Press Release

DCG Cables & Wires Limited

April 06, 2026

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Facilities	28.29 (Enhanced from Rs. 15.80 crore)	IVR BBB- / Stable (IVR Triple B Minus with Stable Outlook)	IVR BBB- / Stable (IVR Triple B Minus with Stable Outlook)	Reaffirmed	Simple
Short Term Facilities	19.50 (Enhanced from Rs. 3.00 crore)	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Reaffirmed	Simple
Proposed Long Term/Short Term Facilities	52.21 (Reduced from Rs. 65.00 crore)	IVR BBB-/Stable /IVR A3 (IVR Triple B Minus with Stable Outlook / IVR A Three)	IVR BBB- / Stable (IVR Triple B Minus with Stable Outlook)	Reaffirmed	Simple
Proposed Short Term Facilities	0.00 (Previously Rs.16.20 crore)	-	IVR A3 (IVR A Three)	Withdrawn	Simple
Total	**100.00 (Rupees Hundred Crore Only)**				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed its rating on the bank facilities of DCG Cables & Wires Limited (DCWL; erstwhile DCG Copper Industries Private Limited) with stable outlook.

The rating reaffirmed reflects established track record and vast experience of promoters in the copper industry, the increase in the scale of operations albeit marginal decrease in profitability and improved capital structure and comfortable financial risk profile. The rating remains constrained by project execution risk, vulnerability of profitability to adverse fluctuation in raw material prices, stretched operating cycle and highly fragmented & competitive nature of the sector.

'Stable' outlook reflects the Infomerics' belief that, company will continue to benefit from the established relationship with its customers and growth in operations and improvement in financial risk profile.

Infomerics Ratings has withdrawn its ratings on the proposed letter of credit facility of Rs. 16.20 crore, based on request of issuer and confirmation that the same has been not availed by SGPL. This is in accordance with Infomerics' policy on the withdrawal of ratings.

Key Rating Sensitivities:

Upward Factors

- Substantial scaling up of its operations while maintaining stable profit margins and debt protection metrics.
- Sustenance of capital structure and improvement in debt protection metrics.
- Project is completed as per DCCO with no further cost overrun.

Downward Factors

- Substantial decline in revenue and/or profitability leading to deterioration in debt protection metrics.
- Substantial unplanned debt-funded capex undertaken by the company having material impact on the financial flexibility of the company.
- Substantial cost overrun leading to liquidity stress with delayed in timeline for completion of project

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Increase in the scale of operations albeit marginal decrease in profitability**
  The total operating income of DCWL has increased by ~26% to Rs. 127.56 crore in FY25 (refers to period from April 01, 2024 to March 31, 2025), as against Rs. 101.10 crore in FY25. Earnings before interest, depreciation, tax, and amortization (EBIDTA) and Profit after tax (PAT) has decreased marginally to Rs. 16.04 crore and Rs. 8.10

crore respectively in FY25 as against Rs. 16.11 crore and Rs. 8.85 crore respectively in FY24 on account of increase in the cost of raw material and manufacturing expenses. Subsequently, EBIDTA margin and PAT margin has also decreased to 12.58% and 6.30% respectively in FY25 from 15.93% and 8.75% respectively in FY24.

- **Improved capital structure and comfortable financial risk profile**
  The capital structure has remained comfortable and has improved Y-O-Y as the adjusted tangible net worth increased to Rs. 76.60 crore (adjusting group company investment of Rs. 2.54 crore) as on March 31, 2025, compared to Rs. 21.50 crore as on March 31, 2024. The debt-to-equity ratio and overall gearing ratio improved and stood at 0.06x and 0.46x respectively as on March 31, 2025 compared to 0.35x and 1.18x respectively as on March 31, 2024. Total debt of Rs. 35.04 crore primarily comprises of term loan of Rs. 3.42 crore, Rs. 1.35 crore of unsecured loan from promoters and short-term borrowings of Rs. 30.26 crore in the form of fund based working capital. The total outside liabilities to adjusted total tangible net worth has also improved significantly and stood at 0.53x as on March 31, 2025 as against 2.81x as on March 31, 2024 due to decrease in creditors substantially. The debt protection metrics are also adequate with interest coverage ratio of 5.18x in FY25 compared to 5.52x in FY24. DSCR of the company remained adequate as well at 2.46x in FY25 compared to 3.24x in FY24 due to increase in debt on account increase in working capital owing to increase in scale of operations.

- **Experienced promoters and long track record of the company**
  DCWL is promoted by Mr. Devang Bhai Patel who has over one and a half decades of experience in the industry. The promoters of the company are well supported by a team of qualified and experienced executives and consultants. The promoters' experience has helped the company in building cordial relationships with suppliers and customers.

Key Rating Weaknesses

- **Project Execution Risk**

  Currently, DCWL is carrying on a capex. The original cost of project was Rs. 36.77 crore which was revised to Rs. 41.54 crore with an increase of Rs. 4.77 crore. The cost was revised as construction cost of land & building increased by Rs. 1.90 crore and for plant & machinery by Rs. 2.87 crore. Out of total cost of Rs. 41.54 crore, Rs. 32.59 crore was incurred till February 28, 2026. The remaining cost to be incurred till April 30, 2026 is Rs. 8.95 which is against the purchase and installation of machinery. The expected term loan from bank was Rs. 10.00 crore. However, SIDBI has sanctioned Rs. 12.87 crore as on July 25, 2025, out of which Rs. 3.92 crore has been disbursed till February 28, 2026. There is overrun in the cost due to delayed tie-up with the lender. The DCCO of the project is April 30, 2026. The management also expects the project to be completed by then. The same will remain key monitorable.

- **Stretched operating cycle**

  The operations of the company are working capital intensive as working capital remains blocked in stocks and receivables, as indicated by higher operating cycle of 128 days in FY25. However, the collection period has improved to 89 days in FY25 as against 113 days in FY24. The average inventory holding period has increased to 89 days in FY25 as against 52 days in FY24. The creditors' period has also improved to 50 days in FY25 as against 65 days in FY24. The cables and wires industry is highly capital-intensive, requiring companies to maintain sufficient inventory to meet urgent demand. Furthermore, profitability indicators remain vulnerable to fluctuations in raw material prices, as the cost of production is directly linked to these price movements.

- **Highly fragmented & competitive nature of the sector**

  The domestic transformers and conductors' market is highly crowded with the presence of many players with varied statures & capabilities. While the competition is perceived to be healthy, significant price cut by few players is a matter of serious concern as the same can dent the margins. Cable industry provides services to businesses in the infrastructure industry; hence its business operations are always subject to natural cyclicality. Increasing consumer demand, advancements in technology, and investments from key industry players are poised to drive growth and advance innovation within the market.

Analytical Approach: Standalone

Applicable Criteria:

Rating Methodology for Manufacturing Companies.
Financial Ratios & Interpretation (Non-Financial Sector).
Criteria for assigning Rating outlook.
Policy on Default Recognition
Complexity Level of Rated Instruments/Facilities
Policy on Withdrawal of ratings

Liquidity – Adequate

Liquidity position is supported by expected in gross accruals in the range of Rs. 17-39 crore over FY26-FY28 to repay the debt obligations in the range of Rs. 2.4-2.8 crore over the same period. The average utilisation of its working capital limit is ~70% during the past 12 months ended December 2025. The current ratio and quick ratio were comfortable at 2.05x and 1.10x respectively as on March 31, 2025. The free cash and bank balance of the company stood at Rs. 3.76 crore as on September 30, 2025.

About the Company

DCWL was established on 29 September 2017 as a private company with the name DCG Copper Industries Pvt. Ltd. DCWL primarily specializes in the production of bare copper strips, conductors, and wires, ensuring optimal conductivity for various applications. They also manufacture paper-covered copper conductors in both rectangular and round shapes, as well as multi-paper-covered copper conductors designed specifically for transformers. For added durability, the company offers fiber glass-covered copper strips and wires. On 19 August 2023, the name of the company was changed to DCG Cables & Wires Limited. It majorly supplies products to the transformer manufacturing companies in India.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	101.10	127.56
EBITDA	16.11	16.04
PAT	8.85	8.10
Total Debt	25.47	35.04
Adjusted Tangible Net Worth	21.50	76.60
EBITDA Margin (%)	15.93	12.58
PAT Margin (%)	8.75	6.30
Overall Gearing Ratio (x)	1.18	0.46
Interest Coverage (x)	5.52	5.18

* *Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
					Date (Month xx, 20xx)	**Date** (March 04, 2025)	**Date** (Month xx, 20xx)
1.	Term Loan -1	Long Term	0.42	IVR BBB-/ Stable	-	IVR BBB-/ Stable	-
2.	Term Loan -2	Long Term	12.87	IVR BBB-/ Stable	-	-	-
3.	Cash Credit	Long Term	15.00	IVR BBB- / Stable	-	IVR BBB- / Stable	-
4.	Channel Financing	Short Term	4.50	IVR A3	-	IVR A3	-
5.	Purchase Invoice Discounting	Short Term	15.00	IVR A3	-	-	-
6.	Proposed	Long Term/Short Term	52.21	IVR BBB- /Stable/ IVR A3	-	IVR BBB- /Stable	-

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
					Date (Month xx, 20xx)	**Date** (March 04, 2025)	**Date** (Month xx, 20xx)
7.	Proposed Letter of Credit	Short Term	0.00 (previously Rs. 16.20 crore)	-	-	IVR A3	-

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan -1	-	-	-	December 2027	0.42	IVR BBB-/ Stable
Term Loan -2	-	-	-	July 2032	12.87	IVR BBB-/ Stable
Cash Credit	-	-	-	-	15.00	IVR BBB-/Stable
Channel Financing	-	-	-	-	4.50	IVR A3
Purchase Invoice Discounting	-	-	-	-	15.00	IVR A3
Proposed Long Term / Short Term	-	-	-	-	52.21	IVR BBB- /Stable/IVR A3

Annexure 2: Facility wise lender details:
https://infomericstorage.blob.core.windows.net/uploads/len_DCWL_apr26_8af3f55586.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.