



Equity Research Report Capital Goods

Apar Industries

Equity Research

Date: December 17, 2025

Analyst Recommendation: **BUY**

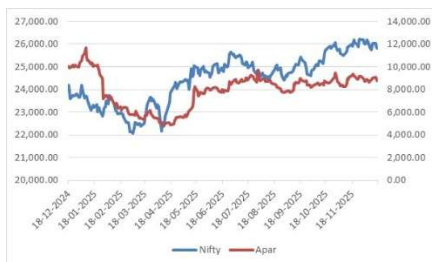
BSE Code: 532259

NSE: APARINDS

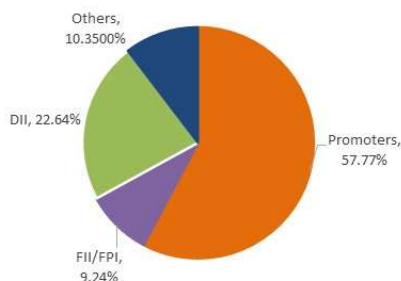
CMP: Rs 8,940
3 Year Target - Rs 10,740

Face Value	10.00
Market Cap (Rs Cr)	35024
Stock PE	37.3
Dividend Yield	0.57%
Shares O/S (Cr)	4.02
Book Value per Share (Rs)	1,208
Nifty	25,818

1 yr. Price Chart of Stock and Nifty



Shareholding pattern as on 30th Sep 2025



Investor's Rationale

Rising power consumption to drive demand for conductors, cables, and oils

The global energy sector is at an inflection point, driven by a multi-decade capital expenditure supercycle in the Power Transmission & Distribution (T&D) sector led by unprecedented investments in grid modernization, widespread electrification, and the critical need for renewable energy integration worldwide. India is also expected to see a rise in electricity consumption due to railway electrification, ongoing transition to electric vehicles, increased urbanization, industrialization, smart city projects, data centers, and upcoming metro projects.

Premiumization: Value-added and high-performance products

Apar has rightly focused on premium products to drive growth and profitability across all its segments—particularly conductors, where the share of premium products has risen sharply from just 1% in FY15 to 45% in FY25. In cables, the strategic focus on elastomeric cables that are more complex products, enables it to earn a good margin and enjoy robust demand. As a result, EBITDA has increased by 48% and 20% between FY22-25 and FY15-25, respectively

Investment View

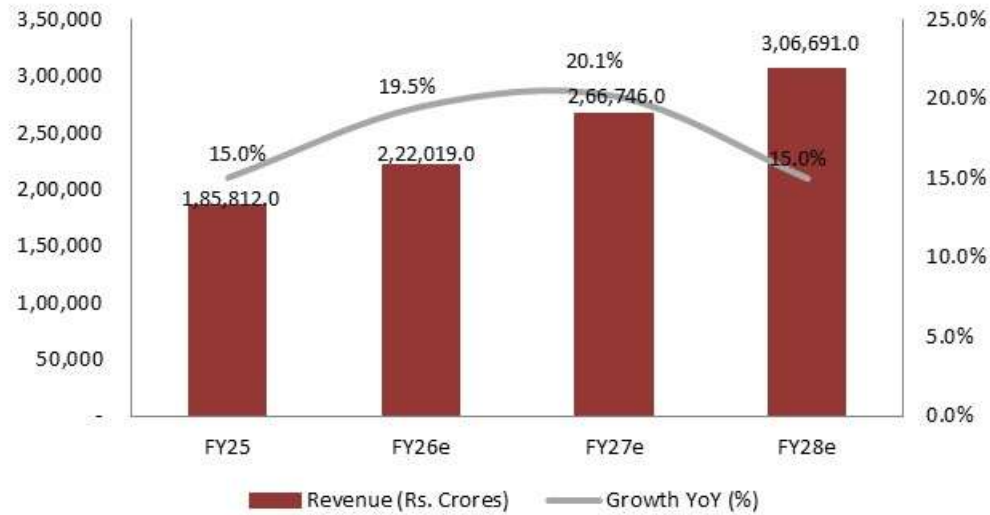
We see sustained growth momentum in global power sector investment led by data centers, renewable power, and electric mobility. This in turn is driving demand for conductors, cables, and transformer oils. We project APAR to clock a consolidated revenue/ EBITDA/ PAT CAGR of 18%/21%/25% respectively over FY25-28E. The stock has undergone significant re-rating during CY22-24, but has underperformed in the 12M period as investors feared loss of growth momentum due to tariff-based trade protectionism, a temporary headwind in our view. With its growth drivers remaining intact, we stay positive on the stock. At 22.5x FY28E, the stock trades at a discount to frontline stocks in cables (Polycab and KEI) sector. We initiate coverage on APAR with BUY rating, valuing the stock at 27x its FY28E EPS to arrive at a target price of INR10,740

Particulars (Rs in INR Million)	FY25	FY26e	FY27e	FY28e
Net Revenue	185812	222019	266746	306691
EBITDA	15474	18165	22779	27271
Net Profit	8214	9889	12743	16001
Adjusted EPS (INR)	204.3	246	317	398
P/E (x)	43.8	36.3	28.2	22.5
P/BV (x)	8	6.9	5.8	4.9
RoCE (%)	31.1	31.2	33.2	34.5

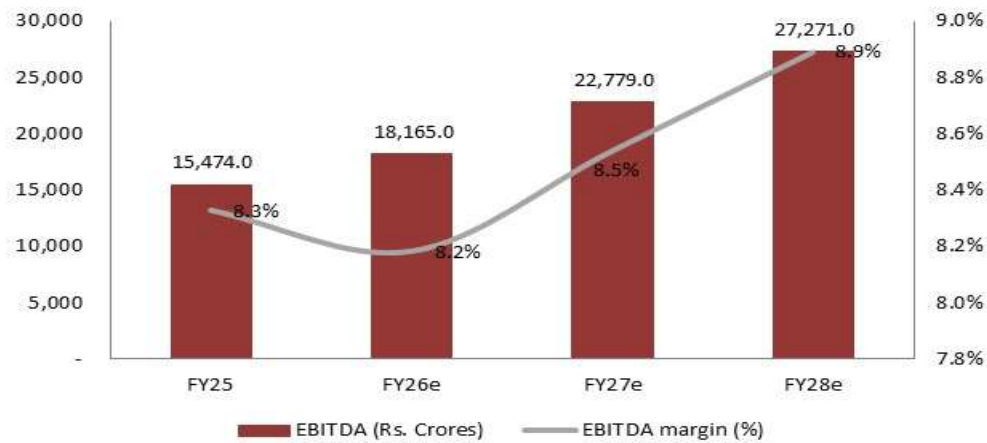
Investor Rationale

- Apar remains the leader in the domestic market with a sizeable export presence. In the domestic market, Apar competes with Sterlite Electric, Diamond Power, and JSK Industries. In terms of products, all four players have conventional as well as HPCs like Aluminum Conductor Composite Core (ACCC), Aluminum Conductor Alloy Reinforced (ACSS), Gap-type ACSR, Super Thermal Alloy Conductor Invar Reinforced (STACIR). Apar is the market leader in HTLS/ railways overhead conductors ~50%
 - The power sector and the power cables & conductor industry are dominated by organized players. The share of organized players has improved from ~68%-70% to 76%-78% in between FY19 and FY25. Moving forward, the share of organized players is expected to increase further as the industry consolidates. The entry of new organized players into the cables & conductors space, like UltraTech and Adani Group, could further accelerate consolidation in the industry.
 - Apar has outperformed its peers in terms of five-year revenue CAGR. The company has a comprehensive portfolio of cables in India, and is focused on specialty cables. It is a domestic leader in solar cables and has a dominant domestic market share of 70% in wind cables. The company has been the largest supplier of cables for the Vande Bharat trains. Apar has been a recent entrant into the house-wire segment. It launched Anushakti house wires—differentiated wires with e-beam technology, which enables cross-bonding of electrons, leading to higher current capacity, heat endurance, melt resistance and has 50+ years of life. The company sells Anushakti house wires at a premium to normal wires.
 - Apar is the third largest transformer oil manufacturer in the world with a production capacity of 750k + KL/ 175k + KL in India/ UAE, respectively. It is focusing on developing and introducing biodegradable specialty oil products (90% biodegradable), besides development of tailor- made heavy grade white oils and introduction of hot melt adhesives. Apar's market share in industrial and auto lubricants stand at 6%-7%/ 3%, respectively. Transformer oil accounts for only about 5%-6% of a transformer's total cost, but is a critical component as poor-quality oil can cause significant damage to the equipment. As a result, the approval process for suppliers is extremely stringent. Apar holds approvals from all major OEMs and utilities.
 - Apar is India's largest player in conductors and transformer oils. The key to its strong position lies in its manufacturing excellence and in-house testing facility, and its ability to be the first to offer a product in a new segment. For instance, the company is India's largest copper conductor manufacturer for rail electrification. It was the first to develop special copper conductors for bullet trains, and the first to develop Copper Magnesium (Cu-Mg) Catenary wires, meeting RDSO specifications. In cables, it is the leader in Electron Beam (E-Beam) irradiated cable production with five electron beam facilities (the highest in India) and best-in-class house wires (powered by e-beam). It enjoys leadership position in hybrid cables combining optical fiber and copper, enabling simultaneous data and low voltage power transmission in a single robust cable. The company has +20% market share in solar power, supplying to most of the top EPCs and developers.
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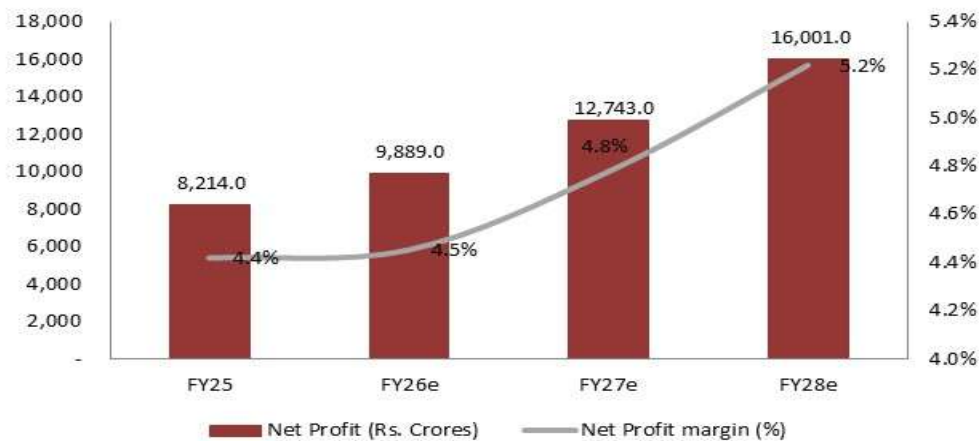
Revenue growth to be steady



EBITDA to grow going ahead



Net profit to surge going ahead





Outlook and Valuation

We see sustained growth momentum in global power sector investment led by data centers, renewable power, and electric mobility. This in turn is driving demand for conductors, cables, and transformer oils. We project APAR to clock a consolidated revenue/ EBITDA/ PAT CAGR of 18%/21%/25% respectively over FY25-28E. The stock has undergone significant re-rating during CY22-24, but has underperformed in the 12M period as investors feared loss of growth momentum due to tariff-based trade protectionism, a temporary headwind in our view. With its growth drivers remaining intact, we stay positive on the stock. At 22.5x FY28E, the stock trades at a discount to frontline stocks in cables (Polycab and KEI) sector. We initiate coverage on APAR with BUY rating, valuing the stock at 27x its FY28E EPS to arrive at a target price of INR10,740

Company Overview

Apar, founded by Mr. Dharmsinh D. Desai in 1958, is a market leader in India with a global presence. Contributing to India's process of electrification it started from manufacturing power transmission cables to having three broad business segments, which are Conductors, Transformer and specialty oils (TSO), and Power/telecom Cables



Balance sheet (Consolidated)

Particulars (Rs in INR Million)	FY25	FY26e	FY27e	FY28e
Share capital	402	185812	222019	266746
Reserves & Surplus	44634	52050	61608	73609
Networth	45035	15474	18165	22779
Debt	5847	5847	5847	5847
Other Non Current Liabilities	1437	1322	1711	2334
Net deferred Tax liabilities	30	30	30	30
Capital Employed	52349	15147	17472	21459
Gross Fixed Assets	22391	32891	37891	40891
Accumulated Depreciation	7007	11058	13305	17128
Net Fixed Assets	15385	24174	26839	27233
Capital work in progress	1278	8214	9889	12743
Intangible assets	45	45	45	45
Investments	2195	8214	9889	12743
Other Non Current Assets	2869	2869	2869	2869
Current Assets, Loans & Adv.	90863	0	0	0
Inventory	33105	39538	47503	54616
Debtors	40782	0	0	0
Bank Balance	746	746	746	746
Cash	6864	0	0	0
Loans & advances and others	9367	9965	11803	13445
Current Liabilities & Provisions	60286	0	0	0
Liabilities	60213	72384	86966	99990
Provisions	74	0	0	0
Net Current Assets	30577	29204	36096	47703
Application of Funds	52349	0	0	0

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Profit & Loss Account (Consolidated)

Particulars (Rs in INR Million)	FY25	FY26e	FY27e	FY28e
Net Revenue	185812	222019	266746	306691
Op. Expenses	170338	203853	243967	279420
EBITDA	15474	18165	22779	27271
Gross profit	33839	46624	53349	61338
Depreciation	1322	1711	2334	2606
Other income	994	1018	1014	1329
EBIT	15147	17472	21459	25993
Interest Exp.	4089	4167	4330	4486
Reported PBT	11058	13305	17128	21507
Tax	2843	3416	4385	5506
Reported PAT	8214	9889	12743	16001
Net Profit	8214	9889	12743	16001
Adjusted PAT	8214	9889	12743	16001
Adjusted EPS (INR)	204.3	246	317	398



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Cash Flow (Consolidated)

Particulars (Rs in INR Million)	FY25	FY26e	FY27e	FY28e
PBT	11056	13305	17128	21507
Depreciation & amortization	1322	1711	2334	2606
Interest expense	4089	4167	4330	4486
(Inc)/Dec in working capital	1031	-2740	-5024	-4487
Tax paid	-2689	-3416	-4385	-5506
Less: Interest/Div. Income Recd.	-994	-1018	-1014	-1329
Other operating Cash Flow	-910	-	-	-
CF from operating activities	12905	12010	13370	17278
Capital expenditure	-5097	-10500	-5000	-3000
Inc/(Dec) in investments	-2087	-	-	-
Add: Interest/Div. Income Recd.	994	1018	1014	1329
CF from investing activities	-6190	-9482	-3986	-1671
Inc/(Dec) in share capital	-	-	-	-
Interest paid	-4089	-4167	-4330	-4486
Dividend Paid	-2046	-2472	-3186	-4000
Others	1306	-	-	-
CF from financing activities	-4829	-6639	-7516	-8486
Net cash flow	1886	-4112	1868	7120
Opening balance	5840	6864	2752	4619
Closing balance	6864	2752	4619	11740

Key Ratios & Valuations (Consolidated)

Particulars	FY25	FY26e	FY27e	FY28e
Revenue Growth	15	19.5	20.1	15
EBITDA Growth	1.3	17.4	25.4	19.7
P/E (x)	43.8	36.3	28.2	22.5
P/BV (x)	8	6.9	5.8	4.9
EV/EBITDA (x)	23.1	19.9	15.8	12.9
EV/Sales (x)	1.9	1.6	1.3	1.2
Dividend Yield (%)	0.6	0.7	0.9	1.1
RoE (%)	19.6	20.3	22.3	23.5
RoCE (%)	31.1	31.2	33.2	34.5



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Large Cap.	Return	Mid/Small Cap.	Return
Buy	More than equal to 10%	Buy	More than equal to 15%
Hold	Between 10% & -5%	Accumulate*	Upside between 10% & 15%
Reduce	Less than -5%	Hold	Between 0% & 10%
		Reduce/sell	Less than 0%

** To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.*



Member: BSE, NSE, MCX, MCX-SX, CDSL

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