APAR

Tomorrow's solutions today

SEC/0608/2025 **By E-Filing** August 6, 2025

National Stock Exchange of India Limited "Exchange Plaza", C-1, Block G, Bandra- Kurla Complex, Bandra (E), Mumbai – 400 051. **Scrip Symbol : APARINDS** **Kind Attn.: Listing Department**	BSE Limited Corporate Relations Department, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001. **Scrip Code : 532259** **Kind Attn. : Corporate Relationship Department**

Sub. : Intimation of Reaffirmation of Credit Rating

Ref.: Regulation 30(6) and all other applicable regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024.

Dear Sir / Madam,

Pursuant to Regulation 30(6) and Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time read with SEBI Master Circular, we would like to inform the Exchanges about reaffirmation in credit ratings as communicated by CARE Ratings Limited vide their Press Release dtd. August 05, 2025 (copy enclosed).

Please find below the details of the reaffirmation of the credit ratings based on the FY 2025 (Audited) and Q1FY26 (Un-audited) financial performances of the Company.

Name of the Company	Credit Rating Agency	Facilities	Rating	Rating Action
APAR Industries Limited (ISIN – INE372A01015)	CARE Ratings Limited	Long Term Bank Facilities (Term Loans & Fund Based Limits)	**CARE AA- ; Stable**	Reaffirmed
		Long Term / Short Term Bank Facilities (Non-fund Based Limits)	**CARE AA- ; Stable / CARE A1+**	Reaffirmed

Thanking you,
Yours Faithfully,
For APAR Industries Limited

SANJAYA
RAJU
KUNDER

Digitally signed by SANJAYA RAJU KUNDER
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2.5.4.20=64ab945fcd681f91dc6d7d98c7b9cc199f061674ea015f0ce11b898e2cd7dbb0,
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serialNumber=0cc5c938eb4e54110332d07255e723e3bd1a6849c5d87c4f34e5bec3533aa715, cn=SANJAYA RAJU KUNDER
Date: 2025.08.06 15:10:48 +05'30'

(Sanjaya Kunder)
Company Secretary

Encl.: As above

Apar Industries Limited (Revised)

August 05, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	1,765.32 (Enhanced from 1,203.58)	CARE AA-; Stable	Reaffirmed
Long-term / Short-term bank facilities	8,567.00 (Enhanced from 8,061.00)	CARE AA-; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Apar Industries Limited (APAR) continue to draw strength from diversified and established market position of APAR across three major business segments; conductors, cables, and transformer and speciality oils (TSO), where it has leadership positions in conductors and TSO segments. Ratings also factor long-standing experience of its promoters, significant growth in its scale of operations in the last few years with improving profitability, improving exports with premiumisation of its product profile, healthy order book position, and strong liquidity.

These strengths are tempered by working capital intensive operations given the nature of business, resulting in higher reliance on working capital borrowing (in the form of acceptances) leading to higher leverage indicators. Ratings also take cognisance of inherent business risk considering its exposure to raw material price risk, foreign currency volatility, increasing competition in the industry, and freight charge volatility.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growing scale of operations on a sustained basis.
- Improving total outside liabilities to tangible net worth (TOL/TNW) to 1.00x on a sustained basis.

Negative factors

- Declining profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin below 8% on a sustained basis.
- Deteriorating TOL/TNW to 1.75x and above.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has considered APAR's consolidated financials, due to strong operational and financial linkages among the entities getting consolidated. The list of entities is presented in **Annexure-6**.

Outlook: Stable

The Stable outlook reflects that APAR's scale of operations and operating margins will continue to be supported by healthy order book and its strong market position in conductors and TSO segments with increasing share from premium products in the near-to-medium term. CareEdge Ratings expects the favourable demand prospects from power sector with sizeable capex to provide further growth opportunities to the company.

Detailed description of key rating drivers:

Key strengths

One of leading players in conductor segment

APAR is one of the leading companies, engaged in manufacturing TSO and transmission and distribution overhead conductors with a total installed capacity of 861,600 KL and 444,607 MT, respectively, as on March 31, 2025. In the conductor division, APAR caters to prominent customers such as Kalpataru Projects International Limited, Indian Railways, state government entities, KEC International Limited (rated 'CARE A+; Stable/ CARE A1+'), and prominent turnkey operators with whom it has a long-standing relationship. APAR also exports to major geographies with focus on Australia, South-East Asia, the Middle East, Latin America, North America, and Africa among others, and has presence in over 140 countries.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Long-standing experience of promoters in business

APAR was established in 1958 by Late Dharmsinh D Desai as 'Power Cables Private Limited'. He was the founder of Dharmsinh Desai University, Nadiad, in Gujarat. Over the years, APAR established itself as one of the leading producers in conductors and TSO segments. The promoter group has been in the conductor business for over six decades and operations are currently being managed by third generation of the Desai family, Kushal N. Desai, the Chairman and Managing Director, and Chaitanya N. Desai, the Managing Director (grandsons of Dharmsinh D. Desai). Both are well-qualified and have nearly three decades of substantial industrial experience. APAR has a qualified management team comprising industry personnel with over decades of experience.

Well-established market position across segments

APAR is among the top three producers of conductors and speciality oils in the world. In the transformer oil segment, it has a product offering of over 500+ grades with varied application in the industrial oil sub segment. To cater to the growing demand in the Middle Eastern and African markets, APAR commissioned its port-based plant at Hamriyah, Sharjah, in FY18. It also entered a brand and manufacturing alliance for its automotive lubricant segment with the global energy leader, ENI S.P.A, Italy. In the conductor segment, APAR enjoys long-standing relationship with customers such as Kalpataru Projects International Limited and KEC International Limited. In the cables segment, APAR is engaged in electrical and telecom cables and elastomer cables. This division supplies to industry segments in India, power utilities, petrochemicals, steel, cement, nuclear power, defence, telecommunication, metros and shipbuilding, railways, renewable energy sector, among others. Major clients include Suzlon Energy Limited, Sterling & Wilson Renewable Energy, Adani Group, Waree Renewable Technologies Limited, Larsen and Toubro Limited, among others.

Diversified revenue profile

APAR's business segments comprise conductors, TSO, and cables. The conductor segment contributed 49% to the consolidated revenue of FY25 (PY: 48%), TSO segment contributed 26% in FY25 (PY: 23%) and cables segment contributed 25% in FY25 (PY: 23%). APAR has incremental income coming from high-margin products for the conductor segment with premium mix contributing 46% of its revenues in FY25 (PY: 45%), which has increased the segment's revenue by 19.3% in FY25. Revenue from cables also increased by 28% led by 43% growth in its domestic cables business. The total order book stood at ₹7,779 crore for the conductor division and ₹1,653 crore for the cables division as on June 30, 2025. TSO segments' revenue increased marginally by 5% Y-o-Y in FY25 driven by 14% volume growth in transformer oil considering rising electricity demand and focus on infrastructure development.

Improved overall performance led by increase in volume

Total operating income (TOI) improved by 14.97% to ₹18,586.44 crore in FY25 Y-o-Y owing to increased volumes and premiumisation of product mix. In Q1FY26, TOI further improved by 27.27% Y-o-Y to ₹5,104.16 crore. In FY25, the revenue from conductor segment reached ₹9,582 crore (PY: ₹8,031 crore) led by premiumisation, revenue from TSO was at ₹5,087 crore (PY: ₹4,837 crore) driven by improved volume growth and revenue from cable segment reached ₹4,945 crore (PY: ₹3,859 crore) driven by increase in revenue from domestic business. While the domestic revenue for the company as a whole grew by 41%, export revenue de-grew by 19% in FY25 due to supply chain disruptions, higher freight rates and increasing competition from China, especially from non-US geography. Revenue from the US was down by 5.0% in FY25 compared to FY24. In Q1FY26, revenue from conductor segment reached ₹2,785 crore (PY: ₹1,936 crore) led by improved product mix, higher realisation and volume growth, revenue from TSO was stable at ₹1,262 crore (PY: ₹1,265 crore) and revenue from cable segment reached ₹1,419 crore (PY: ₹1,042 crore) driven by increase in revenue from exports. Overall operating margins reduced by 124 bps in FY25, primarily considering subdued US demand, increase in freight cost, increased competition from Chinese manufacturers in non-US markets. It further moderated by 53 bps Y-o-Y in Q1FY26. The conductor segment recorded a drop in earnings before interest, taxation, depreciation, and amortisation (EBITDA) per MT by 13% to ₹36,683 in FY25 (PY: ₹42,141) but remains strong considering a good mix of premium products. However, it improved by 13% Y-o-Y to ₹43,688 in Q1FY26 (PY: ₹38,532). The TSO segment recorded improvement in EBITDA/KL by 7% Y-o-Y to ₹6,145 in FY25 (PY: ₹5,746) driven by favourable operating leverage. It further improved marginally by 1% Y-o-Y to ₹7,004 in Q1FY26 (PY: ₹6,935). Cable segment EBITDA margins marginally declined to 10.1% in FY25 compared to 11.4% in FY24 led by marginal decline in realisations due to competitive pressure. It further declined to 10.0% in Q1FY26 compared to 10.3% in Q1FY25.

Comfortable capital structure and debt coverage indicators

On a consolidated basis, APAR's debt profile primarily consists of LC backed acceptances. Majority of APAR's raw materials are imported and financed mostly by supplier credit that is guaranteed by LC. As the scale of business increased, LC-backed acceptances are also expected to increase. LC backed acceptances marginally increased to ₹4,079 crore as on March 31, 2025, from ₹3,946 crore as on March 31, 2024, as the TOI improved by 14.97% from ₹16,165.68 crore in FY24 to ₹18,586.44 crore in FY25. Overall gearing (including LC acceptances) improved to 1.04x (PY: 1.14x) and TOL/TNW remained comfortable at 1.50x

(PY: 1.48x), respectively, as on March 31, 2025, compared to March 31, 2024 considering improvement in TNW due to accretion of profits to reserves. Due to stronger PBILDT and cash accruals, the total debt to gross cash accruals (TD/GCA) and total debt/PBILDT remained comfortable at 4.89x (PY: 4.75x) and 2.94x (PY: 2.80x), respectively, in FY25 compared to FY24. Going forward, even with expected growth in its scale of operations and planned capex, its capital structure and debt coverage indicators are expected to be maintained in the near-to-medium term.

Liquidity: Strong

APAR's liquidity is adequate as evinced from GCA of ~₹1,000 crore expected to be generated in FY26. APAR had cash and liquid investments (unencumbered) of ₹896 crore as on March 31, 2025. As against this, the company has term debt repayment obligations to the tune of ₹140.81 crore (including lease liability) on a consolidated basis for FY26. The company maintains a comfortable cash balance of ₹250-450 crore even after the committed payments towards LC acceptances.

Key weaknesses

Working capital intensity of operations

The company's operations continue to be working capital intensive due to the inherent nature of the industry in which it operates, such as delays in order execution, competitive pressure, delays in obtaining clearances, and in funding arrangements by engineering, procurement, and construction (EPC) players. It results in high working capital limit utilisation. In 12-months ended May 2025 utilisation of its non-fund-based working capital limit stood at ~75%, while there was negligible utilisation of its fund-based working capital limits in this period considering improved liquidity.

Susceptibility of margins to raw material price volatility and exchange rate fluctuations

The raw material cost to TOI stood at 79.30% in FY25 (PY: 77.57%). Prices of aluminium and copper, which are major raw materials for conductors, have shown volatility in the last few years. To hedge against metal price volatility, APAR books metal at LME rates on the day the order is received for fixed-price contracts. In the TSO segment, APAR uses base oil as its raw material. The base oil prices depend on crude oil prices to a certain extent, which are highly volatile. CareEdge Ratings notes that due to the competition in the segment, APAR is not always able to pass on the entire raw material price rise to the customers. Even otherwise, the company can pass on majority raw material price increase to the customers only with a time lag. To mitigate this risk, the company mainly caters to high voltage transformer manufacturers/ users where quality plays over price and the company is better positioned to pass on the price increases. APAR is exposed to the volatility in foreign exchange rates considering its imports and borrowings in foreign currency. Majority of its raw materials are imported making APAR a net importer traditionally. However, due to increase in exports, APAR turned net exporter in FY24. However, considering lower exports in FY25, APAR again turned back as net importer in FY25. The company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. CareEdge Ratings will continue to monitor the company's ability to successfully manage its foreign exchange fluctuation risk, which remains critical from the credit perspective.

Environment, social, and governance (ESG) risks

Environment

With a focus on promoting circular economy through increased recycling, the company actively reduces waste and conserves resources. It drives efforts to lower Scope-1 and Scope-2 Green House Gas (GHG) emissions within its operational boundaries to help combat climate change. APAR has laid out focus areas, when it comes to environmental impact:

- A wind-solar hybrid (3.30-MW wind-turbine and 2.80 MWp of solar energy) project was commissioned in June 2023 which has increased the share of renewable energy consumption from 3.7% in FY23 to 7.3% in FY24 to 9.9% in FY25. Another two similar projects are being commissioned which will ensure a significant increase in share of renewable energy consumption by FY26.
- Absolute water consumption reduced by 3% from 376,139 KL in FY24 to 363,693 KL in FY25. In addition, water intensity reduced by over 15%, from 23.3 KL/₹ crore turnover to 19.6 KL/ ₹ crore turnover. APAR has taken initiatives at all its facilities, which include reducing demand through process improvement, recycling through increased usage of Sewage and Effluent Treatment Plants (ETP and STP) and Rainwater Harvesting (RWH). There has been a significant reduction in its water footprint intensity in the last two years.

Social

On the social front, the company undertakes initiatives to empower marginalised communities and the society at large in its key areas of operations with focus on four core areas: healthcare, education, rural development, and gender equality.

Governance

On its board, 50% comprises independent directors (three of six directors) and one woman director.

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Withdrawal Policy
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Electrical equipment	Other electrical equipment

Founded by Dharmsinh D. Desai in 1958, APAR is engaged in three broad business segments-transformer oils and specialty oils (TSO), conductors segment, and power/telecom cables. Apart from being a market leader in India, the company has a global presence, exporting to over 140 countries. APAR has total installed capacity of 861,600 KL of transformer oils, 444,607 MT of conductors and 880,176 KM of cables as on March 31, 2025. Its manufacturing facilities are at Rabale (Maharashtra), Silvassa, Athola and Rakholi (Dadra and Nagar Haveli), Umbergaon and Khatalwad (Gujarat), Jharsugoda and Lapanga (Orissa), and Hamriyah (Sharjah).

Brief Financials (₹ crore)	FY24 (A)	FY25 (A)	Q1FY26 (UA)
Total operating income	16,165.98	18,586.44	5,104.16
PBILDT	1,581.35	1,587.16	452.26
PAT	825.11	821.28	262.91
Overall gearing (times)	1.14	1.04	NA
Interest coverage (times)	3.66	3.58	5.24

A: Audited UA: Unaudited NA: Not available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	715.00	CARE AA-; Stable
Non-fund-based - LT/ ST-BG/LC	-	-	-	-	8567.00	CARE AA-; Stable / CARE A1+
Term Loan-Long Term*	-	-	-	31-03-2032	1050.32	CARE AA-; Stable

*includes proposed

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Non-fund-based - LT/ ST-BG/LC	LT/ST	8567.00	CARE AA-; Stable / CARE A1+	-	1)CARE AA-; Stable / CARE A1+ (04-Sep-24)	1)CARE A+; Stable / CARE A1 (22-Sep-23)	1)CARE A; Positive / CARE A1 (05-Dec-22)
2	Fund-based - LT-Cash Credit	LT	715.00	CARE AA-; Stable	-	1)CARE AA-; Stable (04-Sep-24)	1)CARE A+; Stable (22-Sep-23)	1)CARE A; Positive (05-Dec-22)
3	Term Loan-Long Term	LT	1050.32	CARE AA-; Stable	-	1)CARE AA-; Stable (04-Sep-24)	1)CARE A+; Stable (22-Sep-23)	1)CARE A; Positive (05-Dec-22)

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - LT/ ST-BG/LC	Simple
3	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Petroleum Specialities Pte. Ltd. Singapore	Full	Wholly owned subsidiary
2	Petroleum Specialities FZE, Sharjah	Full	Wholly owned subsidiary
3	APAR Transmission & Distribution Projects Private Limited	Full	Wholly owned subsidiary
4	APAR Distribution & Logistics Private Limited	Full	Wholly owned subsidiary
5	CEMA Wires & Cables LLC, USA	Full	Wholly owned subsidiary
6	APAR Industries LATAM LTDA, Brazil	Full	Wholly owned subsidiary
7	Ampoil APAR Lubricants Private Limited	Moderate	Associate
8	Clean Max Rudra Private Limited	Moderate	Associate

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:
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