Investorstack Research Report

R R Kabel Limited

What R R Kabel Limited does

R R Kabel Limited is a consumer electrical products company founded in 1995. It manufactures and sells Wires & Cables and Fast-Moving Electrical Goods (FMEG) for residential, commercial, industrial, and infrastructure applications. The company is the fourth-largest wires and cables player in India by value.

The company operates five integrated manufacturing facilities across India—two for Wires & Cables (Waghodia, Gujarat and Silvassa, Dadra & Nagar Haveli) and three for FMEG (Roorkee, Uttarakhand; Bengaluru, Karnataka; and Gagret, Himachal Pradesh). It has built a pan-India distribution network comprising over 4,400 distributors, 4,500 dealers, and 1,91,000+ retailers, supported by more than 5,83,000 electricians in its ecosystem. Exports reach 74 countries with 42 international certifications.

The business is anchored by two segments. In FY26, the Wires & Cables segment contributed 90% of total revenue while the FMEG segment contributed the remaining 10%. The company's core strength lies in the house wire category (B2C), but it is aggressively scaling its cable business (B2B) through a three-year strategic initiative called Project RRise.

> *"90% of our revenue was generated from this segment, while the FMEG segment contributed the remaining 10%."*
>
> RAJESH JAIN, COO, Q4 FY26 CONCALL (MAY 2026)

Business segments

Wires & Cables (90% of revenue in FY26, 88% in FY25)

This is the cornerstone of RR Kabel's business. The segment manufactures house wires, industrial wires, power cables (LT and HT up to 66 kV, with plans to reach 220 kV through the new capex), control and instrumentation cables, fire survival cables, data and communication cables, and solar cables. End markets include residential and commercial buildings, infrastructure projects, power transmission and distribution, renewable energy, data centers, industrial automation, oil & gas, railways, and automotive.

Within the segment, wires contributed approximately 73% of segment revenue and cables 27% in FY26. This mix is partly driven by copper price movements—higher copper prices inflate wire revenue since wires use more copper per unit. Management expects cable's share to increase to around 31% over time as new capacity comes online.

The domestic business is driven by B2C wire sales through distribution, while the B2B cable business is smaller but growing rapidly. Exports represent about 30% of the W&C segment revenue. The company's export mix is roughly 70% wires and 30% cables, though cable exports are expected to grow faster with new capacity.

Fast-Moving Electrical Goods - FMEG (10% of revenue in FY26, 12% in FY25)

This segment manufactures fans, lighting, switches, switchgears, and appliances for residential and commercial use. Fans contribute approximately 50% of FMEG revenue, lighting around 30%, appliances around 10%, and switchgears the remainder. The company is transitioning its FMEG brand to "RR Signature" and focusing on premium and mid-premium products, which now account for about 20% of FMEG revenue.

The FMEG business is still loss-making. Management had targeted breakeven by Q4 FY26 but delayed that to FY27, citing bad weather affecting fan demand and input cost inflation that was slow to pass through. The segment operates on an asset-light model—roughly one-third of production is in-house, two-thirds outsourced.

Products and business detail

House Wires

These are wires for internal electrical wiring in residential, commercial, and public buildings. RR Kabel holds a strong position in this B2C category. The company recently launched FireX LS0H-EBXL, a halogen-free, low-smoke wire that meets the latest CEA safety mandates for public and commercial buildings. This product uses Electron Beam cross-linking technology for 2x higher current carrying capacity and longer life. House wires are sold through the distribution network to electricians and retailers.

Power Cables (LT & HT up to 66 kV)

Low-tension and high-tension power cables for electricity distribution and transmission. Current maximum voltage capability is 66 kV. The INR 1,200 crore capex program includes adding capability to produce cables up to 220 kV, which is the lower end of Extra High Voltage (EHV). These cables are sold to utilities, infrastructure contractors, industrial plants, data centers, and renewable energy projects. This is a B2B business where RR Kabel is a relatively small player with significant room to grow.

Control & Instrumentation Cables

Multi-conductor cables for transmitting low-energy signals for monitoring and control in automation, process control, and power systems. Used in oil & gas, life sciences, railways, and industrial automation.

Fire Survival Cables

Cables designed to maintain circuit integrity during fire, including halogen-free, low-smoke types. Required in public buildings, commercial infrastructure, and industrial plants under CEA safety norms.

Data & Communication Cables

LAN cables, co-axial cables, and other data cables for IT and telecom networks, data centers, and commercial buildings.

Solar Cables

Cables for photovoltaic systems, both DC and floating solar, with high resistance to UV and weather. RR Kabel is targeting the renewable energy sector as a growth driver.

Fans

Ceiling fans, table fans, pedestal fans, wall fans, industrial fans, and exhaust fans. The company has introduced premium BLDC fans under the RR Signature brand. Fan is the largest FMEG category at 50% of segment revenue. The company produces fans at its Roorkee facility and also sources from third parties.

Lighting

Panel lights, bulbs, downlights, streetlights, and LED lighting solutions. Lighting contributes about 30% of FMEG revenue. The company expanded its lighting portfolio through the acquisition of the Arraystorm business and its

Bengaluru facility.

Switches & Switchgears

Modular switches, MCBs, RCCBs, distribution boards for electrical safety and control. This category includes both consumer switches (B2C) and switchgear for industrial panels (B2B).

Appliances

Water heaters, room heaters, irons, coolers. Contributes about 10% of FMEG revenue.

Manufacturing and certifications

RR Kabel's manufacturing plants are ISO 9001, ISO 14001, and ISO 45001 certified. The company holds 42 international product certifications including BASEC (UK), UL (USA), CSA (Canada), VDE (Germany), TÜV Rheinland (Germany), Intertek, SII (Israel), and LPCB (UK). Products are REACH, RoHS, CE, and CPR compliant for European markets. The R&D centre in Waghodia is NABL ISO/IEC 17025:2017 certified.

Backward integration is a key capability: the company produces essential raw materials in-house including PVC compounds, LS0H compounds, and XLPE compounds at its Waghodia and Silvassa facilities.

Capacity and capex

As of Q3 FY26, wire capacity utilization was around 70% and cable capacity utilization was around 90%. The company plans to invest INR 1,200 crores over FY26-FY28, with ~80% allocated to cable capacity expansion. This will add approximately 36,000 MT of cable capacity at Waghodia and 6,000 MT of wire capacity at Silvassa, increasing total blended capacity by ~1.7x. The expansion is phased every six months to match demand growth.

Customers

Retail and distribution structure

RR Kabel sells primarily through a multi-tier distribution network. The company supplies to over 4,400 distributors, who then sell to 4,500 dealers and over 1,91,000 retailers across India. Electricians (over 5,83,000 in the ecosystem) are critical influencers in the purchase decision for house wires—they recommend brands to end consumers.

The buying decision for house wires is made by electricians and retail consumers. Switching costs are moderate: electricians have brand preferences based on quality, reliability, and margin structure, but can switch if incentives or product quality change. The company invests in loyalty programmes like the Kabel Star Reward Programme and RR Connect app (over 5,00,000 downloads) to retain electricians and retailers.

B2B institutional customers

The cable business sells to infrastructure contractors, utility companies, renewable energy developers, data center operators, government projects, and industrial plants. Here the buying decision is made by procurement departments and project consultants. Switching costs are higher due to approval processes—cable suppliers need to be approved by utilities and project authorities before they can bid, and once approved, repeat orders are easier. RR Kabel is building its B2B approvals and dealer network.

Export customers

Exports contribute approximately 26% of total revenue (30% of W&C segment revenue). Major regions: Europe (40% of exports), Middle East (40% of exports), and the US (~8-10% historically). The company exports under its own brand and also as a private-label manufacturer. Export customers are distributors, importers, and project contractors in 74 countries.

Concentration

No single customer dominates. The company's distribution-led model means revenue is spread across thousands of dealers and retailers. On the B2B side, individual project orders can be large, but the company does not rely on any single customer.

Contract structure

For domestic B2C sales, there are no long-term contracts—orders are placed and delivered on a continuous basis. Pricing is revised frequently based on raw material movements (copper, aluminium), typically when there is a 2-3% change. For B2B orders, contracts may have price variation clauses linked to LME metal prices. Export orders often have back-to-back hedging where the company books raw material simultaneously with the customer order, insulating margins from price volatility.

Competitive landscape

Market structure

The Indian wires and cables industry is fragmented but consolidating toward organized branded players. The organized market is dominated by a few large national players, with regional players holding share in specific geographies. RR Kabel is the fourth-largest W&C player in India by value.

Competitors in Wires & Cables

Polycab: The largest player in the organized W&C market. Has a strong brand, wide distribution, and significant cable capacity. Polycab is the benchmark competitor in both wires and cables.

KEI Industries: Strong in cables, particularly power cables for utilities and infrastructure. More B2B-focused than RR Kabel. KEI has been adding significant cable capacity and is a direct competitor in the cable segment where RR Kabel is trying to grow.

Havells: A diversified electrical company with strong presence in both W&C and FMEG (fans, lighting, switches, appliances). Havells has a powerful brand and distribution network. It is a direct competitor across both of RR Kabel's segments.

Regional players: Orbit Cables in South India and an unnamed West-based competitor (mentioned in the Feb 2026 concall). These players have strong regional distribution and loyalty, making it harder for national players to gain share in those regions.

Where RR Kabel wins

RR Kabel is strongest in the house wire segment, particularly in North and West India. The company has built deep relationships with electricians and retailers over 25+ years. Its export business is a differentiator—RR Kabel is India's largest exporter of W&C, with a diversified global presence that most competitors lack. The company holds 42 international certifications which act as barriers to entry for smaller players.

In cables, RR Kabel is a small player but growing fast. Its strategy is to leverage existing customer relationships and add capacity to capture market share in a segment where demand is driven by infrastructure, renewable energy, and data centers.

Where RR Kabel loses

In cables, RR Kabel is significantly smaller than Polycab and KEI. KEI has a strong reputation in power cables and has been adding capacity aggressively. RR Kabel's cable utilization is already at 90%, meaning it cannot grow much without new capacity—hence the INR 1,200 crore capex. The company is also underpenetrated in South and East India, where regional players and incumbents have strong positions.

Competitive dynamics in FMEG

The FMEG segment is intensely competitive. Havells, Crompton, Bajaj Electricals, and Orient Electric are established players with strong brands and distribution. RR Kabel's FMEG business is small (10% of revenue) and loss-making, though losses are narrowing. The company is focusing on premium products and the RR Signature brand to differentiate, but it faces pricing pressure from larger players. Management acknowledges the segment is "competitive" and "demand remains selective."

Risk of oversupply in cables

When asked about the risk of oversupply as multiple players add cable capacity, management responded that they do not see excess capacity risk given the demand outlook from infrastructure, renewables, and data centers. However, this is an industry-wide risk worth monitoring.

Industry

Market size

India's wires and cables market was valued at USD 9.32 Billion in 2024, projected to grow to USD 17.08 Billion by 2032 at a CAGR of 7.94% (Source: Fortune Business Insights, cited in annual report). The FMEG market is projected to reach INR 1,46,500 Crores by 2026-27 from INR 96,500 Crores in 2021-22, a CAGR of 9% (Source: annual report).

India's place in global supply chain

India is emerging as an alternative manufacturing hub to China for wires and cables, driven by global supply chain diversification, cost competitiveness, and improving quality standards. Indian exports of W&C are growing, with Europe and the Middle East as key markets. The recently announced EU trade deal is expected to reduce customs duty on wires and cables from 3.7% to zero, which would benefit exporters like RR Kabel. Management noted this could take effect within 12 months of the announcement (Feb 2026).

Demand drivers

The industry is driven by multiple structural factors:

Infrastructure development: Government initiatives like PM Gati Shakti, smart cities, and the Revamped Distribution Sector Scheme (RDSS) are driving demand for power cables and wires for grid modernization and rural electrification.

Housing and real estate: Residential and commercial construction activity directly drives demand for house wires and building cables. RR Kabel noted that wires and cables represent only about 1-1.5% of total project cost, making

demand relatively inelastic to price changes.

Renewable energy: India's target of 500 GW renewable energy capacity by 2030 requires massive cable deployment for solar plants, wind farms, and grid connectivity. Solar cables are a growing product category.

Data centers: The expansion of data centers in India is creating demand for power cables, control cables, and data communication cables. RR Kabel identified this as a key growth area.

Electric vehicles and charging infrastructure: EV adoption and charging station rollout require specialized cables, though this is still a nascent market.

Urbanization and electrification: Rising disposable incomes, urban migration, and government electrification programs (including BharatNet for broadband) are expanding the addressable market.

Import substitution

India has historically imported some specialized cables, but domestic manufacturers like RR Kabel are increasingly substituting imports with locally produced products that meet international standards. The PLI scheme and Make in India initiatives support this trend.

Regulation

Key regulations affecting the industry:

CEA safety mandates: The Central Electricity Authority has mandated halogen-free wires in public and commercial buildings, driving demand for compliant products like RR Kabel's FireX LS0H-EBXL.

BIS standards: Bureau of Indian Standards sets quality requirements for wires and cables. Compliance is mandatory for domestic sales.

REACH and RoHS: European regulations on chemical substances and hazardous material restrictions. Compliance is essential for exporting to the EU. RR Kabel's products are REACH and RoHS compliant.

CPR (Construction Products Regulation): EU regulation for construction products including cables. RR Kabel's products are CPR compliant.

EU trade deal: As mentioned, the expected reduction of customs duty from 3.7% to 0% on wires and cables exports to the EU is a significant regulatory tailwind.

US tariffs: The US has imposed a 25% general tariff with a potential additional 50% duty on copper products including wires and cables. This could make US exports unviable for Indian players. RR Kabel's US exposure is about 8-10% of exports (approximately 2.5% of total revenue), so the direct impact is manageable.

Cyclicality

The W&C industry is cyclical and linked to real estate and infrastructure investment cycles. Demand tends to be stronger in the second half of the financial year (October-March) due to construction activity peaking after the monsoon season. Raw material prices (copper, aluminium, PVC) are volatile and impact margins in the short term, though companies with continuous pricing mechanisms can pass through most changes over time. The FMEG segment is seasonal—fan demand peaks in summer, and weather disruptions (like unseasonal rain) can impact quarterly sales.

Industry growth outlook

Management expects the Indian W&C industry to grow at double the GDP growth rate, implying around 14-15% CAGR in volumes. RR Kabel is targeting 16-18% volume growth in W&C under Project RRise. The FMEG industry is projected to grow at 9% CAGR, but RR Kabel is targeting 20-25% value growth given its small base and focus on premiumisation.

Growth triggers

- Project RRise, the three-year strategic initiative from FY26 to FY28, targets 18% CAGR in Wires & Cables revenue, 25% CAGR in FMEG revenue, and 2.5x EBITDA growth. The company states it is on track through focused execution. (Q4 FY26 concall, May 2026)
- A INR 1,200 crore capex program is expanding cable capacity by 36,000 MT at Waghodia and wire capacity by 6,000 MT at Silvassa, enabling production up to 220 kV cables. The program is progressing as planned with phased capacity additions every six months. (Q4 FY26 concall, May 2026)
- The EU trade deal reduces customs duty on wires and cables from 3.7% to 0%, benefiting exports to the EU which constitute 40% of the export basket. This deal is expected to be effective within 12 months of announcement. (Q3 FY26 concall, Feb 2026)
- The FMEG segment is targeting breakeven in FY27, driven by premiumisation, distribution expansion, and cost reduction. Losses have been steadily narrowing, down 550-600 basis points year-on-year in Q1 FY26. (Q4 FY26 concall, May 2026)
- Growing B2B cable business focuses on data centers, renewable energy, infrastructure, and utilities. The company sees strong demand in these sectors and is scaling its institutional sales. (Q4 FY26 concall, May 2026)
- New product launches include FireX LS0H-EBXL house wire, a halogen-free, high fire safety product compliant with CEA mandates, and premium FMEG products under the RR Signature brand. (Annual Report FY25)
- Export growth remained encouraging despite geopolitical disruption. The company has a diversified export base across 74 countries, and management expects export to outperform domestic growth over the medium term. (Q4 FY26 concall, May 2026; Q3 FY26 concall, Feb 2026)

Key risks

- Geopolitical tensions and volatility in the Middle East directly impact export shipments and demand. Exports to the Middle East constitute about 40% of total exports (roughly 12% of overall revenue). The Red Sea crisis and prolonged conflict caused shipment delays and revenue deferrals in Q4 FY26, and management expects a greater impact in Q1 FY27.
- Raw material price volatility, particularly copper and aluminium, affects margins and working capital. Copper and aluminium prices rose over 20-25% in a single quarter (Q3 FY26), causing a lag in price pass-through. Although the company has a continuous pricing mechanism, sharp fluctuations can temporarily compress segment profits.
- Intense competition in both Wires & Cables and FMEG segments from national and regional players. In W&C, Polycab, KEI, and Havells are large national competitors, while regional players like Orbit Cables (South India) and an unnamed West-based competitor exert pressure. In FMEG, competition from Havells, Crompton, Bajaj, and Orient is fierce, keeping pricing and margins under check.
- US tariff uncertainties on copper products (potential 50% duty) could hurt exports to the US, which contributed about 8-10% of exports historically. If tariffs render exports unviable, the company would need to shift volumes to

other markets or product categories.

- Delay in FMEG breakeven. The segment was earlier expected to achieve quarterly breakeven by Q4 FY26, but this was pushed to FY27 due to bad weather impacting fan demand and input cost inflation. Continued losses in FMEG could drag overall profitability if the turnaround takes longer.

Walk the talk

Management set ambitious targets for the FMEG segment, aiming for full-year EBIT breakeven in FY25-26. In the Q1 FY26 concall (August 2025), the CFO stated:

> *"in this quarter itself, our losses have reduced by almost 550 basis points to 600 basis points. And though we were targeting early breakeven, but as you have seen this quarter was not that much good so now we are expecting that within this year, on yearly basis we will be at EBIT positive in FMEG."*

By Q2 FY26 (November 2025), the timeline narrowed further: "By Q4 of FY26 we are targeting to achieve breakeven." And in Q3 FY26 (February 2026), management reiterated: "we are quite hopeful to achieve breakeven in this quarter."

Actual results fell short. In Q4 FY26 (May 2026), the MD admitted:

> *"we had planned to achieve breakeven in March 2026 could not be achieved."*

The reasons given were lower-than-expected volumes due to bad weather and input cost inflation that compressed gross margins. The new timeline is FY27.

On Project RRise, the company set a target of 18% CAGR volume growth in Wires & Cables and 100 basis points margin improvement per year, aiming for 10.5% EBIT margin by FY28. In Q3 FY26 (February 2026), management stated: "we are planning to improve by another 100 basis points on every year." The outcome for FY26 was a volume growth of around 16% (versus 18% CAGR target) and 130 basis points margin improvement (versus 100 bps target). In Q4 FY26 (May 2026), the COO confirmed: "we have achieved the almost 130 basis points improvement in margin." The company remains on track.

The INR 1,200 crore capex plan was disclosed in Q1 FY26 (August 2025) and reaffirmed in subsequent calls. In Q4 FY26 (May 2026), management stated: "Our INR1,200 crores capex program for FY26 to FY28 is progressing as planned." Actual investment in FY26 was INR 300 crores, with the major outflow expected in FY27. This is consistent with the phased approach.

Exports were a bright spot despite headwinds. In Q2 FY26 (November 2025), management noted 20% Y-o-Y export growth. In Q4 FY26 (May 2026), exports grew 39% despite Middle East disruption. However, the impact of the conflict was more pronounced in March, and management cautioned: "there may be some impact in short-term" for Q1 FY27. The company's diversified market base and ability to shift volumes helped contain the damage.

Scenarios

Bull case

The macro environment turns decisively favorable. India's infrastructure and housing cycle accelerates, driving sustained double-digit volume growth in both wires and cables. The INR 1,200 crore capex comes on stream smoothly, with cable capacity doubling and the company capturing market share in high-voltage cables for data

centers and renewables. The EU trade deal eliminates tariffs, giving a significant boost to exports from Europe. The FMEG segment finally reaches breakeven in FY27 as premium products gain traction and distribution deepens. Margin improvements compound steadily, and the company consistently achieves its Project RRise targets.

Base case

Industry demand grows at 13-15% annually, in line with GDP-linked expectations. The company executes its capex plan with minor delays, adding capacity in phases. Volume growth stays in the 16-18% range for W&C, while FMEG grows 20-25% but remains slightly loss-making until late FY27. Export growth is choppy in the near term due to Middle East geopolitical uncertainty and US tariff risks, but diversification into new geographies and cable products offsets some impact. Raw material volatility is managed through pricing discipline, and margins improve by 80-100 bps each year, approaching but not fully hitting the 10.5% EBIT margin target by FY28. Working capital remains well-controlled.

Bear case

Geopolitical tensions escalate further, leading to prolonged disruptions in Middle East exports and a sharp slowdown in global trade. A 50% US tariff on copper products makes American exports unviable, forcing rerouting of volumes at lower margins. Domestically, a slowdown in real estate and infrastructure investment compresses demand growth to single digits. The FMEG segment struggles to achieve breakeven as competitive pricing and input cost inflation persist, dragging on overall profitability. Copper and aluminium prices spike again, and the lag in pass-through causes margin compression in multiple quarters. The large capex program faces delays or cost overruns, and utilization rates stay below plan. The company's share of wallet in the competitive cable market fails to expand as expected.