

Date: May 14, 2025

To  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai, MH - 400001

To  
Listing Department  
National Stock Exchange of India Limited  
C-1, G-Block, Bandra-Kurla Complex  
Bandra (E), Mumbai, MH - 400051

**Scrip Code: 542652 Scrip Symbol: POLYCAB**  
**ISIN: INE455K01017**

Dear Sir(s) / Madam(s),

**Subject: Submission of Transcript of Earnings Conference Call held on May 07, 2025.**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of Earnings Conference Call held on May 07, 2025.

Kindly take the same on your record.

Thanking you  
Yours Faithfully

For **Polycab India Limited**

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**POLYCAB**

"Polycab India Limited Q4 FY'25 Earnings Conference Call"

**May 07, 2025**

**POLYCAB**



**MANAGEMENT: MR. INDER JAISINGHANI – CHAIRMAN & MANAGING  
DIRECTOR, POLYCAB INDIA LIMITED  
MR. GANDHARV TONGIA, EXECUTIVE DIRECTOR &  
CHIEF FINANCIAL OFFICER, POLYCAB INDIA LIMITED  
MR. CHIRAYU UPADHYAYA – HEAD, INVESTOR  
RELATIONS, POLYCAB INDIA LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Polycab India Limited Q4 FY25 Earnings Conference Call.

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 this conference call, please signal an operator by pressing “\*”, then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Gandharv Tongia, Executive Director and Chief Financial Officer, Polycab India Limited. Thank you and over to you, sir.

**Gandharv Tongia:** Thank you, operator. Good afternoon, everyone. Thank you for joining us. I hope all of you are staying healthy and safe. I am Gandharv Tongia – Executive Director and CFO at Polycab India Limited.

On this call, we shall discuss the Q4 FY25 Results, which were approved in the board meeting held yesterday. We will be referring to the Earnings Presentation, Financial Results and Financial Statements, which are available on these stock exchanges as well as on the Investor Relations page of our website.

Joining me today from the management team, we have our Chairman and Managing Director, Mr. Inder T Jaisinghani, and our Head, Investor Relations, Mr. Chirayu Upadhyaya. Let me now hand over the call to Inder bhai for his comments.

**Inder Jaisinghani:** Good afternoon, everyone.

We are proud to announce that FY25 has been a landmark year with record-breaking revenue in both the 4<sup>th</sup> Quarter and full year, powered by strong growth across all segments. Our full year revenue crossed ₹ 220 billion making Polycab the largest Company in the electrical industry by revenue.

Our Wires and Cable business extended its leadership, FMEG outperformed industry as well as achieved a profitable breakthrough and EPC delivered exceptional scale. This helped us register robust revenue and profitability growth with PAT crossing ₹ 20 billion mark, reaffirming our position as the most profitable Company in the electrical industry for third consecutive year. With powerful industry tailwind, strong demand outlook and our transformation agenda under Project Spring, we are energized and ready to unlock the next phase of sustainable industry leading growth.

With this, I would request Gandharv to give you a flavor of the macro environment.

**Gandharv Tongia:** Thank you, Inder bhai.

Since February this year, we have witnessed a sharp escalation in global trade tensions. What began as targeted US tariffs has quickly broadened into sweeping measures, prompting swift retaliation from key trading partners. By early April, tariffs were nearly across the board.

This rise in trade barriers and the resulting policy uncertainty are already taking a toll. The IMF has revised global growth projections downward, 2.8% for 2025 and 3.0% for 2026 from the earlier estimate of 3.3% for both the years. Advanced economies will bear the brunt, with the US now expected to grow at just 1.8% and the EU area at a mere 0.8%. Even emerging markets, long the engines of global growth are not immune. China, in particular faces significant downgrades.

Despite these global challenges, India's growth story remains fundamentally strong.

Our structural drivers, expanding workforce, rapid digitization and a resilient domestic economy are laying the foundation for sustained growth. Unlike many others, we are relatively insulated from global tariff actions. And we have acted decisively – the Reserve Bank has already cut interest rate by 50 basis points, with further easing likely.

Momentum on the ground is real. Digital payments are surging, industrial production is picking up, and auto sales are recovering. In March, industrial output grew 3% YoY and infrastructure goods surged nearly 9%, the highest in 17 months.

PMI for both manufacturing and services remains firmly in expansion, reflecting robust business activity. Inflation is softening – CPI in March hit a 67-month low at 3.34%, and core inflation remains contained, aside from gold and silver linked categories.

Real estate is booming, reaching a decadal high last year. Corporate investment is rebounding, fuelled by stronger balance sheets, lower borrowing costs, and higher capacity utilization. Government capital expenditures and resilient service exports are also adding momentum.

So, while the world faces uncertainty, India stands out.

We are not without challenges – but our fundamentals are strong, our policies are proactive, and our resilience is proven. Let us stay focused on the long-term opportunity, and not just short-term noise.

I would now hand over to Chirayu to take you through the financial performance for the Quarter and the Year.

**Chirayu Upadhyaya:**

Thank you, Gandharv.

Let me now draw your attention to Slide 4 of the Earnings Presentation.

For the quarter ended 31<sup>st</sup> March 2025, we are pleased to report that the consolidated revenue grew by a strong 25% YoY supported by robust performance across all business segments.

Our EBITDA grew by 35% YoY, outpacing revenue growth, resulting in ~110 basis points improvement in EBITDA margins, which stood at 14.7% for the quarter. This margin expansion was driven primarily by:

1. A profitable turnaround in our FMEG business, which has been the result of sustained strategic investments; and
2. Improved margins in the EPC business, supported by low base and better execution discipline.

On a sequential basis, EBITDA margins expanded by approximately 90 basis points, largely on account of margin improvements in both Wires and Cables and FMEG businesses. In Wires and Cables, improved operating leverage contributed meaningfully, while FMEG benefited from richer product mix and better absorption of fixed cost.

At the PAT level, the Company delivered its highest-ever quarterly PAT of ₹7.3 billion, registering a strong 33% YoY growth. Our PAT margins improved by approximately 60 basis points YoY, reaching 10.5%.

Finance cost for the quarter stood at ₹ 325 million, while the other income came in at ₹ 481 million. For a detailed breakdown of these line items, I would encourage you to refer to slide 27 of the presentation.

We continue to maintain a healthy balance sheet, with a net cash position of ₹ 24.6 billion. Our working capital cycle improved to 49 days in Q4FY25, primarily due to a temporary reduction in inventory days as some of the raw material purchases are currently in transit. On a normalized basis, we expect the working capital cycle to return to a long-term steady range of 50 to 55 days.

Capex for the quarter stood at ₹ 1.3 billion, taking our total capital expenditure for FY25 to ₹ 9.6 billion, which is well aligned with our guidance.

Turning to our full year performance for FY25, I am proud to share that Polycab has delivered its highest ever revenue, EBITDA and PAT in the Company's history.

- Revenue crossed ₹ 220 billion milestone, growing 24% YoY.
- EBITDA grew by 19% with a full year margin of 13.2%.
- PAT grew by 13% YoY, surpassing the ₹ 20 billion mark.

This performance not only reflects our financial strength but also solidifies Polycab's position as the most profitable Company in the electrical industry for the third consecutive year. Moreover, with this

performance, we have now become the largest Company in the Indian electrical industry by revenue, a significant milestone for all of us.

Moving on to Slide 5.

We are pleased to report continued market share gains despite operating of an already high base. Our domestic Wires and Cables organized market share has grown to 26% - 27%, up meaningfully from 18% - 19% in FY19 and a step ahead from 25% - 26% in FY24. This speaks volume about our consistent execution and ability to lead the industry with innovation and scale.

FY25 also marked a key inflection in terms of capital investment. For the first time in our history, the annual capex reached almost ₹ 10 billion, underscoring our long-term commitment to growth. We remain on track with our Project Spring capex roadmap of ₹ 60 to ₹ 80 billion over the next five years, which will power our capabilities, scale and innovation.

We have further strengthened our balance sheet with net cash increasing to ₹ 24.6 billion, reflecting continued focus on efficient cash flow management. In line with our capital allocation priorities, we have proposed a dividend of ₹ 35 per share, resulting in a dividend payout ratio of 26.3%. This is a step forward towards our Project Spring target of 30% payout ratio by FY30.

Now, let's move to Slide 9 for a quick update on the Wires and Cables Business.

The Wires and Cables segment delivered 22% YoY growth during the quarter. Within this, the domestic business recorded an impressive 27% YoY growth fueled by continued momentum in infrastructure, housing and industrial investments as also reflected in the macro commentary.

Notably, domestically, cables outpaced wires in terms of YoY growth this quarter, while the opposite was true for sequential basis. Both distribution and institutional channels showed healthy growth. Regionally, the West led the performance, followed by the South, North and East, underscoring our pan-India presence and reach.

As highlighted on Slide 11, our products continue to contribute meaningfully to nation-building efforts across sectors such as renewable energy, metro rail, data centers and manufacturing.

Our international business witnessed a temporary dip during the quarter due to the rollover of a large order into the next quarter. That said, we remain optimistic about the outlook. With a healthy order book and favourable demand trends, we anticipate strong growth going forward. I would also like to highlight that we have now expanded our global footprint to 84 countries, up from over 15 in FY21, reflecting our growing global ambition.

EBIT margins for the Wires and Cables business came in at 15.1%, improving by 140 basis points sequentially. This performance was supported by better operating leverage and a favorable product mix, though partly offset by lower contribution from the international operations.

Moving on to Slide 13 for an update on the FMEG Business.

The FMEG business delivered an exceptional performance this quarter, registering a strong 33% YoY growth, with robust contributions from across all product categories. This marks the fifth consecutive quarter of outperformance versus industry benchmark, reaffirming the strength of our strategy and execution in this high potential segment.

Let me take a moment to walk you through the key drivers of this performance.

Starting with fans, despite a delayed onset of summer, the segment recorded impressive growth. This reflects the success of our premiumization strategy and focused execution. We launched over 100 new SKUs in this category, extended our geographic reach to over 350 new towns and added 280 channel partners and more than 8,000 retailers during the year. As a result, premium fans now contribute around 18% of FY25 sales volume and almost 30% by sales value.

In the lightning and luminaries business, we sustained our growth momentum of last quarter, even amidst continued pricing deflation. Growth was driven by both volume and value, thanks to our expanding premium portfolio, which now contributes almost 21% of the light & luminaries sales volume and again almost 30% by sales value. We launched over 200 new SKUs, expanded our footprint to approximately 700 towns and onboarded 170+ partners and over 11,500 retailers this year alone. Our value proposition of high quality, energy-efficient lighting solutions continues to resonate well across urban and semi-urban markets.

Our solar product business stood out as a clear outperformer, growing nearly 2.5 times over the year, making it the third largest category within our FMEG portfolio. With strong tailwinds from the government initiatives like the PM Surya Ghar Yojana, state level subsidy schemes and rising awareness around renewable energy, we see a long runway for growth in this category. States such as Maharashtra, Gujarat, Rajasthan, Telangana, Madhya Pradesh, Uttar Pradesh and Tamil Nadu led demand, and we expect the momentum to continue.

Other product categories, including Switch Gears, Conduit Pipes and Fittings and Switches also delivered healthy growth. This was supported by continued momentum in the real estate and construction sector and our focused approach towards portfolio enhancement and market penetration.

As mentioned in the opening remarks, we are pleased to report that the FMEG business turned profitable in Q4FY25, following ten quarters of sustained strategic investments in talent acquisition,

product development and brand building. These investments are now translating into tangible results and we remain committed to this path.

Looking ahead, the FMEG segment is expected to continue its upward trajectory aligned with our Project Spring goals of achieving 1.5x – 2x industry growth and improving EBITDA margins to 8% - 10% by FY30. Our ongoing investments in channel expansion, product innovation and brand equity will be pivotal in unlocking long-term value in this segment.

Moving on to Slide 15.

This slide provides an update on our EPC business. We achieved revenues of ₹ 6,028 million in Q4FY25, marking a 47% YoY growth. Profitability increased by 171% YoY with segmental margin at 9.4%. The robust growth within the business was driven by strong execution of the RDSS order book.

During the quarter, the Company executed an agreement with BSNL for Design, Supply, Construction, Installation, Upgradation, Operation and Maintenance of Middle-Mile Network of BharatNet in the Bihar Telecom circle, amounting to ₹ 30 billion (inclusive of GST). This includes capex of ₹ 15 billion, opex for newly constructed network of ₹ 9.3 billion and opex for the existing network of ₹ 5.2 billion. The execution period for the capex part is three years with opex part on the new network beginning from fourth year post completion of the capex leg. The opex part on the existing network has begun along with the execution of the agreement and will last for 10 years. Polycab has also been declared the lowest bidder in the Goa, Karnataka and Puducherry package with the capex order amounting to ₹ 41 billion (inclusive of GST), execution of the agreement for which is expected to complete soon. Our open order book in the EPC business stands at around ₹ 70 billion as at end of March 31, 2025.

The annual sustainable operating margin in this business is expected to be in high single digit over medium to long-term.

Before we close the quarter's update, I want to take a few minutes to speak about a subject that is not just a business imperative, but a moral one; our commitment to environmental, social and governance excellence.

At Polycab, we believe that a Company's true value is not only measured in revenue or market share, but also in how responsibly it operates towards people, the planet and the principles of good governance. ESG is no longer optional. It is essential – for long-term resilience, for trust, and for value creation. It is about doing well, by doing good.

Over the past three years, we have laid a strong foundation for this journey. We developed a comprehensive ESG framework, one that is not just theoretical, but integrated into how we operate.

We established an ESG Charter that institutionalizes accountability through a dedicated board ESG Committee, a Central ESG Council, and a cross-functional ESG Working Group. We also appointed our Chief Sustainability Officer and worked closely with expert consultants to align our strategy with global standards.

Importantly, we spent the last two years working quietly but steadily on internal ESG goals, understanding our impact, strengthening our capabilities, and building the right culture.

Earlier this year, we took another critical step forward. We refreshed our material assessment by actively engaging with a wide range of stakeholders, employees, customers, investors, suppliers and community representatives. This collaborative approach helped us identify 15 ESG topics that truly matter to both our business and our stakeholders.

I am pleased to share that going forward, we are setting bold, measurable five-year goals on 10 of these material topics covering all three pillars: Environmental, Social, and Governance. These goals are laid on slide 19.

Our ESG goals from the core of our five-year ESG roadmap, aligned with our broader transformation initiative Project Spring. Through it, we are embedding sustainability into every aspect of our business and ensuring we grow responsibly, operate efficiently, and lead by example.

We know this is a long road. But with the right intent, a strong foundation, and a culture of responsibility, we are confident that Polycab will not just keep pace with global expectations – but help shape them.

Thank you for your continued support and belief in our journey.

That was the update for the quarter. Thank you and we are now open for questions.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sonali Salgaonkar from Jefferies. Please go ahead.

**Sonali Salgaonkar:**

Thank you for the opportunity and congratulations on a great set of numbers. Sir, my first question is on the domestic cable and wire segment. It seems to have grown at a very strong rate of 27% YoY. Could you quantify how much of that is volume growth and how much of that is value, and within that also possibly split between cables and wires?

**Chirayu Upadhyaya:**

Thanks a lot, Sonali. As far as domestic performance is concerned, it has been again one of the best quarters that we have seen. This is something which generally plays out that Quarter 4, we see a good pickup in demand and this is something that actually played out.

Regarding the mix of value versus volume is concerned, the volume growth within the domestic cables and wires for the quarter YoY was around mid-teens, with the remaining growth coming from value. Within that, cables grew faster than wires. Cables volume growth was in the higher teens while volume growth for wires was in high single digit.

**Moderator:** Ladies and gentlemen, we seem to have lost the connection of the participant. The next question is from the line of Achal Lohade from Nuvama Institutional Equities. Please go ahead.

**Achal Lohade:** Good morning, team. Thank you for the opportunity. Congratulations for great set of earnings. Just to expand on the previous question, if you could also give in the similar fashion for FY25 and if you could remind us for FY24? I am just trying to see what has been the volume growth trend for the last couple of years overall in the domestic market and also between cables and wires?

**Chirayu Upadhyaya:** Sure, Achal. So, if you look at the entire year's performance, again the volume growth for the cables and wires business has been around mid-teens. Cables has obviously grown a bit higher and volume growth for wires is again in high single digits. This is aligned with our guidance that we expect this market to grow between 1.5x to 2x of real GDP growth and us to outperform over that. We have been able to consistently do so and gain market share. We believe our market share now in the domestic organized market is closer to around 26% to 27%.

**Achal Lohade:** And would you have, Chirayu, for FY24 also the volume growth for cables, wires and overall in the domestic business?

**Chirayu Upadhyaya:** Achal, I don't have it handy, but we have disclosed it in our last year's call. So, probably you can refer to that.

**Achal Lohade:** Okay. The second question I have is with respect to the margins. For the 4<sup>th</sup> Quarter we've had strong margin performance. This is despite the relatively weaker performance in the export, which is the most profitable segment. So, I am just curious to understand in terms of the margins, has there any inventory gains, any one-offs here given 4<sup>th</sup> Quarter is the balancing quarter? I just wanted to understand your perspective on the same.

**Chirayu Upadhyaya:** So Achal, there are no one-offs as far as margin improvement is concerned. The entire improvement is largely because of the operating leverage that we have got the advantage of. If you look at our margin trajectory of last three to four years on a quarter-on-quarter basis, you will notice a consistent improvement sequentially in every quarter and 4<sup>th</sup> quarter is always the best in terms of margins. This year has been no different and we have been able to improve on our margins in the 4<sup>th</sup> Quarter here as well.

**Achal Lohade:** Understood. And just the last question is in terms of the EBIT margin guidance for cables and wires, how do we look at that for the next three, four years?

- Chirayu Upadhyaya:** Our guidance, as a part of Project Spring, is on EBITDA and we've given the guidance that over the near to mid-term we expect the EBITDA margins in the cables and wires business to be consistently in the 11% to 13% range.
- Achal Lohade:** This is only for cables and wires piece, right?
- Chirayu Upadhyaya:** Yes.
- Achal Lohade:** And what was it for FY25? That's my last question.
- Chirayu Upadhyaya:** EBIT margins for cables and wires for the year were at 13.6%, so EBITDA margins would have been in the range of 14% to 15%.
- Achal Lohade:** Okay. Alright, I'll fall back in the queue. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Renu from IIFL Capital. Please go ahead.
- Renu:** Hi, good afternoon team and congratulations for the strong performance. My first question is just to understand the 100-bps margin expansion that we have suggested in the cables and wires, is it regionally driven or broad based and the key drivers here would be GTM and portfolio expansion or anything else? That's the first question.
- Chirayu Upadhyaya:** Sure, Renu. The margin expansion that we are seeing in cables and wires is on a sequential basis from Q3FY25 to Q4FY25. This expansion is a bit because of the operating leverage as well as because of the change in product mix. As referred in my initial comments, while on a YoY basis, cables has outperformed wires, sequentially, Q4 over Q3, wires has grown faster than cables and obviously since wires are a better margin business, it has also contributed in sequential improvement of margin. Although, our international business didn't perform as well, has taken a bit of sheen off that improvement that we saw. But the larger increase is because of these two reasons.
- Renu:** Got it. And the market share is also a resultant of GTM and regional approach or anything else?
- Chirayu Upadhyaya:** So that is a continuous work-in progress. It obviously would have contributed in the improvement. But again, as I was mentioning, the larger part of the improvement would have been because of the operating leverage and change in product mix. Incrementally, if you look at a longer-term period, maybe over a period of one year, two years, three years, the other initiatives will definitely contribute much more meaningfully as far as margin improvement is concerned.
- Renu:** Got it. The second question here is on the solar portfolio, which is now the third largest category within the FMEG. So, what is Polycab value proposition here and our GTM strategy with entirely

through system integrators, EPC contractors or we have direct revenue here from the end markets? And also, what are the plans for backward investment in manufacturing for this category?

**Chirayu Upadhyaya:** So, Renu, largely we sell solar inverters in that portfolio. These are not manufactured in-house, we outsource the manufacturing and then sell it to the end customers. As of now, there are no plans of setting up an in-house manufacturing. So, we will continue with this model. We will obviously onboard more vendors through which we can increase our sourcing and then service the full range up-till 325 kW, which is what is the upper limit as far as the usage in India is concerned.

**Renu:** And any plans to get into solar EPC infra project?

**Chirayu Upadhyaya:** Not as of now.

**Renu:** Sure. Thank you, team. That's it from my side. I'll get back with more questions if any. Thank you and all the best.

**Moderator:** Thank you. The next question is from the line of Deepak Gupta from JM Financial Asset Management. Please go ahead.

**Deepak Gupta:** Good afternoon, sir. Thank you for taking my question. My first question is on the export opportunity. If you could give us some perspective about how do you see export revenue shaping up for FY26 given the challenges that we are seeing in US regarding trade tariffs, etc.,?

**Chirayu Upadhyaya:** Sure, Deepak. So as far as the performance on exports is concerned, we expect a material improvement going ahead every year. Under Project Spring, we have anyways laid out a guidance that we would want to increase the contribution of exports to the overall revenue to 10% from the current 6% that we saw in FY25. The lower performance or relatively lower performance in FY25 was because of various reasons. As you are aware in the first half, we were still going through our business model change in the US, which obviously led to a bit lower sale from the largest geography that we had over there, but that is now complete and behind us and we have our sales happening in the US through the hybrid model. The other large geographies are something that we have tapped into. We have a very good order book coming in from Middle East, from Europe, from Australia and that is something that we will service over the course of next year and so on. Lastly, we don't see any material impact as of now because of the tariffs which are being levied. As of the current status, 10% tariffs are levied across all these geographies which export to US and that means it's status quo as compared to what it was a couple of months back. Even going ahead, post the completion of the 90 day period, if you look at the tariffs which are expected to get levied, India tends to benefit because the tariffs are relatively lower than the other larger cable exporters from Asia. So, we don't expect any negative impact of tariffs. In fact, if you look at the current status, all our current orders which we had from that geography, we were able to pass on the increase in cost because of the tariffs to them. In general, if you take a mid-to long-term view, we are very positive on the exports opportunity.

We keep on adding new geographies - as I mentioned, last year to this year we already added five new geographies wherein we are now approved as an exporter and we will keep on improving on that. In fact, what we are also doing is we are now setting up three different divisions within our exports wherein we will be catering to the OEMs, to the distributors and to EPCs through these separate teams. So, we are doubling down on execution, we are increasing the team and we've also chartered out the geographies we're going to want to expand to. We also have a list of the EPC contractors and end clients where we would want to increase our sales to and increase our throughput from the existing clients as well. So, we are very confident that we should see very good growth in exports going ahead and we should be able to achieve the FY30 target that we have taken within Project Spring.

**Deepak Gupta:** So therefore, would it be right to assume that your EBITDA margins for full year, which is the 13.2% can only improve from here going onwards, given the fact that exposure will be increasing in your overall proportion of sales?

**Chirayu Upadhyaya:** So, Deepak, there are multiple variables at play. Definitely, since exports business is a relatively higher margin business and if the mix improves, definitely that should help as far as the margins are concerned. But we should also look at the other variables, which, for example let's say we are also going to be investing a lot in capacity expansion over the course of the next five years. While in the initial phases, the utilizations are low, the operating leverage is something that goes away and that is where there can be a bit of a negative impact on the margins front. The other impact can be because at a Company level we will have to be invest a lot in advertising and promotion for our B2C business. A percentage of that gets allocated to the cables and wires segment as per the top line contribution and that can also have a bit of a negative impact. We are also going to be investing a lot going ahead on R&D and innovation and that, obviously, expenses can eat up a bit into your margin. So largely there are positive variables as well as negative variables, and that is where the margin trajectory going ahead in spite of whatever will happen, I think we have given a guidance of 11% to 13% and we are reasonably confident that we should be able to deliver within those margin guidance.

**Deepak Gupta:** Noted. Thank you so much.

**Moderator:** Thank you. The next question is from the line of Sonali Salgaonkar from Jefferies India. Please go ahead.

**Sonali Salgaonkar:** Sir, thank you for the follow-up opportunity. Sorry I dropped off; my line got disconnected earlier. Sir, my second question is any pricing actions you have taken in the wake of copper movement YTD? And also thirdly is on the FMEG. FMEG margins I know this question had come up earlier, but what is the kind of sort of guidance that you would like to give on a sustained basis for FMEG margins going forward?

**Chirayu Upadhyaya:** Sure, Sonali. So, as far as the cables and wires business is concerned, as you are aware, we pass on the changes in commodity prices on a monthly basis. That is the practice that we followed in the previous quarter and the month of the current quarter as well. Whatever increase or decrease in copper, aluminum or other commodity prices were there, we pass that on. Largely I think in the previous quarter on copper front as well as aluminum front a mid-to-high single digit pass on of the increase in commodity prices was done and again basis whatever changes have happened in this quarter, all those changes have been passed on to the end customer.

As far as the FMEG margins are concerned, it is after almost 10 quarters we have seen a profitable quarter for the FMEG business. This is a result of all the initiatives that we've been taking, wherein we have been able to improve the utilization of our manufacturing plants and hence we receive a benefit of operating leverage. We have also changed in the product mix that we have in the favor of higher margin products like switch gears or a solar or conduit pipes wherein we are profitable. So that has led to this improvement. Going ahead, we expect that we should be able to continuously see improvement in our margins towards our guided range of 8% to 10% of EBITDA margins by FY30. So, every year we should see an improvement from the current margins that we have.

**Moderator:** Ladies and gentlemen, the next question is from the line of Akshay Gattani from UBS. Please go ahead.

**Akshay Gattani:** Hey. Thanks for the opportunity. My question is on the export front. I wanted to understand the profile of what kind of cables are going in the export like are these more of specialized cables or normal power cables, trying to understand like end user industry exposure in the exports market?

**Chirayu Upadhyaya:** So, it's a mix of both, but the higher proportion will be from low voltage and medium voltage cables, which has the maximum demand from across geographies. But having said that, we also supply solar cables or cables which are used in other specialized end-industries as well and that will obviously depend on the geography as well as the projects wherein we bid on. But to answer your question very simply, the larger contribution is from your low voltage and medium voltage cables with smaller part coming in from specialized cables.

**Akshay Gattani:** Okay. Got it. Thanks. And another question is on the domestic front. What is driving the strong demand per se like end user industry like these are LV/MV cables or you're seeing HV cables also doing reasonably well?

**Chirayu Upadhyaya:** So, Akshay, since low voltage and medium voltage combined are almost 50% of the overall market, I think the kind of demand momentum witnessed over there will have the maximum impact as far as the industry growth is concerned as well as the growth of larger players like us is concerned. So that is obviously the primary type of cables which is driving the demand growth. But, even high voltage or EHV cables, the demand for those types of cables is also pretty strong. As far as industry is

concerned, across all types of industry we have seen consistent good demand. Power industry is one such industry wherein we have seen an improvement in demand and we expect this to be a consistent phenomenon going ahead, especially the transition to renewable energy sources is something which is a very big opportunity in the country and for manufacturers like us and we are trying to tap as much of that opportunity as possible. Other industries, like real estate, it continues to do well and we expect it to do even better, going ahead looking at the kind of momentum we have seen over the past two to three years. We have the product categories which can be supplied to each and every type of industry, which is there in India, and we keep on improving on the quality of those products, the availability of those products, and that is where we expect that we continue to see the very good growth. In-line with our Project Spring guidance, we will target to grow the cables and wires business at almost 1.5x of the industry growth and continue to gain market share from the other industry peers.

**Akshay Gattani:** Thanks, sir. This is helpful. One more question if I can. As you said, like R&D expenditure might go higher and this could have like near-term margins. So where will this R&D expenditure be going? And any guidance as a percentage of sales, what could be the range?

**Chirayu Upadhyaya:** We wouldn't want to give guidance on the percentage, but on an absolute basis, definitely it will continue to go up and it is not something which will just be a near-term phenomenon, it is something that we will do consistently. If you recall, one of the pillars within our Project Spring guidance is that we will increase our focus on innovation and R&D. So that is something that is within our "To Do List" and we will continue to focus much more or much more aggressively than what we have done in the past and increase our spends over there.

**Akshay Gattani:** Okay, got it. Thank you.

**Moderator:** Thank you. The next question is from the line of Praveen from PL Capital. Please go ahead.

**Praveen:** Yes. Thank you for the opportunity. My first question is related to the EPC. As you had given ₹ 70 billion order book, is that only a BharatNet order book you have, nothing to RDSS? And also because now you had already given us a high single digit margin in EPC, so is that same kind of a margin we are going to expect from the BharatNet project as well? So that's the first question.

**Chirayu Upadhyaya:** Sure, Praveen. So, the ₹ 70 billion order book which I mentioned consists of two components. Of ₹ 70 billion, ₹ 40 billion is order book from the RDSS projects and the remaining ₹ 30 billion is from the BharatNet scheme. The ₹ 40 billion of RDSS order book is something that we have to execute over the course of next two to three years. That will give us an almost consistent quarterly run rate of almost ₹ 5 billion from that and the BharatNet order book is from the Bihar order that we have won wherein the execution period is for three years. The capex part, which is roughly ₹ 15 billion and the remaining is something which is an opex part, and which will be accrued over a period of 10 years after the completion of the capex period.

**Praveen:** Okay. Okay, that's helpful. The second question is related to the advertisement. That is down this quarter. So, if you can give what is the normalized number the way forward we can see and why that's significantly 24% down in this quarter?

**Chirayu Upadhyaya:** Couple of reasons, Praveen, over there. One of them is that generally in Q4 you do advertisement before the summer season and largely it's for the fans portfolio. As you're aware, this time, the summer season is a bit delayed and that is where our spends on A&P are also a bit delayed. We have started doing more on that front from April onwards and that is probably where you will see that cost getting reflected in Q1FY26. The second thing is we are also utilizing different mediums this time around. Last year we did a brand refresh and we had tied up with ICC, being an official partner for three of the World Cup events. That is something wherein we had increased our spends materially last year. This year, relatively, it's lower, but consistently every year you'll see an increase over there. We are also utilizing different mediums for doing the A&P spends. So, for us this year, digital medium is something that we have focused a lot on as well as on-ground activities with our retailers, distributors, etc., This type of A&P is relatively lower costing and hence you might have seen a bit of a dip as far as A&P spends are concerned. But again, going ahead, all the type of spends, both, above-the-line and below-the-line marketing activities are something that we will pursue and each year you will see an increase in the A&P spends that we will be doing for our B2C business.

**Praveen:** Okay. Okay. So, we can assume this is a one-off, way forward and we will see the improvement there. Last question is related to the international business. So international business was down 24% and you had said that's a roll forward the next quarter. Is this nothing to do with the US tariff escalation or something is because of that as well?

**Chirayu Upadhyaya:** So, Praveen, as far as the US tariff-related things are concerned, see the end clients obviously even for them there is as of now no clarity as what situation will persist, let's say a couple of months down the line. So, whatever orders we have received that will continue to be executed. Whatever projects are ongoing in the US, obviously they wouldn't get delayed, and they will continue to raise demand for whatever types of cables that they require. So, we don't see any material change because of the tariff-related announcements as far as the demand from that geography is concerned. But, of course, post there is more clarity, let's say two months down the line, I think the demand momentum will improve even further and that is where I think the momentum from our sales to US will see further improvement and even for all the Indian players or exporters.

**Praveen:** Okay. Got it. Thank you. That's it from my side. All the best.

**Moderator:** Thank you. The next question is from the line of Natasha Jain from PhillipCapital. Please go ahead.

- Natasha Jain:** Thank you for the opportunity and congratulations on strong set of numbers. My first question is on the export side. So, firstly, can you tell me the contribution from the US in our total exports for FY25 and '24?
- Chirayu Upadhyaya:** Sure, Natasha. So as far as this year is concerned, the contribution of US to our overall sales would be in high teens, last year it was very close to 40%.
- Natasha Jain:** This you are saying share of total exports, right?
- Chirayu Upadhyaya:** Total exports, yes.
- Natasha Jain:** Okay. And now that you're transitioning and you said you've completed the transition process from B2B to B2C, and given that we're sitting at a low base when the US is concerned and that market is the strongest for us, can we expect a very strong bounce up in the US export?
- Chirayu Upadhyaya:** So, Natasha, as I just mentioned to Praveen, there is a bit of uncertainty because of the tariff-related announcement. Hopefully, it should get resolved very soon, in the next couple of months. Then, we believe there should be much better improved momentum as far as sales to US is concerned. So, as of now while obviously the improvement will be there because of our business model getting stabilized, much better momentum can be witnessed only after the entire tariff-related changes are implemented.
- Natasha Jain:** Understood. My second question is again related to wires and cables. You mentioned that sequentially your margin improvement happened also on account of favorable product mix. So, can you just throw some light as to what kind of product mix did we change in wires and cables that led to margin improvement?
- Chirayu Upadhyaya:** So again, Natasha, as I mentioned previously, that if you look at sequential quarter Q3 and Q4, wires have done relatively better compared to cables, and since wires are of better margins, that led to an improvement in the margins of cables and wires segment.
- Natasha Jain:** Got it. So, it's just more selling of wires and not really value-added products within any wires or cables category, right?
- Chirayu Upadhyaya:** So, there would have been an improvement because of that as well, but it won't be something which will be material in nature. The largest improvement will be because of wires versus cables mix.
- Natasha Jain:** Got it. And one last question. Your FMEG top line is definitely very strong, but like you mentioned, the seasons kind of moderated and further range can dampen the cooling season for this year. Can you tell us how is the secondary movement in the channel for your product specifically?

- Chirayu Upadhyaya:** Natasha, we keep on receiving the benefits of all the execution steps that we've been taking. Of course, the delayed summer is something that might have a bit of an impact as far as fan sales are concerned. But we have five other product categories which are also delivering very well. We have seen very good momentum on those product categories even in this quarter, and the month that has gone by, and we don't expect there should be any material impact on their sales because of whatsoever reason. So, I mean, on the fans sales, we will definitely have to see how the season pans out and the demand pans out. But otherwise, we don't expect the overall FMEG top line to be impacted as much on a yearly basis just because of whatever is happening right now in this month or quarter.
- Natasha Jain:** Understood. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Aditya Bhartia from Investec. Please go ahead.
- Aditya Bhartia:** Hi. Good afternoon, Chirayu. To start with, just clarification. This 11% to 13% margin guidance that you've given is at the EBITDA level and not at the EBIT level. Is my understanding correct?
- Chirayu Upadhyaya:** That's right, Aditya.
- Aditya Bhartia:** Given that we are having 14% to 15% kind of a margin this year, why are we kind of building in such a sharp decline in margins going forward -- is it just that we are being very conservative and actual margins are likely to be much higher than this guidance?
- Chirayu Upadhyaya:** So, Aditya, if you see how we have performed historically, our performance has always been, and thanks to various reasons for that, we have been able to outperform our guidance. On the longer-term basis, we always believe that 11% to 13% of EBITDA margin is something that can be consistently achieved in the cables and wires business, and hence when we comment on guidance, we always give something that is achievable by us. In the near term or in the longer term, wherever opportunity arises and if there is a possibility that we can improve upon those margins through various reasons, maybe improve in the product mix or the various types of business mix, obviously we will go for that. But longer-term guidance for us will always be 11% to 13% of EBITDA margins, which we believe is a sustainable margin range for the cables and wires business.
- Aditya Bhartia:** Understood. Sure. My second question is just wanted to understand how relevant is power generation and power transmission and distribution related demand for us? And within power generation, if you could also split in case it's possible between thermal and renewable, what proportion of our revenues is likely to be coming from cables that are supplied to BSNL?
- Chirayu Upadhyaya:** So Aditya, it would be very difficult for us to quantify which industry is exactly contributing to what kind of demand for us since most of our sales are through distributors, but definitely, based on the kind of feedback that we are getting from various channel partners, we definitely know that this sector

is something which is contributing very meaningfully as far as our sales are concerned. We are very actively present in power generation and distribution, wherein your low voltage and medium voltage cables are required and hence we are a big player over there. Power transmission is something wherein as of now our presence is very limited, but within a few quarters' time, we should be able to start participating in that opportunity as well. So, with the power sector expected to do very well over the next three to four years, we believe we should be in a very good position to take advantage of that opportunity and continue to grow our cables business through that.

**Aditya Bhartia:**

And just a related question to that. Because a lot of orders that have gotten awarded, let's say on power generation side, especially on the thermal side, we will start seeing execution in the next few years. So is it that we've already started seeing the benefit of that or bulk of that benefit is yet to flow through to us?

**Chirayu Upadhyaya:**

So, I think, Aditya, this is going to be a consistent trend for the next many years. It is not something which is already behind us. We have seen an improvement as far as sales to the power generation side is concerned, but this is something that will continue at least for the next few years. As we are aware, at least on the green power side, we have taken a very aggressive target of reaching 500 GW of power generation through renewable sources and we are roughly at around 200 GW of renewable power generation. So, definitely investments on that front will continue for the next many years and we will keep on supplying cables to that opportunity.

**Aditya Bhartia:**

Understood. Thank you so much.

**Moderator:**

Thank you. The next question is from the line of Vidit Trivedi from Asian Market Securities. Please go ahead.

**Vidit Trivedi:**

Yes. Hi, sir. Thank you for the opportunity and congratulations on the great set of numbers. Most of the questions have been answered. I just wanted to know what's your capacity utilization during the quarter and for the whole year? Any comments on the entry of new players? Any product launch in the FMEG segment?

**Vidit Trivedi:**

Sure, Vidit. So as far as capacity utilization is concerned, at an yearly level, we are somewhere between 70% to 80% utilization rate. Quarter 4 obviously the utilization goes up because that is the quarter when you see the maximum demand. So, we will be north of 80% for the quarter, but on a yearly basis we are between 70% to 80%.

As far as the entry of new players is concerned, see, I mean this is an industry which has done consistently well over the past three to four years and we have very good visibility of it continuing to do very well in the near future. The entry of new players just reaffirms our thought process that this industry can continue to grow at a very good rate in the longer-term and that is why it makes sense for newer players to look at and the larger players to look at this as an industry. The positive

impact of this also is that we will see the best practices of those players coming into this industry and hopefully the existing players can replicate that and improve on their businesses as well. What will also happen is that there will be an acceleration as far as the market share gain for organized players is concerned. We still have a very large unorganized market in this sector, and with newer players, larger players, organized players coming in, and a lot of improvement as far as the end customer demand for better quality products is concerned, this will all lead to much better acceleration as far as market share gains for organized players is concerned. Having said that, what we will also do internally is obviously we will double down on our execution. That is something which is a part of our Project Spring guidance. We have the experience of Project Leap with us. We know how to do the execution on the ground. Within Project Spring there are multiple areas of focus that we have chartered out for us. We are looking at capturing the various white spaces which are still there within the country. We are also working very deeply with our distributors to help them generate much more business. We will help them generate more leads so that they can reach more demand centers and can supply products to those geographies or to sectors where probably they are not as much present right now. On the institutional sales front, we are also setting up five different verticals through which we will be focusing on five different sectors which are generating demand and that will allow us to not lose a single opportunity as far as all those sectors are concerned. So, all of these are in place, and we expect that for larger players like us, with established brand, established product portfolio, we will continue to see very good demand and we expect to continue to gain market share much aligned with our Project Spring guidance.

**Vidit Trivedi:** Thanks a lot, sir. That was helpful. Any new product launches in the FMEG segment?

**Chirayu Upadhyaya:** No, we are not looking at any new product launches in the near future.

**Vidit Trivedi:** Thanks a lot, sir. That's it. All the best.

**Moderator:** Thank you. The next question is from the line of Shrinidhi Karlekar from HSBC. Please go ahead.

**S Karlekar:** Yes. Hi. Thank you for the opportunity. Chirayu, may I ask how much of your business in financial year '25 deal from RDSS related project both cable, supply as well as EPC?

**Chirayu Upadhyaya:** So, on the EPC front, you can assume largely the entire sales that we did for the year was from the RDSS project scheme related awards. Roughly, around 40% of the order value is the cable supply component. So that is the kind of cable sales part that we would have done through the RDSS orders.

**S Karlekar:** And are you seeing an incremental opportunity from RDSS-related project moderating? I am talking beyond FY26, I guess '26 you have order backlog already strong, but how should we think beyond '26?

- Chirayu Upadhyaya:** So, as of now, the RDSS scheme is up till FY26, and tenders for various projects under that scheme are continuously awarded. So, we are currently looking at that for the near future. We will have to wait and see if that scheme is extended by the government, and if it happens, obviously then we will participate in that scheme going ahead.
- S Karlekar:** Understood. And last one. I really want to understand your significantly superior margin profile. If you look at your close peers, it appears like you have at least 5% to 6% higher margins. So would it be possible to throw some light in terms of how would you attribute this superior margins to pricing, mix related scale, those factors and your own efficiencies?
- Chirayu Upadhyaya:** I am assuming you are referring to the entire cables and wires segment wise.
- S Karlekar:** So if I just look at your cables and wires margin versus #2 player, #3 player, #4 player, it appears you've five percentage point margin is higher and EBITDA, I want to understand how would you internally think is it how much is pricing led, how much is mix led there, how much is scale related, procurement, efficiencies, those kind of, how would you attribute that?
- Chirayu Upadhyaya:** It will be a mix of all the reasons that you've mentioned. Definitely, one of the reasons is the business mix that we have, cables versus wires and the margins that we make on those products. The pricing of our products is relatively higher as compared to the other players in the industry, about 2% to 3% on the cables side, about 4% to 5% on the wires side and that definitely helps as far as margin improvement is concerned. The other thing is even in our exports business, the margins that we make are relatively much superior as compared to what our peers make on their exports business. So that definitely helps. The other part is also the mix within the domestic cables. So HDC versus LDC cables – LDC cables is a better margin business, and we have a relatively better mix of our product sales within our domestic cable sales and that also helps us in terms of the relatively superior margin that we make in the cables and wires segment.
- S Karlekar:** Understood. This is really helpful. Thank you for answering my questions and all the best.
- Moderator:** Thank you. We will take that as the last question. I would now like to hand the conference over to the management for closing comments.
- Chirayu Upadhyaya:** Thanks a lot, everyone, for attending the call and thanks a lot for supporting us in our growth journey. We hope we will be working continuously together going ahead. At the Company level, we are very confident of the continued long-term growth, which is possible in this industry and the kind of growth that we are targeting for the Company, and we will be very happy if we will take this journey together. Thanks a lot and take care.
- Moderator:** On behalf of Polycab India Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.