

## Birla Cable Limited (Revised)

April 01, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	55.00	CARE BBB+	Placed on Rating Watch with Positive Implications
Long-term bank facilities @	120.00	CARE A (CE) (RWD)	Downgraded from CARE A+ (CE); Negative ; Placed on Rating Watch with Developing Implications
Short-term bank facilities @	176.00	CARE A1 (CE) (RWD)	Downgraded from CARE A1+ (CE) ; Placed on Rating Watch with Developing Implications

Details of instruments/facilities in Annexure-1.

@ These ratings are based on credit enhancement in the form of unconditional and irrevocable corporate guarantee from Vindhya Telelinks Limited (VTL; rated CARE A(RWD)/CARE A1(RWD)).

Unsupported rating	CARE BBB+ / CARE A2 RWP
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Note: Unsupported rating does not factor in the explicit credit enhancement.

### Rationale and key rating drivers for credit enhanced debt

Ratings assigned to bank facilities of Birla Cable Limited (BCL; rated: 'CARE A(CE); RWD/ CARE A1 (CE) RWD, CARE BBB+; RWP/ CARE A2 RWP') factor in credit enhancement (CE) in the form of an unconditional and irrevocable corporate guarantee (CG) extended by Vindhya Telelinks Limited (VTL; rated CARE A(RWD)/CARE A1(RWD)) towards the timely servicing of the debt obligations.

### Rationale and key rating drivers of Vindhya Telelinks Limited (VTL)

CARE Ratings Limited (CareEdge Ratings) has downgraded ratings of Vindhya Telelinks Limited's (VTL's) bank facilities to CARE A/CARE A1 and simultaneously placed ratings on 'Rating Watch with Developing Implications'. Ratings have been placed on rating with developing implications following the announcement dated March 21, 2026, regarding amalgamation of its group entity BCL into VTL, although approved by the Board, is expected to take ~10–12 months for completion, subject to regulatory and other requisite approvals. The scheme aims to streamline operations, simplify corporate structure, and enhance overall operational efficiency. Under terms of the merger, shareholders of BCL will receive 10 equity shares of Vindhya Telelinks Limited for every 115 shares held, with no cash consideration involved. CareEdge Ratings would continue to monitor developments in this regard and will take a view on ratings after the scheme's consummation and a clearer view of its impact on the company's credit risk profile.

Careedge Ratings had resolved the Negative Outlook and downgraded ratings owing to continued moderate operations with lower-than-envisaged operating profitability in 9MFY26 (refers to period from April 01 to December 31), driven by slow execution of engineering, procurement, and construction (EPC) orders. In 9MFY26, the cable business continued to deliver stable growth, supported by sustained demand in solar and specialty products. However, the EPC segment, which contributes ~80% of topline of VTL faced execution-related delays, resulting in lower revenue recognition against that envisaged for FY26, primarily due to funding linked disbursement delays under key government infrastructure programs, particularly the Uttar Pradesh Jal Jeevan Mission (JJM). Decline in profitability and stretched operating cycle necessitate higher reliance on its working capital borrowings and led to overall moderation in the company's financial risk profile. Overall debtors increased from ₹1,527.71 crore as at FY25-end to ₹2,191.85 crore as at December 31, 2025, while total debt (TD), including advances from customers, rose from ₹1,061.66 crore at March 31, 2025, to ₹1,066.91 crore at December 31, 2025. Increase in debt also exerted pressure on the company's overall interest cost, resulting in a moderation in its coverage indicators.

VTL's leverage profile is expected to deteriorate, with debt to profit before interest, lease rentals, depreciation and taxation (PBILDT) ratio likely to remain above 3.5x by the end of FY26, per CareEdge Ratings estimates, triggering the negative rating sensitivity.

However, ratings continue to draw strength from the company's association with the well-established and resourceful MP Birla Group, with long-standing track record of extending timely financial support to the company, when needed. Ratings also factor in healthy order book of ₹5,812 crore as on December 31, 2025, providing adequate medium-term revenue visibility across diversified sectors such as energy, water/sanitation, and telecom, timely execution of which remains a key monitorable.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

Ratings also remain constrained with the company exposed to execution risks in large tender-based orders, raw material price volatility, and intense competition in the EPC and cable industry. The company's profitability remains susceptible to fluctuations, given the inherent volatility across EPC projects, which may further impact stability of its financial profile.

### **Key rating drivers of Birla Cable Limited (BCL)**

CareEdge Ratings has reaffirmed ratings assigned to bank facilities of BCL, while placed ratings on watch with positive implications considering proposed amalgamation of BCL into VTL which, although approved by the Board, is expected to take approximately 10–12 months for completion, subject to regulatory and other requisite approvals. The scheme aims to streamline operations, simplify the corporate structure, and enhance overall operational efficiency. Under the terms of the merger, shareholders of Birla Cable Limited will receive 10 equity shares of VTL for every 115 shares held, with no cash consideration involved. CareEdge Ratings will monitor the merger, as BCL will exit and be merged into this entity.

Ratings continue to derive strength from the experienced and resourceful promoter group, MP Birla Group with a demonstrated track record of operational and financial support to its group entities. BCL benefits from group synergies, access to financial flexibility, and long-standing customer relationships. Ratings also factor in BCL's moderate financial risk profile, marked by a satisfactory capital structure, improved gearing levels. The company is expected to improve in operational performance in the medium term, aided by anticipated recovery in demand for optical fibre cables (OFC) and better capacity utilisation of its structured cable segment. Timely revival in the OFC market and sustained recovery in realisations will remain key rating monitorable.

However, ratings remain constrained by moderation in revenues and profitability in FY25, and 9MFY26 where total operating income (TOI) increased to ₹557 crore compared to ₹505 crore in 9MFY25, indicating improved traction, although operating margins moderated slightly to around 4.66% from 4.93% in the corresponding period driven by weak demand and steep price corrections in the OFC segment, and a rising share of lower-margin structured cables in the revenue mix. Ratings are tempered by high client concentration risk, susceptibility to raw material price volatility, working capital intensive operations, and intense competition in the cable industry, which continues to exert pressure on margins and revenue visibility.

### **Rating sensitivities: Factors likely to lead to rating actions- VTL**

#### **Positive factors**

- Significant improvement in operating performance including PBILDT margin of over 10% on a sustained basis and maintenance of scale of operations.
- Significant and sustainable improvement in operating cycle to less than 120 days.

#### **Negative factors**

- Significant decline in PBILDT margins leading to (TD)/PBILDT above 4.5 x on a sustained basis.
- Delay in securing new orders, leading to significant decline in the orderbook position and revenue visibility on a sustained basis.
- Inability to improve its PBILDT margins above 6% on a sustained basis.

### **Rating sensitivities: Factors likely to lead to rating actions- BCL**

#### **Positive factors**

- Significant growth in scale of operations marked by TOI of over ₹800 crore with PBILDT margin of over 8% on a sustained basis.
- Operating cycle remaining less than 100 days on a sustained basis.

#### **Negative factors**

- Decline in scale of operations marked by TOI of less than ₹600 crore with PBILDT margin at less than 6% on a sustained basis.
- Operating cycle going beyond 150 days on a sustained basis.

### **Analytical approach:**

#### **Credit enhancement (CE) Rating:** Consolidated

CareEdge Ratings has taken a consolidated approach of VTL and its subsidiaries/associates, as all these entities are in the same line of business, under a common management, and have strong financial and operational linkages. Entities consolidated are

listed under Annexure-6.A. Ratings also duly factor in the financial support from MP Birla Group of companies. Analysis also factors in financial support VTL is giving to BCL by providing corporate guarantee for working capital limits.

**Unsupported rating: Consolidated**

CareEdge Ratings has taken a consolidated approach of BCL and its subsidiaries/associates, as all these entities are in the same line of business, under a common management, and have strong financial and operational linkages. Entities consolidated are listed under Annexure-6.B. Ratings also duly factor in the financial support from MP Birla Group of companies.

**Outlook:** Not applicable

**Detailed description of key rating drivers (VTL)****Key strengths****Resourceful and experienced promoters with demonstrated financial support**

VTL benefits from being part of the well-established and diversified MP Birla Group, which has long-standing interests across cement, jute, carbide, power cables, OFC, guar gum, and power capacitors. The group operates through reputed entities such as Birla Corporation Limited (CARE AA; Stable/CARE A1+), BCL, and Universal Cables Limited (UCL; rated: 'CARE A; Stable/ CARE A1'). MP Birla group also own 50% ownership in Hindustan Gums & Chemicals Limited (rated: 'CARE A+; Stable/ CARE A1+'), which is a joint venture between MP Birla group and Solvay. Hindustan Gum has over ₹2000 crore of liquidity and has supported to UCL in the past through extending loans and advances. VTL's operations are managed by a professionally qualified team led by YS Lodha, Managing Director and CEO, who has over three decades of experience in the cable industry. The group has demonstrated financial support through infusion of ₹250 crore in the form of inter-corporate deposits and unsecured loans as on March 31, 2025 (PY: ₹250 crore). Such support has aided the company in managing liquidity in periods of elevated working capital requirement. CareEdge Ratings believes that the company will continue to enjoy the group's support and financial flexibility.

**Strong and diversified business profile with a wide product portfolio and robust presence in EPC segment**

VTL benefits from a well-diversified business model comprising two key segments—cable manufacturing and EPC services. The EPC division remains the dominant contributor, accounting for ~80% of the company's revenue in FY25 (76% in 9MFY26) and has consistently contributed over 75% of total revenue in the last three fiscals, underscoring the company's execution capabilities and strong positioning in large-scale Government of India funded infrastructure projects. The cable division manufactures a broad range of products including OFC, copper cables, specialty and solar photovoltaic (PV) cables, telecom fibre accessories, and railway signalling and quad cables. This wide portfolio caters to diverse end-user industries such as telecom, energy, defence, and railways, enhancing customer reach and mitigating sectoral concentration risks. The company's strong EPC execution capabilities are evident from its large and diversified order book of ₹5,812 crore as on December 31, 2025, spanning across critical national infrastructure sectors—energy utilities (56%), water/sanitation (31%), and telecom (2%). Increasing share of energy sector orders, including recent wins from Tamil Nadu and Kerala utilities, reflects VTL's expanding credentials in power distribution projects and improved order book quality. Combination of a comprehensive cable product suite and proven EPC execution across geographies strengthens VTL's market position and provides medium-term revenue visibility and continue to remain a key rating monitorable, especially in a competitive and project-driven industry.

**Healthy and diversified order book providing medium-term revenue visibility**

As of March 31, 2025, VTL reported a strong unexecuted order book of ₹6,784 crore, representing ~1.67x its FY25 operating income. Order book reduced from ₹6,167 crore (1.51x of FY24 revenue) from December 31, 2025, unexecuted order book stands at ₹5,812 crore despite of slow execution with new upcoming projects at slow pace, the company's exposure to the JJM remains a key driver. Going forward, VTL's ability to rebuild and expand its order book, particularly through fresh project wins under JJM and other infrastructure segments, while maintaining healthy profitability margins, will be a key monitorable. Sustained improvement in execution pace and order inflow momentum will be critical for supporting growth and maintaining its current financial profile. The order book spans EPC and cable divisions and is slated for execution in the next 2–3 years, providing solid revenue visibility in the medium term. Historically, order book was heavily concentrated in the State Water Sanitation Mission (SWSM) project in Uttar Pradesh, which drove a significant portion of execution in FY24 and FY25. This diversification reduces reliance on single project or segment. This scale, diversification, and visibility mitigate near-term business risks and support the company's revenue stability an important credit positive. Timely and efficient execution of the existing order book, especially in the high-value EPC segment, remains critical and will be a key rating monitorable.

## Key weaknesses

### Moderation in operational and financial risk profile in FY25 and 9MFY26

On the financial side, VTL's capital structure moderated over time. Overall gearing increased to 0.26x as on March 31, 2025 (PY: 0.15x), primarily due to higher utilisation of working capital borrowings driven by elevated receivables and inventory levels, while adjusted gearing (including corporate guarantees) rose to 0.33x from 0.22x. In FY26, the company availed an additional ₹200 crore loan to support its working capital requirements, reflecting continued pressure on liquidity and total debt was ~₹1,066.91 crore as on December 31, 2025. Consequently, debt protection metrics moderated, with PBILDT interest coverage declining to 2.65x (PY: 3.38x) and TD/PBILDT increasing to 3.93x (PY: 2.05x) and interest coverage was ~1.37x in 9MFY26, considering lower profitability and higher debt levels. TD/PBILDT is expected remain high at above 6x. This moderation in the company's financial risk profile remains manageable, with expectations of improvement supported by a likely recovery in OFC demand, better margin profile from new EPC orders in the energy segment, and more balanced execution, which remains monitorable. However, reduction in receivables and tighter working capital management will remain key rating monitorable going forward.

VTL's operational remained moderate in the last two financial years. In FY25, the company's TOI remained stable at ₹4,054 crore (PY: ₹4,087 crore), reflecting offsetting trends across business segments. In 9MFY26, total operating revenue stood at ₹2,583 crore compared to ₹2,823 crore in 9MFY25. The cable segment continued to deliver stable growth, supported by sustained demand in solar and specialty products. However, the EPC segment faced execution-related delays, resulting in lower revenue recognition, primarily due to funding-linked disbursement delays under key government infrastructure programs, particularly the Uttar Pradesh JJM. In FY25, the cable segment registered a healthy 33% growth, primarily driven by strong demand for copper cables, although this was offset by a decline in EPC revenues due to lower execution under the SWSM project. The OFC segment remained stable for the second consecutive year, impacting margins in the cable division. PBIT margins in the cable segment fell to ~4% in FY24 and FY25 from 10–11% in FY23 due to a lower share of high-margin OFC sales. Consequently, consolidated profitability moderated to 6.65% in FY25 from 7.27% in FY24, driven by a shift in revenue mix toward lower-margin copper cables and reduced contribution from high-margin EPC and OFC segments and was ~5.83% in 9MFY26. Financials in 9MFY26 was also impacted by higher interest costs arising from increased working capital deployment, and a one-time expense related to incremental gratuity liability following the implementation of the Labour Codes. Interest coverage in 9MFY26 stood at 1.37x, deteriorating from 2.65x as at FY25-end.

### Inherent risk associated with execution of large orders in the EPC segment and stretch in its working capital cycle

VTL derives ~80% of its revenue from the EPC segment, which also accounts for ~97% of the outstanding order book as on March 31, 2025. Execution of large and complex projects, such as the SWSM water project in Uttar Pradesh, carries risks associated with procedural delays, weather disruptions, or site-level challenges. Around 58% of the current order book pertains to energy sector projects backed by central utilities, which mitigates credit risk to some extent. However, ~32% orders relate to state and centrally funded water/irrigation projects, and ~3% to telecom companies, which could expose the company to payment delays or implementation risks. Delays in capex rollout by these counterparties may adversely impact project execution and cash flows. Working capital requirement has been increased from FY25 to FY26 due to delayed in order execution mainly due to delays in order execution for JJM projects, working capital borrowing has been ~₹763.17 crore as on March 31, 2025, which is expected to increase in FY26.

### Susceptibility to raw material price volatility

The company's main raw materials in the cable segments include copper, aluminium, compounds, and optical fibre. The company procures copper mainly from Hindalco and partially imports it. These purchases are mostly on credit basis or backed by letters of credit (LCs). The other important raw material is optical fibre, which is procured from a group company, Birla Furukawa Fibre Optics Private Limited (rated: 'CARE BBB+; Stable/ CARE A2'). For EPC orders, the company mostly has price escalation clauses for large and longer tenure orders in most energy segment orders. However, CareEdge Ratings notes that there is no price variation clause in the SWSM order. Hence, the company remains susceptible to price volatility of other raw materials that are procured from external sources.

### Industry headwinds in OFC segment and competitive business environment

The OFC segment has been facing prolonged demand pressure due to global oversupply, reduced telecom investments, and macroeconomic uncertainties. Prices of bare optical fibre dropped by ~50% since early 2023, materially affecting segment profitability. Consequently, VTL's high-margin OFC segment underperformed in FY25. While the management expects a revival in OFC demand from FY27, driven by 5G rollout, data centre expansion, BharatNet Phase III, and FTTH growth, the near-term outlook remains cautious. Given the segment's historical contribution to margins, continued weakness in OFC may weigh on the company's overall profitability and cash flow generation in the near term. Cables and EPC industries are highly fragmented with numerous organised and unorganised players. Pricing pressure, and dependency on budgetary allocations by telecom and power utilities, makes revenue visibility susceptible to external factors. Order inflow remains contingent on timely government and

institutional spending, adding to business cyclicity. This also necessitates competitive bidding, which can impact margins and expose the company to execution risks, especially in the absence of price variation clauses.

### **Liquidity (VTL): Adequate**

VTL's liquidity profile remains adequate, supported by projected cash accruals of ~₹150 crore in FY26, against scheduled debt repayments of ~₹77 crore. Total repayment will be ~₹235 crore (Including ₹150 crore bullet repayment- to be funded by receivables) and ₹74 crore in FY27 and FY28 respectively, against which sufficient accruals are expected to be generated with receivables. The company also had a free cash and bank balance of ₹96.17 crore as on March 31, 2025, and ₹14.18 crore as on December 31, 2025, providing a liquidity cushion.

Liquidity is further backed by demonstrated financial support from the MP Birla Group through infusion of unsecured loans in the past, which is expected to be available, if required. VTL will also support BCL's debt repayment obligation if the need arises. Despite working capital intensive operations, the company managed its requirements through internal accruals and bank borrowings. Operating cycle moderated to 143 days in FY25 from 111 days in FY24, primarily due to higher receivables. With delay in receivables, it is expected to increase in FY26. Average utilisation of fund-based working capital limits remained at ~71% for 12-months ending April 2025, and ~71.67% in December 2025. VTL has also given corporate guarantee for the working capital facilities of BCL and for such facilities support will be provided, when needed.

### **Detailed description of key rating drivers of BCL:**

#### **Key strengths**

##### **Resourceful, and experienced promoters with demonstrated financial support to the company**

BCL is part of the MP Birla Group, one of India's well-established and diversified business houses with interests in cement, jute, carbide, OFC, power cables, power capacitors, and guar gum, among others. These businesses are operated through group companies. The MP Birla group also own 50% ownership in two entities Birla Furukawa Fibre Optics Private Limited and Hindustan Gums & Chemicals Limited, which are joint ventures of the MP Birla group. Hindustan Gum has ~₹2,000 crore of liquidity and has supported to UCL in the past through extending loans and advances. Over the years, the group demonstrated consistent financial support to BCL through infusion of funds in the form of unsecured loans and inter-corporate deposits, which are expected to continue. CareEdge Ratings believes the company will continue to benefit from the group's strong financial flexibility and managerial oversight.

##### **Reputed-yet-concentrated customer base, leading to counterparty risk**

BCL caters to a reputed clientele comprising leading telecom service providers, internet service providers (ISPs), and telecom infrastructure companies. While the company benefits from established and long-standing customer relationships spanning 4-8 years, customer concentration remains high. Top 10 customers accounted for ~94% of BCL's total revenue in FY25, up from 75% in FY23, with a single customer contributing ~47% (PY: 38%). This concentration exposes the company to heightened counterparty risk and vulnerability to adverse developments, affecting these key customers. However, BCL's strong track record of execution and sustained association with these entities mitigate the risk to some extent.

##### **Moderate operational and financial risk profile; expected to improve with recovery in OFC demand and balanced product mix**

BCL's operational and financial risk profile remains moderate, with some moderation in FY25, due to sustained weakness in global and domestic demand for OFC, resulting in lower capacity utilisation and subdued realisations. The company reported a TOI of ₹663.40 crore in FY25 (PY: ₹688.76 crore), with OFC sales remaining under pressure; however, increased sales of copper cables, supported by strong volume growth (~12%) and high-capacity utilisation (~94%), provided revenue stability. The company's PBILDT margin moderated to 5.27% in FY25 from 6.35% in FY24, impacted by a higher share of structured and copper cables in the product mix, which typically have lower gross margins compared to OFC.

In 9MFY26, TOI increased to ₹557 crore compared to ₹505 crore in 9MFY25, indicating improved traction, although operating margins moderated slightly to around 4.66% from 4.93% in the corresponding period. However, some improvement is visible in Q3FY26 supported by higher sales of structured cables and a marginal recovery in high-margin OFC sales, which is likely to continue. The company's order book position remains modest, with outstanding orders of ₹24 crore as on December 31, 2025, supplemented by fresh order inflows of ₹36 crore received in January 2026, providing some near-term revenue visibility. Overall, BCL's diversified cable portfolio continues to support its operating resilience amidst ongoing sectoral challenges.

BCL's capital structure remains moderate, with marginal improvement in TD/PBILDT to 3.19x as on March 31, 2025 (PY: 3.78x), owing to lower working capital borrowings. Interest coverage also remained adequate at 2.62x (PY: 2.94x). With early signs of

revival in OFC demand expected from FY27 and enhanced utilisation of structured cable capacity, CareEdge Ratings expects a gradual improvement in scale and profitability going forward. Sustained improvement in operating performance and maintenance of debt metrics will remain key credit monitorable.

### **Key weaknesses**

#### **Large working capital requirements, supported by prudent management and moderate reliance on bank borrowings**

BCL's operations remain working capital intensive, as reflected in its operating cycle of 125 days in FY25, despite improving from 134 days in FY24. Improvement was primarily driven by better inventory management and timely collection, with inventory and receivable days reducing to 37 and 104 in FY25, respectively (PY: 51 and 113 days). However, this was partly offset by a contraction in payable days to 16 from 30 in FY24, resulting in continued reliance on internal accruals and bank lines to fund working capital. Despite this, the company's reliance on working capital borrowings remained moderate, with average utilisation of fund-based limits at ~40% for 12-months ended May 2025 and around 43.89% as on December 31, 2025. BCL maintains moderate usage of non-fund-based limits (~30% utilisation), which supports its procurement and performance guarantee obligations under the cable segment. Efficient working capital management and ability to secure timely realisations remain critical credit monitorable, especially in the context of sectoral demand volatility.

#### **Exposure to raw material price and forex volatility, though partially mitigated through procurement strategy and hedging policies**

BCL remains exposed to raw material price fluctuations, particularly in copper and optical fibre, which are key inputs for its manufacturing operations. Copper is primarily procured domestically from Hindalco, with partial imports backed by direct credit terms or letters of credit, while optical fibre is sourced from its group entity, Birla Furukawa Fibre Optics Private Limited. Although strategic sourcing and group support offer some insulation, sharp raw material price volatility may impact cost structures and profitability. With a significant portion of revenues and procurement linked to international markets, BCL remains exposed to foreign exchange fluctuation risks. While the company benefits from a natural hedge through its import-export operations, timing mismatch between receipts and payments introduces transaction-level currency risk. To manage this, BCL follows a formal forex risk management policy and undertakes selective hedging using forward contracts for underlying exposures. In FY25, the company reported ₹1.75 crore in forex gains (PY: ₹3.26 crore), reflecting prudent but variable management of currency movements.

#### **Industry headwinds in OFC segment and competitive intensity in cable business**

The OFC segment has been facing continued headwinds due to global overcapacity, weak demand sentiment, and cautious capital spending by telecom operators amid macroeconomic uncertainties and geopolitical factors. These challenges have led to a sharp correction in bare optical fibre prices estimated at ~50% since early 2023, resulting in significant margin pressure for manufacturers such as BCL. The muted off-take has impacted volume growth and capacity utilisation in the OFC segment in the last two fiscals. However, CareEdge Ratings notes that the medium-term outlook is supported by structural demand drivers including 5G network expansion, BharatNet Phase III, FTTH rollout, data centre proliferation, and increased global demand aligned with digital infrastructure policies. Recovery in demand and pricing in the OFC market remains a key monitorable.

The company continues to operate in a highly competitive cable industry marked by surplus installed capacities and dependence on the capex cycles of telecom and power utilities. The industry remains susceptible to pricing pressure, project deferrals, and order cyclicality, which may impact revenue visibility and operating profitability for players such as BCL.

#### **Liquidity (BCL): Adequate**

BCL benefits from being part of the well-established MP Birla Group, which provides it with strong financial flexibility and demonstrated support, including past infusion of unsecured loans and inter-corporate deposits as and when required. This group support acts as a significant liquidity cushion, complementing the company's internal cash flow generation. In FY26, BCL scheduled debt repayments stood at ~₹34 crore, which can be funded through cash flow from operation or through support from group companies. Repayment will be around ₹11.54 crore and ₹2.76 crore in FY27 and FY28 respectively. The company's operations remain working capital intensive, with an operating cycle of 125 days in FY25. Average utilisation of fund-based working capital limits remained moderate at ~40% for 12-months ended May 2025, and around 43.89% as on December 31, 2025, offering sufficient liquidity and headroom. Going forward, the company's ability to efficiently manage its working capital and continue benefiting from group support will remain critical for its credit profile.

## Applicable criteria

- [Consolidation](#)
- [Definition of Default](#)
- [Factoring Linkages Parent Sub JV Group](#)
- [Liquidity Analysis of Non-financial sector entities](#)
- [Rating Credit Enhanced Debt](#)
- [Rating Outlook and Rating Watch](#)
- [Manufacturing Companies](#)
- [Financial Ratios – Non financial Sector](#)
- [Short Term Instruments](#)

**Adequacy of credit enhancement structure:** Guarantee provided by VTL is unconditional, irrevocable and legally enforceable and binding on guarantor covering the entire bank facility tenor.

## About the credit enhancement provider -VTL

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Construction	Construction	Civil construction

VTL is engaged in manufacturing telecom cables and EPC services to telecom, power, gas distribution pipelines, water, and sewage projects. The company's manufacturing plant is at Rewa, Madhya Pradesh. The company currently has OFC manufacturing capacity of 60 lakh fibre km per annum. The company caters to a reputed client base such as Bharat Sanchar Nigam Limited, Mahanagar Telephone Nigam Limited, Indian Railways, Defence (Indian Army), NTPC Limited, Steel Authority of India Limited, Bharti Airtel Limited, and Reliance Jio Infocom Limited, among others.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	4088.93	4052.16	2583.91
PBILDT	297.16	267.11	150.65
Profit after tax (PAT)	282.69	202.84	116.70
Overall gearing (x)	0.15	0.26	NA
Interest coverage (x)	3.38	2.65	1.37

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

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial Products	Cables - electricals

Incorporated in 1992, BCL belongs to the MP Birla group and is engaged in manufacturing and selling all types of OFCs, copper telecommunication cables, structured copper cables, specialty cables, and allied accessories. The company has a manufacturing plant at Rewa, Madhya Pradesh, with a total capacity of ~60,00,000 fibre km. The company is currently headed by Harsh V Lodha, Chairman.

Brief Financials (₹ crore) (Consolidated)	March 31, 2024 (A)	March 31, 2025 (A)	9MF2Y6 (UA)
Total operating income	688.76	663.40	557.02
PBILDT	43.71	34.94	25.94
Profit after tax (PAT)	22.14	4.89	6.05
Overall gearing (x)	0.66	0.44	NA
Interest coverage (x)	2.94	2.62	3.63

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

**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-Cash Credit		-	-	-	120.00	CARE A (CE) (RWD)
Fund-based - LT-Term Loan		-	-	31-03-2028	55.00	CARE BBB+ (RWP)
Non-fund-based - ST-BG/LC		-	-	-	170.00	CARE A1 (CE) (RWD)
Non-fund-based - ST-Loan Equivalent Risk		-	-	-	6.00	CARE A1 (CE) (RWD)
Un Supported Rating- Un Supported Rating (LT/ST)		-	-	-	0.00	CARE BBB+ / CARE A2 (RWP)

#### 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 - LT-Cash Credit	LT	120.00	CARE A (CE) (RWD)	1)CARE A+ (CE); Negative (09-Jul-25)	1)CARE A+ (CE); Stable (07-Nov-24)	1)CARE A+ (CE); Stable (07-Sep-23)	1)CARE A+ (CE); Stable (03-Jan-23)
2	Non-fund-based - ST-Loan Equivalent Risk	ST	6.00	CARE A1 (CE) (RWD)	1)CARE A1+ (CE) (09-Jul-25)	1)CARE A1+ (CE) (07-Nov-24)	1)CARE A1+ (CE) (07-Sep-23)	1)CARE A1+ (CE) (03-Jan-23)

3	Non-fund-based - ST-BG/LC	ST	170.00	CARE A1 (CE) (RWD)	1)CARE A1+ (CE) (09-Jul-25)	1)CARE A1+ (CE) (07-Nov-24)	1)CARE A1+ (CE) (07-Sep-23)	1)CARE A1+ (CE) (03-Jan-23)
4	Un Supported Rating-Un Supported Rating (LT/ST)	LT/ST	0.00	CARE BBB+ / CARE A2 (RWP)	1)CARE BBB+ / CARE A2 (09-Jul-25)	1)CARE BBB+ / CARE A2 (07-Nov-24)	1)CARE BBB+ / CARE A2 (07-Sep-23)	1)CARE BBB+ / CARE A2 (03-Jan-23)
5	Fund-based - LT-Term Loan	LT	55.00	CARE BBB+ (RWP)	1)CARE BBB+; Stable (09-Jul-25)	1)CARE BBB+; Stable (07-Nov-24)	1)CARE BBB+; Stable (07-Sep-23)	-
6	Non-fund-based - ST-Loan Equivalent Risk	ST	-	-	1)Withdrawn (09-Jul-25)	1)CARE A2 (07-Nov-24)	-	-

LT: Long term; ST: Short term; LT/ST: Long term/Short term

### Annexure-3: Detailed explanation of covenants of rated instruments/facilities

Name of the instrument	Detailed explanation
<b>Fund based and Non fund based limits</b>	
<b>A. Financial covenants</b>	The company to maintain TOL/ATNW less than = 2.25 (to be tested on yearly basis), where ATNW is defined as adjusted tangible net worth, which is adjusted for loans and advances and investment to related parties
<b>B. Non-financial covenants</b>	Not applicable

### Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Complex
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-BG/LC	Complex
4	Non-fund-based - ST-Loan Equivalent Risk	Complex
5	Un Supported Rating-Un Supported Rating (LT/ST)	

### Annexure-5: Lender details

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

**Annexure-6.A: List of entities consolidated**

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	August Agents Limited	Full	Wholly owned subsidiary
2	Insilco Agents Limited	Full	Wholly owned subsidiary
3	Laneseda Agents Limited	Full	Wholly owned subsidiary
4	Birla Visabeira Private Limited	Full	Wholly owned subsidiary
5	Universal Cables Limited	Moderate	Associate
6	Birla Corporation Limited	Moderate	Associate
7	Punjab Produce Holdings Limited	Moderate	Associate

**Annexure-6.B: List of entities consolidated**

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Birla Cable Infrasolutions DMCC	Full	Wholly owned subsidiary

**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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