

W&C Sector – Data centre led growth opportunity

India's data center industry is witnessing strong capacity expansion, which is emerging as a meaningful growth driver for the cables segment within the wires & cables (W&C) industry. Based on data center EPC cost structures, electrical cables consistently account for around 10% of total cost per MW. With total EPC cost ranging from Rs200–225mn per MW depending on project scale, cable cost works out to roughly Rs20–22.5mn per MW. This stable cost proportion makes cable demand directly linked to data center capacity additions.

India's installed and planned data center capacity is projected to increase significantly from 1,337MW in FY25 to 3,395MW by FY30, implying an addition of 2,058MW over FY25–FY30. Large developers such as Lumina, EdgeConneX, Yotta, Carlyle, Digital Edge, Capitaland, RIL, Kotak, and Netmagic are driving this expansion pipeline. The scale of announced projects reflects strong demand from hyperscalers, cloud service providers, AI workloads, colocation data center and enterprise digitization initiatives.

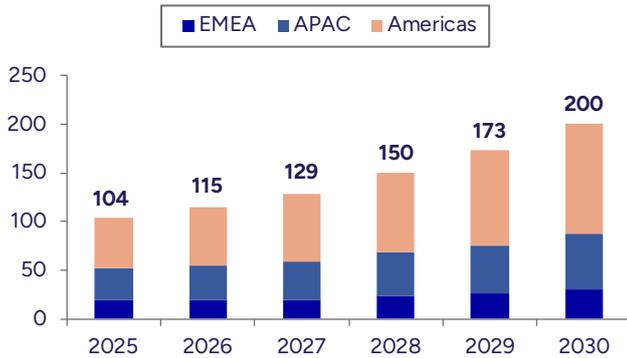
At an estimated EPC capex requirement of Rs 225mn per MW, the incremental 2,058 MW capacity addition implies a total EPC data center capex of approximately Rs 464bn over FY25–FY30. Given that Wires & Cables (W&C) account for around 10% of total EPC data center capex, this translates into an opportunity of nearly Rs 46bn for the W&C sector during the same period. On an annualised basis, this amounts to roughly Rs 9,270mn per year, providing a steady incremental demand stream for cable manufacturers participating in the data center ecosystem.

In the broader context, the W&C sector is expected to expand from Rs 900bn in FY25 to Rs 1,575bn by FY30, implying an incremental opportunity of Rs 675bn over FY25–FY30. The data center-led opportunity accounts for approximately 7% of this estimated incremental growth. Cables contribute around 65–67% of the overall W&C sector and represent the majority of the opportunity arising from data center investments.

The data centers are emerging as a meaningful incremental growth lever for the cables industry over FY25–FY30. Although not the dominant demand segment, their ~7% contribution to incremental opportunity, coupled with high electrical intensity and stringent technical specifications, makes them an attractive, value-accretive segment. As capacity additions accelerate, data center projects are likely to provide steady order inflows, better product mix, and margin-supportive growth for cable manufacturers in the medium term. Major players such as KEI Industries and Polycab India have the capability to cater to the evolving opportunity of data center.

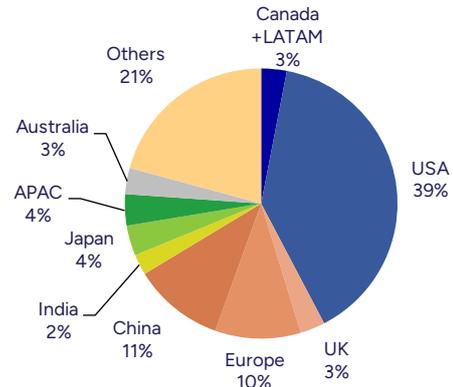
W&C companies under our coverage are well positioned to capture the data center-led growth opportunity, supported by ongoing capacity expansions in LT, HT, and EHV cables. **KEI Industries** is undertaking a capex of ~Rs 20bn at its Sanand facility to expand LT/HT/EHV cable capacities and has outlined an additional investment of ~Rs 20bn over the next 3–4 years to further scale operations. **Polycab India** is incurring annual capex of Rs 10–11bn over the next 3–4 years, targeting 1.5x industry growth in its W&C segment by FY30 under Project Spring. **RR Kabel** has planned a capex of Rs 12bn over FY26–FY28, with ~80% allocated toward cables. The company's investment roadmap aligns with its long-term growth strategy and supports timely capacity expansion.

Exhibit 1: Global data center capacity double by 2030 (GW)



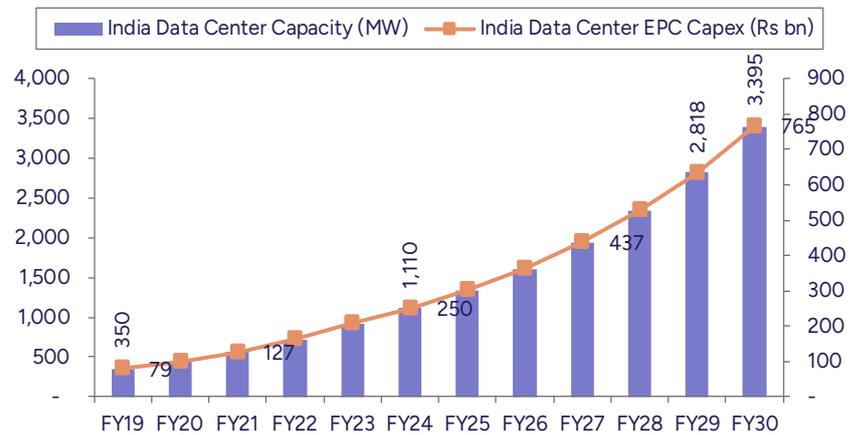
Source: Industry, PL

Exhibit 2: Installed Data Center Capacity across world (%)



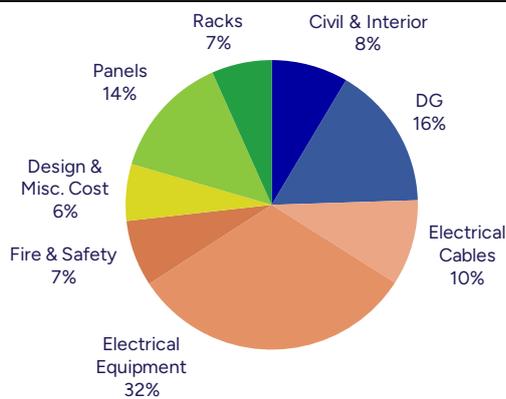
Source: Industry, PL

Exhibit 3: Indian Colocation data center capacity to reach 3.4GW by FY30



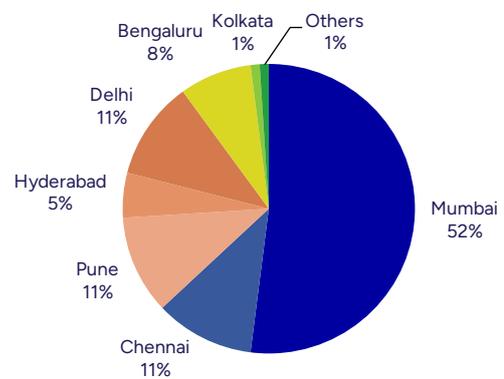
Source: Industry, PL

Exhibit 4: Data Centre EPC Capex: Cost per MW (%)



Source: Company, PL

Exhibit 5: Mumbai & Chennai accounts for 65% Data Center



Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Amber Enterprises India	BUY	8,617	7,048
2	Astral Ltd.	BUY	1,794	1,504
3	Avalon Technologies	BUY	1,175	1,021
4	Bajaj Electricals	Accumulate	449	409
5	Cello World	BUY	621	508
6	Century Plyboard (I)	Accumulate	843	798
7	Cera Sanitaryware	BUY	6,800	5,054
8	Crompton Greaves Consumer Electricals	BUY	346	245
9	Cyient DLM	Accumulate	418	364
10	Finolex Industries	Accumulate	199	175
11	Greenpanel Industries	BUY	369	229
12	Havells India	Accumulate	1,634	1,447
13	Kajaria Ceramics	BUY	1,056	902
14	Kaynes Technology India	BUY	5,502	3,700
15	KEI Industries	BUY	5,573	3,853
16	LG Electronics India	BUY	1,808	1,469
17	Polycab India	BUY	9,744	7,122
18	Premier Energies	BUY	892	683
19	R R Kabel	BUY	1,844	1,356
20	Supreme Industries	BUY	4,566	3,349
21	Syrma SGS Technology	BUY	929	755
22	Vikram Solar	BUY	326	215
23	Voltas	Hold	1,442	1,349
24	Waaree Energies	BUY	3,600	2,599

PL's Recommendation Nomenclature

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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