

Ram Ratna Wires Limited

September 30, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	188.95	CARE A-; Stable	Assigned
Long-term bank facilities	105.00 (Enhanced from 70.00)	CARE A-; Stable	Reaffirmed
Long-term / Short-term bank facilities	355.00 (Enhanced from 210.00)	CARE A-; Stable / CARE A2+	Reaffirmed
Short-term bank facilities	313.00 (Enhanced from 183.00)	CARE A2+	Reaffirmed

Details of facilities in Annexure -1

Rationale and key rating drivers

Ratings assigned to bank facilities of Ram Ratna Wires Limited (RRWL) continue to derive strength from its experienced and resourceful promoters, prominent position in the copper winding wires industry in India, long-standing association with reputed clientele and adequate liquidity supported by continuous improvement in working capital cycle leading to healthy cash flow from operations. Ratings also factor in benefit envisaged to be accrued from its largely completed copper tubes division capex which is expected to result in significant growth in RRWL's total operating income (TOI) and diversification of its revenue stream with commencement of commercial production from June 2025.

However, rating strengths are partially offset by RRWL's thin profitability and moderate debt coverage indicators, moderation in its capital structure on the back of debt funded capex, susceptibility to copper price volatility, and prevalent competition in the copper winding wire industry from the unorganised segment.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Healthy off-take from new copper tube plant, leading to substantial growth in revenue and improvement in profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 5% on a sustained basis.
- Improving debt coverage indicators and liquidity cushion marked by PBILDT interest coverage above 4x on a sustained basis and total debt to PBILDT (TD/PBILDT) below 2.50x on a sustained basis.
- Improvement in overall gearing ratio below 0.75x on a sustained basis.

Negative factors

- Large size debt-funded capital expenditure or higher-than-envisaged increase in working capital intensity leading to deterioration in TD/PBILDT above 3.75x on a sustained basis.
- Deterioration in scale of operations or profitability margin compared to envisaged level leading to decrease in PBILDT interest coverage below 2.50x on a sustained basis.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has taken a consolidated view of RRWL and its subsidiaries, Tefabo Products Private Limited (TPPL; 64% stake) and joint ventures (JVs) - EPAVO Electricals Private Limited (EEPL; 50% stake) and RR-Imperial Electricals (10% stake), considering managerial and operational linkages. Details of the entities consolidated are shown in **Annexure-6**.

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectations that RRWL shall be able to sustain its business risk profile in the medium term supported by its established presence in the organised copper winding wire industry and diversification of product profile through largely concluded copper tube manufacturing capex.

Detailed description of key rating drivers

Key strengths

Experienced promoters with established track record of operations in organised copper winding wire industry

RRWL is a part of the Mumbai-based RR Global group having reputed brands such as RR Kabel (engaged in production of light duty electric cables), RR Parkon (automated multilevel car parking systems) and RR Busduct (busway systems for electrical power

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

distribution in industrial and commercial facilities). Other noteworthy entity of the group is MEW Electricals Ltd, which manufactures bus bars and enamelled copper winding wires.

RR Global group is promoted by Rameshwarlal Kabra, who has over five decades of extensive experience in enamelled copper winding wire industry. Presently, the company's operations are managed by Mahendra Kabra (Managing Director, second generation), having over three decades of experience in wire, cable and electrical product segment. He is supported by his son, Hemant Kabra (Joint Managing Director, third generation), who has been associated with the company for over a decade, manages finance, marketing, and industrial and consumer product business.

Established market position catering to a reputed clientele base

RRWL is one of the leading players in the organised copper winding wires in India. The company caters to industries such as power, auto, consumer durables and transformers, and construction, among others. In the last three decades, RRWL has established long-term relationship with reputed original equipment manufacturers (OEMs), and it currently supplies ~70% to 75% of its products to large OEMs, and balance sales are generated through its established dealer network.

Continuous increase in capacity utilisation level leading to volume driven growth in TOI

RRWL's TOI grew by 23% to ₹3,684 crore in FY25 (PY: ₹2,987 crore) supported by strong demand from end-user industries (indicated by sales volume growth of 9% year-on-year [y-o-y] in copper wire segment and 33% in copper tubes segment). The company's installed capacity for copper wires segment gradually increased from 36,577 metric tonne per annum (MTPA) as on FY21-end to 41,400 MTPA as on FY25-end, while capacity utilisation was healthy at 87% in FY25 (for copper wires segment; PY: 84%).

The company had a copper tubes division through its erstwhile subsidiary GCPL, having an installed capacity of 7,200 MTPA as on March 31, 2025. It was amalgamated with RRWL with effective date, June 23, 2025 (appointed date April 01, 2024). Furthermore, the company has largely completed setting up of a copper tube plant at Bhiwadi, Rajasthan with installed capacity of 24,000 MTPA.

CareEdge Ratings expects significant growth in RRWL's TOI with commencement of commercial production of its enhanced capacity for manufacturing copper tubes from June 2025.

Successful operationalisation of copper tubes facility at Bhiwadi, Rajasthan

RRWL has largely completed a capex for setting up a new plant for manufacturing copper tubes having an installed capacity of 24,000 MTPA at Bhiwadi, Rajasthan. The company started plant operations in June 2025 and has already incurred ~₹264 crore towards this capex as on March 31, 2025 (funded through term loan of ₹130 crore and balance through own funds), and expected to incur total cost of ~₹300 crore till FY26 end including renewable energy power plant. This plant is currently ramping up its production.

With the government's push to domestic copper tubes manufacturing sector through imposition of counter veiling duty on copper tubes imported from Vietnam, Thailand and Malaysia, increasing demand of air-conditioning and refrigeration from the end user segment, and its already established association with OEMs (through former subsidiary GCPL), the company expects to achieve healthy capacity utilisation going forward. Scaling up of operations and achievement of envisaged TOI and profitability along with effective management of incremental working capital requirements remains key monitorable from the credit perspective.

Key weaknesses

Low value addition resulting in thin profitability and moderate debt coverage indicators

As a result of low value addition in the winding wires industry, the company's PBIDLT margin remained range bound between 4% to 5%. The company is merely a converter, where it charges fixed conversion charges to its consumers. In FY25, the company's PBIDLT and profit after tax (PAT) margin remained relatively stable at 4.46% (PY: 4.18%) and 1.91% (PY: 1.83%), respectively. The company generally earns PBIDLT /MT of ₹30,000-35,000 for copper wires segment and ₹37,000-52,000 for copper tubes segment. In FY25, it reported average PBIDLT/MT of ₹38,423.

In line with moderate profitability and gross cash accruals (GCA), debt coverage indicators marked by PBIDLT interest coverage and TD/GCA remained moderate at 3.01x (PY: 3.08x) and 6.22x (PY: 5.19x), respectively, in FY25.

Moderate capital structure

RRWL's capital structure moderated over the previous year with overall gearing increasing from 0.85x as on March 31, 2024, to 1.28x as on March 31, 2025, due to debt availed for copper tubes division capex and higher outstanding of letter of credit (LC) backed acceptance as on March 31, 2025. Consequently, the company's total outside liabilities to tangible net worth (TOL/TNW) also increased in tandem with overall gearing ratio from 1.05x as on March 31, 2024, to 1.69x as on March 31, 2025.

While the negative sensitivity on capital structure was triggered as on FY25 end due to debt availed for capex, debt coverage indicators sustained at previous level with growth in scale of operations and earnings. Furthermore, With anticipated drawdown of additional term debt in FY26 towards copper tube capex, CareEdge Ratings expects RRWL's overall gearing to further moderate. However, debt coverage indicators are expected to remain at par with FY25 level.

As per the management's articulation, it may undertake related capex in phased manner as the company sees considerable opportunity for future expansion in the copper sector considering macroeconomic opportunity. RRWL's board of directors (BOD) at its meeting held on August 02, 2024, has approved capex outlay of ₹700 crore (including the ongoing capex of copper tubes division of ₹300 crore), over a period of three years. However, the company is currently focusing on ramping up its copper tubes capex and further capex would be finalised only post stabilisation of this capex.

Profitability susceptible to volatility in raw material prices

RRWL's profitability is exposed to sharp fluctuations in raw material prices (mainly copper), which forms ~95% of total cost of sales for the company. Majority (over 95%) of the inventory holding remains order-backed, where raw material is sourced back-to-back from suppliers against confirmed orders, mitigating price volatility of raw materials to a large extent.

Prevalent competition in copper winding wire industry from unorganised players

RRWL operates in a highly competitive and fragmented copper winding wire industry characterised by the presence of numerous organised and unorganised players, given the low technical expertise requirement and value addition in manufacturing winding wires. RRWL is one of the largest organised players in the industry and its long-standing relationships provide it with a competitive edge over unorganised players in the industry.

Liquidity: Adequate

RRWL's liquidity remained adequate characterised by sufficient cushion in its GCA against debt repayment obligation, moderate utilisation of fund-based limits, lean operating cycle and generation of healthy cash flow from operations (CFO).

The company reported GCA of ₹95 crore in FY25 and expected to report GCA of ₹127-187 crore in FY26-FY28 against scheduled debt repayment obligation to the tune of ₹35-50 crore in the same period. In FY25, RRWL's CFO remained healthy and increased significantly from ₹108 crore in FY24 to ₹230 crore in FY25 in tandem with significant increase in LC backed acceptances as on March 31, 2025.

Subsequently, RRWL's working capital cycle shortened from 37 days in FY24 to 23 days in FY25 mainly due to an increase in funding of working capital requirement through LC backed borrowings and focus on improving collection efficiency. The company's receivable days improved gradually from 59 days in FY21 to 35 days in FY25 owing to efficient utilisation of channel financing mechanism (non-recourse) and discounting / factoring invoices of its customers. Average month-end utilisation of working capital limits (FB+NFB) remained moderate at 62% for 12-months ended July 2025.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks:

Environmental	<ol style="list-style-type: none"> 1. RRWL's recent initiatives include investments in renewable energy, adoption of eco-friendly manufacturing practices, and a stronger focus on circular economy principles. 2. RRWL has set ambitious targets to further enhance its ESG commitments including measurable reductions in carbon footprint, increased utilisation of sustainable materials, enhanced workplace diversity, and stronger supplier due diligence mechanisms. 3. The company has implemented a mechanism of Zero Liquid Discharge.
Social	<ol style="list-style-type: none"> 1. RRWL has established a robust occupational health and safety management system in line with the ISO 45001 standards.
Governance	<ol style="list-style-type: none"> 1. Board Composition: RRWL's board of directors has ten directors which include five independent/non-executive directors out of which one is a woman director. 2. Chairman of audit, nomination and remuneration, stakeholders' relationship and corporate social responsibility committees are independent directors. 3. The Board of Directors, through its committees, oversee the ESG initiatives and performance.

Applicable criteria:[Consolidation](#)[Definition of Default](#)[Liquidity Analysis of Non-financial sector entities](#)[Rating Outlook and Rating Watch](#)[Manufacturing Companies](#)[Non Ferrous Metal](#)[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	Aluminium, copper and zinc products

RRWL (CIN: L31300MH1992PLC067802) was incorporated in 1992 by Rameshwarlal Kabra and his sons, Tribhuvan Prasad Kabra, Mahendra Kumar Kabra, and Shreegopal Kabra. In 1995, the company was listed on the Bombay Stock Exchange (BSE).

RRWL is engaged in manufacturing enamelled copper and aluminium winding wires, submersible winding wires and copper tubes under RR Shramik brand. RRWL has three manufacturing facilities at Dadra Nagar Haveli, with a total installed capacity of 41,400 metric tonne per annum (MTPA) for copper winding wires, aluminium winding wires and submersible winding wires as on March 31, 2025.

RRWL's former material subsidiary Global Copper Private Limited (GCPL) was amalgamated with RRWL with effective date, June 23, 2025. The company had a copper tubes division having an installed capacity of 7,200 MTPA as on March 31, 2025.

In FY25, consequent to changes in the shareholding structure, RRWL's stake in subsidiary Epavo Electricals Private Limited (EPAVO; engaged in manufacturing BLDC motors for air conditioners) has been reduced from 74% to 50%. Accordingly, EPAVO ceased to be a subsidiary of the company and continuing as a joint venture company.

In FY25, RRWL's board of directors (BOD), at its meeting held on October 14, 2024, approved acquisition of 60% (with cost of ₹30 crore) of the paid-up share capital of Tefabo Product Private Limited (TEFABO; engaged in manufacturing fabricated components and assemblies with a strong focus on the renewable energy), based on the recommendation of the audit committee. Subsequently, the company executed a share purchase agreement and a shareholders' agreement on November 07, 2024, to give effect to this acquisition. Pursuant to the execution of these agreements, TEFABO became a subsidiary of RRWL. BOD at its meeting held on May 29, 2025, approved an additional acquisition of 4% stake in Tefabo increasing the company's stake from 60% to 64% of TEFABO's paid-up share capital.

Brief Financials (₹ crore) - Consolidated	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	2,987.41	3,683.72	986.14
PBILDT	124.87	164.31	46.77
PAT	54.62	70.20	15.92
Overall gearing (times)	0.85	1.28	NA
Interest coverage (times)	3.08	3.01	2.90

A: Audited; UA: Unaudited; NA: Not available; 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 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	-	-	-	-	105.00	CARE A-; Stable
Fund-based - LT-Term Loan	-	-	-	31-03-2030	188.95	CARE A-; Stable
Fund-based - LT/ ST-Working Capital Demand loan	-	-	-	-	25.00	CARE A-; Stable / CARE A2+
Fund-based - LT/ ST-Working Capital Limits	-	-	-	-	130.00	CARE A-; Stable / CARE A2+
Fund-based - ST-Working Capital Demand loan	-	-	-	-	15.00	CARE A2+
Non-fund-based - LT/ ST-BG/LC	-	-	-	-	200.00	CARE A-; Stable / CARE A2+
Non-fund-based - ST-Letter of credit	-	-	-	-	298.00	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/ ST-Working Capital Demand loan	LT/ST	25.00	CARE A-; Stable / CARE A2+	-	1)CARE A-; Stable / CARE A2+ (09-Jul-24)	-	-
2	Non-fund-based - ST-Letter of credit	ST	298.00	CARE A2+	-	1)CARE A2+ (09-Jul-24)	-	-
3	Non-fund-based - LT/ ST-BG/LC	LT/ST	200.00	CARE A-; Stable / CARE A2+	-	1)CARE A-; Stable / CARE A2+ (09-Jul-24)	-	-
4	Fund-based - LT-Cash Credit	LT	105.00	CARE A-; Stable	-	1)CARE A-; Stable (09-Jul-24)	-	-
5	Fund-based - ST-Working Capital Demand loan	ST	15.00	CARE A2+	-	1)CARE A2+ (09-Jul-24)	-	-
6	Fund-based - LT/ ST-Working Capital Limits	LT/ST	130.00	CARE A-; Stable / CARE A2+	-	1)CARE A-; Stable / CARE A2+ (09-Jul-24)	-	-
7	Fund-based - LT-Term Loan	LT	188.95	CARE A-; Stable				

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: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT/ ST-Working Capital Demand loan	Simple
4	Fund-based - LT/ ST-Working Capital Limits	Simple
5	Fund-based - ST-Working Capital Demand loan	Simple
6	Non-fund-based - LT/ ST-BG/LC	Simple
7	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	% of RRWL's shareholding	Extent of consolidation	Rationale of Consolidation	Primary Business Activity
1	Tafebo Products Private Limited	64%	Full consolidation	Subsidiary	Manufacturing fabricated components and assemblies, primarily catering to the renewable energy railway sector.
2	EPAVO Electricals Private Limited	50%	Equity Method	Joint Venture	Manufacturing BLDC motors for air conditioners, HVLS fans, and submersible pumps, among others.
3	RR - Imperial Electricals (JV)	10%	Equity Method	Joint Venture	Manufacturing and trading enamelled copper wires in Bangladesh

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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