

Apar Industries Limited

September 09, 2026

Facilities/ Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term / Short-term bank facilities	RBI	11,306.97 (Enhanced from 8,567.00)	CARE AA; Stable / CARE A1+	LT rating upgraded from CARE AA- ; Stable and ST rating reaffirmed
Long-term bank facilities	RBI	1,652.78 (Reduced from 1,765.32)	CARE AA; Stable	Upgraded from CARE AA-; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating upgrade factors in APAR's strengthening of business profile, reflected in sustained growth in scale of operations and improving profitability across its conductors, cables and speciality oils businesses. The company reported healthy growth in operating income, which increased by 23.2% to ₹22,902 crore in FY26 and by 29.1% year-on-year to ₹6,591 crore in Q1FY27. profit before interest, lease rentals, depreciation and taxation (PBILDT) increased by 21.1% to ₹1,922 crore in FY26, while operating margins improved to 11.50% in Q1FY27 from 8.86% in Q1FY26, supported by increasing contribution from premium products and healthy performance across business segments. APAR's established market position, diversified product portfolio and healthy order book, comprising conductor orders of ₹10,190 crore and cable orders of ₹1,925 crore as on June 30, 2026, provide strong revenue visibility in the medium term.

The rating upgrade also factors in significant strengthening of the company's capital structure following the successful completion of the ₹2,500-crore qualified institutions placement (QIP) in August 2026. Resultant increase in net worth is expected to support APAR's working-capital requirements and reduce its reliance on letter of credit (LC) acceptances and other short-term borrowings. Accordingly, the company's leverage profile is expected to improve materially, with total outside liabilities to tangible net worth (TOL/TNW) projected to improve to below unity as on March 31, 2027, from 1.54x as on March 31, 2026. Ratings continue to derive strength from APAR's leadership position in conductors and speciality oils, diversified product and geographical presence, promoters' extensive industry experience, strong liquidity position and comfortable debt protection metrics.

These rating strengths are tempered by APAR's working-capital-intensive operations and historically high reliance on LC acceptances, although deployment of the QIP proceeds is expected to partly reduce such dependence. Ratings also remain constrained by the sizeable capex programme and exposure to volatility in raw-material prices, foreign-exchange rates and freight costs, apart from competition, export tariffs and project-execution risks. The ability to maintain working-capital discipline and healthy leverage while executing capex programme remains a key rating monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained growth in scale accompanied by stable profitability, stronger cash-flow generation and maintenance of a comfortable capital structure.
- Improvement in TOL/TNW towards 0.50x on a sustained basis.

Negative factors

- Decline in return on capital employed (ROCE, including acceptances) below 15% on a sustained basis.
- Deterioration in TOL/TNW to 1.25x or above on a sustained basis.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has considered APAR's consolidated financials owing to strong operational and financial linkages among the consolidated entities. Entities considered in consolidation are listed under Annexure-5.

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

²Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectation that APAR will sustain its healthy scale of operations and operating performance, supported by its strong market position, diversified business profile, increasing share of premium products and healthy order-book position. Favourable demand prospects in power transmission, renewable energy and infrastructure are expected to support growth in the near-to-medium term. Strengthened capital base following QIP is expected to keep leverage and liquidity comfortable despite sizeable capex programme and working-capital requirements.

Detailed description of key rating drivers**Key strengths****Long-standing experience of promoters and professional management**

APAR was established in 1958 by Late Dharmsinh D. Desai and has an operating track record of over six decades. The operations are currently led by the third generation of the promoter family, comprising Kushal N. Desai, Chairman and Managing Director, and Chaitanya N. Desai, Managing Director, who have extensive industry experience. The promoter-directors are supported by an experienced professional management team and established business heads across conductors, cables, speciality oils and key functional areas. The company's long operating track record demonstrated ability to scale operations and absence of history of debt default support the assessment of management quality.

Established market position across diversified business segments

APAR has an established position across its three principal business segments, conductors, transformer and speciality oils, and cables. The company is India's largest conductor manufacturer by FY26 sales, India's largest private-sector manufacturer of speciality oils by installed capacity and an established manufacturer of speciality and renewable-energy cables. As of March 31, 2026, APAR had installed capacities of 5,55,262 MT for conductors, 9,34,600 KL for transformer and speciality oils, and 9,50,656 km for cables. Its diversified product portfolio caters to power transmission and distribution, renewable energy, railways, defence, telecom, automotive, data centres and other industrial sectors.

APAR's market position is supported by its technical capabilities, long-standing relationships with utilities, engineering, procurement, and construction (EPC) contractors and original equipment manufacturers (OEMs), and presence in over 140 countries. Its key customers include reputed entities such as KEC International Limited, Kalpataru Projects International Limited, Larsen & Toubro Limited, Bharat Heavy Electricals Limited, Indian Railways, state transmission utilities and leading renewable-energy players. Customer concentration remains moderate, with top 10 customers accounting for ~19% of FY26 sales.

Diversified revenue profile, increasing premiumisation and healthy order book

APAR's presence across conductors, transformer and speciality oils, and cables provides business and product diversification. In FY26, conductors contributed ~52% of gross segment revenue, while transformer and speciality oils and cables contributed ~22% and 25%, respectively. The company also has a diversified customer base across domestic and overseas markets, with exports contributing ~30% of consolidated revenue in FY26.

APAR continues to increase the share of value-added products in its conductor portfolio. Premium products contributed 45.8% of conductor revenue in FY26, compared to 40.6% in FY25, and increased further to 50.3% in Q1FY27. The conductor order book increased to ₹10,190 crore as of June 30, 2026, with exports accounting for 56.8%, while the cable order book stood at ₹1,925 crore. The healthy order book, including multi-year orders from prominent US and European utilities, provides medium-term revenue visibility. However, timely execution, product mix and associated working-capital requirements remain monitorable.

Sustained improvement in scale and operating performance

APAR's total operating income increased by 23.2% to ₹22,902 crore in FY26 from ₹18,586 crore in FY25, supported by broad-based growth across its principal segments. Revenue from conductors increased by 33% to ₹12,712 crore, cables by 26% to ₹6,220 crore, and transformer and speciality oils by 6% to ₹5,373 crore. PBILDT increased by 21.1% to ₹1,922 crore in FY26, while gross cash accruals improved to ₹1,136 crore. The PBILDT margin remained healthy at 8.39% in FY26 compared to 8.54% in FY25.

Operating momentum continued in Q1FY27, with total operating income increasing by 29.1% year-on-year to ₹6,591 crore and the PBILDT margin improving to 11.50% from 8.86% in Q1FY26. Performance was supported by the higher premium-conductor mix, improved cable profitability and favourable profitability in speciality oils. However, the exceptionally high speciality-oils profitability in Q1FY27 was partly attributable to inventory-related effects amid commodity-price volatility and is not expected to sustain at the same level.

Significant strengthening of financial risk profile following QIP

APAR's tangible net worth increased to ₹5,389 crore as of March 31, 2026, from ₹4,502 crore as of March 31, 2025, supported by accretion of profits to reserves. Overall gearing, including LC acceptances, and TOL/TNW stood at 1.11x and 1.54x, respectively, as of March 31, 2026, compared to 1.04x and 1.50x, respectively, in the previous year. Marginal moderation was primarily due to higher LC acceptances to fund the increased scale of operations and working-capital requirements.

The successful completion of the ₹2,500-crore QIP in August 2026 has materially strengthened APAR's equity base. Of the net proceeds of ₹2,472 crore, ₹1,875 crore is proposed to be utilised towards working-capital requirements and ₹597 crore towards general corporate purposes. Infusion is expected to partly replace LC acceptances and other short-term funding and improve the company's leverage and liquidity profile. Overall gearing and TOL/TNW are projected to improve to 0.59x and 0.83x, respectively, in FY27. The positive rating sensitivity relating to maintaining TOL/TNW at or below 1.00x on a sustained basis is therefore considered triggered. Sustained improvement will depend on prudent deployment of the QIP proceeds and working-capital discipline.

Healthy return indicators and debt protection metrics

APAR's return indicators remained healthy, with return on capital employed, including acceptances, at 18.23% in FY26 compared to 17.61% in FY25. PBILDT interest coverage improved to 4.05x in FY26 from 3.58x in FY25, supported by higher operating profits. Total debt/PBILDT and net debt/PBILDT stood at 3.11x and 2.73x, respectively, in FY26, moderated from the previous year due to higher working-capital funding.

Following QIP and the expected improvement in cash accruals, total debt/PBILDT and net debt/PBILDT are projected to improve to 1.91x and 1.62x, respectively, in FY27. Debt-servicing ability is expected to remain comfortable despite the sizeable capex programme, supported by healthy internal accruals, limited scheduled term-debt repayments and available liquidity. Sustenance of healthy returns during ongoing capacity-expansion phase remains a key monitorable.

Key weaknesses

Working capital intensive operations

APAR's operations remain working-capital intensive due to sizeable raw-material requirements, large order sizes, export lead times, delays in customer manufacturing clearances and execution-related delays at EPC and infrastructure projects. Working-capital requirement increased to ₹8,520 crore in FY26 from ₹6,672 crore in FY25 and remained at ~37% of total operating income. Inventory and debtors increased to ₹3,186 crore and ₹5,334 crore, respectively, as on March 31, 2026.

The company largely funds its working-capital requirement through creditors and LC-backed acceptances. Average utilisation of non-fund-based limits remained high at ~88% for 12 months ended May 2026, compared to ~75% in the previous corresponding period. The ₹1,875 crore earmarked from QIP proceeds towards working capital is expected to partly replace acceptances and improve financial flexibility. However, sustaining improvement will depend on efficient inventory and receivables management, timely order execution and controlled growth in working-capital requirements.

Margins susceptible to raw-material prices and foreign-exchange fluctuations

APAR's profitability and working-capital requirements remain exposed to volatility in aluminium, copper, base oils, steel, foreign-exchange rates and freight costs. For fixed-price conductor orders, APAR generally hedges aluminium and copper exposure at the time of order booking. However, metal premiums, basis differences, timing mismatches and customer-led deferment of deliveries may affect profitability and working capital despite hedging arrangements.

In the transformer and speciality-oils segment, base-oil prices are linked to crude-oil and global refining conditions. Given the competitive intensity, increases in input costs may be passed on only with a time lag. The company's presence in high-voltage transformer oils and other speciality products provides some pricing flexibility. However, the sharp increase in the segment's profitability in Q1FY27 was partly attributable to inventory-accounting effects amid commodity-price volatility and is not considered sustainable at the same level.

APAR also remains exposed to foreign-exchange risk arising from sizeable raw-material imports, export receivables, overseas operations and foreign-currency liabilities. This risk is partly mitigated through forward contracts and natural hedges from exports. The effectiveness of its commodity and foreign-exchange risk-management framework remains a key rating monitorable, considering scale of imports, exports and multi-year overseas orders.

Liquidity: Strong

APAR's liquidity is strong, supported by gross cash accruals of ₹1,136 crore in FY26 and cash and liquid investments of ₹713 crore as on March 31, 2026, against low scheduled term-debt repayments in the near term. The company also maintains adequate cash balances after meeting committed payments towards LC acceptances.

APAR's liquidity has strengthened further following completion of the ₹2,500-crore QIP in August 2026. Of the net proceeds of ₹2,472 crore, ₹1,875 crore is earmarked for working-capital requirements. Infusion is expected to provide additional working-capital headroom and partly reduce dependence on LC acceptances and short-term borrowings.

Environment, social, and governance (ESG) risks

ESG parameter	Key initiatives and performance
Environmental	• APAR focuses on renewable-energy adoption, energy efficiency, water conservation, waste recycling and development of sustainable products. • The company targets a 50% reduction in absolute Scope1 and Scope 2 GHG emissions by FY40, renewable energy constituting 50% of overall electricity consumption by FY35, and progressive achievement of net-zero GHG emissions. • Renewable energy accounted for 10.9% of overall electricity consumption in FY2026, compared to 9.9% in FY25. APAR commissioned two additional wind-solar hybrid projects in FY26, taking the aggregate capacity of its three hybrid projects to 9.9 MWp of wind and 8.4 MWp of solar capacity. Rooftop solar capacity across major plants stood at 6.9 MWp as on March 31, 2026. • Absolute water consumption increased to 378,559 KL in FY26 from 363,693 KL in FY25 due to higher production. However, water intensity improved to 16.5 KL per ₹ crore of turnover from 19.6 KL, while the water footprint declined to 289,028 KL from 302,077 KL. Water-conservation initiatives include rainwater harvesting, recycling through effluent and sewage-treatment plants, and process-efficiency improvements.
Social	• APAR's social initiatives focus on healthcare, education, rural development, gender equality, employee well-being, workplace safety and skill development. • All manufacturing locations are certified under ISO 45001 for occupational health and safety. Health and accident insurance coverage extends to all employees and workers. • In FY26, health and safety training covered 73% of employees and 100% of workers, while skill-upgradation training covered 88% of employees. • Women represented 11.45% of permanent employees and 14.3% of the Board as on March 31, 2026. The company has policies and committees covering equal opportunity, human rights, grievance redressal, whistle-blower protection and prevention of workplace harassment.
Governance	• APAR has an established governance framework, with Board-level sustainability oversight exercised through the CSR and Sustainability Committee. • Climate-related transition and physical risks are integrated into the enterprise risk-management framework, supported by scenario analysis aligned with TCFD principles. • As on March 31, 2026, the Board comprised seven directors, including four independent directors and one-woman director. • FY2026 BRSR Core indicators and Scope 1 and Scope 2 emissions were subject to reasonable assurance by TÜV SÜD South Asia Private Limited, supporting the reliability and transparency of APAR's ESG disclosures.

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](#)
[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 operates in three principal business segments: transformer and speciality oils, conductors, and power and telecom cables. The company has a leading market position in India and a global presence, with exports to over 140 countries. As on March 31, 2026, APAR had installed capacities of 9,34,600 KL for transformer and speciality oils, 5,55,262 MT for conductors and 9,50,656 km for cables. Its manufacturing facilities are at Rabale in Maharashtra; Silvassa, Athola and Rakholi in Dadra and Nagar Haveli; Umbergaon and Khatalwada in Gujarat; Jharsuguda and Lapanga in Odisha; and Hamriyah in Sharjah, UAE.

Brief Consolidated Financials (₹ crore)	FY25 (A)	FY26 (A)	Q1FY27 (UA)
Total operating income	18,586.44	22,902.40	6,591.06
PBILDT*	1,587.16	1,922.12	758.11
Profit after tax (PAT)	821.28	976.97	467.45
Overall gearing (x)	1.04	1.11	NA
Interest coverage (x)	3.58	4.05	6.13

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Financials numbers are reclassified per CareEdge Ratings' standards

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	-	715.00	CARE AA; Stable
Non-fund-based - LT/ ST-BG/LC	RBI	Simple	-		-	-	11306.97	CARE AA; Stable / CARE A1+
Term Loan-Long Term	RBI	Simple	-		-	14-02-2030	937.78	CARE AA; Stable

Annexure-2: Rating history for last three years

S r · N o .	Name of the Instrument / Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	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
1	Non-fund-based - LT/ST-BG/LC	LT/ST	11306.97	CARE AA; Stable / CARE A1+	-	1)CARE AA-; Stable / CARE A1+ (05-Aug-25)	1)CARE AA-; Stable / CARE A1+ (04-Sep-24)	1)CARE A+; Stable / CARE A1 (22-Sep-23)
2	Fund-based - LT-Cash Credit	LT	715.00	CARE AA; Stable	-	1)CARE AA-; Stable (05-Aug-25)	1)CARE AA-; Stable (04-Sep-24)	1)CARE A+; Stable (22-Sep-23)
3	Term Loan-Long Term	LT	937.78	CARE AA; Stable	-	1)CARE AA-; Stable (05-Aug-25)	1)CARE AA-; Stable (04-Sep-24)	1)CARE A+; Stable (22-Sep-23)

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

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Lender details**To view lender-wise details of bank facilities please [click here](#)**Annexure-5: 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 of Petroleum Specialities Pte. Ltd.
3	APAR Transmission & Distribution Projects Private Limited	Full	Wholly owned subsidiary
4	APAR Distribution & Logistics Private Limited	Full	Wholly owned subsidiary
5	APAR USA LLC (Erstwhile CEMA Wires & Cables LLC, USA)	Full	Wholly owned subsidiary
6	APAR Industries LATAM LTDA, Brazil	Full	Wholly owned subsidiary
7	APAR Industries Middle East Limited, Saudi Arabia	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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