

Date: October 19, 2026

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 October 15, 2026.

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 October 15, 2026.

Kindly take the same on your record.

Thanking you
Yours Faithfully

For **Polycab India Limited**

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GONSALVES

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“Polycab India Limited
Q2 FY27 Earnings Conference Call”
October 15, 2026



**MANAGEMENT: MR. NIKHIL JAISINGHANI – JOINT MANAGING
DIRECTOR – POLYCAB INDIA LIMITED**

**MR. NIYANT MARU – CHIEF FINANCIAL OFFICER –
POLYCAB INDIA LIMITED**

**MR. ADITYA NATHANY – HEAD, INVESTOR RELATIONS
– POLYCAB INDIA LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Polycab India Limited Q2 FY27 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note this conference is being recorded.

I now hand the conference over to Mr. Niyant Maru, Chief Financial Officer, Polycab India Limited. Thank you, and over to you, sir.

Niyant Maru: Thank you. A very good evening to everyone, and thank you for joining us. I hope all of you are staying healthy and gearing up for the upcoming festive season. On this call, we shall discuss the Q2 FY27 results, which were approved in the Board meeting held earlier today.

We will be referring to the earnings presentation, financial results, and financial statements, which are available on the stock exchanges as well as on the investor relations page of our website. Joining me today from the management team, we have our Joint Managing Director, Mr. Nikhil Jaisinghani; and Head of Investor Relations, Aditya Nathany.

Let me now hand over the call to Nikhil for his comments. Over to you, Nikhil.

Nikhil Jaisinghani: Thanks, Niyant. Good evening, everyone. As we conclude the first half of FY27, I am pleased to share that Polycab has delivered its highest ever quarterly and half-yearly revenue and profitability. This performance underscores the resilience of our operating model and the strength of disciplined execution across the organization.

The Wires and Cables business continues to deliver robust growth, supported by healthy demand trends, strong market positioning, and consistent execution. The FMEG segment continued to strengthen its growth trajectory and recorded its seventh consecutive profitable quarter.

Across the organization, we remain focused on execution excellence, translating strategic priorities into tangible outcomes while building a stronger foundation for sustainable long-term growth. Encouragingly, the initiatives under our strategic roadmap, Project Spring, are progressing in line with plan and are already beginning to yield meaningful results, reinforcing our confidence in both the strategy and our ability to execute it effectively.

As we look ahead, our priorities remain firmly anchored on sustaining growth momentum, further enhancing our competitive advantages, and investing in innovation, talent, and capabilities. With a strong foundation in place and clear strategic direction, we are well-positioned to capitalize on emerging opportunities and create enduring value for all our stakeholders.

With that, I would now like to hand over to Niyant.

Niyant Maru: Thank you, Nikhil. While the global macro environment remained volatile during the quarter, we continue to believe that India remains one of the most compelling structural growth stories globally.

Geopolitical tensions, elevated energy prices, higher global bond yields, and disruptions across certain international shipping routes have created near-term uncertainty across markets. However, India continues to navigate and grow, supported by strong domestic demand, healthy investment activity, accelerating infrastructure creation, and increasing manufacturing competitiveness.

The IMF, in its latest outlook, has raised India's growth outlook by 60 basis points despite higher global energy prices, citing stronger economic momentum, robust services activity, and sustained domestic demand. This confidence is reflected in the recent upward revisions to India's growth outlook by several other global agencies. Domestically, GDP growth for Q1 FY 2027 came in at 7.8%, underscoring the resilience of the economy despite an increasingly uncertain external backdrop.

Global monetary conditions remain tight as central banks continue to combat inflation, resulting in higher policy rates and bond yields across major economies. In India, the Monetary Policy Committee, MPC, unanimously raised the repo rate by 25 basis points to 5.5% and shifted the policy stance from neutral to calibrated tightening, implying interest rate cuts are not anticipated in the near term.

While the external environment remains challenging, India's strong domestic demand, robust banking system, and sustained infrastructure investment continue to underpin the economic resilience. What gives us confidence is the breadth of growth visible across the economy. GST collections continue to remain healthy, growing by 15% year-on-year.

In July, August, government capital expenditure remained significantly at higher levels, and bank credit growth continues to trend close to 15% to 20%. Power demand has remained robust, reflecting healthy activity across industrial, infrastructure, and commercial sectors.

The focus on infrastructure development continues, which is reflected in the government capex spend of INR 5.10 lakh crores during April to August 2026, implying an 18% year-on-year growth. The government has also approved another INR1.9 lakh crores of capital outlay for Green Corridor Phase 3, which includes evacuation of 135 gigawatts of renewable energy and deployment of battery energy storage systems.

All of this signals strong economic activity in India over the medium to long term. These structural growth drivers continue to reinforce the long-term opportunity outlined under the Project Spring.

While the near-term inflationary pressures are surfacing due to macroeconomic situations, both urban and rural demand continues to remain healthy, while government support measures are expected to aid broader consumption growth going forward. Importantly, India's revenue base remains predominantly domestic, which provides a degree of resilience in periods of global uncertainty.

Continuing on the momentum, the company delivered yet another remarkable quarter of strong performance, underpinned by healthy revenue growth and profitability. Our performance reflects

not only favorable demand conditions, but also the deliberate investments and strategic choices made over the past several years.

The Wires and Cables business continues the positive momentum, leveraging its market leadership and execution capabilities, while the FMEG business has outperformed the market across categories, supported by a growing product portfolio and a wider customer reach.

The progress we have achieved is underpinned by strong execution across our strategic priorities and continued investment in our growth platforms. We remain committed to operational excellence, disciplined capital deployment, and creating greater value for our stakeholders and customers across every touch point.

Looking ahead, we see significant opportunities across our markets. Our priority will be to accelerate our growth initiatives, strengthen our brands, deepen distribution, and build the innovation and talent ecosystem needed to support the next phase of expansion.

To sum up, our outlook remains unchanged. While commodity volatility, geopolitical developments, and logistics-related disruptions may continue to influence individual quarters, the structural drivers of the demand remain firmly intact and in place.

We remain focused on disciplined execution of our Project Spring strategy, strengthening our market leadership position, and investing behind the significant long-term opportunities emerging across infrastructure, energy transition, manufacturing, urbanization, and exports.

Now, we would like to update you with reference to the ongoing proceedings with respect to Asier Metals that we have filed an appeal before the Honorable National Company Law Appellate Tribunal, Principal Bench, New Delhi, and the Honorable NCLAT has stayed and kept in abeyance the order of admission in its entirety, including that of it being a commercial dispute of INR 2.79 crores to set aside the order of admission passed by NCLT and initiation of the Corporate Insolvency Resolution Process, CIRP, against the company.

The company had gone for an early hearing on October 15, which is today, and we are of reasonable opinion that we have argued well on the hearing and are reasonably confident and hopeful that we have a strong case with grounds on merits and the judgment will land in our favour.

We continue to monitor the situation and follow the due process as per law to get this resolved as quickly as possible. We do not expect any adverse or material impact on our financial or business operations arising from the said situation.

I would now hand over to Aditya to take you through the financial performance for the quarter.

Aditya Nathany:

Thank you, Niyant. For the quarter ended September 30, 2026, we delivered an exceptional performance reflecting the strength of our diversified business portfolio, disciplined execution and sustained demand across our end markets. Consolidated revenue grew by 53% year-on-year, with all business segments contributing meaningfully to this growth momentum.

The company continued to maintain a strong operational performance during the quarter. EBITDA increased by 39% year-on-year, while EBITDA margins expanded by more than 50 basis points sequentially to 14.4%, supported by a favourable business mix and continued focus on operational efficiencies.

Profitability remained robust, with profit after tax reaching a record high of INR 9,900 million, representing a 43% year-over-year increase. PAT margins stood at 10.0% for the quarter, reflecting healthy earnings growth and sustained margin resilience. Our financial position remains very strong.

Net cash stood at INR 45.2 billion as of September 30th, 2026, compared to INR 29.4 billion a year ago. We also witnessed further improvement in our working capital efficiency, with the average working capital cycle reducing to approximately 11 days in second quarter fiscal '27. This was aided by higher payable days arising from the increased use of letters of credit for our raw material procurement.

As these benefits gradually normalize, we expect the working capital cycle to trend towards our long-term operating range of 45 to 50 days. During the first half of the year, we incurred capital expenditures of INR 6.1 billion, reflecting our ongoing investments in capacity expansion, supply chain capabilities and future growth platforms.

On a half year basis, I am pleased to share that H1 FY27 marked the strongest first half performance in the company's history in terms of both top line and profitability. Revenue grew by 46% year-on-year, crossing a significant milestone of INR180 billion. EBITDA increased by 36% year-on-year, with margins remaining healthy at 14.1%, while profit after tax grew by 38% year-on-year, translating into PAT margins of 9.9%.

Let me now turn to Slide 6 and discuss the performance of our Wires and Cables business. The Wires and Cables segment delivered a strong quarter, recording 47% year-on-year revenue growth. Within this, the domestic Wires and Cables business grew by an impressive 50% year-on-year, driven by healthy demand conditions, strong channel execution and favourable commodity linked realizations.

We delivered a volume growth of mid-to high single-digit range on top of a strong base from the corresponding quarter last year, demonstrating the underlying strength of demand. Within the portfolio, wires continued to outpace cables in terms of growth.

Channel sales also grew faster than institutional sales, underscoring the resilience and effectiveness of our distribution-led model. From a regional perspective, the West remained our largest contributor, followed by the South, North and East, highlighting the broad-based nature of growth across markets.

Despite challenging geopolitical environment, exports picked up strongly during the quarter as sales grew 17% year-on-year and grew 85% quarter-on-quarter. While exports accounted for a relatively lower share of overall revenues, the moderation in contribution is largely attributable to the significant faster growth in the domestic market, which expanded the overall revenue base.

We continue to maintain a strong export order pipeline and remain confident about our long term growth prospects of this business.

EBIT margins in the Wires and Cables segment stood at 14.2%. Margins improved sequentially, supported by a favourable product mix and continued operational excellence initiatives. In line with our Project Spring roadmap, we remain confident of sustaining medium- to long-term EBITDA margins within our guided range of 11% to 13%.

Turning now to Slide 8 and our FMEG business. The FMEG segment delivered a breakthrough quarter, registering a remarkable 124% year-on-year growth with strong performance across all major product categories.

Notably, this marks the 11th consecutive quarter of industry leading growth, reflecting the effectiveness of our strategy, execution capabilities and strengthening market position. Solar products, which constitute the largest category within our FMEG portfolio, continue to be the primary growth driver, registering multi-fold growth during this quarter.

The segment continues to benefit from favourable structural tailwinds, including the PM Surya Ghar Yojana, various state level support programs, and accelerating consumer adoption of renewable energy solutions. We remain highly optimistic about the long term opportunity this category presents.

The broader FMEG portfolio comprising fans, lighting, switches, switchgear, conduits, pipes and fittings also delivered healthy growth. Performance was supported by sustained momentum in the real estate and construction sectors, alongside our focused efforts on product innovation, distribution expansion, and deeper customer engagement.

The segment also achieved a major profitability milestone, with EBIT margins crossing the double-digit mark for the first time and recording a 10.1% margin during the quarter. Since achieving profitability in Q4 FY25, the business has consistently strengthened its earning profile while continuing to invest in talent, product development, innovation, and brand-building initiatives.

Looking ahead, we remain highly confident about the long-term growth trajectory of the FMEG business. Our objective continues to be growing at 1.5x to 2x of the industry growth rate while steadily enhancing profitability. Investments in distribution reach, product innovation, category expansion, and brand equity will remain central to driving sustainable value creation.

Moving to Slide 10 and our EPC business. The EPC segment reported revenues of INR 6,171 million in Q2 FY27, representing a healthy year-on-year growth of 53%. Segment profitability remained strong at INR444 million, translating into an EBIT margin of 7.2%.

Over the medium- to long-term, we continue to expect sustainable margins for the EPC business to remain in the high single-digit range, supported by disciplined project selection, efficient execution, and a healthy order pipeline.

In closing, I would like to sincerely thank all our stakeholders for their unwavering trust and continued support. The performance delivered during the quarter reflects the strength of our business model, the commitment of our teams, and the success of our long-term strategic investments. As we look ahead, we remain focused on executing our growth priorities, enhancing operational excellence, and creating sustainable value for all our stakeholders.

With that, we conclude our prepared remarks and would be happy to take your questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Kevin Shah with Aditya Birla Money.

Kevin Shah: And congratulations on a great set of numbers. Firstly, on the FMEG margin. So if you see the 10.1% is already at the upper end of your projected targets. So could you highlight what are the key drivers behind it, and which of these segments are profitable? Is this solely contributed by the solar segment, and would you be looking to revise your Project Spring targets?

Aditya Nathany: Yes. Thank you, Kevin, for your question. For the FMEG margin question, I think there are few things that have worked for us in this quarter and probably the kind of initiatives that we have put together over the past few years, and those strategies are actually reaping benefits.

Now, definitely scale has increased in this quarter, and as I mentioned in my previous comments, all segments in the quarter have actually grown by multifold, right. Beating the industry growth rates.

So that's very much a positive sign for us that all the categories are firing at all cylinders with kind of the strategies that we are implementing. So that's the first part. I think the scale definitely plays an important part, and definitely the operating leverage from here.

The second part, I think, to answer to that margin expansion of up to 10.1%, is premium mix has also gone up in this quarter for various segments. Today, if you see, the fans mix is around 33% in the premium category and the lights also now reaching at 38%. So all of this is actually contributing to the margin growth.

And the other strategic thing that we have been doing in this segment for the past year or so is providing a more solution-driven approach for our portfolio. Today, as you see, as we've already mentioned previously in various calls, that the kind of strategy that we are putting together, especially in terms of the building verticals, these FMEG products are actually complementing to the way we are approaching the end customers.

So it's a kind of bouquet offering that we are doing, and it is reaping benefits for us. I think there's a scale. That is why you see the kind of margins that we have generated in FMEG. So all these strategies together is reaping benefits because if you see earlier also, our strategy was largely on pan-India basis, right.

Today, the strategy has moved for regional specific and given the kind of P&L strategy that we have for each. That is driving a lot of profitability. The availability of the products in the market has improved due to various strategic initiatives that we have implemented.

Our Polyratna plans that we have put together in the market is also complementing towards this. So I think all of this synthesized is getting us the results for FMEG. To answer your second question on the growth, I think when we started the Project Spring and we laid out our margin profile, I think it's for FY30.

So over the longer term, I believe we would end up in that kind of a range of 8% to 10% of the EBITDA margin. Today, we are already at an EBIT margin of 10.1%, which is very high. I would believe you would appreciate the kind of efforts that we have put together to get this segment turnaround in the way we have been seeing the results in this quarter.

Kevin Shah:

Understood. And just a follow-up on the margins. For the Wires and Cables margins also, there has been a significant increase there. So can we say that this is mainly led by the channel mix improvement? And what are the other drivers? And how much of it do you see it as sustainable given the potential increase in the competition in the distribution channel?

Aditya Nathany:

So Kevin, I think when you look at the margins overall, I think it's a confluence of four or five things that we have already highlighted in the previous calls. One definitely operating leverage has a play into it.

If you see our margins, overall margins have expanded around 90 basis points sequentially. So there is the operating leverage that is playing in this segment. Definitely, the business mix is playing an important part as well, wires have grown far more better than the cables, so that's a high accretive margin business for us.

Definitely channel has also been better than institutional. So these are four or five things that are very important, and if you see the kind of exports growth that we are also having, that is also sort of supporting to a certain extent.

So I think we are very much happy the way we have delivered, the kind of initiatives that we have put together, and it is visible in the results at the moment. And 14.4% overall margins, we have Wires and Cable at 14.2%, it is such a remarkable story, Kevin.

Kevin Shah:

Understood. And secondly, in terms of the new suppliers that are coming into the market. So do you what is the downside risk that you see to your Project Spring targets in terms of the growth as well as margins?

Aditya Nathany:

So Kevin, you need to understand that the guidance that we have provided is for FY30. So it's a CAGR approach that we have taken in terms of formulating these growth rates. So then you may see in some years you will find the margins have actually gone in the high single digits. Some years you may find it at a very high margins, in the double digits. I think we would like to be in that guidance range, I think, till FY30, and that's how we continue to maintain our stance of our guidance.

- Moderator:** The next question comes from the line of Sonali with Jefferies India.
- Sonali:** Congratulations on a very strong set of numbers. My first question is in cables and wires domestic, you have grown 50%, overall you have grown 47% revenues. What could be our volume growth? And what could be our value growth for that?
- Aditya Nathany:** Thanks, Sonali, for this question. I think in terms of the volume growth, as I alluded in my previous comments that cable and wires definitely has grown really strongly for us in this half as well. In terms of the volume growth, overall volumes have grown by mid to high-single digits.
- Breaking down into the cables and wires segment, I think wires have grown in early double-digit growth in terms of the volume, and cable has been in the mid-single digits. So that's the kind of breakdown that we have in terms of the volume.
- Sonali:** So that's a great number considering our base of last year was very strong...
- Aditya Nathany:** Yes. I mean thanks for highlighting that. I would like to reiterate the fact that last year, it was a very strong base. It was 18% volume growth, and cables have actually grown around 20%. So I think on top of it, we are growing at that kind of a growth. We are very much happy.
- Sonali:** Great. Sir my second question is regarding your commentary on the IBC hearing today. Sir, please correct me if I am wrong in my understanding, but today there was only arguments, right? So the final outcome is not yet out. So do we have a next hearing date?
- Niyant Maru:** Just to give, I think, a clarity, I think the entire case has been heard today, and now probably we have to wait for the actual order which has to come. So we will leave this matter here. We expect the order to be announced in whatever time I think it takes by them. Sooner the better.
- Sonali:** Understood. So no...
- Niyant Maru:** Is completed and the order is reserved.
- Sonali:** Understand. Sir any timeline or we will just leave it to the time that they require?
- Niyant Maru:** I would not like to hazard a guess on the timeline, but obviously, as a company, we would certainly do the best to see how fast we can get the order. Definitely it's something which we will be focusing on.
- Moderator:** The next question comes from the line of Umang Mehta with Kotak Securities.
- Umang Mehta:** Congrats on a strong quarter. My first question was again on margins. You have done 15% ballpark EBITDA margin in wires and cables in the first half. Now, I understand 11% to 13% is your long-term guidance. But from a second half or a more one-year perspective, how are you looking at profitability? And also, if you can share some comments on the new entrant and how are you approaching or maybe looking to defend our shares?

Aditya Nathany:

Yes. Thanks, Umang. I think, as I mentioned earlier, when you look into the margins, I think it's a confluence of four or five things that combine together. Your channel has to grow more than your institutional business, your wires have to grow more than your cables. Right And that's how the mix plays a part here.

And definitely, in this quarter, we are seeing some kind of an operating leverage that has come into play. You would also note the fact that copper prices have also been very high of late in this quarter as well. So that's also kind of helping us on an absolute basis. The values are on an absolute basis. So overall, I think we are happy with the kind of margins that we are generating.

Second half also looks very promising, and it's largely driven through the kind of demand that we're seeing right now. We are seeing healthy growth in the second half as well. And based on that, I think the kind of initiatives that we are putting together as a group in terms of each categories are reaping benefits for us.

So I think we will continue to operate at this level. We would be happy to operate at a higher end of the guidance that we've given. But as you know, Umang, there are different seasonalities, there are different periods of years where fluctuations will happen, and that is the reason why we stick to our long-term guidance for FY30.

Now coming to your question on the competition. UltraTech's entry, I believe that's the peer that you have been referring to. The entry into a particular category of wires market today is a very small portion of our overall business. If you see the overall cable and wires business, the market is roughly around INR 1.1 lakh crores.

And wires is roughly around 30% of that market. Even in that market, 30% to 35% is still unorganized. So there is enough room and the kind of growth that we're seeing in this segment, there is enough room for few players to come and take some pie of the share.

But however, we don't see any real competition in the near term, simply because that wires market is still very small part of our overall business, and the heat is on the ones who are wires heavy. We are any which ways operating at a very high margin. So I think if you look at the overall industry, the market is also going to grow in the next 2 to 3 years to around maybe INR 40,000 to INR 50,000 crores.

And with that, the kind of capex that UltraTech has put into this industry, the kind of revenue guidance that they have given close to around potential of around 6x to 7x, it looks elusive at the moment. But I think this again, is a very small part of the overall market.

So I think we will wait, and there is an execution play over here, and we definitely acknowledge the big house and its capability. We will continue to sort of closely watch our competition as we have always done.

And if you see-- just to highlight that over the past, every year, we have already gained market share around 1%, 1.5% every year. Last year only we gained 3 to 4 percentage points. So I think

we are doing the right things in the market. We are tapping the right places and products and that's how we are going to approach ahead as part of our Project Spring.

Umang Mehta: Understood. Just a follow-up. So fair to say there is no action in terms of pricing or anything from your end yet, right, in response to...

Aditya Nathany: Nothing as of now.

Umang Mehta: Sure, sure.

Aditya Nathany: We are moving ahead with our plan.

Umang Mehta: Sure, sure. Got it. And just one second one was on two growth markets. One was exports, any outlook from a full year growth perspective. And second one was on data centers. So OFC, there's a big opportunity there. So anything you are looking to do on that side?

Aditya Nathany: Yes. I think, Umang, good you had pointed out that, exports is a very untapped market for India per se. And it's a very important growth driver for us. It is doing exceptionally well for us. It is just that the geopolitical situation has dented some of the bookings for us, and obviously, there has been issues with the supply chain globally, where shipping lines have actually moved ahead 10 to 12 days.

So that's the kind of impact we are seeing. But if you look at our numbers, comparing with Quarter 1 and what we have achieved in Quarter 2, we have gained around 85% increase in our quarter-over-quarter growth.

We are pretty much confident that we have a very strong order book in place in big markets for us, U.S., Europe, LATAM, Asia, all are contributing significantly to us. And if you see last year, I think today we are at 94 countries.

Last year we added around 10 countries in our portfolio. So we have a very diversified base in terms of exports. So I think today, Chile, probably I would like to highlight that Chile was one of the countries that also contributed this time in our export revenue.

So last quarter, if you see Oman, Saudi had contributed significantly to our Middle East mix. So I think that's very encouraging to see that we are getting all kinds of demand from these economies and countries. So we are very happy with the kind of growth that we are seeing in exports, and we are very much confident that with the kind of order book pipeline that we are having, exports is certainly going to pick up from here.

And obviously, there is a risk element of Mr. Trump. But yes, I think we are very much confident on the growth prospects. Now, , coming up on the data center thing, I think if you see, I think data center definitely is a big market and a very big opportunity for everyone to crack, right.

As we have already highlighted, that we are working towards this segment as well. Our innovation R&D team continuously works to find the right product. And as you are aware, we are anyway supplying the conventional part of the data center.

Today, if you see, the market is around 1.6 gigawatts, 1.7 gigawatts of capacity in data center. Some reports have suggested it would go to 8 gigawatts to 10 gigawatts, some probably 15 gigawatts. So there are a lot of announcement that is happening, both in terms of the private and in terms of the government side as well. But we will need to see the kind of execution that will happen.

Yes, there are some pockets in the regions where private capex is getting added in different regions with 10 megawatts, 15 megawatts. But I think data center is a very big opportunity for us. So I think we firmly believe the kind of capabilities and the distribution network and the kind of product portfolio that we have, we will certainly be able to sort of capture that market sooner.

Moderator: The next question comes from the line of Ashish Kanodia with Citi.

Ashish Kanodia: The first question is on the full year volume growth. How should we think about it? Because, second half, especially if you look at the 3Q base, that's very high. So from a volume growth perspective, do you expect more like a mid- to high single-digit volume growth on a full year basis? And within that, most likely, 3Q could be slightly soft and then 4Q benefits because the base will also be lower?

Aditya Nathany: Yes. I think, Ashish, you are rightly pointed that Q3, definitely last year, last quarter, we had a very high base. Around 40%, 45% of growth that we registered in last year. So that base is going to be high in third quarter. But when you look into the volume growth, I think it's not right to look at it in a sequential basis.

What we have called out already, as an anchor to look into the volume growth, is that whatever the market grows, we will do 1.5x of that in cable and wires. Right? So if the market -- if you look at the GDP print recently, it's at 7.8% growth. If that kind of market continues, the wires and cables definitely is going to grow at around 12%, 13%, and we will do 1.5x of that.

So that's a long-term way of looking into the volumes. I think you should also look at more on a 10 to 12-month basis. I think quarter-to-quarter is not the right way to think about it. But if you look into the 12 months trailing basis, we still, I think, believe we are doing a reasonable volume growth over here.

Ashish Kanodia: Sure, Aditya. And second question on the EPC side of the business. I think last time you shared that overall, I think, for Bharat Net maybe INR800 crores to INR1,000 crores and maybe RDSS INR800 crores to INR1,000 crores execution this year. Just wanted to check, are we still working with the same number or do you think that execution might improve and we might do better than what we have guided earlier?

Aditya Nathany: I think, you see the nature of EPC business is like it's all milestone based, right. So we will continue to sort of getting orders in terms of the two projects that we are doing in terms of Bharat

Net and RDSS. So I think EPC remains in a similar order book profile. Roughly the order book, I would say it is close to around INR9,000 crores, INR10,000 crores.

Ashish Kanodia:

Got it. And just last one, between wires and cables, anything to highlight there? What led to wires kind of outpacing cables? Because from an underlying demand point of view, of course, you see more at a macro level, the demand drivers are much stronger for cables. So was it largely just because of maybe some inventory stocking at the channel level or was there any other reason why cables relatively grew slower than wires?

Aditya Nathany:

So Ashish, I think the growth is largely coming from the demand that we are getting from the different manufacturing and the other mobility side of the space as well. The real estate market continues to be strong. I mean, it's not slowed down to that extent. If you see today's year-over-year number in terms of the launches, it's still up 4% as per the latest numbers.

So today we are serving the real estate market demand of 2024. 3.8 lakh units were sold and launched during that time. A similar number we saw last year as well. So I think real estate market, which takes major chunk of our manufacturing end market, is reasonably strong.

And what happens is that you also should look into the fact that the government also is also putting a lot of initiatives and schemes in the manufacturing sector. If you see the 8th Pay Commission is yet to come. That is yet to sort of add another layer of demand towards that, because that's when the affordable housing picks up, and that historically has been the case.

So I think there's a lot of demand that is there in the real estate market as well. So wires are actually contributing to that side as well. And it is very difficult to quantify the end market for a cable and a wire business simply because I think some of the wires also act as an ancillary to the cable.

It also goes to various different industries. So I think overall demand remains very much healthy and strong, and that is the reason we are seeing these kind of numbers in our quarter.

Moderator:

The next question comes from the line of Achal Lohade with Nuvama Institutional Equities.

Achal Lohade:

Congratulations on excellent show. Two questions. First, with respect to the institutional segment, while obviously most of our sales are through the distribution channel, but are you seeing any delay in offtake given the substantial increase Q-o-Q we have seen in copper, aluminum prices? Has that been the case? How are you seeing the impact of the sharp decline in aluminum price in last 2 weeks?

Aditya Nathany:

No, I think, Achal, we are not seeing any significant movement with that respect because if you see, copper prices have only gone up 6% quarter-to-quarter. And aluminum has actually come down. So whenever that happens, there will be a restocking and a destocking event. Whenever these copper prices will increase, restocking will happen.

And usually what will happen is that we will pass it on to the end customer. For cables, we do it in a month, and for wires, we do it every fortnight. So that is the only play over here, and I think

we have not seen any significant pickup in the inventories or channel stocking as of now, because obviously copper price is still relatively at a higher level, but we are not seeing any meaningful deviation to what we are seeing in this quarter.

Achal Lohade: Got it. The second question, this is on the balance sheet, if you could clarify. We see a INR12.5 billion kind of line item in the cash flow statement. If you could explain the nature and if there is any one-off and this will get reversed in coming quarter?

Aditya Nathany: I think there is no one-off as such over there. These are just a part of the kind of the advance payment that we have made towards procurement of some of our inventories. So that is the kind of number you are seeing, the high number, INR1,200 crores roughly number that you're seeing in the cash flow statement. So nothing one-off over there.

Moderator: The next question comes from the line of Akshay with UBS.

Akshay: And congratulations on great set. Wanted to understand on the export side in terms of what kind of cables you're seeing broader acceptability globally from Indian cable manufacturers. And if you can distinguish this between LV, MV, and HV cables.

And secondly, on the revenue, like you alluded, H2 is also looking strong. So can we assume the quarterly revenue which you have achieved in quarter 2, the revenue run rate is sustainable, while next quarter maybe Y-o-Y volumes base will be high, but this revenue run rate is sustainable based on the trends you are looking on the ground right now?

Aditya Nathany: I think I will take the second part first. In terms of the revenue, obviously, the copper prices are at a level where you will always see that will eventually benefit us at our EBITDA level. So if copper price, nobody has a view on copper right now. There is a global deficit for sure, but we per se don't have a view on copper, and we never do that.

So whatever copper prices happen, the good part is that we are not exposed to the kind of volatility that this is. So everything, we just work on a cost-plus model. So if these copper prices continue to stay at this level, the only assumption or only conclusion I can give to you is that the demand is very strong, that's the reason it's getting absorbed in the market.

So if copper prices remain at a certain level, it's already up around 40%, 45% on an average throughout this first half of the year. If you see, the copper prices started to tend towards 10,000-12,000 from November or December last year. So there will be some point where the base will also get affected in that.

So I think we would not like to guide in terms of the revenue growth per se, but it's anyone's guess of how copper price is going to be. Sorry, what was your first part?

Akshay: Export, what kind of products you're seeing more acceptability in global market?

Aditya Nathany: So for exports, Akshay, I think we -- today we are doing all the conventional part of the cables that we do. These are all institutional-based business. So we are doing LV, HV, MVs as well.

So we are -- the volumes that we share is quite reasonable to the mixes towards that. I mean that's the only guide I can give to you because it is very difficult for us to guide that what will be the end market.

Today, taking U.S. as an example, we are working through our market representatives. So, there is a certain level of institutional demand play, and they have a strong holding into the end markets in the U.S. data centers, deep pockets, they have the demand.

So we will not probably, at the end of the day, will not be able to gauge where these cables are actually going. But there's a definite demand from data center and AI and energy transformation that is happening in the U.S. So these are the kind of cables that we are pushing towards our institutional business.

Moderator: The next question comes from the line of Ashish Jain with Macquarie.

Ashish Jain: So Aditya, my first question is on cable and wire margins. Like in the last 2, 3 quarters also, with such high copper prices, we have been able to maintain margins in 13%, 14% band. But long-term, we are still holding 11% to 13% range guidance. So is that largely on competitive intensity or there's something else there or are we just conservative here? How should we think about it?

Aditya Nathany: No, Ashish, as I alluded in my previous comments, we are not taking any initiatives as of now in terms of competition, per se. We don't need to do that. The only thing, I can sort of give you that whenever you think on the margins, I mean as I said, there's a confluence of four or five things in place.

There's a kind of a mix that plays into the fact every year you may see a mix getting changed. Last year, if you see, cables outpaced wire. Today, what we are seeing is that wires is outpacing cables. So that mix will keep changing and it will play with the margins as well.

Exports, if you see today, it's a very high margin business. Today, as a percentage of our overall revenues, it's still at 5%. Only previous quarter, last year it was around 6.5%. Because the domestic demand is high, you will see that number slightly lower optically.

But if you see a couple of years back, we did -- our export did actually contribute around 7% to 8%. These mix will keep changing and that's the reason why when we published our Project Spring targets, we did some simulation around it.

So if all things come together, definitely we'll see margins going to north of what we are seeing today. Today in this quarter also, there's a certain amount of operating leverage that we have got. Our business mix has improved. Channel has done better than institutional, and there's a certain level of premiumisation theme that is going, which is driving some part of it.

So I think all these things combined is getting us this kind of margins. But over the longer term, you will always have to look in the perspective that it will normalize to a certain level. So that's how we should think about it.

- Ashish Jain:** Okay. So an extension of that, in second half also, do you think wires could continue to grow faster than cables? Is that our base case expectation today based upon the trajectory we are seeing as we speak?
- Aditya Nathany:** I mean we would not like to give any guidance on that. We never share that kind of a guidance. We have to wait to see how demand shapes up in the next quarter or so. So these will keep changing, Ashish. So it's very difficult to say if cables is going to outpace wires in the next quarter or so. So I think that's not the right way to think at it.
- Today in the first half, definitely wires have done better than cables, but there's a lot of play around it. So I think we can't give you on record that on the kind of growth any segment that we see.
- Moderator:** The next question comes from the line of Rabindra Nath Nayak with Nirmal Bang Securities. Mr. Rabindra Nath, your line has been unmuted. Please go ahead with your question.
- Rabindra Nath Nayak:** Okay. Am I audible right now?
- Moderator:** Yes.
- Rabindra Nath Nayak:** My question regarding, you mentioned that what is the unorganized competition in unorganized market in the wire segment currently, household segment?
- Aditya Nathany:** So we don't -- Ravindra, we don't really share that kind of a breakdown as per...
- Rabindra Nath Nayak:** No, no, I'm asking the industry, unorganized market right now in the house wire...
- Aditya Nathany:** Wires market is roughly around 30%-35% of the overall pie. You can do the math.
- Rabindra Nath Nayak:** One pie?
- Aditya Nathany:** It's 30%-35% of the overall.
- Rabindra Nath Nayak:** Okay, 30%. Okay. So our share would be, house share would be 30%?
- Aditya Nathany:** Ravindra, we don't give a breakdown of our market share based on a segment. On a combined basis of cable and wire industry, even in the organized market, we have called out in our annual report that our market share is around 30% to 31%.
- Rabindra Nath Nayak:** Okay. No, that I agree. But I'm just talking about only the house wire segment, that's why I'm asking?
- Aditya Nathany:** Ravindra, we don't give segment breakdown.
- Moderator:** The next question comes from the line of Vedit Trivedi with Asian Markets Securities.

- Vidit Trivedi** Congratulations on great set of numbers. Most of the questions have been answered. Just wanted to check on the EHV side of the business. When can we expect it to be commissioned and when can we expect it to start contributing to the top line?
- Aditya Nathany:** Thanks, Vidit, for asking this question. So I would like to take this opportunity to sort of also let the investor community know that in terms of our EHV plant timelines, we are expecting the EHV plant to now commission somewhere in FY 2028, the next year, though, so FY28.
- Vidit Trivedi** And the contribution will start...
- Aditya Nathany:** Vidit, the reason is that -- the reason it may happen that the commissioning may start in April, it may start in May. So that's the reason why we are giving you the timeline of the next year of FY28.
- Vidit Trivedi** Got it. Thanks a lot. And just lastly, on the competition side. So we went out for a channel check out in the market. So the competitors' wires have started coming out in the market, and they have strategically positioned themselves at least 10% to 15% lower to all the existing players. So what are you picking up from the ground? What are the major areas they are supplying to? Just initial comment from that.
- Aditya Nathany:** So Vidit, I think you have your own channel checks and we have our own channel checks. And I think that kind of margin, what you are referring to probably is not in terms of Class 2 wires. I mean, that is the overall essence that I have. Your channel check is different to probably ours. We have a larger set of channel checks and distribution network. We are not seeing any sort of pricing correction right now.
- Moderator:** The next question comes from the line of Rahul Agarwal with Ikigai Asset.
- Rahul Agarwal:** Just a couple of questions. Firstly, on the solar business, which is part of the FMEG, just wanted to appreciate growth for this segment a bit better. Firstly, what is the type of products Polycab is doing on the solar rooftop side? If you just explain the nature of the product, what are the bought-out items and what are you manufacturing in-house?
- Second is, I understand that the sales exact mix is not available, which I understand, but as you said, its majority of it growth rate is coming from solar. Just some bit of sense on the order book or the revenue run rates going forward on solar will help us better appreciate what's happening with the appliance business, which is a fan, conduit pipes and switchgear business, and then the balance on the solar side. Just these two questions on solar side?
- Aditya Nathany:** So on the first question, first part of it, Rahul, is we are only doing inverters in the solar category. So that's largely a trading business for us, and that's the only category and the model that we have in our solar business, and it is growing multifold, to be honest. There is a very strong demand in the market, and we are getting this segment grow far more better in terms of the growth that we are seeing.

And that is also driving the overall FMEG business. Now to come to the second part of your question is that, as I alluded in my previous comments, all six categories in the FMEG business are actually growing significantly stronger today.

So it is not just one particular segment that is driving the results, but all the segments, including your lightings, your switchgears, your fans, your pipes and conduits, every category is beating the industry growth. So I think that's very much stronger, and that's the kind of turnaround that we have done in this business.

Rahul Agarwal: Just to follow up. On solar, which is included in FMEG, we are just doing bought outs for solar inverters. We are not actually getting into the solar panels or solar rooftop installations. Is that correct?

Aditya Nathany: Yes. As of now, we are not doing any manufacturing side of it. Whenever we believe that there is an opportunity out there, we would definitely not shy away to do that piece as well. But today, we are just doing inverters.

Rahul Agarwal: And if you could just give some guidance on how should we look at revenue run rates for this business?

Aditya Nathany: I think, Rahul, the kind of growth that we are seeing in FMEG, we are very much confident that we would love to do this kind of a level, and we are very much confident that this growth is further going to increase. It's a mix -- this segment's entire mix to our portfolio is certainly going to grow.

Rahul Agarwal: Got it. Just one question for Nikhil, if you could answer. On the copper sourcing side, I understand Polycab does 100% of imports on copper, and globally, we have been reading reports around copper supply-demand mismatches for various multiple reasons, where pricing, nobody really knows.

But in terms of your own sourcing plan, how would you think a bit more longer term, if you could share some thoughts around next three to five years. We continue to do 100% imports. Are we looking at domestic sources? And how could that impact industry growth in case copper is really short of supply into Indian markets for cable and wires? So any thoughts around that will really help?

Aditya Nathany: Yes, Rahul. So the only thing that I can sort of guide you towards the fact that today we are doing 100% of imported copper, and market dynamics suggest today that it's beneficial for us doing this. We never know how the mix is going to go in future. Nobody knows the sourcing part of it.

Today, if you are sourcing some plant from some part of the country and that country's shipping lines can disturb, obviously any business you would try to navigate through. Today, we are not seeing any such sort of arrangements. We are happy with the kind of arrangements today we have in terms of our copper sourcing. So today, everything is imported right now.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Niyant for closing comments.

Niyant Maru: Thank you everybody for the questions which you have raised, and I hope we have been able to give a proper answer. I would also like to wish all of you a very happy Diwali and a prosperous New Year coming ahead, and good luck for the season. Thank you.

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

Please note that this transcript has been edited for readability.