# Marco Cables & Conductors Limited

August 06, 2026

| Facilities/Instruments | Name of the Regulator[1] | Amount (₹ crore) | Rating[2] | Rating Action |
|---|---|---|---|---|
| Long-term / Short-term bank facilities | RBI | 17.00 | CARE BB+; Stable / CARE A4+ | Reaffirmed |
| Long-term bank facilities | RBI | 32.00 (Enhanced from 20.00) | CARE BB+; Stable | Reaffirmed |
| Short-term bank facilities | RBI | 6.00 (Reduced from 11.00) | CARE A4+ | Reaffirmed |

Details of instruments/facilities in Annexure-1.

## Rationale and key rating drivers

Reaffirmation of ratings considers stable operating and financial performance of Marco Cables & Conductors Limited (MCCL) in FY26 (refers to April 01 to March 31), despite marginal decline in revenue, considering adverse product mix, and CARE Ratings Limited's (CareEdge Ratings') expectations of sustained performance in the near term aided by adequate order book and experienced promoters. MCCL's revenue from operations declined by ~9% year-over-year (y-o-y) to ₹102.8 crore in FY26, despite ~37% y-o-y increase in sales volume, due to higher sales contribution from low-value conductors led by changing customer demand. Its profit before interest, lease rent, depreciation, and taxation (PBILDT) margin sustained at ~12% in FY26, translating into adequate accruals. However, MCCL's working capital cycle increased to 263 days in FY26 from 201 days in FY25, led by rise in inventory, considering rising prices and a marked increase in receivables to 120 days in FY26 (PY: 85 days). This is partly attributable to higher sales in March 2026, translating into high year-end receivables and a shift in the company's customers to state-owned power distribution companies (Discoms), which have a relatively longer receivable cycle. The company resorted to unsecured business loans of ~₹6.7 crore from bank and non-banking financial companies (NBFCs) to fund incremental working capital requirements. Going forward, improvement in MCCL's working capital intensity and liquidity remains a key monitorable.

Ratings remain constrained by high working capital intensity of operations owing to sizeable receivables and inventory holding requirements and moderate capital structure and debt coverage metrics. The company's performance also remains exposed to fluctuations in commodity prices. Ratings also consider moderate scale of operations and presence in highly fragmented and competitive industry. However, ratings derive support from established track record and experience of the company's promoters in the domestic power transmission cables segment, adequate revenue visibility driven by order book, and stable profitability.

## Rating sensitivities: Factors likely to lead to rating actions

**Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:**

- Significant increase in scale of operations while maintaining PBILDT margin above 12% translating into better liquidity buffer on a sustained basis.
- Improvement in PBILDT interest cover above 3x on a sustained basis.
- Reduction in operating cycle below 150 days led by improvement in inventory and receivable days.

**Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:**

- Decline in scale of operations below ₹80 crore and PBILDT margin below 8% on a sustained basis.
- Deterioration in overall gearing above 2.00x and interest coverage ratio below 1.5x.
- Any large debt-funded capex and/or increase in the operating cycle beyond 220 days leading to pressure on debt coverage metrics and liquidity.

## Analytical approach: Standalone

## Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectations that the company will continue to benefit from its promoters experience and adequate order book position.

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

## Detailed description of key rating drivers

### Key strengths

**Steady scale of operations and profitability**

MCCL recorded a ~9% y-o-y decline in its total operating income (TOI) to ₹102.82 crore in FY26, despite ~37% y-o-y increase in total sales volume. This is primarily attributable to higher sales of low-value conductors, which accounted for ~22% of total revenue in FY26 (PY: 3%), considering shift in consumer demand. Revenue contribution from high value Aerial Bundled Cables declined to ~47% in FY26 from 80-90% in the last two years. During the year, the company's customer base also saw a shift to state-owned power distribution companies as new orders from private contractors under the Revamped Distribution Sector Scheme (RDSS) witnessed a slowdown in H2 FY26. The company continues to maintain steady profitability as indicated by PBILDT margin of 11-12% p.a. in the last three years.

**Adequate revenue visibility from order book from state-owned power discoms**

The company has an outstanding order book of ~₹85 crore as on June 30, 2026, which provides adequate revenue visibility in the near term. Its top customers include state-owned power distribution companies, including Southern Power Distribution Company of Telangana Limited, Tamil Nadu Power Distribution Company Limited, and Chhattisgarh State Power Distribution Company Limited, among others. In addition, the company also has an active order pipeline of ₹27 crore to support revenue growth.

**Long track record of promoters in the industry**

The company's management is vested in the hands of Sugnomal Kukreja and Sumit Kukreja, directors, having over three decades of experience in the wires and cables industry helping them in getting repeat orders. They are further supported by second line of management, who have experience in the industry and manage day-to-day operations of the company.

### Key weaknesses

**Working capital intensive operations**

The company continues to exhibit high working capital intensity as exhibited in its elongated working capital cycle of over 200 days in the last three years. The operating cycle increased to 263 days in FY26 from 201 days in FY25, owing to higher inventory holding considering rising commodity prices and increase in receivables to 120 days (PY: 85 days), driven by higher year-end sales and higher credit period offered to state-owned power discoms. High working capital intensity translates into pressure on cash flow from operations and increases MCCL's reliance on borrowings to fund the working capital.

**Moderate capital structure and debt coverage indicators**

The company's capital structure remains moderate with overall gearing and total outside liabilities to tangible net worth (TOL/TNW) of 1.73x and 1.95x, respectively, as on March 31, 2026 (PY: 1.38x and 1.56x, respectively), considering moderate net worth base and high working capital funding requirements. Its debt profile comprises unsecured term loans of ₹11.72 crore, promoter loans of ₹7.06 crore and working capital facilities of ₹44.05 crore as on March 31, 2026. Owing to reliance on borrowings, MCCL's debt coverage indicators also remain moderate with total debt/PBILDT of 5.04x and PBILDT interest cover of 1.99x in FY26.

**Customer concentration risks**

MCCL's customer base comprises state-owned power distribution companies (discoms) and private engineering, procurement, and construction (EPC) contractors executing orders under RDSS. With the curtailment of RDSS in H2 FY26, the customer base has shifted mostly towards state-owned discoms. The customer concentration of revenue increased in FY26 with top two customer, contributing ~50% of overall revenue. Significant loss of customer or non-conversion of tenders could have a major impact on the revenue.

**Presence of the company in highly fragmented and competitive nature of industry**

The wire and cable industry are highly fragmented, with presence of numerous organised and unorganised players, leading to intense competition. This competitive intensity limits the pricing power of individual players and hampers their ability to scale operations rapidly, exerting pressure on profitability. Margins remain susceptible to sharp and sudden fluctuations in commodity prices, particularly copper and aluminium, which are key raw materials. Given this landscape, MCCL operates in a challenging environment marked by limited pricing flexibility and stiff competition, especially from larger players who command a significant share of the market.

**Liquidity**: Stretched

MCCL's liquidity position remains stretched with projected gross cash accruals of ₹5-6 crore p.a. in the next two years against scheduled debt repayments of ₹3.10 crore and ₹3.65 crore in FY27 and FY28, respectively, and maintenance capex of ₹0.20-0.50 crore p.a. The company also has sizeable working capital requirements as evident from gross current assets of 356 days in FY26. Average utilisation of sanctioned working capital limits stood at ~77% for 12 months ending March 31, 2026, providing some liquidity buffer. The current ratio stood at 1.80x as on March 31, 2026.

**Assumptions/Covenants:** Not applicable

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

## 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 |

Incorporated in 1989 by Narain Kukreja and Sugnomal M. Kukreja, MCCL is engaged in manufacturing of low tension wires, cables, and conductors under its brand name 'HMT Cables'. Its product portfolio includes XLPE /PVC Cables, Aerial Bundled Cables, AAAC (All Aluminium Alloy Conductor) & ACSR (Aluminium Conductor Steel Reinforced) conductors, which find application in power transmission. It is an ISO 9001:2008 and BIS certified company and its manufacturing facility is in Sinnar near Nashik with the annual production capacity of 18,000 Km p.a.

| Brief Financials (₹ crore) | March 31, 2025 (A) | March 31, 2026 (A) |
|---|---|---|
| Total operating income | 111.41 | 102.82 |
| PBILDT* | 13.79 | 12.46 |
| Profit after tax (PAT) | 5.20 | 4.20 |
| Overall gearing (x) | 1.38 | 1.73 |
| Interest coverage (x) | 2.12 | 1.99 |

A: Audited; UA: Unaudited; 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

**For complexity level of instruments rated refer to Annexure-1.**

**Lender details**: Annexure-4

**Disclosure on facilities/instruments and name of regulators:**
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

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

**Annexure-1: Details of instruments/facilities**

| Name of the Instrument | Name of the Regulator | Complexity Level | 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 | RBI | Simple | - | | - | - | 32.00 | CARE BB+; Stable |
| Non-fund-based - LT/ ST-Bank Guarantee | RBI | Simple | - | | - | - | 17.00 | CARE BB+; Stable / CARE A4+ |
| Non-fund-based - ST-ILC/FLC | RBI | Simple | - | | - | - | 6.00 | CARE A4+ |

**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 | Non-fund-based - LT/ ST-Bank Guarantee | LT/ST | 17.00 | CARE BB+; Stable / CARE A4+ | - | 1)CARE BB+; Stable / CARE A4+ (29-Jul-25) | 1)CARE BB; Stable / CARE A4 (28-Sep-24) | 1)CARE BB; Stable / CARE A4 (21-Sep-23) |
| 2 | Fund-based - LT-Cash Credit | LT | 32.00 | CARE BB+; Stable | - | 1)CARE BB+; Stable (29-Jul-25) | 1)CARE BB; Stable (28-Sep-24) | 1)CARE BB; Stable (21-Sep-23) |
| 3 | Non-fund-based - ST-ILC/FLC | ST | 6.00 | CARE A4+ | - | 1)CARE A4+ (29-Jul-25) | 1)CARE A4 (28-Sep-24) | 1)CARE A4 (21-Sep-23) |

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

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Lender details**

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

**Annexure-5: List of entities consolidated:** Not applicable

**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.

## Contact us

| Media Contact | Analytical Contacts |
|---|---|
| Mradul Mishra<br>Director<br>**CARE Ratings Limited**<br>Phone: +91-22-6754 3596<br>E-mail: mradul.mishra@careedge.in | Akhil Goyal<br>Director<br>**CARE Ratings Limited**<br>Phone: +91-22-6754 3590<br>E-mail: akhil.goyal@careedge.in |
| **Relationship Contact**<br><br>Ankur Sachdeva<br>Senior Director<br>**CARE Ratings Limited**<br>Phone: +91-22-6754 3444<br>E-mail: ankur.sachdeva@careedge.in | Raunak Modi<br>Assistant Director<br>**CARE Ratings Limited**<br>Phone: +91-22-6754 3537<br>E-mail: raunak.modi@careedge.in<br><br>Mansi Vinay Golwala<br>Analyst<br>**CARE Ratings Limited**<br>E-mail: mansi.golwala@careedge.in |

**About us:**
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com



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