Johnsoncab Electricals Limited (Revised)

February 05, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	20.21	CARE BB+; Stable	Assigned
Long Term / Short Term Bank Facilities	69.79	CARE BB+; Stable / CARE A4+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to the bank facilities of of Johnsoncab Electricals Limited (JEL) are primarily constrained on account of its moderate scale of operations and leveraged capital structure. The ratings also factor susceptibility of JEL's margins to volatility in prices of raw materials and its stretched liquidity profile.

The ratings, however, derive comfort from long-standing experience of JEL's promoters in cable industry, its healthy profitability and moderate operating cycle.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale of operations with total operating income (TOI) above ₹300 crore over medium term, and improvement in profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 12% on a sustained basis.
- Improvement in capital structure marked by overall gearing below 1.50x on a sustained basis.

Negative factors

- Moderation in capital structure with overall gearing beyond 3.00x
- Moderation in operating cycle to above 150 days on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

The 'stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that the company shall continue to benefit from extensive experience of its promoters in the cable industry.

Detailed description of key rating drivers:

Key weaknesses:

Moderate scale of operations

Despite registering volume backed y-o-y growth at compounded Annual growth rate (CAGR) of 63.83% over the five-year period ended FY25 (FY refers to period between April 01 and March 31) owing to increase in demand, the company's scale of operations remains moderate at ₹139.83 crore in FY25 (PY: ₹ 88.35 crore). During 9MFY26, JEL has reported TOI of Rs. 126.53 crore and is expected to close FY26 at TOI of around ₹180-₹200 crore.

Going forward, scale of operations is expected to grow on account of expected improvement in demand, and better sales realisation.

Leveraged capital structure

The entity's capital structure is leveraged, as marked by an overall gearing and total outside liabilities to net worth (TOL/TNW) of 2.86x (PY:3.63x) and 3.42x (PY: 4.33x) respectively as on March 31, 2025 (as on March 31, 2024) with high reliance on external debt. The improvement in capital structure was on account of profit accretion to reserves. Going forward, the capital structure is expected to moderate marginally on account of planned debt funded capex of Rs. 18 Crores and availment of Term Loan of Rs. 12.88 crore for the same during FY26.

Susceptibility of Profit margins to volatility in raw material prices

JEL's profitability is exposed to risk of volatility in prices of key raw material i.e., copper and aluminium, which constitutes around 85-90% of total cost. JEL does not have a hedging policy in place to safeguard itself from market driven price fluctuations. However, inventory price fluctuations risk is partially managed by adopting inventory replenishment.

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

Key strengths:

Extensive experience of promoters in the industry

Incorporated in 2012 by as a partnership firm by Mr. Chandresh Patel and Mrs. Bhavna Patel, JEL is engaged in manufacturing of electric wires, cables and allied products. The promotors have an experience of around two decades in cable manufacturing industry through their association in other group concern. The promotors are ably supported by their son Mr. Anjal Patel and professionals at tier-I level of management having relevant experience in the industry to look after day to day operations of the company.

Improvement in profitability margin

JEL's PBILDT margin have improved to at 9.10% in FY25 (PY: 6.63%) on back of improvement in sales realisation along with increase in prices of copper and aluminium. Consequently, profit after tax (PAT) margin also improved at 3.98% in FY25 (PY: 2.88%). With this, the company reported strong return on capital employed (ROCE) and return on net worth (RONW) of over 23.55% (PY:18.30%) and 47.09% (PY: 32.70%), respectively, in FY25.

Moderate Operating Cycle

The operating cycle of the company has remained moderate in range of ~90-110 days in past 4 years ended FY25. JEL's also deals with public sector undertakings having credit period of ~45-60 days, evinced from average collection period of ~40-60 days in past 4 years ended FY25. JEL's inventory holding period remained moderate in range of ~50-70 days in past 4 years ended FY25. The company receives credit period of around 10-15 from its suppliers which resulted in an average creditor period of 12 days in FY25 (PY: 10 days).

Liquidity: Stretched

Liquidity of JEL is stretched marked by negative Cashflow from Operations (CFO) in FY25 and negligible cash and cash equivalent. As of March 31, 2025, JEL reported a negative net cash flow from operations of ₹2.41 crore and low free cash and bank balances amounting to ₹0.11 crore. JEL's average and maximum utilization of fund-based working capital limits of ~81% and 85% in past 12 months ended December 2025. However, company has generated gross cash accruals of Rs.7.00 crore in FY25 against scheduled repayment obligation of Rs. 2-3 Crores in FY-27 & FY-28. Also, it has current and quick ratios, which stood at 1.59x and 0.78x, respectively, in FY25

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Non Ferrous Metal
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

Johnsoncab Electricals Limited (JEL), based at Mehsana, Gujarat, was established in 2012 as a partnership firm and later transitioned into a public limited company. The company manufactures electrical wires and cables with installed capacities of 35 million meters (copper) and 5 million meters (aluminium) as of March 2025 and is an approved vendor to major government bodies with a dealer network of 250+.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	December 31, 2025 (UA)
Total operating income	88.35	139.83	126.53
PBILDT*	5.86	12.73	12.98
Profit after tax (PAT)	2.54	5.57	NA
Overall gearing (x)	3.63	2.86	NA
Interest coverage (x)	2.30	3.16	NA

A: Audited UA: Unaudited, NA: Not Available; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Working Capital Limits		-	-	-	66.79	CARE BB+; Stable / CARE A4+
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	3.00	CARE BB+; Stable / CARE A4+
Term Loan-Long Term		-	-	31-10-2032	20.21	CARE BB+; Stable

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	Term Loan-Long Term	LT	20.21	CARE BB+; Stable				
2	Fund-based - LT/ ST-Working Capital Limits	LT/ST	66.79	CARE BB+; Stable / CARE A4+				
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	3.00	CARE BB+; Stable / CARE A4+				

LT: Long 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/ ST-Working Capital Limits	Simple
2	Non-fund-based - LT/ ST-Bank Guarantee	Simple
3	Term Loan-Long Term	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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