Cosmo Ferrites Limited

July 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	44.84 (Reduced from 47.46)	CARE BBB-; Stable	Reaffirmed
Short-term bank facilities	7.00	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

List of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Cosmo Ferrites Limited (CFL) factors in stated management support from Cosmo First Limited (Cosmo First) through service agreement, whose scope of services include business strategy, marketing and brand management, corporate finance and investor relations among others. Ratings also factor in imposition of anti-dumping duty imposed on soft ferrites (the company's main product) in March 2025, which is expected to improve operational performance in FY27. Ratings continue to derive strength from experienced and resourceful promoters with long track record of operations and wide range of applications of finished goods leading to customer diversification. Ratings take cognisance of the subdued operational and financial performance in FY26 (refers to April 01, 2025, to March 31, 2026) considering reasons including dumping of low-priced materials from the neighbouring country (delay in positive impact of anti-dumping duty in the soft ferrites industry). Ratings continue to remain constrained by weak financial risk profile marked by high overall gearing, susceptibility of margins to raw material price volatility, and foreign currency fluctuation risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operations above ₹200 crore while maintaining the profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 15% on a sustained basis.
- Improvement in capital structure with overall gearing below 1.00x on a sustained basis.
- Improvement in liquidity marked by improvement in operating cycle and lower utilisation of working capital limits.

Negative factors

- Decline in scale of operations below ₹100 crore and PBILDT margin below 10% on a sustained basis.
- Any higher-than-envisaged increase in debt levels resulting in further worsening of overall gearing and debt coverage indicators.
- Discontinuation in stated management support from Cosmo First, leading to overall deterioration in operational and financial risk profile.

Analytical approach:

Standalone, factoring linkages with the Cosmo group in terms of stated management support through service agreement and common management.

Outlook: Stable

Stable outlook indicates continuation of support from the group entity Cosmo First Ltd- in the near-to-medium term with gradual improvement in scale of operations and profitability.

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

Detailed description of key rating drivers:

Key strengths

Established brand name of the Cosmo group and stated management support from Cosmo First Ltd

CFL belongs to the Cosmo group, which was established in 1981 by Ashok Jaipuria with the incorporation of Cosmo First. Cosmo First is a global leader which specialises in films for packaging, lamination and labelling applications. Its films offerings include biaxially oriented polypropylene (BOPP) films, cast polypropylene (CPP) films. CFL has a service agreement with Cosmo First for the latter to provide management support to the former since the last 4-5 fiscals. Scope of services include business strategy, marketing and brand management, corporate finance, investor relations among others. The continued support from the group entity and timey financial support from promoters shall remain key rating sensitivity.

Experienced and resourceful promoters and long track record of operations

Established in 1986, CFL was promoted by the Jaipuria Family. CFL is managed by Ambrish Jaipuria (son of Ashok Jaipuria) having an experience of over 15 years. Ambrish Jaipuria is ably supported by a team of well-qualified and experienced professionals and management support from Cosmo First. The company belongs to the Cosmo group, which was established in 1981 by Ashok Jaipuria with setting up Cosmo First. Promoters are resourceful with established track record of funds infusion in the form of unsecured loans, which stood at ₹22.00 crore as on March 31, 2026.

Wide range of application of finished goods leading to customer diversification

CFL is engaged in manufacturing soft ferrites in different shapes and sizes per required specifications. Ferrites are extensively used in Mobile Phone Charger, Automotive, BLDC Fan, AC/ Refrigerator, memory cores of computers, among others. Ferrite has vast application from microwave to radio frequencies. It is used for antenna cores in radio receivers, fly back transformer in TV picture tube, broad band transformer, mechanical filter, ultrasonic generator, moderators, phase shift, isolators. Such wide application allows CFL to cater to a broad customer base and the top 10 customers constituted 39% of total operating income (TOI) in FY26 (PY: 29%).

Imposition of anti-dumping duty on soft ferrite core

The Ministry of Finance, Department of Revenue, issued on March 18, 2025, imposing an anti-dumping duty on imported Soft Ferrite Cores (up to 35%) from China. The duty applies to Manganese-Zinc-based Soft Ferrite Cores within specific geometries and lengths. This is expected to improve demand and realisation of soft ferrite cores in the domestic market and benefit CFL.

Key weaknesses

Continued weakness in operational performance

The company's performance remained subdued in FY26 despite improvement, with TOI growing to ₹100.88 crore (FY25: ₹85.98 crore) and PBILDT improving to ₹8.53 crore (FY25: ₹2.50 crore) in FY26; however, it continued to report a net loss of ₹1.58 crore in FY26 (FY25: ₹5.65 crore loss) due to pricing pressures and weak export demand, with delayed benefits from anti-dumping duty.

Leveraged capital structure and weak debt coverage metrics

The entity's capital structure stood levered with overall gearing of 3.00x as on March 31, 2026 (2.91x as on March 31, 2025). Debt coverage indicators of the company stood weak as reflected by improvement in interest coverage ratio at 1.41x in FY26 against 0.46x in FY25 and total debt to gross cash accruals (TD/GCA), which stood at 25.76x as on March 31, 2026.

Foreign exchange fluctuation risk

CFL's business operations involve both imports and exports resulting in sales realisation and cash outflow in foreign currency. CFL exports its product in overseas market such as Italy, Brazil, Germany, and Hong Kong among others, and export contribution to total sales stood ~28% for FY26 (PY: 30%). Its import procurement to raw material cost stood at ~50% for FY26, continuing exposing CFL to volatility in foreign exchange rates. However, being importer and exporter both, the foreign currency risk is partially mitigated through a natural hedge. in FY26, the company earned ₹0.65 crore (PY: ₹0.32 crore) from exchange rate difference. Due to partial hedging policies adopted by the company, CFL is exposed to fluctuations in the value of rupee against foreign currency, which may impact its cash accruals.

Raw material price volatility risk

Ferric oxide, manganese, zinc, and nickel among others, are the major raw materials required for the production. Since the basic raw materials are metal derivatives, CFL is exposed to the raw material price volatility risk. Thus, margins are vulnerable to fluctuation in raw material cost. Though the company tries to pass on the price volatility to end-users, adverse fluctuations in prices may put pressure on the company's profitability. Thus, the company's profitability is based on its ability to absorb the increase in raw material price.

Liquidity: Adequate

The company's liquidity position remained adequate with a free cash and bank balance of ₹4.30 crore as on March 31, 2026. The company has expected GCA of ~₹10.37 crore in FY27 against repayment obligations of ₹8.22 crores. CFL also continued management support agreement from Cosmo First and in case of exigency promoters shall infuse funds in the form of unsecured loans.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
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	Electrical equipment	Other electrical equipment

Established in 1986, CFL is promoted by Ashok Jaipuria, having an experience of over three decades. Jaipuria has also promoted Cosmo First, which specialises in films for packaging, lamination, and labelling applications. CFL's operations are being managed by Ambrish Jaipuria (son of Ashok Jaipuria). CFL is engaged in manufacturing and exporting soft ferrites of different shapes and specifications. CFL's manufacturing facility is in Solan, Himachal Pradesh, and has an installed capacity of 3600 MT as on March 31, 2026.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (Abridged)
Total operating income	85.98	100.88
PBILDT*	2.50	8.53
Profit after tax (PAT)	-5.65	-1.58
Overall gearing (x)	2.91	3.00
Interest coverage (x)	0.46	1.41

A: Audited; 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-Cash Credit		-	-	-	26.00	CARE BBB-; Stable
Fund-based - LT-Term Loan		-	-	31/03/2031	18.84	CARE BBB-; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	0.50	CARE A3
Non-fund-based - ST-Forward Contract		-	-	-	0.50	CARE A3
Non-fund-based - ST-Letter of credit		-	-	-	6.00	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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	18.84	CARE BBB-; Stable	-	1)CARE BBB-; Stable (03-Jul-25)	1)CARE BBB-; Stable (28-Jun-24)	1)CARE BBB-; Stable (06-Jul-23)
2	Fund-based - LT-Cash Credit	LT	26.00	CARE BBB-; Stable	-	1)CARE BBB-; Stable (03-Jul-25)	1)CARE BBB-; Stable (28-Jun-24)	1)CARE BBB-; Stable (06-Jul-23)
3	Non-fund-based - ST-Bank Guarantee	ST	0.50	CARE A3	-	1)CARE A3 (03-Jul-25)	1)CARE A3 (28-Jun-24)	1)CARE A3 (06-Jul-23)
4	Non-fund-based - ST-Letter of credit	ST	6.00	CARE A3	-	1)CARE A3 (03-Jul-25)	1)CARE A3 (28-Jun-24)	1)CARE A3 (06-Jul-23)
5	Non-fund-based - ST-Forward Contract	ST	0.50	CARE A3	-	1)CARE A3 (03-Jul-25)	1)CARE A3 (28-Jun-24)	1)CARE A3 (06-Jul-23)

LT: Long term; ST: 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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Forward Contract	Simple
5	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), list of activities or instruments falling under the purview of FSRs, and the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, Fis	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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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