



Press Release

JD Cables Limited

June 09, 2025

Rating

Security / Facility	Amount (Rs. crore)	Current Rating	Previous Rating	Rating Action	<u>Complexity Indicator</u>
Long Term Bank Facilities	71.70 (including proposed limit of 39.00)	IVR BBB-; Stable (IVR Triple B Minus with Stable outlook)	-	Rating Assigned	Simple
Total	71.70 (Rupees seventy- one crore and seventy lakhs only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The rating assigned to the bank facilities of JD Cables Limited (JDCL) derives comfort from its experienced promoters, reputed clientele, sustained improvement in revenue and profitability over the past three fiscals, moderate capital structure and comfortable debt protection metrics with favourable outlook of the user industry. However, these rating strengths are partially offset by vulnerability of profitability to volatility in the prices of raw material and finished goods, presence in highly fragmented & competitive sector with significant price war and working capital intensive nature of operation.

The stable outlook reflects expected stable business performance of the company in the near to medium term with satisfactory financial risk profile.

Key Rating Sensitivities:

Upward Factors

- Growth in the scale of business with improvement in profitability metrics thereby leading to overall improvement in cash accruals on a sustained basis
- Improvement in the capital structure marked by improvement in overall gearing to below 1x.

Downward Factors

- Decline in revenue and profitability leading to deterioration in debt protection metrics



Press Release

- Deterioration in the capital structure marked by deterioration in overall gearing to above 2x.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters

Being incorporated in 2015, JDCL has a track record of operations of about a decade in the cables and conductors' industry. Moreover, the promoters and directors have experience of over a decade and thus the long-standing business experience of the promoter has helped the company to build established relationships with both customers and suppliers.

Reputed clientele

JDCL's customer base consists of reputed companies and big industry players. The repeat orders received from its clientele validates its capabilities. JDCL's clientele base has sound credit risk profile, which does reduce the counter party payment risk to a certain extent.

Sustained improvement in revenue and profitability

JDCL has witnessed a manifold growth in total operating income (TOI) in past two fiscal years i.e. from FY23 [FY refers to the period from April 01 to March 31] to FY25 (Prov.). The TOI has improved from Rs.40.64 crore in FY23 to Rs.100.82 crore in FY24 since the company ventured into production of conductors apart from cables. Further the top line increased to Rs. 250.26 crore in FY25 (Prov.) on the back of volumetric growth in sales of cables and conductors. The EBITDA margin has improved from 7.25% in FY24 to 12.82% in FY25 (Prov.) due to decline in raw material consumption cost. In line with the EBITDA margin, the PAT margin has also improved from 4.64% in FY24 to 8.32% in FY25 (Prov.). Moreover, the company is having an order book of ~Rs.195 crore as March 31, 2025, which is to be completed in next one year indicating a satisfactory revenue visibility in the near term.

Moderate capital structure and comfortable debt protection metrics

The debt profile of the company comprises term loans, unsecured loans from promoters and working capital borrowings. The capital structure marked by overall gearing remained moderate though improved to 1.61x as on March 31, 2025 (Prov.) (2.26x as on March 31,



Press Release

2024) on the back of accretion of profits to reserve. The total indebtedness marked by TOL/ATNW remained leveraged at 3.19x as on March 31, 2025 (Prov.) (4.73x as on March 31, 2024) due to moderate net worth base (ATNW) of Rs.28.40 crore as on March 31, 2025 of the company. The interest coverage remained comfortable over the past two fiscal years due to significant rise in absolute EBITDA. The interest coverage stood at 9.09x in FY25 (Prov.) (7.31x in FY24). The Total debt/ EBITDA and Total debt/ NCA has also improved from 2.43x and 3.71 years respectively in FY24 to 1.43x and 2.13 years respectively in FY25 (Prov.).

Favourable outlook of the user industry

Most of the revenue of the company is generated from power transmission and distribution segment wherein aluminium conductors and wires are used. Further, Power Transmission capacity has been increasing. India aims to reduce high electricity transmission and distribution system losses. JDCL is expecting to drive benefit from boost in power transmission sector particularly in eastern part of the country.

Key Rating Weaknesses

Vulnerability to volatility in the prices of raw material and finished goods

The operating margin of the company is vulnerable to volatility in the input prices (mainly aluminium ingots/rods, copper rods/wires, steel and insulating materials like XLPE/PVC compound) as well as realisation from finished goods. The prices and supply of the main raw material, steel wire rods directly impact the realisations of finished goods. However, presence of price escalation clause in most of the contracts protects the margin to certain extent.

Highly fragmented & competitive nature of the sector with significant price war

The domestic cables and conductors' market is highly crowded with presence of many players with varied statures & capabilities. Thrust of the government in the sector, resulted in increase in the number of players. While the competition is perceived to be healthy, significant price cut by few players during the bidding process is a matter of serious concern as the same can dent the margins.

Working capital intensive nature of operation



Press Release

The operation of the company is working capital intensive marked by its high gross current asset days. The GCA days stood at 160 days in FY25 (Prov.). However, the working capital limit utilisation of the company stood low at ~24% in the past 12 months ended April 2025 indicating sufficient liquidity buffer.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Adequate

The liquidity of the company is expected to remain adequate in the near to medium term marked by its expected sufficient cash accruals vis-à-vis its debt repayment obligations in the projected period FY26 – FY28. Moreover, the average working capital utilization of the company remained low at ~24% for past 12 months ended April 2025 indicating sufficient liquidity buffer.

About the Company

Incorporated in the year 2015 as a private limited company, West Bengal based JD Cables Limited (JDCL), is promoted by Mr. Piyush Garodia and is engaged in manufacturing of wires, cables and conductors. The product range includes ACSR Conductor (Aluminium Conductor, Steel Reinforced), AAAC Conductor (All Aluminium Alloy Conductor), AAC Conductor (All Aluminium Conductor), LV XLPE/PVC insulated power cables, LV XLPE/PVC insulated control cables, LV aerial bunch cable and service wire. The company has two manufacturing units located at Belgachia (West Bengal) and Dankuni (West Bengal) with installed capacity of 6000 Kms and 22000 Kms respectively.

Financials (Standalone):

(Rs. crore)		
For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	100.82	250.26
EBITDA	7.31	32.08
PAT	4.68	20.83



Press Release

Total Debt	17.77	45.86
Tangible Net Worth	7.96	28.79
Adjusted Tangible Net Worth	7.85	28.40
EBITDA Margin (%)	7.25	12.82
PAT Margin (%)	4.64	8.32
Overall Gearing Ratio (x)	2.26	1.61
Interest Coverage (x)	7.31	9.09

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-2026)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					-	-	-
1.	Term Loan	Long Term	1.70	IVR BBB-; Stable	-	-	-
2.	Cash Credit	Long Term	31.00	IVR BBB-; Stable	-	-	-
3.	Proposed Cash Credit	Long Term	39.00	IVR BBB-; Stable	-	-	-

Analytical Contacts:

Name: Nidhi Sukhani	Name: Avik Podder
Tel: (033) 46022266	Tel: (033) 46022266
Email: nsukhani@infomerics.com	Email: apodder@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit



Press Release

ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Instrument/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	Mar 2031	1.70	IVR BBB-; Stable
Cash Credit	-	-	-	-	31.00	IVR BBB-; Stable
Proposed Cash Credit	-	-	-	-	39.00	IVR BBB-; Stable

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-JD-Cables-9june25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.