants	16.41	20.37
Aluminium,HTLS Hardware & GSW Steel Wire, etc.	44.51	68.93
Others	13.10	**55.47**
	78.97	**148.60**

Note 29 Changes in inventories of finished goods, Stock-in -Trade and work-in-progress

(₹ in crore)

	2020-21	2019-20
Inventories at the beginning of the year		
Finished goods	404.98	311.45
Work-in-progress	222.83	151.81
Traded goods	13.70	13.43
	641.51	**476.69**
Inventories at the end of the year		
Finished goods	377.10	404.98
Work-in-progress	203.63	222.83
Traded goods	15.43	13.70
	596.16	**641.51**
	45.35	**(164.82)**

Note 30 Employee benefits expense

(₹ in crore)

	2020-21	2019-20
Salaries, wages, bonus, etc.	142.71	150.78
Contribution to provident and other funds	6.80	7.46
Gratuity expense	1.59	1.21
Staff welfare expenses	9.28	**9.38**
	160.38	**168.83**

Note 31 Finance costs

(₹ in crore)

	2020-21	2019-20
Interest expenses	103.07	153.30
Interest on lease liabilities	2.54	3.42
Other borrowing cost	20.25	17.74
Applicable net loss on foreign currency transactions and translation	10.18	**53.19**
	136.04	**227.65**

Note 32 Other expenses

(₹ in crore)

	2020-21	2019-20
Consumption stores and spares	33.49	39.68
Packing materials	214.28	232.49
Loss on foreign exchange translations	-	20.90
Storage charges	17.12	14.98
Power, electricity and fuel	78.28	91.78
Processing charges, fabrication and labour charges	160.66	179.45
Freight and forwarding charges	264.46	238.41
Rent (refer note 49)	0.93	0.94
Statutory levies, Duties and taxes	5.31	7.85
Insurance	12.29	11.38
Repairs and maintenance		
Plant and machinery	5.35	6.65
Buildings	1.68	2.60
Others	7.76	8.55
Advertising and sales promotion	4.75	5.98
Sales commission	46.51	44.29
Travelling and conveyance	10.10	25.56
Printing and stationery	1.58	2.26
Legal and professional fees	14.41	17.20
Directors' sitting fees	0.12	0.13
Commission to Directors	3.86	3.57
Discount and rebates	-	0.22
Lease rental (refer note 49)	0.85	0.89
Corporate Social Responsibility Activities	4.28	4.75

Donations	0.11	0.05
Royalty	39.91	13.57
Bank charges and commission	20.72	26.49
Bad debts and advances written-off	13.78	22.09
Less: Allowances for doubtful debts utilised	(11.27)	(6.01)
Loss Allowances for doubtful debts and advances	18.16	13.89
Loss on sale of fixed assets (net)	-	2.81
Miscellaneous expenses	43.20	50.93
	1,012.68	**1,084.33**

Note 33 Earnings per share (EPS)

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

Profit attributable to ordinary shareholders (basic)

(₹ in crore)

	Note	March 31, 2021	March 31, 2020
Profit (loss) for the year, attributable to ordinary shareholders	A	160.50	135.15
Weighted average number of equity shares at march 31	B	3,82,68,619	3,82,68,619
Basic and Diluted EPS (₹)	A / B	**41.94**	**35.32**
Face Value per Share (₹)		10	10

Note	34	Additional information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as subsidiaries Statement of net assets & profit or loss attributable to owners & minority interest

(₹ in crore)

Name of the entity	Net Assets i.e. Total assets minus Total liabilities		Share in profit/(loss)		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	Amount ₹ crore	As % of consolidated profit or loss	Amount ₹ crore	As % of consolidated profit or loss	Amount ₹ crore	As % of consolidated profit or loss	Amount ₹ crore
Parent								
APAR Industries Limited	92.66	1,305.78	85.25	136.82	97.21	80.01	89.30	216.83
Subsidiaries								
Indian								
APAR Transmission & Distribution Projects Pvt Ltd	0.23	3.24	(0.17)	(0.27)	-	-	(0.11)	(0.27)
APAR Distribution and Logistics Pvt Ltd	0.06	0.84	(0.10)	(0.16)	-	-	(0.07)	(0.16)
Foreign								
Petroleum Specialities Pte Limited	7.28	102.61	(0.24)	(0.38)	1.45	1.20	0.34	0.82
Petroleum Specialities FZE	5.62	79.13	15.26	24.49	1.32	1.09	10.53	25.58
Non-controlling interests in all subsidiaries / associate								
Subsidiaries								
Indian	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-
Associate (Investment as per the equity method)								
Indian								
Ampoil APAR Lubricants Private Limited	0.03	0.40	(0.00)	(0.00)	-	-	(0.00)	(0.00)
Adjustments / Eliminations	(5.88)	(82.80)						
Total	**100.00**	**1,409.20**	**100.00**	**160.50**	**100.00**	**82.30**	**100.00**	**242.80**

Note 35 Tax expense

(a) Amounts recognised in profit and loss

(₹ in crore)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Current income tax	51.97	46.59
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(4.20)	(12.33)
Deferred tax expense	(4.20)	(12.33)
Tax expense for the year	**47.77**	**34.26**

(b) Amounts recognised in other comprehensive income

(₹ in crore)

	For the year ended March 31, 2021			For the year ended March 31, 2020		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit liability (asset)	0.73	(0.18)	0.55	(1.17)	0.30	(0.87)
Items that will be reclassified to profit or loss						
The effective portion of gains and loss on hedging instruments in a cash flow hedge	105.27	(23.52)	81.75	(109.54)	26.97	(82.57)
	106.00	**(23.70)**	**82.30**	**(110.71)**	**27.27**	**(83.44)**

(c) Reconciliation of effective tax rate

(₹ in crore)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	**208.27**	**169.41**
Enacted Income tax rate in India	25.168%	25.168%
Tax using the Company's domestic tax rate	52.42	42.64
Tax effect of:		
Non-deductible tax expenses	1.11	0.61
Deduction under chapter VIA	(0.42)	(0.42)
Others	0.52	0.83
Employee Benefits	0.18	
Change in deferred tax balances due to change in income tax rate	-	(11.54)
Non-Taxable subsidiaries and effect of Differential tax rate under various jurisdication	(6.04)	2.14
	47.77	**34.26**

Note 36 Employee benefits

(i) Defined Contribution Plans:

The Group makes contributions towards provident fund, superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Group recognised ₹ 1.95 crore (previous year ₹ 2.10 crore) for superannuation contribution and other retirement benefit contributions in the consolidated statement of profit and loss.

The Group has recognised ₹ 4.85 crore (previous year ₹ 5.36 crore) for provident fund contributions in the consolidated statement of profit and loss.

The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plan:

The Employees' Gratuity Fund Scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit seperately to build up the final obligation.The obligation for leave encashment is recognised in the same manner as gratuity.

The obligation for leave encashment is recognised in the same manner as gratuity. The group provides for leave encashment liabiltiy as per the acturial valuation carried out as at March 31, 2021. The Group has recognised ₹ 1.45 crore (previous year ₹ 2.69 crore) for leave encashment liability in the Statement of Profit and Loss.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

In case of foreign subsidiaries, the Group has recognised ₹ 0.28 crore (previous year ₹ 0.25 crore) towards defined benefit obligation in the consolidated statement of profit and loss.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's consolidated financial statements as at consolidated balance sheet date:

Movement in net defined benefit (asset) liability

(₹ in crore)

	March 31, 2021 Gratuity	March 31, 2020 Gratuity
	Funded	Funded
Table showing change in benefit obligation		
Defined benefit obligation at beginning of the year	**16.89**	**13.80**
a) Included in consolidated statement of profit and loss		
Current service cost	1.44	1.18
Interest cost	1.17	1.08
Actuarial (gain) / loss	-	-
	2.61	**2.26**
b) Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
Financial assumptions	(0.14)	0.95
Experience adjustment	0.32	0.50
	0.18	**1.46**
c) Other		
Benefits paid	(1.52)	(0.62)
Liability transferred in /Acquisitions	-	-
	(1.52)	**(0.62)**
Defined Benefit obligation at end of the year	**18.16**	**16.89**

(₹ in crore)

	March 31, 2021 Gratuity	March 31, 2020 Gratuity
	Funded	Funded
Table showing change in Fair Value of Plan Assets		
Fair value of plan assets at beginning of the year	16.89	13.46
Interest income	1.17	1.05
Return on plan assets, excluding interest	0.90	0.28
Employer Contribution	0.71	2.72
Benefit paid	(1.52)	(0.62)
Fair value of plan assets at year end	**18.16**	**16.89**
Actual return on plan assets	2.08	1.33
Expected Contribution for next year	1.48	1.44

Defined benefit obligations

i) Actuarial assumptions

In arriving at the valuation for gratuity & leave benefit following assumptions were used:

(₹ in crore)

	March 31, 2021	March 31, 2020
	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Table (LIC)	Ultimate	Ultimate
Retirement Age	60 years	60 years
Employee Turnover rate	2.00%	2.00%
Discount Rate	7.05%	6.95%
Expected rate of return on plan assets (per annum)	7.05%	6.95%
Rate of escalation in salary (per annum)	5.00%	5.00%

ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in crore)

	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(1.34)	1.54	(1.13)	1.31
Future salary growth (1% movement)	1.56	(1.38)	1.33	(1.16)
Employee Turnover (1% movement)	0.22	(0.24)	0.18	(0.21)

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's consolidated financial statements as at consolidated balance sheet date:

(₹ in crore)

Net asset / (liability) recognised in the balance sheet as at	March 31, 2021 Gratuity	March 31, 2020 Gratuity
	Funded	Funded
Fair value of plan assets	18.16	16.89
Present value of obligation	(18.16)	(16.89)
Amount recognised in consolidated balance sheet	-	-

(₹ in crore)

	March 31, 2021	March 31, 2020
Gratuity Payable to Directors	1.45	1.29

(₹ in crore)

Expense recognised during the year	March 31, 2021 Gratuity	March 31, 2020 Gratuity
	Funded	Funded
Included in consolidated statement of profit and Loss		
Current service cost	1.44	1.18
Interest cost	1.17	1.08
Net actuarial (gain) / loss		
Return on plan assets,excluding acturial gain or loss	(1.17)	(1.05)
Included in OCI		
Re-measurement or Actuarial (gain) / loss arising from:		
Financial assumptions	(0.14)	0.95
Experience adjustment	0.32	0.50
Return on plan assets, excluding interest	(0.90)	(0.28)
Net Cost	**0.72**	**2.38**

(₹ in crore)

Maturity analysis of the benefit payments: from the fund	March 31, 2021 Gratuity	March 31, 2020 Gratuity
	Funded	Funded
Projected benefits payable in future years from the date of reporting		
1st following year	1.81	4.49
2nd following year	0.73	0.71
3rd following year	1.34	0.84
4th following year	1.30	1.23
5th following year	1.48	1.11
From 6 to 10 years	9.44	5.65
From 11 years and above	20.60	19.16

(₹ in crore)

Category of Plan Assets	March 31, 2021	March 31, 2020
Insurance Funds	1.07	1.00
Mutual Funds	17.09	15.89
Fair value of plan assets	**18.16**	**16.89**

Note 37 Financial instruments – Fair value measurement

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(₹ in crore)

		Carrying amount					Fair value			
March 31, 2021	Note No.	Fair value-hedging instruments	FVTPL	FVTOCI	Amortized Cost	Total	Level 1 Quoted price in active markets	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Financial assets										
Investments										
- Non-current	3				0.40	0.40				-
- Current	8		60.00			60.00	60.00			60.00
Loans										
- Non-current						-				-
- Current	12				16.89	16.89				-
Trade Receivables										-
- Non-current	9A				7.69	7.69				-
- Current	9				1,861.29	1,861.29				-
Cash and Cash Equivalents	10				209.34	209.34				-
Other Bank Balances	11				12.42	12.42				-
Other financial assets						-				
- Non-current	5				13.40	13.40				-
Derivatives						-		-		-
- Non-current	4	4.25	-	4.25		4.25		4.25		4.25
- Current	4	24.21	-	24.21		24.21		24.21		24.21
Total financial assets		**28.46**	**60.00**	**28.46**	**2,121.42**	**2,209.89**	**60.00**	**28.47**	**-**	**88.47**
Financial liabilities										
Borrowings						-				-
- Non-current	15				191.59	191.59				
- Current	20				21.49	21.49				
Leases										
- Non-current					55.11	55.11				
- Current					5.53	5.53				
Other financial liabilities										
- Non-current	17				3.11	3.11				-
- Current	22				69.21	69.21				-
Derivatives										-
- Non-current	16	0.72	-	0.72		0.72		0.72		0.72
- Current	16	46.92	0.60	46.32		46.92		46.92		46.92
Trade Payables	21				3,038.08	3,038.08				-
Total financial liabilities		**47.64**	**0.60**	**47.04**	**3,384.12**	**3,431.77**	**-**	**47.64**	**-**	**47.64**

(₹ in crore)

		Carrying amount					Fair value			
March 31, 2020	Note No.	Fair value-hedging instruments	FVTPL	FVTOCI	Amortized Cost	Total	Level 1 Quoted price in active markets	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Financial assets										
Investments										
- Mutual Fund	8		-			-	-			-
Loans & advances										-
- Non-current						-				-
- Current	12				29.91	29.91				-
Trade Receivables						-				-
- Non-current	9A				3.06	3.06				
- Current	9				1,898.60	1,898.60				
Cash and Cash Equivalents	10				163.92	163.92				-
Other Bank Balances	11				12.31	12.31				-
Other financial assets										-
- Non-current	5				13.51	13.51				-
- Current					-	-				-
Derivatives	4	24.79	10.28	14.52		24.79		24.79		24.79
Total financial assets		24.79	10.28	14.52	2,121.31	2,146.11	-	24.79	-	24.79
Total financial assets		**24.80**	**10.28**	**14.52**	**2,003.42**	**2,028.22**	**-**	**24.79**	**-**	**24.79**
Financial liabilities										
Borrowings										
- Non-current	15				187.93	187.93				
- Current	20				94.02	94.02				
Leases										
- Non-current					48.55	48.55				
- Current					5.80	5.80				
Other financial liabilities										
- Non-current	17				3.37	3.37				-
- Current	22				76.04	76.04				-
Derivatives										
- Non-current	16	7.34	-	7.34		7.34		7.34		7.34
- Current	16	124.50	0.01	124.49		124.50		124.50		124.50
Trade Payables	21				2,847.96	2,847.96				-
Total financial liabilities		**131.84**	**0.01**	**131.83**	**3,263.67**	**3,395.50**	**-**	**131.84**	**-**	**131.84**

B. Measurement of fair values

Valuation techniques and significant observable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant observable inputs used (if any).

Financial instruments measured at fair value

Type	Valuation technique	Level
Mutual fund investments	Quoted NAV	1
Commodity futures	Basis the quotes given by the LME broker/dealer.	2
Derivative liability Forward contracts for foreign exchange	FEDAI rate adjusted for interpolated spreads based on residual maturity	2
Interest rate swap for variable foreign currency loans	Basis the quotes given by the Bank	1

Note: The fair value for financial instruments such as trade receivables, cash and cash equivalents, trade payables etc have not been disclosed because the carrying values approximate the fair value.

Refer note 1.6 for different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

— Credit risk ;

— Liquidity risk ; and

— Market risk

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors are responsible for developing and monitoring the Group's risk management.

The Group's risk management framework, are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Note 38 Financial instruments – Fair values and risk management Credit Risk

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans and advances. The Group's export receivables are covered under ECGC credit insurance policy. The group has also taken credit insurance for its domestic receivables in cable and conductor division.

The carrying amount of following financial assets represents the maximum credit exposure:

At March 31, the maximum exposure to credit risk for trade and other receivables age wise was as follows.

(₹ in crore)

	March 31, 2021	March 31, 2020
Not due	1,462.20	1,160.31
past due 0-90 days	161.03	422.98
past due 91 -180 days	77.38	128.39
past due 181 and more	217.00	232.76
Total	**1,917.61**	**1,944.44**
Less : Loss allowances	48.45	42.78
Net Total	**1,869.16**	**1,901.66**

Management believes that the unimpaired amounts which are past due are fully collectible.

Short term loans and advances

At March 31, the maximum exposure to credit risk for short term loans and advances age wise was as follows.

(₹ in crore)

	March 31, 2021	March 31, 2020
Not due	16.89	29.91
past due 0-90 days	-	-
past due 91 -180 days	-	-
past due 181 days and more	-	-
	16.89	**29.91**

Management believes that the unimpaired amounts which are past due are fully collectable

In accordance with Ind-AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances.

The Group follows 'simplified approach' for recognition of impairment loss on these financial assets. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

The entity has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a division wise provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows :

Expected credit loss (%)*	Oil Division	Cable Division	Conductor Division
Not due	0.00%	0.00%	0.00%
past due 0-90 days	3.72%	13.98%	3.64%
past due 91 -180 days	12.90%	20.49%	14.66%
past due 181 days and more	77.39%	76.47%	66.58%

* Expected credit loss is worked out on the trade receivables for which no specific provision is made.

The movement in the allowance for impairment in respect of trade receivable and short term loans and advances as as follows

(₹ in crore)

	Trade and other receivables	Short term loans and advances
Balance as on 1 April 2019	34.24	-
Amounts provided	13.71	-
Amount written back / utilised	(7.23)	-
Balance as on 31 March 2020	40.72	-
Amounts provided	14.17	-
Amount written back / utilised	(11.60)	-
Balance as on 31 March 2021	**43.28**	-

(₹ in crore)

Allowances for Expected Credit Loss	As at 31.3.2021	As at 31.3.2020
Balance at the beginning of the year	2.06	1.16
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	3.11	0.90
Balance at the end of the year	**5.17**	**2.06**

Other non-current financial assets

Other non-current financial assets includes earnest money deposit, security deposits to customers. These advances and deposits were made in continuation of business related activities and are made after review as per companies policy.

Cash and cash equivalents

The Group holds cash and cash equivalents of ₹ 209.34 Crore as on 31 March 2021 (₹ 163.92 Crore as on 31 March 2020). The cash and cash equivalents are held with the bank and financial institutions, with good credit ratings.

Derivatives

Derivatives are entered with counterparties who have good credit ratings.

Note 39 Financial instruments – Fair values and risk management Liquidity Risk

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in crore)

	Contractual cash flows					
March 31, 2021	**Carrying amount**	**Total**	**1 year or less**	**1-2 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term loans from banks	212.33	212.33	27.70	38.48	132.69	13.46
Term loans from others	30.36	30.36	23.40	6.96	-	-
Short term loan from others (Unsecured)	21.49	21.49	21.49	-	-	-
Trade and other payables	3,038.08	3,038.08	3,038.08	-	-	-
Other financial liabilities	18.12	18.12	18.12	-	-	-
Leases	60.64	60.64	5.53	4.40	14.14	36.57
Derivative financial liabilities						
Forward exchange contracts/Futures used for hedging/ Natural hedging						
'- Outflow	47.64	47.64	46.92	0.72	-	-

(₹ in crore)

	Contractual cash flows					
March 31, 2020	**Carrying amount**	**Total**	**1 year or less**	**1-2 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term loans from banks	223.17	223.17	35.24	49.30	100.44	38.19
Short term loan from bank (Secured)	63.75	63.75	63.75	-	-	-
Short term loan from bank (Unsecured)	30.27	30.27	30.27	-	-	-
Trade and other payables	2,847.96	2,847.96	2,847.96	-	-	-
Other financial liabilities	40.80	40.80	40.80	-	-	-

Leases	54.35	54.35	5.80	4.35	9.42	34.78
Derivative financial liabilities						
Forward exchange contracts/ Futures used for hedging/ Natural hedging						
- Outflow	130.37	130.37	123.03	7.34	-	-
Interest Rate Swap						
- Outflow	1.47	1.84	1.84	-	-	-
- Inflow	-	0.37	0.37	-	-	-

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to the financial liabilities which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

Contractual outflow of other non current financial liabilities amounting to ₹ 3.11 crores (Previous year ₹ 3.37) cannot be ascertained on reporting date.

Note 40 Financial instruments – Fair values and risk management Risk

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Commodity risk

The Group is affected by the price volatility of certain commodities viz. Aluminum, Copper and Oil. Its operating activities require the ongoing purchase and manufacture of the conductors, cables and Oil and thus requires continuous supply of these commodities. Due to the increase in volatility of the price of the commodities namely Aluminum and Copper, the Group has entered into forward contracts (for which there is an active market).

Currency risk

The Group is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Group does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows.

Fig. in Crore

	March 31, 2021					
	USD	EUR	CAD	ETB	NPR	KES
Trade receivables	7.40	0.53	0.03	(0.27)	-	-
Cash and cash equivalents	0.46	0.01	0.00	1.26	0.10	0.04
Long term Borrowings	(2.42)	-	-	-	-	-
Short term borrowings	(0.29)	-	-	-	-	-
Trade payables	(16.22)	0.01	-	(0.20)	-	-
Net Exposure	**(11.07)**	**0.55**	**0.03**	**0.79**	**0.10**	**0.04**

Fig. in Crore

	March 31, 2021					
	EGP	AUD				
Trade receivables	-	(0.00)				
Cash and cash equivalents	0.01	-				
Long term Borrowings	-	-				
Short term borrowings	-	-				
Trade payables	-	-				
Net Exposure	**0.01**	**(0.00)**	-	-	-	-

Fig. in Crore

	March 31, 2020					
	USD	EUR	CAD	GBP	ETB	NPR
Trade receivables	5.59	0.76	0.57	0.00	1.43	-
Cash and cash equivalents	0.55	0.02	0.00	-	0.02	0.27
Long term Borrowings	(1.86)	-	-	-	-	-
Short term borrowings	(1.25)	-	-	-	-	-
Trade payables	(14.48)	(0.00)	-	-	(0.19)	-
Net outstanding payable / (receivable)	**(11.45)**	**0.78**	**0.57**	**0.00**	**1.26**	**0.27**

Fig. in Crore

	March 31, 2020					
	KES	EGP	AED	AUD		
Trade receivables	-	-	0.01	0.01		
Cash and cash equivalents	0.04	0.01	-	-		
Long term Borrowings	-	-	-	-		
Short term borrowings	-	-	-	-		
Trade payables	-	-	-	-		
Net Exposure	**0.04**	**0.01**	**0.01**	**0.01**	**-**	**-**

The following significant exchange rates have been applied during the year.

	Average rate		Year-end spot rate	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
US Dollars (USD)	74.23	70.88	73.11	75.42
Euro (EURO)	86.61	78.80	85.75	81.88
Canadian Dollars (CAD)	56.21	53.33	58.03	53.37
Pound sterling (GBP)	97.04	90.15	100.75	93.46
Ethiopian Birr (ETB)	2.01	2.36	1.79	2.27
Nepalese Rupee (NPR)	0.63	0.62	0.63	0.62
Kenyan Shilling (KES)	0.68	0.69	0.67	0.71
Egyptian Pound (EGP)	4.70	4.34	4.65	4.75
United Arab Emirates Dirham (AED)	20.17	19.31	19.91	20.44
Austrailian Dollar (AUD)	53.36	48.34	55.70	46.19

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in crore)

	Profit or loss	
Effect in ₹ crore	Strengthening	Weakening
March 31, 2021		
USD (1% movement)	8.22	(8.22)
EUR (1% movement)	(0.47)	0.47
CAD (1% movement)	(0.02)	0.02

ETB (1% movement)	(0.02)	0.02
NPR (1% movement)	(0.00)	0.00
KES (1% movement)	(0.00)	0.00
EGP (1% movement)	(0.00)	0.00
AUD (1% movement)	0.00	(0.00)
	7.71	**(7.71)**

(₹ in crore)

	Profit or loss	
Effect in ₹ crore	**Strengthening**	**Weakening**
March 31, 2020		
USD (1% movement)	8.12	(8.12)
EUR (1% movement)	(0.61)	0.61
CAD (1% movement)	(0.30)	0.30
GBP (1% movement)	(0.00)	0.00
ETB (1% movement)	(0.03)	0.03
NPR (1% movement)	(0.00)	0.00
KES (1% movement)	(0.00)	0.00
EGP (1% movement)	(0.00)	0.00
AED (1% movement)	(0.00)	0.00
AUD (1% movement)	(0.01)	0.01
	7.17	**(7.17)**

Note	41	Financial instruments – Fair values and risk management Interest rate risk

Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing borrowings because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing borrowings will fluctuate because of fluctuations in the interest rates.

In order to manager the risk of changing interest rates, the Group has entered into Interest Rate Swaps, whereby it switches its existing floating USD interest rate to USD fixed interest rates. This structure helps it hedge the risk of fluctuations in USD 6 month LIBOR on its USD Loan.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

(₹ in crore)

	Nominal amount	
	March 31, 2021	**March 31, 2020**
Fixed rate instruments	67.61	223.17
Variable-rate instruments*	1,547.77	1,872.16
	1,615.39	**2,095.33**

*Variable rate instruments include letter of credit

Interest rate sensitivity for fixed rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through statement of profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in crore)

	Profit or loss	
	100 Basis Point increase	100 Basis Point decrease
March 31, 2021		
Variable-rate instruments	(15.48)	15.48
Cash flow sensitivity (net)	(15.48)	15.48
March 31, 2020		
Variable-rate instruments	(18.72)	18.72
Interest rate swaps	0.50	(0.50)
Cash flow sensitivity (net)	(18.22)	18.22

Note 42 Financial instruments – Hedge accounting

The objective of hedge accounting is to represent, in the Group's consolidated financial statements, the effect of the Group's use of financial instruments to manage exposures arising from particular risks that could affect profit or loss.

Currency risk-

The Group's risk management policy is to hedge its estimated foreign currency exposure in respect of highly forecasted purchase transactions. The Group uses forward exchange contracts to hedge its currency risk. Such contracts are generally designated as cash flow hedges. Group's policy is to match the critical terms of the forward exchange contracts with that of the hedged item.

Commodity risk

The Group's risk management policy is mitigate the impact of fluctuations in the aluminium, copper and zinc prices on highly forecast purchase transactions. The Group uses futures contract to hedge its commodity risk. Such contracts are generally designated as fair value hedges.

Interest rate

The Group's risk management policy is to mitigate its interest rate risk exposure on floating rate borrowings by entering into fixed-rate instruments like interest rate swaps to eliminate the variability of cash flows attributable to movements in interest rates. Such hedges are designated as cash flow hedges.

For derivative contracts designated as hedge, the Group documents at inception the economic relationship between the hedging instrument and the hedged item, the hedge ratio, the risk management objective for undertaking the hedge and the methods used to assess the hedge effectiveness. The hedging book consists of transactions to hedge Balance Sheet assets or liabilities. The tenor of hedging instrument may be less than or equal to the tenor of underlying hedged asset or liability.

Financial contracts designated as hedges are accounted for in accordance with the requirements of Ind AS 109 depending upon the type of hedge.

Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The Group assesses hedge effectiveness both on prospective and retrospective basis. The prospective hedge effectiveness test is a forward looking evaluation of whether or not the changes in the fair value or cash flows of the hedging position are expected to be highly effective on offsetting the changes in the fair value or cash flows of the hedged position over the term of the relationship.

On the other hand, the retrospective hedge effectiveness test is a backward-looking evaluation of whether the changes in the fair value or cash flows of the hedging position have been highly effective in offsetting changes in the fair value or cash flows of the hedged position since the date of designation of the hedge.

Hedge effectiveness is assessed through the application of critical terms match method/Dollar offset method. Any ineffectiveness in a hedging relationship is accounted for in the consolidated statement of profit and loss

Sr No	Type of risk/ hedge position	Hedged item	Description of hedging strategy	Hedging instrument	Description of hedging instrument	Type of hedging relationship
1	Interest rate hedge	Floating rate financial asset or liability	Floating rate financial asset or liability is converted into a fixed rate financial asset or liability using a floating to fixed interest rate swap. This is usually denominated in the currency of the underlying (which in most cases is the functional currency). if not, it may be combined currency swap.	Interest rate swap	Interest rate swap is a derivative instrument whereby the Group recieves or pays (in case of asset or a liability respectively) at a floating rate in return for a fixed rate asset or liability.	Cash flow hedge
2	Future contract	Highly probable purchase transaction	Mitigate the impact of fluctuations in aluminium, copper & zinc prices, on projected purchase contracts for metal	Futures contract	Group enters into a forward derivative contract to purchase a commodity at a fixed price and at a future date. These are customized contracts transacted in the over—the—counter market. Forward contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. These are customized contracts transacted in the over—the—counter market.	Fair Value hedge
3	Forward contract	foreign currency risk of highly probable forecast transactions using forward contracts	Mitigate the impact of fluctuations in foreign exchange rates	Currency forward	Group enters into a forward derivative contract to hedge the foreign currency risk of highly probable forecast transactions using forward contracts These are customized contracts transacted in the over—the—counter market.	Cash flow hedge
4	Forecasted Export Sales	Forecasted Export Sales	Mitigate the impact of fluctuations in foreign exchange rates	Foreign currency denominated Import Purchases	Group uses its Forecasted Foreign currency denominated Import Purchases to mitigate the risk of foreign currency movement in collection of Forecasted Export Sales	Cash flow hedge

The Group, inter alia, takes into account the following criteria for constructing a hedge structure as part of its hedging strategy:

(a) The hedge is undertaken to reduce the variability in the profit & loss i.e the profit or loss arising from the hedge structure should be lesser than the profit & loss on the standalone underlying exposure. In case of cash flow hedge for covering interest rate risk the hedge shall be only undertaken to convert floating cash flows to fixed cash flows i.e. the underlying has to be a floating rate asset or liability.

(b) At any point in time the outstanding notional value of the derivative deal(s) undertaken for the purpose of hedging shall not exceed the underlying portfolio notional. The hedge ratio therefore does not exceed 100% at the time of establishing the hedging relationship.

(c) At any point in time the maturity of each underlying forming a part of the cluster/portfolio hedged shall be higher than the maturity of the derivative hedging instrument.

The tables below provide details of the derivatives that have been designated as cash flow hedges for the periods presented:

(₹ in crore)

As at 31 March 2021									
	Notional principal amounts (Net)	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassi-fication
Interest rate swaps	-	-	-	(0.86)	0.61	NA	NA	1.47	Finance Cost
Foreign exchange forward contracts	18.28	0.07	0.93	(1.81)	(4.59)	NA	NA	(2.77)	COGS
Commodity contracts	120.27	28.40	44.73	118.72	106.93	NA	NA	(11.79)	COGS
Foreign currency denominated Import Purchases	111.54	-	0.16	(1.09)	3.49	NA	NA	4.58	Sales

(₹ in crore)

As at 31 March 2020									
	Notional principal amounts (Net)	Derivative Financial Instruments - Assets	Derivative Financial Instruments – Liabilities	Change in fair value for the year	Change in fair value for the year recognized in OCI	Ineffectiveness recognized in profit or loss	Line item in profit or loss that includes hedge ineffectiveness	Amount reclassified from the hedge reserve to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate swaps	49.98	-	1.47	(1.29)	(1.04)	NA	NA	0.25	Finance Cost
Foreign exchange forward contracts	422.16	5.11	-	9.88	19.48	NA	NA	9.60	COGS
Commodity contracts	770.30	9.40	130.48	(215.38)	(129.95)	NA	NA	85.43	COGS
Foreign currency denominated Import Purchases	105.19	-	3.65	(4.20)	(4.27)	NA	NA	(0.07)	Sales

The tables below provide details of the Group's hedged items under cash flow hedges:

(₹ in crore)

	As at 31 March 2021			As at 31 March 2020		
	Change in the value of hedged item for the year	Balance in cash flow hedge reserve		Change in the value of hedged item for the year	Balance in cash flow hedge reserve	
		Where hedge accounting is continued	Where hedge accounting is discontinued		Where hedge accounting is continued	Where hedge accounting is discontinued
Floating rate borrowing	(0.86)	-	NA	(1.29)	1.47	NA
Highly probable purchases	(1.81)	0.86	NA	9.88	(4.06)	NA
Highly probable forecast transactions	118.72	16.33	NA	(215.38)	121.08	NA
Forecasted Export Sales	(1.09)	0.16	NA	(4.20)	3.65	NA

The following table provides a reconciliation by risk category of the components of equity and analysis of OCI items resulting from hedge accounting:

(₹ in crore)

	Movement in Cash flow hedge reserve for the years ended	
	March 31, 2021	March 31, 2020
Opening balance	121.26	5.48
Effective portion of changes in fair value:		
a) Interest rate risk	0.86	1.29
b) Commodity price risk	(118.72)	215.38
c)Foreign currency risk	1.81	(9.88)
d) Forecasted Export Sales	1.09	4.20
Net amount reclassified to profit or loss:		
a) Interest rate risk	(1.47)	(0.25)
b) Commodity price risk	11.79	(9.60)
c)Foreign currency risk	2.77	(85.43)
d) Forecasted Export Sales	(4.58)	0.07
Movements on reserves during the year		
Closing balance	**14.81**	**121.26**

Disclosure of effects of hedge accounting on financial performance

(₹ in crore)

March 31, 2021	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognisd in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge				
Interest rate risk	0.61	NA	1.47	Finance Cost
Foreign exchange risk	(4.59)	NA	(2.77)	COGS
Commodity price risk	106.93	NA	(11.79)	COGS
Forecasted Export Sales	3.49	NA	4.58	Sales

(₹ in crore)

March 31, 2020	Change in the value of the hedging instrument recognised in OCI	Hedge ineffectiveness recognisd in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash Flow Hedge				
Interest rate risk	(1.04)	NA	0.25	Finance Cost
Foreign exchange risk	19.48	NA	9.60	COGS
Commodity price risk	(129.95)	NA	85.43	COGS
Highly Probable Purchases	(4.27)	NA	(0.07)	Sales

Note 43 Capital Management

For the purpose of the Group's capital management, capital includes issued capital and other equity reserves . The primary objective of the Group's Capital Management is to maximise shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Group monitors capital using Adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total debt less cash and bank balances

(₹ in crore)

	As at March 31, 2021	As at March 31, 2020
Borrowings	264.18	317.19
Less : Cash and cash equivalent*	209.34	163.92
Adjusted net debt	54.84	153.27
Total equity	1,409.20	1,166.43
Less : Hedging reserve	(11.11)	(92.01)
Adjusted equity	1,420.30	1,258.44
Adjusted net debt to adjusted equity ratio	0.04	0.12

Note 44 Segment reporting

A. General Information

(a) Factors used to identify the entity's reportable segments, including the basis of organisation -

The operations of the Group are segmented into Primary Segment (Business Segment) & Secondary Segment (Geographical Segment).

(b) Following are reportable segments

Reportable segment
Conductor
Transformer & Specialities Oils
Power/Telecom Cables

(c) Identification of segments:

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on Profit or Loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments have been identified on the basis of nature of products / services.

(d) Segment revenue and results:

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

(e) Segment assets and liabilities::

Segment assets include all operating assets used by the operating segment and mainly consist of property plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets / liabilities.

B. Information about reportable segments

For the year ended March 31, 2021 (₹ in crore)

Particulars	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments	Other segments	Elimination	Total
External revenues (Gross)	2,742.82	2,357.19	1,246.54	6,346.55	41.47	-	6,388.02
Other income	13.09	5.37	0.26	18.72	3.54	-	22.26
Intersegment revenue	165.21	6.64	22.97	194.82	1.48	(196.30)	-
Segment revenue	**2,921.12**	**2,369.20**	**1,269.77**	**6,560.09**	**46.49**	**(196.30)**	**6,410.28**
Segment profit (loss) before tax & Finance Cost	68.00	266.33	32.80	367.14	3.46	-	370.59
Less :- Interest expense							136.04
Less:- Other unallocated expenditure net of unallocable income							26.28
Profit before tax							208.27
Tax expenses							47.77
Share in net profit (loss) of associates / JV accounted by Equity method	-	(0.00)	-	(0.00)	-	-	(0.00)
Profit after tax							160.50
Capital employed							
Segment assets	2,090.00	1,551.42	1,164.31	4,805.73	50.57		4,856.30
Unallocable corporate and other assets				-			152.36
Total Asset	**2,090.00**	**1,551.42**	**1,164.31**	**4,805.73**	**50.57**	-	**5,008.66**
Segment liabilities	1,572.17	1,029.82	722.03	3,324.02	8.43		3,332.45
Unallocable corporate and other liabilities (Refer note 1)				-			1,676.21
Total Liabilities	**1,572.17**	**1,029.82**	**722.03**	**3,324.02**	**8.43**	-	**5,008.66**
Capital expenditure	12.83	9.24	25.26	47.34	1.67	-	49.01
Capital expenditure -Unallocable							6.80
Depreciation and Amortisation expense	35.69	21.14	30.55	87.38	0.77		88.15
Depreciation and Amortisation- Unallocable							5.29

For the year ended March 31, 2020

(₹ in crore)

Particulars	Conductor	Transformer & Specialities Oils	Power/ Telecom Cables	Total Reportable segments	Other segments	Elimination	Total
External revenues	3,509.63	2,305.16	1,577.12	7,391.91	33.54	-	7,425.45
Other income	8.71	3.89	1.79	14.40	3.59	-	17.99
Intersegment revenue	90.82	5.84	22.78	119.44	1.00	(120.44)	-
Segment revenue	**3,609.16**	**2,314.89**	**1,601.69**	**7,525.74**	**38.14**	**(120.44)**	**7,443.44**
Segment profit (loss) before tax & Finance Cost	157.57	120.56	154.59	432.72	1.71	-	434.43
Less :- Interest expense							227.65
Less:- Other unallocated expenditure net of unallocable income							37.37
Profit before tax							169.41
Tax expenses							34.26
Share in net profit (loss) of associates / JV accounted by Equity method	-	-	-	-	-	-	-
Profit after tax							135.15
Capital employed							
Segment assets	1,925.94	1,398.81	1,211.37	4,536.12	31.38	-	4,567.50
Unallocable corporate and other assets							86.30
Total Asset	1,925.94	1,398.81	1,211.37	4,536.12	31.38	-	4,653.80
Segment liabilities	1,608.55	1,000.81	573.07	3,182.43	3.26	-	3,185.69
Unallocable corporate and other liabilities (Refer note 1)							1,468.11
Total Liabilities	1,608.55	1,000.81	573.07	3,182.43	3.26	-	4,653.80
Capital expenditure	33.67	35.23	62.69	131.59	1.76	-	133.35
Capital expenditure -Unallocable	-	-	-	-	-	-	11.91
Depreciation and Amortisation expense	32.88	20.04	29.13	82.05	0.58	-	82.63
Depreciation and Amortisation- Unallocable	-	-	-	-	-	-	4.49

Note1:

Unallocated segment liabilities in the segment information includes equity share capital and unallocated reserves excluding hedge reserve amounting to ₹ 1411.01 crore as at 31st March,2021 and ₹ 1254.19 crore as at 31st March,2020

C. Information about geographical areas

(a) Revenue from external customers

(₹ in crore)

	For the year ended March 31, 2021	For the year ended March 31, 2020
- Within India*	3,829.53	4,956.15
- Outside India	2,558.49	2,469.30
	6,388.02	**7,425.45**

* include deemed exports ₹ 77.52 crore (Previous year ₹ 56.10 crore)

(₹ in crore)

Revenue from external customers outside India currency wise	March 31, 2021	March 31, 2020
USD (US Dollar)	2,050.78	2,239.26
EUR (EURO)	150.23	117.61
GBP (British Pound)		
CAD (Canadian Dollar)	97.09	1.10
SGD (Singapore Dollar)	0.13	
AUD (Australian Dollar)	13.82	16.24
INR	246.43	95.10
Total	**2,558.49**	**2,469.30**

(b) Segment Assets

(₹ in crore)

	March 31, 2021	March 31, 2020
- Within India	4,672.49	4,321.21
- Outside India	336.17	332.59
	5,008.66	**4,653.80**

(₹ in crore)

Segment assets outside India currency wise	March 31, 2021	March 31, 2020
USD (US Dollar)	336.17	332.59
Total	**336.17**	**332.59**

D. Information about Major Customer

Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the group's total revenue.

Note	45	Related party relationships, transactions and balances

The Group's related party transactions and outstanding balances are with related parties with whom the Group routinely enter into transactions in the ordinary course of business. All the transactions with related parties are on arm's length basis.

A. List of Related Parties

a). **Key Managerial Personnel:**

Mr. K. N. Desai - Chairman and Managing Director

Mr. C. N. Desai - Managing Director

Mr. Rishabh Kushal Desai - Non-Executive Director of Apar Industries Ltd. and Executive Director of Petroleum Specialities FZE (WOS) & Director of Petroleum Specialities Pte. Ltd.(WOS).

Mr. V. C. Diwadkar- Chief Financial Officer

Mr. Sanjaya Kunder- Company Secretary

Mr.G. Sudhakar - Executive Director of Petroleum Specialities Pte. Ltd. (WOS) and Director of Petroleum Specialities FZE (WOS).

Mrs. Nina Kapasi - Independent Director

Mr. F. B. Virani - Independent Director

Mr. Rajesh Sehgal - Independent Director

b). **Associate Company:**

(1). Ampoil Apar Lubricants Private Limited (40% shareholding acquired for Rs. 0.40 crores w.e.f. Sep 19, 2020)

c). **Relatives of Key Managerial Personnel**

Ms. Maithili N. Desai

Mrs. Noopur Kushal Desai

Mrs. Harshana R. Desai

Ms. Gaurangi K. Desai

Mrs. Jinisha C. Desai

Mr. Devharsh C. Desai

Ms Nitika C. Desai

Mrs. Vineeta R. Srivastava

Mr. Rajeev Srivastava

Ms. Krishangi R. Srivastava

Mrs. Arti V. Diwadkar

Mr. Amit V. Diwadkar

Mrs. Vinaya S. Kunder

Master Akshat S. Kunder

d). **Entities controlled by key management personnel/individuals having significant influence:**

APAR Corporation Private Ltd and its' subsidiaries, viz

a) APAR Investment (Singapore) Pte. Ltd

b) APAR Investment Inc.

APAR Technologies Private Limited

APAR Technologies Pte Ltd

Chaitanya N. Desai Family Private Trust

Maithili N. Desai Family Private Trust

Maithili N. Desai Family Private Trust No. 2

Catalis World Private Ltd

Gayatri Associates

Maithili Trusteeship Services Private Limited

Kushal N. Desai Family Private Trust

Narendra D. Desai Family Private Trust

Hari Haribol Dairy Products Private Limited

EM & EM Personal Care Private Limited

Cutting Chai Technologies Private Limited

B. Related Party Transactions in ordinary course of business

(i) Associate Company :

(₹ in crore)

Sr No.	Transactions	2020-21	2019-20
1	Sale of finished goods/ Raw materials / traded goods	0.30	-

(₹ in crore)

Sr No.	Balances outstanding as at year end	2020-21	2019-20
1	Investment made	0.40	-
2	Receivable from associate company for supply of raw material & finished goods	0.28	-

(ii) Key Managerial Personnel :

(₹ in crore)

Sr No.	Transactions	2020-21	2019-20
1	Remuneration	6.64	8.81
2	Dividends paid (payment basis)	-	34.04
3	Sitting fees	0.12	0.13

(₹ in crore)

Sr No.	Balances outstanding as at year end	2020-21	2019-20
1	Commission payable	3.86	3.57

(iii) Relatives of Key Managerial Personnel:

(₹ in crore)

Sr No.	Transactions	2020-21	2019-20
1	Dividends paid (payment basis)	-	0.26
2	Salary paid	0.04	-

(iv) Entities controlled by key management personnel/individuals having significant influence:

(₹ in crore)

Sr No.	Transactions	2020-21	2019-20
1	Rent paid	1.30	1.15
2	Dividends paid (payment basis)	-	8.58
3	Sale of finished goods/ Raw materials / traded goods/services	0.04	0.04
4	Purchase of finished goods/ Raw materials / traded goods/services	0.03	-

(₹ in crore)

Sr No.	Balances outstanding at the year end	2020-21	2019-20

1	Receivable for supply of finished goods/ services	0.08	0.04
2	Payable for supply of finished goods/ services	0.00	0.00
3	Borrowings	30.36	30.27
4	Security deposit given	0.08	-
5	Commitments	1.19	2.49

C. Compensation of Key Management Personnel of the Group

(₹ in crore)

Sr No.	Nature of transaction	2020-21	2019-20
1	Short-term employment benefits	6.28	8.55
2	Post Employment benefis	0.19	0.19
3	Other Long term employment benefits	0.17	0.07
		6.64	**8.81**

Note 46 Contingent liabilities and commitments

(₹ in crore)

		March 31, 2021	March 31, 2020
A)	**Contingent liabilities and commitments (to the extent not provided for)**		
	Contingent liabilities		
a)	**Claims against the Group not acknowledged as debts -**		
	i) Demand/ Show cause-cum-demand notices received and contested by the Group with the relevant appellate authorities:		
	Excise duty	6.03	5.78
	GST	21.73	-
	Customs duty	2.40	2.40
	Sales tax	12.66	14.58
	Income tax	12.03	12.03
	ii) Arbitration award regarding dispute of alleged contractual non-performance by the Group, against which the Group is in appeal before Bombay High Court.	11.60	11.15
	iii) Labour matters	0.05	0.05
	iv) Others	19.23	18.83
b)	**Guarantees**		
i)	Letter of Guarantees given by the Group	8.59	11.10
B.	**Capital commitments**		
	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	37.87	12.36

Notes:

1 It is not practicable for the Group to estimate the timing of the cash outflows, if any, in respect of the matters in note a (i) to a (v) of

claims against the Group not acknowleged as debts mentioned in A - Contingent Liabilities, pending resolution of the arbitration/ appallate proceedings. The liability mentioned as aforesaid includes interest except in cases where the Group has determined that the possibility of such levy is very remote.

2 The cash outflows in respect of Corporate Guarantees mentioned in note b of A - contingent liabilities, could generally occur upto the period over which the validity of such guarantees extends or it could occur any time during the subsistence of the borrowing to which the guarantees relate.

3 The Group does not expect any reimbursements in respect of the above contingent liabilities.

4 The guarantee given are issued in the ordinary course of business from which it is anticipated that no material liability will arise.

5 During the year, the Group has recognised interest of ₹ 14.38 crore, being interest payable on IGST free imports during the period October 2018 to March 2021 against Advance License used for IGST paid exports cleared under rebate (refund). The IGST amount of payable in this regard is ₹ 62.39 crore which has been provided for and the group has paid ₹ 58.35 crore till 31st March 2021. The group has simultaneously recognised the said amount of ₹ 62.39 crore as input credit which has been partly utilised till date.

6 The Company has been listed as an approved Vendor with Research Designs and Standard Organization (RDSO) of Indian Railways. During the year, RSDO has delisted the Company from its list of approved vendors from manufacture and supply of Joint less Hard Drawn Grooved Copper Contact Wire (HDGC contact wire) 107 sqmm for a period of 1 year vide their letter dated March 30, 2021 on the ground that the Company has not purchased the raw material from their approved vendor. Further, on delisting, CORE has withheld Company's dues to the extent of ₹ 38 crores. The Company is not in agreement with the RDSO's contention and has preferred an appeal with the appropriate forum challenging the delisting. The Company has also invoked the Arbitration clause against its old outstanding dues of ₹ 38 crores and is confident of getting favorable decision in above matters.

Note 47 Expenditure on Research and Development :

(A) R & D Center-OIL (Rabale - DSIR Recognised)

(₹ in crore)

		2020-21	2019-20
a)	Salary, wages and other benefits	2.17	2.21
	Consumables and Other expenses	0.19	0.23
	sub-Total	2.36	2.44
b)	Capital expenditure		
	Building	-	-
	Plant and Equipments	0.42	-
		0.42	-
	Total	**2.78**	**2.44**

(B) R & D Center-Conductor Division

(₹ in crore)

		2020-21	2019-20
a)	Salary, wages and other benefits	2.03	4.73
	Consumables and other expenses	2.03	4.73
	sub-Total		
b)	Capital expenditure	-	-
	Building		
	Plant and Equipments	0.51	1.64
	Total	**2.54**	**6.37**

(C) R & D Center-Cable Division

(₹ in crore)

		2020-21	2019-20
a)	Salary, wages and other benefits	0.21	0.19
	Consumables and other expenses	1.08	0.33
	sub-Total	1.29	0.52
b)	Capital expenditure		
	Building	-	-
	Plant and Equipments	-	-
		-	-
	Total	**1.29**	**0.52**
	Grand Total (A+B+C)	**6.61**	**9.33**

Note 48 IND AS 115 - Revenue from Contracts with Customers

i. Revenue from contracts with customers

(₹ in crore)

	2020-21	2019-20
Revenue recognised at point in time	6,310.60	7,349.42
Revenue recognised over time	77.42	76.03
Total revenue from contracts with customers	**6,388.02**	**7,425.45**

ii. Disaggregated revenue

The chief operational decision maker monitors the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on Profit or Loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments have been identified on the basis of nature of products / services.

The Group uses the same operating segment information for reporting purposes in all its communication to various stakeholders i.e. annual report, investor presentations

(₹ in crore)

	2020-21	2019-20
Within India (including deemed exports)	3,829.53	4,956.15
Outside India	2,558.49	2,469.30
	6,388.02	**7,425.45**

iii. Sales by performance obligation

(₹ in crore)

	2020-21	2019-20
Upon shipment	6,310.60	7,349.42
Upon providing of services	77.42	76.03
	6,388.02	**7,425.45**

iv. Contract balances

(₹ in crore)

	2020-21	2019-20
Contract Assets		
As at April 1	6.15	0.14
Add: Addition during the year	0.73	6.15
	6.88	6.29
Less: Trasferred to Receivable	6.15	0.14
As at Mar 31	**0.73**	**6.15**

	2020-21	2019-20
Contract Liability		
Advances from Customers		
As at April 1	64.08	81.31
Add: Addition during the year	70.31	35.75
	134.39	117.06
Less: Revenue recognised during the year	28.00	52.98
As at Mar 31	**106.39**	**64.08**

Refer note no 9 - for contract assets balances & note no 23 for contract liabilities

v. Remaining performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period are having performance obligations, which are a part of the contracts that has an original expected duration of one year or less.Hence, the Group has applied practical expedient as per para 121 of the Ind As 115 in regards to remaining performance obligations.

Note 49 IND AS 116 - Leases

(₹ in crore)

	2020-21	2019-20
Right to use Assets		
Addition during the year	14.55	60.60
Deletion during the year	(4.32)	(1.05)
Amortisation for the year	7.60	7.83
Carrying value at the end of the year	57.00	52.05
Maturity Analysis of lease liabilities		
Less than 1 year	5.53	5.80
1 - 2 years	4.40	4.35
3 - 5 years	14.14	9.42
More than 5 years	36.57	34.78
Total undiscounted lease liabilities at the year end	**60.64**	**54.35**

Recognised into statement of Financial Position		
Non Current	55.11	48.55
Current	5.53	5.80
Amont recognised into Profit & Loss account		
Amortisation of Right to use assets	7.60	7.83
Interest expenses on Lease liabilities	2.54	3.42
Expenses relating to Short term leases & low value assets leases	1.78	1.83
The expense relating to variable lease payments not included in the measurement of lease liabilities Income from subleasing right-of-use assets	-	-
Gains or losses arising from sale and leaseback transactions	-	-
Amont recognised into Cash flows		
Total cash outflows of lease payments (including short term leases & low value assets leases	9.63	10.61

The Group has applied paragraph 6 of IND AS 116; for accounting of Short term leases having lease period of less than 12 months and leases for which the underlying asset if of low value.

Lease payments associated with these leases are accounted either on straight line basis over the lease term or another systematic basis which is more representative of the lease payment pattern.

Note 50 Master Netting

The following table presents the recognised financial instruments that are subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2021 and March 31, 2020.

(₹ in crore)

Particulars	Effects of offsetting on the balance sheet		
	Gross and net amounts of financial instruments in the balance sheet	Related amounts that are not off set	Net amounts
March 31, 2021			
Financial assets			
Derivative instruments			
Forward contract / futures	28.47	22.58	5.89
Total	**28.47**	**22.58**	**5.89**
Financial liabilities			
Derivative instruments			
Forward contract / futures	47.65	22.58	25.07
Total	**47.65**	**22.58**	**25.07**

(₹ in crore)

Particulars	Effects of offsetting on the balance sheet		
	Gross and net amounts of financial instruments in the balance sheet	Related amounts that are not off set	Net amounts
March 31, 2020			
Financial assets			
Derivative instruments			
Forward contract / futures	24.79	5.64	19.15
Total	**24.79**	**5.64**	**19.15**
Financial liabilities			
Derivative instruments			
Forward contract / futures	130.37	5.64	124.73
Interest rate swap	1.47	-	1.47
Total	**131.84**	**5.64**	**126.20**

Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreement. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in same currency are aggregated into a single net amount that is payable by one party to other.

In certain circumstances e.g. when a credit event such as default occurs-all outstanding transactions under the agreement are terminated, the termination value is assessed and only a net amount is payable in the settlement of all transactions.

The ISDA master netting agreement do not meet the criteria for offsetting in the consolidated balance sheet. This is because the Group does not have any currently legally enforceable right to offset recognized amounts, because the right to offset is enforceable only on default.

Note 51 Global Pandemic COVID 19 Impact on Financial Statements

The Group has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information available up to the date of approval of these financial results and concluded no adjustment is required in these results. Based on its assessment of business / economic conditions, the Group expects to recover the carrying value of its assets. The Group will continue to evaluate the pandemic related uncertainty arising from the on-going second wave and will continue to assess its impact.

Note 52 Figures for previous year have been regrouped, wherever necessary

As per our report attached
C N K & Associates LLP
Chartered Accountants
Firm Registration No.101961W/W-100036

For and on behalf of the Board of Directors

Himanshu Kishnadwala
Partner
Membership No. 037391
Mumbai, 31st May, 2021

Kushal N. Desai
Chairman &
Managing Director &
Chief Executive Officer
DIN : 00008084
Mumbai, 31st May, 2021

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

Annexure VIII to the Directors' Report

FORM AOC- 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014).

Statement containing salient features of the financial statement of subsidiaries companies or associate companies or joint venture.

Part A Subsidiaries

Sr. No	Particulars	Petroleum Specialities Pte. Limited, Singapore		Petroleum Specialities FZE, Sharjah		APAR Transmission & Distribution Projects Private Limited	APAR Distribution & Logistics Private Limited
		In USD	₹ in Crore	In USD	₹ in Crore	₹ in Crore	₹ in Crore
(a)	The date since when subsidiary was acquired	17.03.2004		18.11.2014		26.08.2016	02.03.2020
(b)	Share Capital	59,101	0.43	1,23,29,700	90.14	0.01	1.00
(c)	Reserve and surplus	1,52,11,085	111.21	(14,24,408)	(10.41)	3.23	(0.16)
(d)	Total Assets	1,53,32,724	112.10	4,30,94,010	315.06	23.82	7.30
(e)	Total Liabilities	62,538	0.46	3,21,88,718	235.33	20.58	6.47
(f)	Details of Investment (Except in case of investment in Subsidiaries)	-	-	-	-	-	-
(g)	Turnover	67,176	0.51	5,94,04,235	439.93	52.39	0.53
(h)	Profit before taxation	(48,786)	(0.36)	32,74,268	24.16	(0.35)	(0.21)
(i)	Provision for taxation	2,653	0.02	-	-	(0.08)	(0.05)
(j)	Profit after taxation	(51,439)	(0.38)	32,74,268	24.16	(0.27)	(0.16)
(k)	Proposed dividend	-	-	-	-	-	-
(l)	Extent of shareholding (% of shareholding)	100		100		100	100

Notes :

1) As on 31.03.2021 : 1 U.S. Dollar (USD) = ₹ 73.11

2) Profit/(Loss) figures do not include other comprehensive income.

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates or Joint Ventures	Ampoil Apar Lubricants Private Limited (Associate Company)
1	**Latest audited Balance Sheet Date**	22-Apr-21
2	**Date on which the Associate or Joint Venture was associated or acquired**	19-Sep-20
3	**Shares of Associate or Joint Ventures held by the company on the year end**	
	No.	400000
	Amount of Investment in Associates or Joint Venture	Rs. 0.40 Crores
	Extent of Holding (in percentage)	40.00%
4	**Description of how there is significant influence**	Holding 40% of Equity Share capital
5	**Reason why the associate/Joint venture is not consolidated.**	Consolidated as per IND AS 28 Investments in Associates and Joint Ventures - (Equity Method)

6	Net worth attributable to shareholding as per latest audited Balance Sheet	Rs 0.40 Crores
7	Profit or Loss for the year	
	i. Considered in Consolidation	0.00
	ii. Not Considered in Consolidation	NA

For and on behalf of the Board of Directors

Kushal N. Desai
Chairman & Managing Director
& Chief Executive Officer
DIN : 00008084
Mumbai, 31.05.2021

Nina P. Kapasi
Director
DIN : 02856816

V. C. Diwadkar
Chief Financial Officer

Sanjaya R. Kunder
Company Secretary

GENERAL INFORMATION

Our Company was incorporated on September 28, 1989, as 'Gujarat Apar Polymers Limited', as a public limited company under the Companies Act, 1956 and received certificate for commencement of business on November 7, 1989, from the Registrar of Companies, Gujarat. Power Cables Private Limited was originally incorporated on January 24, 1958. The name of Power Cables Private Limited was changed to Apar Private Limited on September 27, 1974, and further changed to Apar Limited on November 7, 1988. Pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Bombay order dated January 14, 1999 and the Hon'ble High Court of Gujarat order dated January 18, 1999 the industrial business of Apar Limited amalgamated with the Gujarat Apar Polymers Limited with effect from April 1, 1997 being the appointed date of Scheme of Arrangement between Apar Limited and Gujarat Apar Polymers Limited. Subsequent to aforesaid amalgamation, the name of the Gujarat Apar Polymers Limited was changed to "Apar Industries Limited" under the provision of the Companies Act, 1956 and fresh certificate of incorporation consequent on change of name was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli on April 19, 1999. For further details, see the section titled, "***Organisational Structure of our Company***" on page 187.

- The Equity Shares of our Company were listed on BSE and the NSE on April 18, 1991, and July 12, 2004, respectively. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from each BSE and NSE on November 23, 2023, under Regulation 28(1) of the SEBI Listing Regulations. We will apply for final listing and trading approvals of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.
- Our Registered Office is located at 301, Panorama Complex, Near Race Course, R.C.Dutt Road, Vadodara-390007, Gujarat, India.
- Our Corporate Office is located APAR House, Bldg. no 4 & 5, Corporate Park, Sion-Trombay Road, Chembur, Mumbai- 400 071, (Maharashtra), India.
- The CIN of the Company is L91110GJ1989PLC012802.
- The website of our Company is "www.apar.com".
- The authorised share capital of the Company is ₹ 1,01,99,87,500/- (Rupees One Hundred One Crores Ninety-Nine Lacs Eighty-Seven Thousand and Five Hundred Only) divided into 10,19,98,750 (Ten Crores Nineteen Lacs Ninety-Eight Thousand Seven Hundred Fifty) Equity Shares of Rs.10/- (Rupees Ten) each.
- The Issue was authorised and approved by the Board pursuant to the resolution dated September 28, 2023, and by the Members pursuant to the special resolution dated November 11, 2023. Our Company has been authorised to raise funds up to ₹ 1,000 crores by way of issue of securities including the Equity Shares.
- In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.
- As of the date of this Preliminary Placement Document, out Company has registered its logo under classes 1, 4, 9, 17 and 42 of the Trademarks Act, respectively.
- Copies of our Memorandum of Association and Articles of Association will be available for inspection between 9:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) at our Corporate Office.
- Except as disclosed in this Preliminary Placement Document, our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.
- There has been no material change in the financial or trading position of our Company since September 30, 2023, the date of the Limited Review Financial Results prepared in accordance with applicable accounting standards included in this Preliminary Placement Document. For details regarding significant developments after September 30, 2023, please see "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant developments after September 30, 2023***" on page 119.
- Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "***Legal Proceedings***" on page 234.
- As on the date of this Preliminary Placement Document, CNK & Associates LLP Chartered Accountants, having Firm Registration No. 101961W/W-100036 is the statutory auditor of our Company.
- No change in the control of our Company will occur consequent to the Issue.

- Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.
- The Floor Price is ₹ 5,540.33 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations, as certified by our Statutory Auditor, CNK & Associates LLP, Chartered Accountants. Our Board may, in consultation with the Lead Managers, offer a discount of not more than five per cent on the Floor Price in accordance with the approval of our Board resolution dated September 28, 2023, and the shareholders of the Company accorded through a special resolution dated November 11, 2023, and Regulation 176(1) of the SEBI ICDR Regulations.
- There have been no defaults in the annual filings of our Company under the Companies Act or the rules made thereunder.
- Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing so at their own risk.
- Sanjaya Raju Kunder is the Company Secretary and Compliance Officer of our Company. His details are as follows:

  Sanjaya Raju Kunder
  Address: APAR House, Bldg. No. 4&5, Corporate Park, Sion – Trombay Road, Chembur, Mumbai – 400 071 (Maharashtra), India
  Tel: +91 022 25263400
  E-mail: com.sec@apar.com

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole and absolute discretion of our Company, in consultation with the BRLMs, to Eligible QIBs. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)(1)(2)
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]
4.	[●]	[●]
5.	[●]	[●]
6.	[●]	[●]
7.	[●]	[●]
8.	[●]	[●]
9.	[●]	[●]
10.	[●]	[●]

(1) *Based on beneficiary position as on [●].*

(2) *Subject to receipt of funds and allotment in the Issue. The above table has been intentionally left blank and shall be updated in the Placement Document.*

(3) The post-Issue shareholding (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID will be considered.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

Kushal Narendra Desai
Chairman, Managing Director and Chief Executive Officer
DIN: 00008084

Date: November 23, 2023
Place: Mumbai

DECLARATION

We, the Board of the Company, certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

APAR INDUSTRIES LTD.

Kushal Narendra Desai
Chairman, Managing Director and Chief Executive Officer
DIN: 00008084

I am authorized by the Share Issue Committee, a committee of the Board of the Company, *vide* resolution November 23, 2023 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed:

APAR INDUSTRIES LTD.

Kushal Narendra Desai
Chairman, Managing Director and Chief Executive Officer
DIN: 00008084

Date: November 23, 2023
Place: Mumbai

APAR INDUSTRIES LIMITED
CIN: L91110GJ1989PLC012802

Registered Office
301, Panorama Complex, Near Race Course,
R. C. Dutt Road,
Vadodara - 390 007 (Gujarat), India

Corporate Office
APAR House, Bldg. No. 4&5, Corporate Park, Sion – Trombay Road, Chembur,
Mumbai – 400 071 (Maharashtra), India

Tel: +91 0265 6178700
Email: com.sec@apar.com
Website: www.apar.com

Contact Person

Ramesh Seshan Iyer
Chief Financial Officer
Address: APAR House, Bldg. No. 4&5, Corporate Park, Sion – Trombay Road, Chembur,
Mumbai – 400 071 (Maharashtra), India
Tel: +91 022 25263400
E-mail: ramesh.iyer@apar.com

Sanjaya Raju Kunder
Company Secretary and Compliance Officer
Address: APAR House, Bldg. No. 4&5, Corporate Park, Sion – Trombay Road, Chembur,
Mumbai – 400 071 (Maharashtra), India
Tel: +91 022 25263400
E-mail: com.sec@apar.com

BOOK RUNNING LEAD MANAGERS

ICICI Securities Limited
ICICI Venture House,
Appasaheb Marathe Marg, Prabhadevi,
Mumbai 400025
Maharashtra, India

IIFL Securities Limited
IIFL Securities Limited
24th Floor, One Lodha Place, Senapati Bapat Marg
Lower Parel, (West), Mumbai 400013
Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

C N K & Associates LLP, Chartered Accountants
501-502, Narain Chambers,
M.G. Road, Vile Parle (E),
Mumbai 400057
ICAI Firm Registration No.: 101961W/W-100036

LEGAL COUNSEL TO THE COMPANY
As to Indian law

IndusLaw
1502B, 15th Floor, Tower – 1C,
One World Centre, Senapati Bapat Marg, Lower Parel,
Mumbai – 400013
Maharashtra, India

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS
As to Indian law

Trilegal
One World Centre
10th Floor, Tower 2A & 2B,
Senapati Bapat Marg,
Lower Parel,
Mumbai - 400 013

INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS WITH RESPECT TO SELLING AND TRANSFER RESTRICTIONS

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore - 049321

receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

<table>
<tr><td rowspan="2">APAR
Tomorrow's solutions today

APAR INDUSTRIES LIMITED</td><td>**APPLICATION FORM**</td></tr>
<tr><td>**Name of the Bidder:**

Form. No.:</td></tr>
<tr><td>*(Incorporated in the Republic of India under the provisions of the Companies Act, 1956)*
Registered Office: 301, Panorama Complex, Near Race Couse, R. C. Dutt Road, Vadodara, - 390 007 (Gujarat), India; **Corporate Office**: APAR House, Bldg. No. 4&5, Corporate Park, Sion – Trombay Road, Chembur, Mumbai – 400 071 (Maharashtra), India; **CIN**: L91110GJ1989PLC012802; **Website**: www.apar.com; **Tel:** +91 0265 6178700; **Email**: com.sec@apar.com;
COMPANY LEI NUMBER: 335800UXT2HV4V3ZR581 **ISIN**: INE372A0101</td><td>**Date: _____________, 2023**</td></tr>
</table>

QUALIFIED INSTITUTIONS PLACEMENT OF [•] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH, AT A PRICE OF ₹[•] PER EQUITY SHARE (THE "ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[•] PER EQUITY SHARE, AGGREGATING TO ₹[•] CRORES UNDER SECTION 42 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THERUNDER, EACH AS AMENDED, (THE "COMPANIES ACT") READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") BY APAR INDUSTRIES LIMITED (THE "ISSUER" OR THE "COMPANY", AND SUCH ISSUE OF EQUITY SHARES, THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 5,540.33 PER EQUITY SHARE AND OUR BOARD MAY IN CONSULTATION WITH LEAD MANAGERS OFFER A DISCOUNT OF UPTO FIVE PERCENT OR SUCH PERCENTAGE AS PERMITTED UNDER THE SEBI ICDR REGULATIONS ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and which: (a) are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) hold a valid and existing registration under the applicable laws in India (as applicable); (c) are not restricted from participating in the Issue under SEBI ICDR Regulations and other applicable laws; are eligible to invest in the Issue and submit this Application Form ("Eligible QIBs"). In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; (ii) a multilateral or bilateral development financial institution eligible to participate in the Issue under applicable laws, including the FEMA Rules (defined below); and (iii) Foreign portfolio investors participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended ("FEMA Rules"), the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (the "SEBI FPI Regulations") and any other applicable law (other than individuals, corporate bodies and family offices), that are eligible to participate in the Issue ("Eligible FPIs. Further, in terms of the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended, foreign venture capital investors ("FVCIs") are not permitted to participate in the Issue. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections of the accompanying preliminary placement document dated November 23, 2023 (the "PPD") titled "Selling Restrictions" and "Transfer Restrictions and Purchaser Representations" on pages 212 and 219, respectively.

ONLY ELIGIBLE QIBs ARE PERMITTED TO PARTICIPATE IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA RULES READ WITH THE RESTRICTION SPECIFIED IN THE "ISSUE PROCEDURE" SECTION OF THE PRELIMINARY PLACEMENT DOCUMENT, IN THE ISSUE, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS, AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs IN THE COMPANY DOES NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS AND THE PRELIMINARY PLACEMENT DOCUMENT IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED IN THE FEMA RULES AND SHALL HAVE TO BE IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF THE FEMA RULES. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF THE FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,
The Board of Directors
Apar Industries Limited
Registered Office: 301, Panorama Complex, Near Race Couse, R. C. Dutt Road, Vadodara, - 390 007 (Gujarat), India

Respected All,

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds**
NIF	National Investment Fund	**FPI**	Eligible Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Fund *
SI-NBFC	Systemically Important Non-Banking Financial Companies	**OTH**	Others _____________ (Please specify)

**Sponsor and Manager should be Indian owned and controlled*
***Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained in the other sections of the PPD, and in this Application Form, we hereby submit our Bid for the Allotment of the Equity Shares in the Issue on the terms and price indicated below. We hereby confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations, holding a valid and existing registration under the applicable laws in India (as applicable) and are not: (a) excluded from making an application in the Issue pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, and (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws and that we are not a Promoter of the Company, or any person related to the Promoters of the Company, directly or indirectly, as defined in the SEBI ICDR Regulations and the Bid does not directly or indirectly represent the Promoter or Promoter Group or persons related to the Promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group, veto rights or right to appoint any nominee director on the Board of directors of the Issuer. We confirm that we are either a QIB which is (a) resident in India, or (b) an Eligible FPI or (c) a multilateral or bilateral development financial institution. We confirm that we are not an FVCI. We confirm that the bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid does not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**Takeover Regulations**"). We further understand and agree that (i) our names, address, contact details, PAN and bank account details will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document pursuant to the requirements under Form PAS-4 of the PAS Rules; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Gujarat (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company will disclose our name, along with the name of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the website of National Stock Exchange of India Limited and the BSE Limited (together referred to as the "**Stock Exchanges**"), and we consent to such disclosure. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, Reserve Bank of India circulars and other applicable laws. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each Eligible FPIs have submitted separate Application Forms and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the price and number of Equity Shares Bid for under each such scheme. We undertake that we will sign and/or submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the necessary approvals for applying in the Issue. We note that the Board of Directors of the Company, or any duly authorized committee thereof, is entitled, in consultation with ICICI Securities Limited and IIFL Securities Limited (together, the "**Lead Managers"**), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof. We hereby agree to accept the Equity Shares that may be Allocated to us pursuant to the Confirmation of Allocation Note ("**CAN**") and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of this Application Form and Bid Amount towards the Equity Shares that may be Allocated to us. The Bid Amount payable by us for the Equity Shares applied for in the Issue has been/will be remitted to the designated bank account set out in this Application Form only through electronic mode, along with this duly completed Application Form prior to or on the Issue Closing Date and such Bid Amount has been/will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash, demand draft or cheque. We are aware that Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and in the event that (i) Equity Shares that we have applied for are not Allotted to us in full or at all, and/or (ii) the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or (iii) the Company is unable to issue and Allot the Equity Shares offered in the Issue or (iv) if we withdraw the Bid before Issue Closing Date, or (v) if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

By signing and/or submitting this Application Form, we hereby confirm and agree (i) that the representation, warranties, acknowledgments and agreements as set forth in the sections of the PPD titled "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" and (ii) the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of which are entitled to rely on and are relying on these representations, undertakings and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby further represent, warrant, acknowledge and agree as follows: (1) we have been provided a serially numbered copy of the PPD and the Application Form and have read it in its entirety including in particular, the section titled '*Risk Factors*' therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document (when provided), this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares, otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company in consultation with the BRLMs and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose our names and the percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue. For the purposes of this representation and warranty: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, amongst the Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and purchasing the Equity Shares in an "offshore transaction" (as defined in, and in reliance on, Regulation S) complying with Rule 903 or Rule 904 of Regulation S and the applicable laws of the jurisdictions where such offers and sales are made.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form, whether signed or not is submitted by an Eligible QIB, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of such Eligible QIB.

BIDDER DETAILS (In Block Letters)

NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
EMAIL ID		**MOBILE NO.**	
LEI	335800UXT2HV4V3ZR581		
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO. ____		
FOR MF	SEBI MF REGISTRATION NO. ____		
FOR AIFs***	SEBI AIF REGISTRATION NO. ____		
FOR VCFs***	SEBI VCF REGISTRATION NO. ____		
FOR SI-NBFCS	RBI REGISTRATION DETAILS ____		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS ____		
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS ____		

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLMs.*
*** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allotted to us in the Issue will be aggregated to disclose our percentage of post-Issue shareholding in the Company in the Placement Document in line with the requirements under the form PAS-4 of the PAS Rules, as amended. For such information, the BRLMs have relied on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

DEPOSITORY ACCOUNT DETAILS									
Depository Name	National Securities Depository Limited								Central Depository Services (India) Limited
Depository Participant Name									
DP – ID	I	N							
Beneficiary Account Number									(16-digit beneficiary A/c. No. to be mentioned above)

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which Bid Amount has been remitted for the Equity Shares applied for in the issue will be considered.

PAYMENT DETAILS
REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 3.30 p.m. (IST), [•], 2023, being the Issue Closing Date

Name of the Account	**Apar Industries Ltd Qip Escrow Ac**	**Account Type**	**Escrow Account**
Name of Bank	Kotak Mahindra Bank Limited	**Address of the Branch of the Bank**	5 C/ II, Mittal Court,224, Nariman Point, Mumbai - 400 021
Account No.	**2848884668**	**IFSC**	**KKBK0000958**

The Bid Amount should be transferred pursuant to the Application Form within the Issue Period. Payment of the entire Bid Amount must be made along with the Application Form, only by way of electronic fund transfers in favor of "**Apar Industries Ltd Qip Escrow Ac**", on or before the closure of the Issue Period i.e. within the Issue Closing Date. The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form. You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful processing of refunds, if any, shall be dependent on the accuracy of the bank details provided by you. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

NO. OF EQUITY SHARES BID FOR		**PRICE PER EQUITY SHARE (RUPEES)**	
(In Figures)	(In Words)	(In Figures)	(In Words)

TOTAL BID AMOUNT (RUPEES)	
(In Figures)	(In Words)

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Email:		Mobile No.	

OTHER DETAILS	
PAN*	
Legal Entity Identifier Code	
Date of Application	
Signature of Authorized Signatory	

ENCLOSURES ATTACHED (attached/certified true copy of the following)
☐ Copy of the PAN Card or PAN Allotment letter*
☐ FIRC
☐ Copy of the SEBI registration certificate as Eligible FPI
☐ Copy of the SEBI registration certificate as an AIF
☐ Copy of the SEBI registration certificate as a VCF
☐ Copy of the SEBI registration certificate as a Mutual Fund
☐ Copy of the IRDA registration certificate
☐ Certified true copy of power of attorney
☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank/public financial institution
☐ Others, please specify________________

**Please note that the Bidder should not submit the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961, as the application is liable to be rejected on this ground.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and the Placement Document.

Note 2: The Application Form is liable to be rejected if any information provided is incomplete or inadequate, at the discretion of the Company in consultation with the BRLMs.

Note 3: The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in the PPD.

The Application Form, the PPD sent to you and the Placement Document which will be sent to you, either in physical form or in electronic form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimers and restrictions contained in or accompanying these documents.