

May 20, 2024

Apar Industries Limited: Change in limits

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term- Fund based- Cash Credit	705.00	730.00	[ICRA]A+(Stable); Outstanding
Long Term/Short Term- Non-Fund based- BG/LC	8045.00	8020.00	[ICRA]A+(Stable)/ [ICRA]A1; Outstanding
Long Term- Term Loan	535.50	535.50	[ICRA]A+(Stable); Outstanding
Total	9,285.50	9,285.50	

*Instrument details are provided in Annexure-I

Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from the entity.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, the liquidity position and rating sensitivities, including the environmental and social risks : [click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has taken a consolidated view of AIL and its wholly-owned subsidiaries, Petroleum Specialities Pte. Limited (PSPL), Petroleum Specialities FZE (wholly owned subsidiary of PSPL), Apar Transmission & Distribution Projects Private Limited, Apar Distribution & Logistics Private Limited, Cema Wires & Cables Inc. as well as associate companies Ampoil Apar Lubricants Private Limited and CleanMax Rudra Private Limited

About the company

Apar Industries Limited (AIL) is a listed company which was founded in 1958 (originally know as Power Cables Pvt. Ltd.) with manufacturing of power transmission conductors and is currently one of the largest global manufacturer of aluminium and alloy conductors. In 1969, the company started with Speciality Oils division and is currently the third largest global manufacturer of transformer oil. In 1999, the company started with cables division and is currently the largest domestic player in renewables. Lubricants division was started in 2010. The company is supplying to 140+ countries globally. The company has manufacturing capacity of 1,80,000 MTPA for conductors and 5,40,000 KL capacity for speciality oils including lubricants. Its manufacturing facilities are located at Rabale (Maharashtra) for Oil and lubricants, Silvassa for conductors and oils, Athola and Rakholi (Dadra and Nagar Haveli) for conductors, Umbergaon and Khatalwad (Gujarat) for wires, cables and polymers, Jharsugoda and Lapanga (Orissa) for conductors, Hamriyah (Sharjah) Speciality oils.

Key financial indicators (audited)

AIL Consolidated	FY2023	FY2024
Operating income	14,357.3	16,153.0
PAT	637.7	825.7
OPBDIT/OI	8.9%	9.4%
PAT/OI	4.4%	5.1%
Total outside liabilities/Tangible net worth (times)	2.7	1.5
Total debt/OPBDIT (times)	0.3	0.3
Interest coverage (times)	3.7	3.9

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2025)		Chronology of rating history for the past 3 years			
		Amount rated (Rs. crore)	Amount outstanding as on Mar 31, 2023 (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022
				May 20, 2024	Oct 30, 2023	Mar 22, 2023	-
1 Cash credit	Long term	730.00	-	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	-
2 Term loan	Long term	535.50	209.9	[ICRA]A+(Stable)	[ICRA]A+(Stable)	[ICRA]A+(Stable)	-
3 Non-fund based - BG/LC	Long term and short term	8020.00	-	[ICRA]A+(Stable) / [ICRA]A1	[ICRA]A+(Stable) / [ICRA]A1	[ICRA]A+(Stable) / [ICRA]A1	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term fund-based - Cash credit	Simple
Long term fund-based - Term loan	Simple
Long term/Short term - Non-fund based - BG/LC	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash credit	NA	NA	NA	730.00	[ICRA]A+(Stable)
NA	Term loan-1	FY2020	NA	FY2024	24.00	[ICRA]A+(Stable)
NA	Term loan- ECB*	FY2022	NA	FY2027	181.50	[ICRA]A+(Stable)
NA	Term loan- ECB*	FY2024	NA	FY2030	330.00	[ICRA]A+(Stable)
NA	Non-fund based bank facilities	NA	NA	NA	8,020.00	[ICRA]A+(Stable)/[ICRA]A1

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	AIL Ownership	Consolidation Approach
Petroleum Specialities Pte. Limited (PSPL)	100%	Full Consolidation
Petroleum Specialities FZE	100%	Full Consolidation
Apar Transmission & Distribution Projects Private Limited	100%	Full Consolidation
Apar Distribution & Logistics Private Limited	100%	Full Consolidation
Ampoil Apar Lubricants Private Limited	40%	Equity Method
Clean Max Rudra Private Limited	26%	Equity Method

Source: Company

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