

Cords Cable Industries Limited

October 10, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	84.10 (Enhanced from 56.72)	CARE BBB; Stable	Reaffirmed
Long-term / Short-term bank facilities	167.00 (Enhanced from 159.00)	CARE BBB; Stable / CARE A3	Reaffirmed
Short-term bank facilities	40.00 (Reduced from 50.50)	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Cords Cable Industries Limited (CORDS) continues to derive strength from the experienced promoters, long track record of operations, and its established relationship with reputed and diversified client base. Ratings also take comfort from its diversified range of products and its established position in the control, instrumentation and power cables market and an increasing focus on diverse sectors. Ratings also take cognisance of growing scale of operations with moderate profitability margins in the last three fiscals ending FY25 (refers to period from April 01 to March 31).

However, ratings continue to remain constrained by its working capital intensive operations, moderate financial risk profile, susceptibility of margins to raw material price volatility, and its presence in highly competitive and fragmented cable industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained growth in scale of operations along with improvement in interest coverage ratio on a sustained basis.
- Improvement in the capital structure as marked by overall gearing ratio of below 0.70x on a sustained basis.

Negative factors

- Increase in total debt/PBILDT above 6.00x leading to weakening of liquidity position.
- Significant elongation in operating cycle to 100 days, thereby leading to weakening of capital structure and adversely impacting company's liquidity position.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectations that the company is likely to sustain its growth in operational performance over the medium term on the back of CORDS established position in the control, instrumentation and power cables market and its established relationships with reputed customers and steady cash flow generation.

Detailed description of key rating drivers:

Key strengths

Experienced promoters with long track record of operations: Mr. Naveen Sawhney, promoter, Chairman and Managing Director of CORDS, has been associated with the cable industry for over five decades with extensive experience in manufacturing cables. He is a mechanical engineer and holds a post graduate diploma in management. CORDS has been engaged in manufacturing cables since 1991 and over the years has expanded capacities and increased their product portfolio. This long-standing experience and expertise in industry enabled them to establish healthy relationships with customers over the years, enabling them to garner repeat orders. The company has manufacturing facilities at Chopanki and Kaharani in Rajasthan.

Growing scale of operations with moderate profitability margins: CORDS' total operating income (TOI) has grown at a compounded annual growth rate (CAGR) of ~23% in the last three fiscals ending FY25. The company reported TOI of ₹794.56 crore and gross cash accruals (GCA) of ₹22.94 crore, respectively, in FY25 (FY refers to April 01 to March 31) against ₹627.99 crore and ₹17.93 crore, respectively, in FY24. This growth has been primarily driven by higher sales volumes across product

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

categories, primarily power and instrumentation cables, supported by improved capital utilisation, strong demand, and a growing customer base, notably from the solar and renewable energy sector, among others. The company has achieved TOI of ₹225.70 crore in Q1FY26 (refers to April 01, 2025 to June 30, 2025; based on unaudited results) and is expecting to achieve higher turnover in FY26 in comparison to previous year, considering order book in hand of ~₹260.00 crore to be executed within this financial year.

Despite growing scale of operations, the company's profitability margins have been declining and continues to remain moderate as marked by PBILDT margin which stood at 6.22% in FY25 against 6.62% in FY24 owing to proportionate increase in revenue from Power Cables to ~50% in the last three years where margins used to be on lower side compared to instrumentation and control cables. Due to increase in input cost and the company's limited bargaining power with reputed clients, CORDS offer to sell its products at competitive prices to scale up its operations and expand its customer base, particularly in new markets and segments. This trend of growth in scale with moderate profit margins is expected to continue in near-to-medium term.

Established relationship with reputed and diversified client base: CORDS is an approved supplier for several public sector undertakings (PSUs) from the oil sector and is also an approved vendor for the supply of cables to hydrocarbon refineries. With the grant of BIS licence for 1.9/3.3 kV Power Cables and NABL accreditation for its test laboratory, the company has strengthened its position in solar power, hydrocarbon, and power and renewable energy industries. CORDS's business risk profile is supported by healthy association developed with reputed companies, which includes Indian Oil Corporation Limited (IOCL), Hindustan Petroleum Corporation Limited (HPCL), Bharat Petroleum Corporation Limited (BPCL; rated 'CARE AAA; Stable/ A1+'), Larsen and Toubro Limited, and TATA Projects Limited, among others. The top 10 customers' concentration risk stood moderate ~51% (PY: 55%) of total sales in FY25. Additionally, CORDS has a diversified client base across sectors including hydrocarbons, power and renewable energy, cement, metals, metros and railways, freight corridors, fertilisers and chemicals, fast moving consumer goods (FMCG), and water among others.

Diversified range of products: The company offers a diversified range of products, including instrumentation cables, control cables and power cables having varied industry uses. In FY25, power cables accounted for the largest share of revenue at 46%, followed by instrumentation cables at 33%, with the remainder coming from control cables.

Key weaknesses

Moderate financial risk profile: The company's financial risk profile remains moderate as marked by overall gearing ratio of 1.23x as on March 31, 2025 (showing slight moderation from 1.03x as on March 31, 2024) due to higher reliance on working capital borrowings to support its growing scale of operations. Additionally, the company's debt coverage indicators as marked by interest coverage ratio and total debt to GCA continue to remain moderate and stood at 1.96x and 9.75x, respectively, in FY25 (PY: 1.69x and 9.68x, respectively). CareEdge Ratings expects financial risk profile of CORDS to remain moderate due to increasing scale of operations and high reliance on working capital facilities.

Working capital intensive nature of operations: The company majorly depends on working capital borrowings to meet its short-term requirements and has highly working capital intensive operations. This is primarily because the company has to offer a liberal credit period of ~90-120 days to customers, as majority are reputed large-size players possessing high bargaining power. However, the company's working capital cycle improved to 77 days in FY25 (PY: 82 days) considering faster realisation from customers and limiting the sale to small buyers due to slow recovery. Inventory holding days have also marginally improved to 35 days in FY25 (PY: 42 days). The company is required to maintain an adequate inventory of raw materials for the smooth running of its production processes and meet delivery schedules. The company receives a payable period of ~2 months from its suppliers, resulting in an average creditor's period of 48 days for FY25.

Susceptibility of margins to raw material price volatility: CORDS operate in an industry, where raw material cost is one of the major cost drivers which constitutes ~90% of total cost of sales. Hence, any sharp raw material price increase may negatively impact the company's profitability. The company's basic raw materials, such as copper, aluminium, steel, and polymer among others experience immense volatility in their prices due to geopolitical situations, cyclicity, intermittent supply chain disruptions, among others, which adversely impacts the company's profitability margins. To mitigate this risk, the company hedges its position by fixing prices with suppliers such as Vendata Limited and others for ~3 months. Also, at a given point of time, the company avoids taking order book size of over 3-4 months, which mitigates the risk to an extent.

Highly competitive and fragmented cable industry: Wires and cables market in world including India is highly fragmented, with presence of many small and medium enterprises. Over a period, the industry moved from unorganised to organised sector. However, significant portion of this industry is still in unorganised sector. The wire and cable industry is highly

competitive with large and several small players operating in the industry with lower entry barriers. A competitive market restricts the company's pricing flexibility and puts a strain on its profitability. CORDS' business profile is expected to remain susceptible to intense industry competition.

Liquidity: Adequate

The liquidity position of the company is adequate characterised by sufficient cushion in accruals against repayment obligations. The company has reported GCA of ₹22.94 crore in FY25, ₹6.20 crore in Q1FY26 and is expected to generate GCA of ~₹24.00 crore in FY26 against repayment obligations of ₹11.93 crore in the same year. The average utilisation of its working capital limits stood ~75-80% for 12-months period ending on August 2025, which provides buffer in the company's liquidity. The company does not have significant capex plan in the near term besides regular replacement/maintenance capex for improving the efficiency of the machineries and for removing bottleneck in manufacturing processes. The company plans to fund the proposed regular replacement/maintenance capex, if any, through a mix of term loan and internal accruals.

Applicable criteria

[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	Industrial Products	Cables - Electricals

CORDS (erstwhile Cords Cable Industries Private Limited) was incorporated in October 1991 as a private limited company. Later, it was converted into public limited company (Listed) in 2008. The company is promoted by Mr. Naveen Sawhney, who has been associated with the cable industry for over five decades of extensive experience in manufacturing cables. The company is engaged in manufacturing Power Cables (upto 3.3 kV), Control Cables, and Instrumentation Cables. The company has two manufacturing facilities at Kaharani and Chopanki in Bhiwadi (Rajasthan).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)*
Total operating income	627.99	794.56	225.70
PBILDT	41.56	49.43	13.62
PAT	10.07	14.67	3.87
Overall gearing (times)	1.03	1.23	NA
Interest coverage (times)	1.69	1.96	2.06

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

*refers to April 01, 2025 to June 30, 2025.

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-Term Loan	-	-	-	May, 2032	40.54	CARE BBB; Stable
Fund-based - ST-Factoring/ Forfeiting	-	-	-	-	40.00	CARE A3
Fund-based-Long Term	-	-	-	-	43.56	CARE BBB; Stable
Non-fund-based - LT/ST-BG/LC	-	-	-	-	167.00	CARE BBB; Stable / CARE A3

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	Fund-based-Long Term	LT	43.56	CARE BBB; Stable	-	1)CARE BBB; Stable (07-Oct-24)	1)CARE BBB; Stable (04-Oct-23)	1)CARE BBB; Stable (07-Oct-22)
2	Fund-based - ST-Factoring/ Forfeiting	ST	40.00	CARE A3	-	1)CARE A3 (07-Oct-24)	1)CARE A3 (04-Oct-23)	1)CARE A3 (07-Oct-22)
3	Non-fund-based - LT/ST-BG/LC	LT/ST	167.00	CARE BBB; Stable / CARE A3	-	1)CARE BBB; Stable / CARE A3 (07-Oct-24)	1)CARE BBB; Stable / CARE A3 (04-Oct-23)	1)CARE BBB; Stable / CARE A3 (07-Oct-22)
4	Fund-based - LT-Term Loan	LT	40.54	CARE BBB; Stable	-	1)CARE BBB; Stable (07-Oct-24)	1)CARE BBB; Stable (04-Oct-23)	1)CARE BBB; Stable (07-Oct-22)

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: Complexity level of instruments rated

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

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

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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