



## Birla Cable Limited

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PAN No. AABCB1380L · CIN No. L31300MP1992PLC007190  
GSTIN : 23AABCB1380L1ZW

BCL/CS/25-26/Reg.-30

10 JUL 2025

BSE Limited,  
BSE's Corporate Relationship Department,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building,  
P.J.Towers, Dalal Street, Fort,  
**MUMBAI-400 001**

National Stock Exchange India Ltd.  
Listing Department,  
"Exchange Plaza", C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E),  
**MUMBAI -400 051**

**Company's Scrip Code: 500060**

**Company's Scrip Code: BIRLACABLE**

Dear Sir/Madam,

**Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 - Credit Ratings**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that CARE Ratings Ltd. ("Credit Rating Agency") has reaffirmed the rating at "CARE BBB+; Stable" in respect of Long-Term Bank Facilities for 55.00 Crores (Reduced from Rs. 70.00 Crores), "CARE A+(CE); Negative" Outlook revised from Stable in respect of other Long-Term Bank Facilities of Rs. 120.00 Crores and "CARE A1+(CE)" in respect of Short-Term Bank Facilities of Rs. 176.00 Crores.

Further, rating in respect of other Short-Term Bank Facilities has been withdrawn.

Copy of Press Release issued by the Credit Rating Agency on 9<sup>th</sup> July, 2025 at 6.25 P.M. is attached herewith.

Kindly take the same on your records.

Thanking you,

Yours faithfully,  
**For Birla Cable Limited**

**(Suman)**  
**Company Secretary & Compliance Officer**

Encl: As above.



## Birla Cable Limited

July 09, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	55.00 (Reduced from 70.00)	CARE BBB+; Stable	Reaffirmed
Short-term bank facilities#	-	-	Withdrawn
Long-term bank facilities <sup>®</sup>	120.00	CARE A+ (CE); Negative	Reaffirmed; Outlook revised from Stable
Short-term bank facilities <sup>®</sup>	176.00	CARE A1+ (CE)	Reaffirmed

Details of instruments/facilities in Annexure-1.

# CARE Ratings Limited (CARE Ratings) has withdrawn the outstanding rating of the short-term bank facilities of Birla Cable Limited as the company has confirmed that the rating awarded against proposed amount has not been used for mobilising funds and no amount is outstanding against the rated facility.

<sup>®</sup> These ratings are based on credit enhancement in the form of unconditional and irrevocable corporate guarantee from Vindhya Telelinks Limited (VTL; rated CARE A+; Negative/CARE A1+).

<b>Unsupported rating</b>	<b>CARE BBB+ / CARE A2 [Reaffirmed]</b>
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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) 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+; Negative/ CARE A1+) towards the timely servicing of the debt obligations.

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

CARE Ratings Limited (CareEdge Ratings) has reaffirmed ratings assigned to bank facilities of Vindhya Telelinks Limited (VTL) while revising the outlook to 'Negative'. Ratings continue to draw strength from the well-established and resourceful MP Birla Group, with a long-standing track record of extending timely financial support to the company, when needed. Ratings also factor in healthy order book of ₹6,784 crore as on March 31, 2025 (~1.67x of FY25 revenue), providing adequate medium-term revenue visibility across diversified sectors such as energy, water/sanitation, and telecom. Timely and efficient execution of existing order book remains a key rating monitorable. Ratings further reflect VTL's healthy scale of operations, backed by sustained execution in the engineering, procurement, and construction (EPC) segment, particularly under the State Water and Sanitation Mission (SWSM) project, despite subdued demand in the optical fibre cable (OFC) segment and a shift in product mix towards copper cables.

CareEdge Ratings notes moderation in the company's operating profitability in FY25, driven by reduced contribution from high-margin EPC orders and weak performance in the OFC segment. Higher share of copper cables, which command lower and more volatile margins, also impacted overall profitability in FY25. Decline in profitability and increase in receivable led to moderation in the company's financial risk profile.

Outlook on long-term ratings has been revised to 'Negative' due to anticipated moderation in the company's financial profile. This is largely attributed to a stretched operating cycle, led by delayed collections, which may exert pressure on its liquidity, necessitate higher working capital borrowings, and consequently weaken the company's already moderate coverage indicators in the near-to-medium term. The company's profitability remains susceptible to fluctuations, given the inherent volatility across EPC projects, which may further impact stability of its financial profile, and hence, remains a key monitorable. The management has guided that operating margins should improve in FY26 with execution of higher-margin EPC orders and a gradual recovery in OFC demand, which remains a monitorable. The company also remains exposed to execution risks in large tender-based orders, raw material price volatility, and intense competition in the EPC and cable industry.

<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.

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

CareEdge Ratings has reaffirmed ratings assigned to bank facilities of Birla Cable Limited (BCL), while maintaining a stable outlook. 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 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, 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: Factors that could individually or collectively lead to positive rating action/upgrade:

- Significant improvement in operating performance including profit before interest, lease rentals, depreciation and taxation (PBILDT) margin of over 12% on a sustained basis and maintenance of scale of operations.
- Significant and sustainable improvement in operating cycle to less than 120 days.

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

- Significant decline in PBILDT margins leading to Total debt /PBILDT above 3.5x 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 7% on a sustained basis.

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

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

- Significant growth in scale of operations marked by total operating income (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: Factors that could individually or collectively lead to negative rating action/downgrade:

- 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. The 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 of VTL: Negative

The outlook on long-term ratings has been revised to 'Negative' due to anticipated moderation in the company's financial profile. This is largely attributed to a stretched operating cycle, led by delayed collections, which may exert pressure on its liquidity, necessitate higher working capital borrowings, and consequently weaken the company's already moderate coverage indicators in the near-to-medium term. The company's profitability remains susceptible to fluctuations, given the inherent volatility across EPC projects, which may further impact the stability of its financial profile and hence remains a key monitorable. The outlook may be

revised to 'Stable' if the company demonstrates improvement in its operating cycle, and improvement in its profitability margins and debt coverage indicators.

### **Outlook of BCL: Stable**

The stable outlook reflects CareEdge Ratings' expectation that BCL will improve its scale and profitability going forward which should enable the company to sustain its financial risk profile in the near-to-medium term.

### **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 longstanding interests across cement, jute, carbide, power cables, optical fibre cables, guar gum, and power capacitors. The group operates through reputed entities such as Birla Corporation Limited (CARE AA; Stable/CARE A1+), BCL (rated: 'CARE A+(CE); Negative/ CARE A1+(CE), CARE BBB+; Stable/ CARE A2', 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 ~₹2000 crore of liquidity and has supported to UCL in past through extending loans and advances. VTL's operations are managed by a professionally qualified team led by Y.S. Lodha, Managing Director and CEO, who has over three decades of experience in the cable industry. Moreover, the group has demonstrated financial support through infusion of ₹286 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, 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 ₹6,784 crore as on March 31, 2025, spanning across critical national infrastructure sectors—energy utilities (58%), water/sanitation (32%), and telecom (3%). 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. The 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. This marks an improvement from ₹6,167 crore (1.51x of FY24 revenue) recorded a year earlier. 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, the 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. Despite a prolonged slowdown in demand for OFC and telecom EPC projects in the last two years, VTL successfully expanded its operations from ₹2,902 crore in FY23 to ₹4,054 crore in FY25. Going forward, scale is expected to further improve with the award of a ₹2,756 crore turnkey power distribution project in Tamil Nadu and Kerala. This has significantly reshaped the order book profile, increasing the energy sector's share to 58% from 32% in the previous year. 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**

VTL's operational and financial risk profile continue to remain moderate in last two financial years. In FY5, the company's TOI remained stable at ₹4,054 crore in FY25 (PY: ₹4,087 crore), reflecting offsetting trends across business segments. The cable

segment registered a healthy 33% growth, primarily considering strong demand for copper cables. However, this growth was offset by a decline in EPC revenues due to lower execution under the State Water and Sanitation Mission (SWSM) project. Revenue from original SWSM village orders declined significantly to ₹835 crore in FY25 from ₹1,592 crore in FY24, reducing its contribution to EPC revenue from 46% to 26%. The OFC segment remained subdued 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. The company's profitability margins at the consolidated level moderated to 6.65% in FY25 from 7.27% in FY24. This decline was driven by the change in revenue mix—lower contribution from high-margin EPC projects and OFCs, and a rising share of copper cables, which typically have more volatile and thinner margins.

On the financial side, VTL's capital structure remained comfortable but saw some moderation. 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. Adjusted gearing (including corporate guarantees) rose to 0.33x from 0.22x. Debt protection metrics remain moderate, with PBILDT interest coverage declining to 2.65x (PY: 3.38x) and total debt/PBILDT increasing to 3.93x (PY: 2.05x), reflecting lower profitability and higher debt. These metrics are expected to improve going forward, supported by anticipated recovery in OFC demand, better margin profile from new EPC orders in the energy segment, and more balanced execution. Reduction in receivables and improved working capital management will remain key rating monitorable going forward.

### **High working capital intensity resulting in elevated reliance on bank borrowings**

VTL's operations remain working capital intensive, primarily driven by elongated receivables and inventory holding, particularly in the EPC segment. The company's operating cycle deteriorated to 143 days in FY25 from 111 days in FY24, considering an increase in collection and inventory periods. Average collection period extended to 119 days in FY25 from 88 days in FY24, with gross debtors rising sharply to ₹1,706 crore (PY: ₹962 crore). However, ~₹565 crore of debtors (~33% of total) was not due as on March 31, 2025. Adjusted for this, average collection period stood at 81 days in FY25 (PY: 75 days). The inventory holding period also increased to 118 days in FY25 from 103 days in FY24, largely due to EPC execution requirements. Though EPC segment debtors moderated to ₹1,346 crore as on June 22, 2025 (from ₹1,528 crore as on March 31, 2025), overall increase in working capital requirements led to higher short-term borrowings, which rose to ₹1,108 crore in FY25 from ₹558 crore in FY24. Consequently, average fund-based working capital utilisation stood at ~71% for 12-months ended April 2025. The company also relies heavily on non-fund-based limits for procurement and performance guarantees in EPC contracts, with average utilisation at ~46%. Creditor days increased from 80 to 95 in the same period, partially supporting working capital needs. Going forward, rationalisation of receivables and inventory, and efficient execution of large orders, will remain key monitorable from a liquidity and credit perspective.

### **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 volatility in prices of other raw materials that are procured from external sources.

### **Inherent risk associated with execution of large orders in the EPC segment**

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.

### **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 have 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 H2FY26, driven by 5G rollout, data centre expansion, BharatNet Phase III, and FTTH growth, 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.

The 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 cyclicality. 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: Adequate**

VTL's liquidity profile remains adequate, supported by projected cash accruals of ~₹200 crore in FY26, against scheduled debt repayments of ~₹70 crore. The company also had a free cash and bank balance of ₹96.17 crore as on March 31, 2025, providing a liquidity cushion. Liquidity is further backed by the 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 the 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. Average utilisation of fund-based working capital limits remained at ~71% for 12-months ending April 2025. The company's ongoing plan to enhance its working capital limits is expected to provide further headroom and flexibility in managing liquidity. VTL has also given corporate guarantee for the working capital facilities of BCL and for such facilities support will be provided as and 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, optical fibre cables, power cables, power capacitors, and guar gum, among others. These businesses are operated through group companies BCL (rated: 'CARE A+(CE); Negative/ CARE A1+(CE), CARE BBB+; Stable/ CARE A2', and UCL (rated: 'CARE A; Stable/ CARE A1'). The MP Birla group also own 50% ownership in two entities Birla Furukawa Fibre Optics Private Limited (CARE BBB+; Stable/ CARE A2) and Hindustan Gums & Chemicals Limited (rated: 'CARE A+; Stable/ CARE A1+'), which are joint ventures of the MP Birla group. Hindustan Gum has ~₹2000 crore of liquidity and has supported to UCL in the past through extending loans and advances. Over the years, the group has 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, despite 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 total operating income 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. BCL's diversified cable portfolio continues to support its operating resilience amidst sectoral challenges.

BCL's capital structure remains moderate, with an marginal improvement in total debt to 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 H2FY26 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. The 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. 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 (rated: CARE BBB+; Stable/CARE A2). 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: 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. 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, offering sufficient liquidity 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](#)[Liquidity Analysis of Non-financial sector entities](#)[Rating Outlook and Rating Watch](#)[Manufacturing Companies](#)[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)  
[Factoring Linkages Parent Sub JV Group](#)

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

### 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 an optical fibre cable 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.

Particular	FY23 (A)	FY24 (A)	FY25 (Abr.)
Total operating income	2901.50	4,088.93	4,051.60
PBILDT	282.04	297.16	267.04
PAT	185.31	155.06	115.48
Overall gearing (times)	0.17	0.65	0.82
Interest coverage (times)	3.86	3.38	2.62

A: Audited Abr: Abridged; 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 sales of 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.

Particular	FY23 (A)	FY24 (A)	FY25 (Abr.)
Total operating income	795.76	688.76	663.40
PBILDT	66.73	43.71	34.94
PAT	32.94	22.14	4.89
Overall gearing (times)	0.56	0.66	0.44
Interest coverage (times)	5.17	2.94	2.62

A: Audited Abr.:Abridged; 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); Negative
Fund-based - LT-Term Loan		-	-	31-03-2028	55.00	CARE BBB+; Stable
Non-fund-based - ST-BG/LC		-	-	-	170.00	CARE A1+ (CE)
Non-fund-based - ST-Loan Equivalent Risk		-	-	-	6.00	CARE A1+ (CE)
Non-fund-based - ST-Loan Equivalent Risk		-	-	-	0.00	Withdrawn
Un Supported Rating- Un Supported Rating (LT/ST)		-	-	-	0.00	CARE BBB+ / CARE A2

**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); Negative	-	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)	-	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)	-	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	-	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+; Stable	-	1)CARE BBB+; Stable (07-Nov-24)	1)CARE BBB+; Stable (07-Sep-23)	-
6	Non-fund-based - ST-Loan Equivalent Risk	ST	-	-	-	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	Non-fund-based - ST-Loan Equivalent Risk	Simple
6	Un Supported Rating-Un Supported Rating (LT/ST)	Simple

**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	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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