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Under the deft guidance of Kushal N. Desai, APAR Industries seems well set on a profitable path thanks to its agility in doubling down on opportunities

By **Prerna Lidhoo**

► **IN THE HEART** of Mumbai's bustling cityscape, 57-year-old Kushal Narendra Desai's influence reverberates far beyond the confines of his office in APAR House, nestled in Chembur.

Dressed in a crisp business suit radiating quiet strength, Desai powers APAR Industries' empire, which is spread across 140 countries. His demeanour may be soft-spoken and his presence unassuming, but his impact on the nation's infrastructure is considerable. Through the manufacturing of cables, industrial lubricants, specialty oils, and conductors, his firm is perhaps the silent force behind the grand edifices and sprawling projects that define the landscape.

"When one looks at a fancy-looking building, people appreciate the external things like the glass and signage. Our products are all hidden, but we do the bricks, the steel, and the network without which the

building can't stand," says Desai, Chairman & MD of APAR Industries, who is a third-generation businessman at the company founded in 1958 by his grandfather, Dharamsinh D. Desai.

Desai, who runs the company with his brother Chaitanya, who is the MD, likes to stay true to his company's name, which translates to 'limitless' in Sanskrit. "I firmly believe that we work on tomorrow's solutions today. That's what makes us limitless. There's always been a need to think out of the box," he says.

That thinking has helped it become the largest global manufacturer of aluminium and alloy conductors and the third-largest manufacturer of transformer oils. It has blockbuster projects like the INS Vikrant, India's first indigenous aircraft carrier, to its credit. It is also the largest supplier of cables for the flagship Vande Bharat trains and accounts for nearly 98% of the cables used in them.

Today, it caters to specialty sectors from the railways, naval ships, submarines, solar firms, windmills, telecom firms, etc., with a wide range of medium-voltage and low-voltage XLPE (or insulated), elastomeric (or rubber), specialty, and fibre-optic cables. It is the leader in India for specialty cables, with a 70% market share in the domestic wind energy sector. "We provide our customers solutions that tangibly solve their problems. As the market requirements advance, we have ensured that we have a product portfolio that is both relevant and leading the technology curve across our business verticals," he adds.

Experts point out that APAR's first and biggest business of conductors, which accounts for 47% of its revenues, is expected to grow by leaps and bounds. This is thanks to the growing demand for electricity, the focus on renewable energy, and the opportunity from the upgrade of the outdated power transmission infrastructure both in India and abroad.

In FY23, the company reported consolidated sales of ₹14,352 crore, against ₹9,316.57 crore in FY22, and a profit after tax (PAT) of ₹637.7 crore, compared with ₹256.73 crore in FY22. According to Prabhudas Lillad-

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Infrastructure & Capital Goods

KUSHAL NARENDRA DESAI

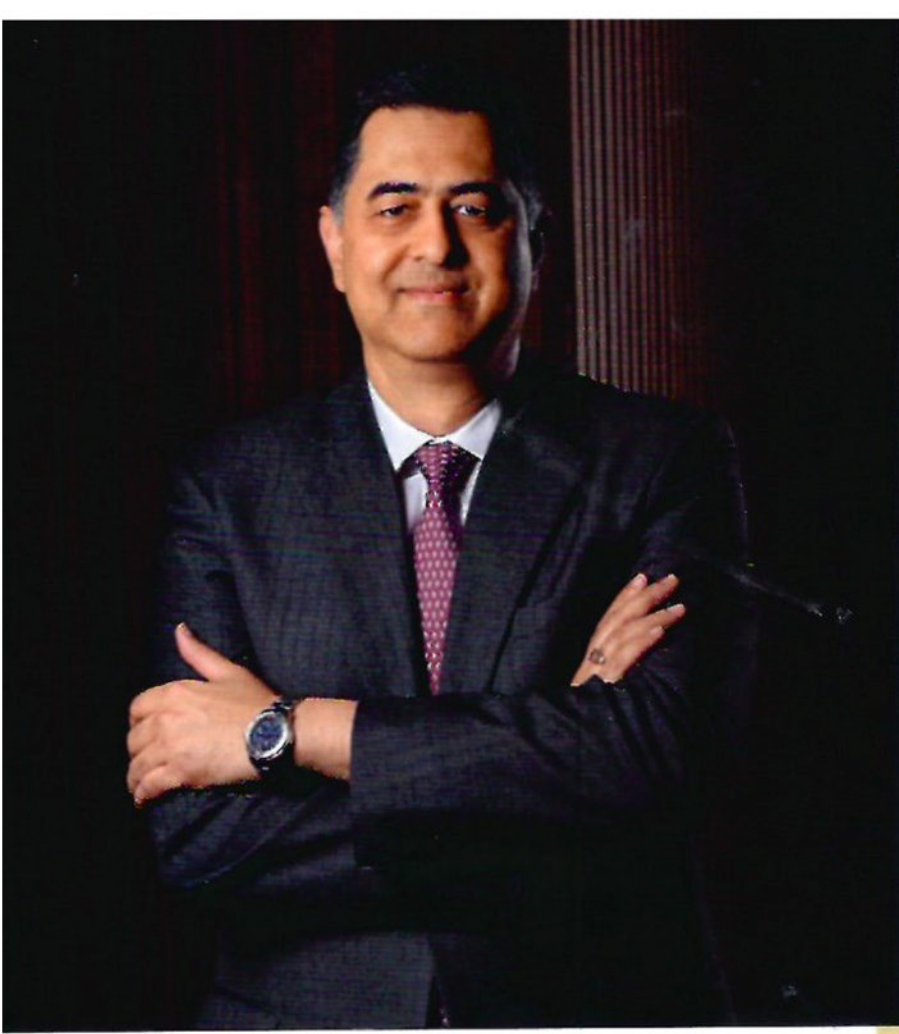
CHAIRMAN & MD, APAR INDUSTRIES

Revenue from operations	FY23	14,352.2
	9MFY24	11,711.1
Profit before tax	FY23	854.6
	9MFY24	784.8
Profit after tax	FY23	637.7
	9MFY24	588.9
	FY23 RoE (%)	32.28
	Market Cap	25,277.9

● Data is on a consolidated basis; all figures in ₹ crore except RoE; 9MFY24: April-December 2023

● M-cap as of February 23, 2024

● Source: ACE Equity, BSE



THE BUILDER Kushal N. Desai, Chairman & MD, APAR Industries

➤ Wired Up

❶ The company has become the largest global aluminium and alloy conductors manufacturer and the third-largest global manufacturer of transformer oils

❷ According to Prabhudas Lilladher, the company's focus on value-added products and strong traction in exports will drive profitability in the long run

❸ It caters to various specialty sectors with a wide range of medium-voltage and low-voltage cables

❹ It is the leading Indian exporter of wires and cables, and supplies to America, Africa, the Middle East, and Europe

her, the company's focus on value-added products and strong traction in exports will drive a strong top line and profitability in the long run. It pegs APAR's revenue growth at ₹21,858 crore from FY23 to FY26 and expects PAT to grow at a CAGR of 11% to ₹871.8 crore by FY26.

"Not just the next few years, we see the next two decades [as] great for the company, [especially] in electrical transmission, and distribution infrastructure growth is set to double by 2050. Of that, electricity as a [percent-

age] mix will grow from 20% to 40%. Hence, there will be 4x growth for all the building blocks," says Desai, winner in the infrastructure and capital goods category of the BT-PwC India's Best CEOs ranking this year.

His vision is clear: to see the businesses grow at 15% for the next 10 years, and the cable business at 20-25%. "The company today is in a strong position to take on the opportunities that are present both locally and globally," he adds.

Exports, in fact, are a great opportunity that Desai recognised early on during Covid-19. "What has worked for us is that we've been the first or amongst the first to introduce new products in the Indian market across our three business verticals and one of our key business decisions has been to start focussing on export markets during Covid-19," he says.

APAR was able to develop an entire range of solar-, wind-, railways-, and defence cables when the demand for these products was still nascent. When the market expanded dramatically, it had the largest and best product offering, says Desai.

The contribution of exports has increased from 34% in FY16 to about 50% in FY23. "Increasing traction for conventional conductors from key geographies like the US and Europe has resulted in strong export growth in the last couple of years. We expect increasing spends in T&D (transmission and distribution) infrastructure in the domestic and export markets to continue to drive demand for conductors in the medium to long run," Prabhudas Lilladher said in a report. It added that the company's conductor business will be driven by demand for premium products from the domestic market and conventional as well as premium conductors from exports.

APAR is already a leading Indian exporter of wires and cables, supplying to countries across the Americas, Africa, the Middle East, Europe, and the SAARC region. "Going forward, we expect growth momentum in exports [to be] driven by increasing geographical presence, product approval, superior product quality, increasing acceptance for products, backed by strong demand from key geographies such as the US, Europe, etc., increasing traction in renewable energy, and the China+1 strategy," Prabhudas Lilladher added.

Not one to rest on his laurels, Desai now wants to take it up a notch. "There's a lot of positive pressure. The world is getting more competitive and more global; you need to be the best in your business. You can't be the jack of all trades, but you can be the master of a few," he says.

Considering the scale of opportunities, Desai seems to be in an enviable position. **BT**

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