8 May 2025

Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Script Code: 543981

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C-1,
Block G, Bandra – Kurla Complex,
Bandra (East), Mumbai – 400 051

Symbol: RRKABEL

Sub.: Submission of Transcript of Earnings Conference Call held on 5 May 2025.

Dear Sir/Madam,

Pursuant to Regulations 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earnings Conference Call held on 5 May 2025 in relation to the financial results of the Company for the quarter and year ended on 31 March 2025.

Kindly take the same on your record.

Thanking you,

Yours sincerely,

For R R KABEL LIMITED

Digitally signed by ANUP V C KHANNA
Date: 2025.05.08 23:19:12 +05'30'

Anup Vaibhav C. Khanna
Company Secretary and Compliance Officer
M. No. – F6786

Encl.: as above

"R R Kabel Limited

Q4 & FY25 Earnings Conference Call"

May 05, 2025

MANAGEMENT: MR. SHREEGOPAL KABRA – MANAGING DIRECTOR – R R KABEL LIMITED
MR. RAJESH JAIN – CHIEF FINANCIAL OFFICER – R R KABEL LIMITED

MODERATOR: MS. DARSHNI DESAI – MUFG INTIME

Moderator: Ladies and gentlemen, good day, and welcome to the Q4 and FY '25 Earnings Conference Call of R R Kabel Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Darshni Desai from MUFG Intime, their Investor Relations. Thank you. Over to you, Ms. Darshni.

Darshni Desai: Thank you. Good afternoon, everyone. On behalf of R R Kabel Limited, I extend a very warm welcome to all participants on Q4 and FY '25 Earnings Conference Call of R R Kabel Limited. Today on this call, we have Mr. Shreegopal Kabra, Managing Director and Mr. Rajesh Jain, Chief Financial Officer.

Before we begin this call, I would like to give a short disclaimer. This call may contain some of the forward-looking statements, which are completely based upon our beliefs, opinions and expectations as of today. These statements are not guarantees of our future performance and involve unforeseen risks and uncertainties.

With this, I hand over the call to Shreegopal Kabra ji. Over to you, sir. Thank you.

Shreegopal Kabra: Thank you. Hello, everyone, and good afternoon. On behalf of R R Kabel Limited, I extend a very warm welcome to all participants on our Q4 and FY '25 financial results discussion call. On this call, I have with me our CFO, Mr. Rajesh Jain.

FY '25 has been a dynamic year filled with both challenges and meaningful achievements that have set up our resilience and positioned us for continued growth with revenue from operation and EBITDA margins reaching its highest level among all quarters of FY '25. We have made a strong recovery from the previous quarter and an improved Y-o-Y numbers, making a significant upward trajectory. This momentum has been driven by substantial volume growth in both Wires & Cables and FMEG segments, solidifying our position as a leading player in the industry.

Looking ahead, we see strong potential for continued growth in Wires & Cables segment, driven by strategic capacity expansion, targeting new markets, the launch of new products and optimized product mix, all of which we are expected to contribute to achieve revenue growth and sustained margin expansion. We are equally focused on growth and profitability of our FMEG segment and have made continuous initiatives in strengthening our presence in this segment through enhanced advertising efforts and focused brand transition strategy.

This past quarter, we significantly enhanced our brand visibility through a high-impact sponsorship, including a multiyear principal partnership with Kolkata Knight Riders, KKR. In addition, R R Signature proudly became the principal sponsor of UP Warriorz for the Women's Premier League, WPL 2025. This especially underscores our belief in growth, progress and pushing boundaries amplifying brand recall and asserting our reach across key markets in line with our history of creating value for our shareholders and considerably paying dividend. It pleased me to announce that the Board of Directors of the company has approved a dividend of INR3.5 per share, 70% of face value.

With this, I would like to hand over the call to Mr. Rajesh Jain to take this call further.

Rajesh Jain: Thanks, Shreegopal ji. As we look ahead, we are optimistic about the broader economic environment with India GDP projected to grow at a healthy 6.5% for FY '25-'26. The Wires & Cables industry, which typically outpaces GDP growth, is poised for robust expansion. Currently valued at INR90,000 crores, the industry is expected to grow at a CAGR of 15% and reach approximately INR2 lakh crores by FY '31.

Wire and cable industry continued to experience dynamic expansion, reflecting the substantial growth potential inherent in this sector. With the industry growing at nearly twice the rate of GDP, the increasing participation of new entrants signals robust demand and a promising future.

In this evolving landscape, every brand, including R R Kabel brings a distinct value proposition, and we believe there is ample room for all the players to grow and succeed together.

Now let's discuss the financial and operational highlights of Q4 and FY '25. The Wires & Cables segment continues to be the cornerstone of our business, delivering strong performance and driving substantial growth. In Q4, this segment recorded the highest volume growth of the quarter at 24% sequentially and approximately 14% year-on-year, reflecting strong market demand.

Wires and cables demand was robust in both domestic and export market after 2 quarters of relatively subdued demand. For FY '25, this segment contributed a remarkable 88% of our revenue from operations.

Our revenue for Q4 FY '25 stood at INR2,218 crores, reflecting a growth of approximately 26.4% year-on-year. We have posted a consolidated revenue of INR7,618 crores for FY '25, marking a 15.5% annual growth. EBITDA for the quarter grew by 69.4% year-on-year, reaching INR196 crores with a margin of 8.8%, the highest margin during the year and amongst the highest in our company's history. The margin expansion was supported by a favorable operating leverage and contained operational expenses, aligned with our earlier guidance of achieving double-digit EBITDA margin.

PAT stands at INR129 crores, an increase of 64% year-on-year and 88.3% quarter-on-quarter with margin expansion of 133 and 197 basis points, respectively. For the full financial year, our EBITDA reached INR488 crores and PAT reached INR312 crores, reflecting growth of 5.4% and 4.5%, respectively. Overall, our strong Q4 has significantly uplifted our FY '25 performance compared to the first 9 months.

Let me now turn to our segment-wise performance. Our Wires & Cables business recorded a revenue of INR1,956 crores in Q4 FY '25 compared to INR1,523 crores in Q4 of FY '24, a growth of 28.4% year-on-year. For the full year, revenue stood at INR6,689 crores versus INR5,830 crores last year, up by 14.7%. Quarterly and annual growth in the Wires & Cables segment was driven by a balanced contribution from volume and value growth.

On a sequential basis, growth was purely volume-led. Segment profit grew 47.1% year-on-year and 80.6% quarter-on-quarter, reaching INR194 crores. Our export business contributed 26% to our total revenue in FY '25, stable compared to FY '24. In absolute terms, exports grew by 11% year-on-year despite global uncertainty, a testament to our strong international strategy.

In the FMEG segment, revenue reached INR262 crores in Q4 and INR929 crores in FY '25, marking 13.3% and 21.5% growth, respectively. As highlighted earlier, this segment has shown clear progress in both profitability and growth. We reduced losses in FMEG by approximately 33%, down by INR23 crores from FY '24, a strong sign of improving operational efficiency and effective strategy execution.

We remain committed to achieving breakeven in FY '26. The company has also been consistently improving its working capital cycle from 88 days in FY '22 to 56 days in FY '25. This was achieved through reduction in inventory and receivables and an increase in payables, driven by our long-term efforts to enhance efficiency.

Now I would like to talk about our strategic vision for the next 3 years. R R Kabel is embarking on a focused 3-year growth journey under the strategic initiative, 'Project Rise'. This vision is incurred on accelerating growth in both the Wires & Cables and FMEG segment with the goal of transforming our revenue and profitability profile. Over the next 3 years, we aim to deliver a Wires & Cables revenue CAGR of 18% and FMEG revenue CAGR of 25%, together, driving a 2.5x growth in EBITDA.

This will be achieved through a multipronged approach, balancing organic expansion, export leadership, margin improvement and capacity enhancement. A key part of our strategy is to grow our domestic Wires & Cables business to 1.6x by leveraging the resurgence in real estate, increasing demand from the data center, renewables and industrial capex. We aim to scale our cable business while maintaining a high-quality, value-focused portfolio.

Simultaneously, our FMEG segment will maintain its fastest growth position, supported by a shift towards premium products and better channel efficiencies.

We are also strengthening our export business, targeting 1.8x growth by leveraging our strong brand equity and India's favorable trade dynamics. Entry into new markets and categories will further enhance our global competitive edge.

To support this trajectory, we are investing in manufacturing with a 1.7x increase in capacity at Silvassa and Waghodia. This will help us to meet rising demand efficiently while ensuring quality and scale. Margin improvement will be a critical driver of sustainable growth. In Wires & Cables, this will be achieved through a rebalanced product mix and scale efficiency. In FMEG, our focus remains on higher-margin products and efficiencies across procurement, factory operations and supply chain. 'Project Rise' represents a bold focused strategy to accelerate R R Kabel's growth trajectory.

By driving strong revenue, global presence and operational excellence, the company is laying the foundation for long-term value creation. With clearly defined initiatives and measurable targets, R R Kabel is poised to emerge stronger, more competitive and future-ready.

We have already begun executing our INR1,200 crores capex plan in FY '26 to FY '28, primarily aimed to increase cable capacity to support a 15% to 20% volume growth and margin improvement. These initiatives reflect our commitment to delivering high-quality, environmentally competent product while building a robust scalable platform for the future. Looking ahead, our long-term growth will be supported by structural drivers and expanding share to the organized market and government initiatives.

We are focused on operational excellence, smart innovation and future-ready products. At the same time, we are strengthening our brand recall through targeted marketing and strategic visibility. Our commitment to distribution expansion and electrician engagement positions us well to capture emerging opportunities and sustain growth. Encouraging macro signals, combined with our internal strength, give us confidence in our outlook for the years ahead.

With this, I would request to open the floor for questions and answers. Thank you so much.

Moderator: Thank you very much. The first question is from the line of Praveen Sahay from PL Capital. Please go ahead. The current participant has been disconnected, we'll move on to the next participant. The next participant is Naushad Chaudhary from Aditya Birla Capital. Please proceed.

Naushad Chaudhary: Congrats on a decent set of numbers. First, on the capex announcement of INR1,050 crores with 36,000 tons capacity. So this despite being brownfield expansion and assuming in a best case, we reached a full utilization of 36,000, assuming INR1,000 per kg realization, we get around INR3,500 crores of revenue. So looking at our historic number versus our peers, the asset turnover of this investment looks very low, sir. How should we look at this, if you can explain?

Rajesh Jain: So see, you have to see our expansion plan in totality. We have announced capex at Silvassa as well as Waghodia also, which is a combined of around INR1,200 crores new expansion apart from INR500 crores capex, what we have already announced, and it is on verge of completion in this year. Majority part was already executed. With this capex, we are targeting like top line growth of around INR4,500 crores, which is around 3.5x. See, if you see within Wires & Cables, like wires have a different asset turn and cable have lesser asset turn. So with the combination of this, we are targeting to achieve 3.5x asset return.

Naushad Chaudhary: Okay. Second, was there any inventory gain in this quarter, sir?

Rajesh Jain: I will not say inventory gain, but since the copper prices or other metal prices were on upward trends, so always whenever there is upward trend, we get -- like first, it is always good, and we see a very good upliftment in demand, stocking of traders. And at same times, since we have like capability or we need to pass on this price impact, so there is a little bit always the upward trend is always positive or helpful to us in improving margins. But the majority of the margin improvement due to our volume growth only.

Naushad Chaudhary: Okay. And your staff cost also looks substantially improved. If I look at sequentially also, last quarter, INR90 crores run rate, which has come down meaningfully despite such big volume growth. How do you explain this, sir? And should we look at this as a new normal for the company?

Rajesh Jain: So staff cost, first, we cannot compare in percentage terms because it depends on the like -- though my volume may increase and the fixed cost may remain the same. So at that level in percentage terms, it may have come down, but optimally, it will be like on current levels only.

Naushad Chaudhary: Even in absolute term, it has come down, sir?

Rajesh Jain: Yes, there may be some changes in some provisioning or something like that. Otherwise, it is like normal norms only.

Moderator: The next question is from the line of Charanjit Singh from DSP IM.

Charanjit Singh: First question from my side is in terms of the volume growth. When we are talking about like 18% kind of CAGR going forward in the Wires & Cables segment, if you can touch upon maybe for the next year itself, how is the kind of volume growth expectation and what are the key drivers? Because we have more dependence on the wire side versus cables. That's my first question.

And second is on the cables, we had started increasing our portfolio in terms of bringing in new SKUs and starting to penetrate further into the cable segment. How is that journey going on as for the -- specifically for the cable segment? So these are the two questions from my side.

Rajesh Jain: Thanks, Charanjit ji. See, if you see our 3-year projections and our strategy, of course, we are targeting 18% CAGR growth and -- which will be largely driven by growth in cable. And the reason behind that if you see like this industry is balanced at like around 65% market is for cable and 35% is for wires. And since we are wire-heavy company, so in our case, it is like almost 70%, we are getting revenue from wires and only 30% from cable.

And this gave us natural opportunities to grow at a much higher pace than market also. And in cables, we can grow at a higher pace. And if you see even our expansion plan like we are targeting in major expansion in cable only, and already, you have seen that whatever capex we have done, this will give additional capacity in this year. And we are quite confident to getting this growth of 18% year-on-year in our Wires & Cables segment, which will be majorly driven by cable growth only.

Charanjit Singh: Okay. And sir, the second question, in terms of the SKUs in the cables, what all new products we are introducing? What we are lagging in terms of the product gaps we had?

Rajesh Jain: So as of now, we are very small in LV HV both, but particularly in HV we have seen a very good demand, but we were having manufacturing capacity constraint. And this we are in the process of removing and we have already enhanced our capacity. So within cable, majority of the growth will come from export SKU as well as and MV cables in domestic market also, which ranges from 11 kv to 66 kv.

Charanjit Singh: Okay, sir. And just if you can touch upon the exports market, how has been the -- your discussions with the customers? Because you have like 26% of revenue mix coming from exports. How is the outlook specifically and which geographies are driving the exports market? And do you see that in the near term, there could be some weakness in the export market because of all these tariff-related issues or any kind of issues related to freight or those kind of factors?

Rajesh Jain: So now things are already getting normal whatever disturbance we had in the first 2 quarters of previous year. And since we are the largest exporters and have seen a very good demand in this year also, like we are getting good demand from our Europe market. And even though things are not certain in U.S. market, still there is a lot of uncertainty.

But what we believe, that whatever things happen, it will be more favorable to India, particularly wire and cable industry. And our majority of the export is like distributor driven, where we have set up our market in the last 20 years to a greater extent. And we have seen a very positive improvement in demand/supply chain situation. And we see a very positive growth in coming years.

Moderator: The next question is from the line of Praveen Sahay from PL Capital.

Praveen Sahay: Congratulations on a good set of numbers. So my first question is related to the capacity. If you can give in metric tons how much of the capacity you have right now and at what utilization you are operating at and also the capex for a yearly basis, FY '26 and '27?

Rajesh Jain: So if you see like already, we are at around 75% capacity utilization on overall level, and that's like around 70% in wires and almost 90%, 95% in cables. So fairly very good utilization of capacities, and already now we are -- what capex we did in last year, that will give me full capacity this year. At the same time, we have already announced our next 3 years expansion plan, which will give us almost 1.7x of our capacity what already we have. And this will be like majorly driven by expansion in cable segment, of course, supported by wires also where we are targeting good growth. So this capacity is what we are enhancing will make a good base to meet our year-on-year growth targets, and this will suffice our purposes.

Praveen Sahay: '26-'27 capex number, if you can, how you are dividing this INR1,200-odd crores of capex?

Rajesh Jain: See, what happens, since this is a very big expansion plan, so out of this in first year, whatever we invest we'll get -- give me capacity maybe after mid of FY '27 onwards only. But for this year growth plan, we already have like extra capacity what we built in previous year or the completion of our previous capex and what we will complete this year.

Praveen Sahay: Okay. And the last question is related to the EBITDA margin guidance of -- or the EBITDA guidance of 2.5x you are expecting, and that leading to around 300 basis points improvement. So how you are expecting to achieve these numbers, if you can drill down some the benefits for that which we are envisaging to...

Rajesh Jain: We are targeting our EBITDA margins to improve and get double-digit margins by FY '28 in the range of 10.5%, and this we'll achieve by like yearly sequential growth of almost 100 basis points year-on-year. And this will be like achieved by higher volumes, better product mix and even improvement in our profitability in FMEG segment also, where we have seen a good improvement, almost 400 bps improvement.

Our losses were reduced by almost 400 bps in this year. So in the same way, we are targeting to achieve a higher and a better margin improvement in this year and even next 3 years also.

Moderator: The next question is from the line of Rahul Agarwal from Ikigai Assets.

Rahul Agarwal: Congratulations on a good set of results. Sir, two questions and then maybe I'll get back in the queue. Firstly, on the 3-year vision, just wanted to know, along with this, these are more hard financial targets, but any gaps that you would have noticed to achieve these targets over the next 3 years? Let's say, hiring in the team, technology, maybe R&D investments for new product development. Anything like that, which you want to fill up as you achieve these targets? This is question number one, sir.

Rajesh Jain: Thanks, Rahul. So rather than challenges, we see as opportunity based on our like last so many years of experience in domestic and international markets, we have identified our growth opportunity in terms of geography as well as product segment also.

And now it is a matter of scaling up our capabilities and capacities and getting higher margin improvement as well as market share also. So of course, this is a continuous process where we will keep adding our work on R&D side. But at the same time, we have like very clear vision that how to get and from where to get the higher growth in sales as well as profitability also.

Rahul Agarwal: Sir, I just wanted to be more specific. Maybe I'll flip the question. What would be a risk in terms of achieving these targets? I understand volatility in raw material and general industry risk, but from a company perspective, what -- I was referring to more gaps that we need to address to achieve this growth. So if you could help me with some specific points, that will be helpful.

Rajesh Jain: So like in this scenario, we have to focus for achieving this growth targets. Of course, we have to be -- like our presence in market should be increased and noticeable by way of our brand expansion and covering more and more areas, and at the same time, getting more market share in cable segment.

As I explained in last question also, since we are very small and there is a lot of opportunity, so how I structured my business in such a way that I can capture each and every business at a higher pace and make my growth higher than industry average. So our growth will be -- our focus will be on making more robust market and production capabilities also at the same time.

Rahul Agarwal: All right, sir. Secondly, on balance sheet, that's my last question. This increase in payables, right, it's been pretty consistent since last 3 years. This INR760 crores of creditors at end of March 2025 doesn't appear to be very normal. Any changes to credit terms? Or should we expect this to stay here? Is it sustainable? Any comments on that, please?

Rajesh Jain: Yes. So at least on payable system, it will be like on a stable basis because whatever freight arrangements we have done with our suppliers, these are working good, and we have seen good improvement in our working capital cycle based on this only. So it will remain stable on this side.

Rahul Agarwal: So there is no one-off sitting there in the INR760 crores number, right?

Rajesh Jain: No, no, nothing one-off. It's like our regular trend. Though since we were at a very high volume at the year-end figure, it seems large, but if you see in like days terms, it's like normal only.

Moderator: The next question is from the line of Nattasha Jain from PhillipCapital.

Nattasha Jain: Congratulations on a good set of numbers. Sir, one clarification. You mentioned in your opening remark that your sequential growth for Wires & Cables is completely volume-led, right?

Rajesh Jain: Yes, yes. Though there is some balance between value and volume, but yes, it was majorly by volume basis only.

Nattasha Jain: Okay. And sir, I heard you earlier today in a TV interview, you had said that for FY '26, you were planning a volume growth of 18% and your 3-year plan, per year your CAGR is 18%. So is it fair to rather deduce that in this industry, it will mainly be a volume-led growth and pricing advantage won't be there, especially given the competition coming in?

Rajesh Jain: So Nattasha, whenever we talk about our growth in future, it is like based on volume growth only. Like if I'm talking about 18% growth, it means we are assuming that these metal prices will remain the same while making the projections. So we know things are very uncertain, but we measure our growth in terms of volume only. So whatever we are guiding is based on volume growth only.

Nattasha Jain: Understood, sir. Sir, my second question is on FMEG. Now your numbers have been very, very strong on that side. You also mentioned today morning in your interview that you will probably breakeven in the first half of this year itself, this financial year. So when I listen to your peers' commentary, they mentioned that the season has been quite tepid, and in fact, 4Qnumbers were not that great because offtake of cooling products has not been strong.

When I see your numbers, you've outperformed both on top line as well as margins. So sir, I wanted to know what is it different that we are doing from peers? If I benchmark you on aggressive marketing, digital, physical marketing, geographical indexation, everybody else is also doing that aggressively. So where are we really outperforming our peers here?

Rajesh Jain: So like what we have done in our previous years, it is now we are getting execution and getting good results. And the good thing, we have seen a very good acceptance in market of our new products like premium and mid-premium category. Like earlier, whatever contribution we were getting, now we are getting almost 20% of our revenue from premium and mid-premium category, which gives you brand presence also and improvement in profitability also. So in that front, whatever strategy we have made in previous years, it is giving good results now.

Nattasha Jain: That's fair, sir. Just one last quick question. Sir, if I ask a near-term question, we've seen copper prices again beginning to fall. Now first quarter usually -- rather first half is seasonally a weaker period in terms of Wires & Cables plus there is a copper price fall that's happening. Last year, we were sitting at a low base because of not so much great execution on account of elections. So how do we see this first half panning? Will we get benefit of a low base here?

Rajesh Jain: See, it will be too early to speak now, though, like 35 days of this quarter is already over. But still things get keep changing also. Of course, historically also, whenever in this industry, you see Q1 is always like very light when you compare with our other 3 quarters. So it seems that this quarter may remain like subdued or stable kind of demand. But it is in routine basis only, nothing abnormal in growth or reduction in growth also.

Moderator: The next question is from the line of Shrinidhi Karlekar from HSBC.

Shrinidhi Karlekar: Congratulations on a great set of numbers. Sir, a couple of questions from my end. Firstly, given some capacity constraints that you have in the cable business, may I ask how much volume growth you can achieve in the cable business over the next 2 years?

Rajesh Jain: So we are targeting almost 25% growth in our cable business on a year-on-year basis. And this will be like balancing between my capacity also and having favorable market share also.

Shrinidhi Karlekar: Do you mean the capacity allows you to grow 25% in volume terms?

Rajesh Jain: Yes, 25% in volume terms.

Shrinidhi Karlekar: For both F '26, F '27, right?

Rajesh Jain: Yes.

Shrinidhi Karlekar: Okay. And sir, second question is on the profitability of your business across domestic and international business, exports business. Would it be possible to give us color how are the margin differences between your domestic business and export business in Cables & Wires segment?

Rajesh Jain: So of course, like we have seen a good improvement in margins in export business also driven by a very good -- like now our focus is more on getting good businesses in cable, where we have higher margins. So if we see sequentially, in coming years, our margins even from export markets are getting better. Of course, there is some difference between domestic and export margins. But with this product rebalancing, we hope and expect to get a very good improvement in margins in both domestic as well as export markets.

Shrinidhi Karlekar: And sir, last one, if I may, so you have a very strong aspiration targets in terms of improvement in the margins. And this, you are guiding in the context that your export business, which is typically lower margin, growing at a faster clip than domestic. And second, within the domestic also, your relatively subscale cable business growing faster than the wire business. So are you assuming, sir, like a substantial relative price hikes in your portfolio as in your currently pricing is lower compared to peers and you plan to bridge some gap?

Rajesh Jain: So these are mix with two things. One, as earlier also we had informed that in our export market, we have comparatively very higher margin when I compare with wire. But since we were wire related company, so earlier, our export wire was contributing more. But now as my cable share is increasing in export, my margins will improve.

Same way in India, since our scale was very less, earlier here, I was not having sufficient capacity, waiting period to my customer was very long when compared to peers. So once I improve at supply side and at the same time, if I get the scale also, so I will improve my sales margin -- sales prices also and margins will also improve. So combined level, this is like a very favorable and positive progress towards margin improvement.

Moderator: The next question is from the line of Nikhil Purohit from Fident Asset Management.

Nikhil Purohit: Sorry if I missed this question earlier, but what was the volume growth for the full year and this quarter?

Rajesh Jain: So like our volume growth for the year was 7%, but for the quarter, it is like 14% on Y-o-Y basis.

Nikhil Purohit: Okay. And could you give me the volume growth for both the segments separately?

Rajesh Jain: Wires & Cables is almost same, like almost 13% in wire and 15% in cable.

Moderator: Ladies and gentlemen, the participant's line got disconnected. We'll proceed to the next participant. The next participant is Vidit Trivedi from Asian Markets Limited.

Vidit Trivedi: Congratulations on great set of numbers. My first question is with respect to the channel activity, any channel activity during the quarter and any price action during the quarter? And second is that, if you could please give me a breakup of the margin profiling in terms of wires and cables both on the domestic front and on the exports front?

Rajesh Jain: See, this channel activity is a continuous process. We have like a continuous program for engaging our electricians and retail partners. And since in this quarter, we have done a very good activity in IPL by sponsoring KKR and at the same time WPL for FMEG business. So we have seen a good improvement and enhancement in our channel activity. But these are all similar lines of what we do continuously.

Vidit Trivedi: Sir, any price action during the quarter?

Rajesh Jain: Sorry?

Vidit Trivedi: Any price action during the quarter, price hike or price cuts?

Rajesh Jain: Price hike or price cut, since these are based on our metal prices, so these were in similar lines to that only.

Vidit Trivedi: And could you please give me a breakup of the margins, both in the Cables & Wires segment, on the domestic and the exports front?

Rajesh Jain: So as you see in India, we have very good margins in wire compared to cable, and in export market, it is other way around. But these are whatever we have, historically margins are on those lines only. The only thing product mix, as it changes favorably, we get more exposure of cable in export, then our margins will keep improving.

Vidit Trivedi: No, actually, I was asking in terms of any ballpark number, like for the wires, let's say, 12%, 13% kind of a number, if any number would be helpful.

Rajesh Jain: So it's like almost 12% in wire while -- in domestic wire, while 5% to 6% in export wire. The reason being, there, we are a distribution-led business, and we do not have these marketing and every kind of expenses. And there, we have a very stable business in export wire. Same way in cable, export cable market is very highly profitable in the range of 12%, 13%, while domestic cable is in the range of 6% to 7% for me only, though on a normalized basis, it will be in the range of 9% to 10% once I get the scale and availability.

Moderator: The next question is from the line of Aryan Jain from Groww Mutual Fund.

Aryan Jain: Congratulations on the great set of numbers. So my first question is a follow-up on one of the previous participant's question. So this reduction in the working capital cycle, is it sustainable? And also, how will it change going forward with growth in cable exports and FMEG business?

Rajesh Jain: So like though on this quarter basis, we have 56 days, but normally, our working capital base cycle is around 60 days. And we expect to remain maybe plus or minus 1, 2 days, but in this range only.

Aryan Jain: Okay. And second question is, can you highlight what would be the mix of domestic wires? So as you mentioned that the breakup was 70-30, 70% wire and 30% cable, so of the 70%, what would be the share of domestic wires?

Rajesh Jain: So in export and domestic, both, we have similar range only, like 70% is wire and 30% is cable in both the segments, be it domestic or export, almost same only.

Moderator: The next question is from the line of Nikhil Purohit from Fident Asset Management.

Nikhil Purohit: Sorry, I got disconnected back there. I wanted to confirm what was the volume growth in absolute number for wires and cables for this quarter and for the whole year? Could you please help me with that?

Rajesh Jain: For this quarter, our volume growth was 14%...

Nikhil Purohit: No, no, absolute number.

Rajesh Jain: Similar 13% in wire and 15% in cable. While on a yearly basis, our volume growth was around 7% only, where wire was like almost having 1% or 2% growth, while cables grew by almost 19% on a yearly basis. I hope this answers your question.

Nikhil Purohit: No, I understand that. I was asking more on the lines of on the absolute number amount, I mean the quantity, absolute number.

Rajesh Jain: No, no. I think that I do not have that figure handy, but this will give you a fair idea about our growth.

Moderator: The next question is from the line of Naman Parmar from Niveshaay Investment.

Naman Parmar: First, I wanted to understand on the minimum capacity that is getting built up in the Silvassa? So it will be for cable or majorly it will be for wire only? And how much kv of cable will we be producing in that facility?

Rajesh Jain: So at Silvassa, we are coming with capacity expansion in wire only. And since cable facility is complete, we have at our Waghodia plant only.

Naman Parmar: Okay. Waghodia, there will be cable?

Rajesh Jain: Yes, Vadodara, yes. Waghodia is Vadodara only.

Naman Parmar: Okay. And sir, currently, what would be your gross block for FY '25?

Rajesh Jain: It's around maybe INR900 crores at WDV basis gross only. We need to refer our balance sheet, but that is available in our balance sheet.

Naman Parmar: Sir, I just wanted to know means how much total revenue potential you can do with this gross block and with the new capacity coming in? Means say, would it be around INR8,500 crores to INR9,000 crores?

Rajesh Jain: Yes, we have enough capacity to cater the demand of 18% volume growth what we are targeting on a year-on-year basis. So we have sufficient capacity with this coming expansion and even the new capex what we have announced.

Naman Parmar: I mean the asset turn of 3.5 you're talking right, no?

Rajesh Jain: For -- yes, for new expansion. But already in our old capex itself, that was wire-led heavy, so we have higher asset turns in our wire capacity is what we have built until now.

Naman Parmar: Okay. And lastly, how would we your margins will be over the 3 years? Because big competition is coming in, in this segment. So how you think the margins will be going ahead? Even though 80% is your raw material, aluminum and copper, which is majorly passed on, then also what margin you were expecting that to give such statement?

Rajesh Jain: So like I explained earlier also that based on our increased capacity, getting more scales and getting more efficiency and getting better product mix, we are expecting to improve our margins by 100 basis points in the coming years, and this is quite achievable.

Moderator: The next question is from the line of Rahul Agarwal from Ikigai Assets.

Rahul Agarwal: Just one question, sir. On the sponsorship for IPL and WPL, anything -- any costs which were booked in fourth quarter?

Rajesh Jain: Yes. So like for WPL, it was completely booked in previous year since event was over. For IPL, it will be on a pro rata basis as per accounting norms.

Rahul Agarwal: Okay. Would you mind sharing how much the cost is booked?

Rajesh Jain: No, no. That, we cannot disclose, but it is absolutely in agreement with whatever accounting norms are there and it is completely on pro rata basis.

Moderator: The next question is from the line of Naushad Chaudhary from Aditya Birla.

Naushad Chaudhary: Two clarifications, First, with the new investment, if I heard it correctly, capacity would expand by 1.7x. This is on the Waghodia and not on the blended capacity, right? Or will this be on blended?

Rajesh Jain: It will be from blended. See, when we talk about our capacity and everything, it is on a company level obviously because we cannot be that much excessive about plant by plant.

Naushad Chaudhary: But INR1,000 crores is adding only 36,000 tons capacity, right?

Rajesh Jain: Yes.

Naushad Chaudhary: But if we calculate reverse, today FY '25, we closed with INR6,700 crores of turnover. Assuming roughly INR900, INR950 of realization, and we are running at 75% of utilization, this would bring roughly 1 lakh ton capacity, rough calculation, on which if you're expanding 36,000 tons, it would be 36% only. How would it be 70%?

Rajesh Jain: No, so you have to take care weightage between wire and cable also. There is different product mix also at Wires & Cables segment. And at the same time, we have capacity expansion at Silvassa also. It is not only 36,000 tons, but it is a combination of 36,000 plus 18,000 tons.

Naushad Chaudhary: Okay. 18,000 at Silvassa?

Rajesh Jain: Yes.

Naushad Chaudhary: Okay. And second, just curious on the outlook point of view, historically, if I see last 3 years, 5 years, despite the industry had -- you had a low base, industry had a capacity constraint, we have been able to grow at 13%, 15%, our volume CAGR of 3 years, 5 years. And now though a lot of capacity is coming in the industry and we have a high base, what give us so much confidence that we will achieve better than what we have achieved in the past despite high base?

Rajesh Jain: There are two things. One, of course, we were also having capacity constraint in cable, which lowered our growth to some extent. At the same time, whatever work we are doing in our export market by entering into new geography and new products, same way in India also, we have done very good work in the last 3, 4 years to enhance our dealer network and our electrician network. So this will give us good results in coming years.

Moderator: Thank you. In the interest of time, that was the last question. I would now like to hand the conference over to the management for closing comments. Thank you, and over to you, sir.

Shreegopal Kabra: Thank you, everyone, for joining this call. We appreciate your participation. If you have any questions, feel free to reach out to us. Thank you.

Moderator: On behalf of R R Kabel Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.