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Operator: Ladies and gentlemen, good day and welcome to the Polycab India Ltd. Q2 FY27 earnings conference call. As a reminder, all participant lines will be in 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 the operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Nieant Maru, Chief Financial Officer, Polycab India Ltd. Thank you, and over to you, sir.

Nieant Maru – Chief Financial Officer: 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 at 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 Natraj. Let me now hand over the call to Nikhil for his comments. Over to you, Nikhil.

Nikhil Jaisinghani – Joint Managing Director: Thank you, Nieant. 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 plans 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 a 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 Nieant.

Nieant Maru – Chief Financial Officer: 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.

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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 revision to India's growth outlook by several other global agencies. Domestically, GDP growth for Q1 FY27 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, or MPC, unanimously raised the repo rate by 25 basis points to 5.5% and shifted the policy stance from neutral to calibrated tightening, implying that 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 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 remains significantly higher, and bank credit growth continues to trend close to 15–20%. 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 {? 5.10 lakh crore ?} during April to August 2026, implying 18% year-on-year growth. The government has also approved another 1.9 lakh crore of capital outlay for Green Corridor Phase 2, which includes the evacuation of 135 gigawatts of renewable energy and the 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 Project Spring. While near-term inflationary pressures are surfacing due to macroeconomic situations, both urban and rural demand continue 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 this 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 continued its 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 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 touchpoint.

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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 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 proceeding with respect to Azure Metals. 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 the initiation of the Corporate Insolvency Resolution Process, or CIRP, against the company.

The company had gone for an early hearing on October 15, which is today, and we are of the reasonable opinion that we argued well at the hearing. We are reasonably confident and hopeful that we have a strong case on the merits and that the judgment may be in our favor. We continue to monitor the situation and follow 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 Natraj – Head of Investor Relations: Thank you.

Aditya Natraj – Head of Investor Relations: Thank you, {? Niant ?}, for the call. 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 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 favorable business mix and continued focus on operational efficiencies. Profitability remained robust, with profit after tax reaching a record high of Rs 9,900 million, representing a 43% year-over-year increase. PAT margins stood at 10% for the quarter, reflecting healthy earnings growth and sustained margin resilience.

Our financial position remains very strong. Net cash stood at 45.2 billion as of September 30, 2026, compared to Rs 29.4 billion a year ago. We also witnessed a further improvement in our working capital efficiency, with the average working capital cycle reducing to approximately 11 days in Q2 FY27. 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

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cycle to trend towards our long-term operating range of 45–50 days.

During the first half of the year, we incurred capital expenditure of Rs 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 marks 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 the significant milestone of Rs 180 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 favorable commodity-linked realizations.

We delivered volume growth in the 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 a challenging geopolitical environment, exports picked up strongly during the quarter, with sales growing 17% year-on-year and 85% quarter-on-quarter. While exports accounted for a relatively lower share of overall revenues, the moderation in contribution is largely attributable to significantly 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 the 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 favorable 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 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, continued to be the primary growth driver, registering multi-fold growth during this quarter. The segment continues to benefit from favorable structural headwinds, 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.

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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 earnings 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–2x 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 Rs 6,171 million in Q2 FY27, representing healthy year-on-year growth of 53%. Segment profitability remained strong at Rs 444 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.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use a handset while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question comes from the line of Kevin Shah with Aditya Birla Money. Please go ahead.

Kevin Shah – Aditya Birla Money: Hi, sir. Congratulations on a great set of numbers, and thank you for the opportunity. Firstly, on the FMEG margins, the 10.1% is already at the upper end of your Project Spring targets. Could you highlight the key drivers behind it, and which of these segments are profitable? Is it mainly contributed by the solar segment? Would you be looking to revise your Project Spring targets upwards?

Management: Thank you, Kevin, for your question. On the FMEG margin question, I think there are a few things that have worked for us in this quarter, as well as the kind of initiatives that we have put together over the past few years, and those strategies are now reaping benefits.

Scale has definitely increased in this quarter and, as I mentioned in my previous comments, all segments in the quarter have grown by multi-folds, beating the industry growth rate. That is a very

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positive sign for us, because all the categories are firing on all cylinders with the strategies that we are implementing. That is the first part.

I think scale definitely plays an important role, along with operating leverage from here. The second part, to answer your question about the margin expansion to 10.1%, is that the premium mix has also increased in this quarter across various segments. Today, if you look at the fans mix, around 33% is in the premium category, and the lights category has also now reached 38%. All of this is contributing to margin growth.

The other strategic initiative that we have been undertaking in this segment for the past year or so is providing a more solution-driven approach for our portfolio. As we have already mentioned previously on various calls, especially in terms of the building verticals, these FMEG products complement the way we are approaching the end customers. It is a bouquet offering that we are providing, and it is reaping benefits for us.

I think scale is why you see the kind of margins that we have generated in FMEG. All these strategies together are reaping benefits because, earlier, our strategy was largely on a pan-India basis. Today, the strategy has moved to be more region-specific. Given the kind of P&L strategy that we have for each segment, that is driving a lot of profitability.

The availability of products in the market has improved through various strategic initiatives that we have implemented. Our Polyrathna plans that we have put together in the market are also complementing this. I think all of this synthesized together is getting us these results in FMEG.

To answer your second question on growth, when we started Project Spring and laid out our margin profile, I think it was for FY30. Over the longer term, we believe we would end up in a range of 8% to 10% for EBITDA margins. Today, we are already at an EBIT margin of 10.1%, which is very high. I believe you would appreciate the kind of efforts that we have put together to turn around this segment in the way we are seeing the results in this quarter.

Kevin Shah – Aditya Birla Money: Understood. I have a follow-up on the margins for wires and cables. Margins have also increased significantly there. Can we say that this is mainly led by an improvement in channel mix, and what are the other factors? Is it sustainable given the potential increase in competition in the distribution channel?

Management: Kevin, when you look at the margins overall, I think it is a confluence of four or five things that we have already highlighted in previous calls. Operating leverage definitely plays a role. Our margins expanded by 50 basis points sequentially, so operating leverage is playing a role in this segment.

The business mix is also playing an important part. Our wires have grown much faster than cables, so wires are a highly accretive-margin business for us. The channel has also performed better than the institutional business, so these are four or five important factors. The growth we are seeing in exports is also supporting the business to a certain extent.

We are very happy with the way we have delivered and with the initiatives that we have put together, which are visible in the results at the moment. Overall margins are 14.4%, with wires and

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cables at 14.2%; it is a remarkable story, Kevin.

Kevin Shah – Aditya Birla Money: Understood. Secondly, in terms of the potential new top line coming into the market, what downside or risk do you see to your Project Spring targets, in terms of both growth and margins?

Management: Kevin, you need to understand that the guidance we have provided is for FY30. It is a CAGR approach that we have taken in formulating these growth rates.

Management: You may see that in some years the margins have moved into the high single digits, while in some years you may find much higher, double-digit margins. We would like to remain within that guidance range until FY30, and that is how we continue to maintain our guidance stance.

Kevin Shah – Aditya Birla Money: Understood. Thank you so much for the answers. I will fall back in the queue.

Operator: Thank you. Ladies and gentlemen, in order to ensure that management is able to answer questions from all participants, please limit your questions to two per participant. The next question comes from the line of Sonali with Jefferies India. Please go ahead.

Sonali – Jefferies India: Sir, thank you for the opportunity, and congratulations on a very strong set of numbers. My first question is on domestic cables and wires. You have grown 50% overall and 47% in revenues. Year-on-year, what could be our volume growth and what could be our value growth?

Management: Thanks, Sonali, for this question. In terms of volume growth, as I mentioned in my previous comments, cables and wires have performed very strongly for us in this half as well. Overall volume has grown in the mid-to-high single digits.

Breaking it down into the cables and wires segment, wires have grown in the early double-digit range in terms of volume, while cables have grown in the mid-single digits. That is the kind of breakdown we have in terms of volume.

Sonali – Jefferies India: That is a great number considering that our base last year was very strong.

Management: Thank you for highlighting that. I would like to reiterate the fact that last year was a very, very strong base. It was 18% volume growth, and cables actually grew by around 20%. On top of that, we are growing at this rate, and we are very happy with it.

Sonali – Jefferies India: Great. My second question is regarding your commentary on the IBC {? hearing ?} today. Please correct me if I am wrong in my understanding, but today there was only an argument, right? The final outcome is not yet out. Do we have a next hearing date?

Management: Just to provide clarity, the entire case has been heard today, and now we probably have to wait for the actual order to be issued.

Sonali – Jefferies India: {? [inaudible] ?}

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Management: We will leave this matter here. We expect the order to be announced in whatever time it takes them. The sooner, the better.

Sonali – Jefferies India: Understood. So no {? completed ?}, and the order is...

Management: ...reserved.

Sonali – Jefferies India: Understood. Is there any timeline, or will we just leave it to the time they require?

Management: I would not like to hazard a guess on the timeline, but obviously, as a company, we will certainly do our best to see how quickly we can get the order. It is definitely something we will be focusing on.

Sonali – Jefferies India: Absolutely, sir. Very clear. Thank you for the replies, and I wish you all the best for the festive season ahead as well.

Management: Same to you. Thank you.

Operator: The next question comes from the line of Umang Mehta with Kotak Securities. Please go ahead.

Umang Mehta – Kotak Securities: Hi, thanks for the opportunity, and congratulations on a strong quarter. My first question is again on margins. You have delivered an approximately 15% EBITDA margin in wires and cables in the first half. I understand that 11% to 13% is your long-term guidance, but from a second-half or one-year perspective, how are you looking at profitability? Also, could you share some comments on the new entrant and how you are approaching or looking to defend our shares?

Management: Sure. Thanks, Umang. As I mentioned earlier, when you look at margins, there is a confluence of four or five things that combine together. Your channel has to grow more than your institutional business, and your wires have to grow more than your cables. That is how the mix plays a part here.

In this quarter, we have seen operating leverage come into play. You would also note that copper prices have been very high of late in this quarter. That is also helping us obtain higher values on an absolute basis. The value is on an absolute basis.

Overall, we are happy with the margins we are generating. The second half also looks very promising, and it is largely driven by the kind of demand that we are seeing right now. We are seeing healthy growth in the second half as well. Based on that, the initiatives that we are putting together as a group for each category are reaping benefits for us.

We will continue to operate at this level. We would be happy to operate at the higher end of the guidance we have given, but, as you know, Umang, there are different seasonalities and different periods of the year when fluctuations will happen. That is why we stick to our long-term guidance for FY30.

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Now, coming to your question on competition, I believe you are referring to UltraTech's entry. Entry into a particular category of the wires market is a very small portion of our overall business. If you look at the overall cables and wires business, the market is roughly around 1.1 lakh crore, and wires represent roughly 30% of that market. Even in that market, 30–35% is still unorganized.

There is enough room, and given the kind of growth we are seeing in this segment, there is enough room for a few players to enter and take some share. However, we do not see any real competition in the near term, simply because the wires market is still a very small part of our overall business. The impact is primarily on players that are wires-heavy.

For us, we are already operating at very high margins. If you look at the overall industry, the market is also expected to grow over the next 2–3 years to around 40,000–50,000 crore. With that, considering the capex that UltraTech has put into this industry and the revenue guidance they have given, with potential of around 6–7x, it looks elusive at the moment. However, that is again a very small part of the overall market.

We will wait and watch. There is an execution element here. We definitely acknowledge the capabilities of this large group. We will continue to closely monitor our competition, as we have always done.

Just to highlight, over the past several years we have gained market share of around 1–1.5% every year. Last year alone, we gained 3–4 percentage points. We are doing the right things in the markets, tapping the right spaces, and that is how we are going to approach this as part of Project Spring.

Umang Mehta – Kotak Securities: Understood. Just to follow up, is it fair to say that there has been no action in terms of pricing or anything from your end yet in response to this?

Management: Not as of now. We are moving ahead with our plans.

Umang Mehta – Kotak Securities: Understood. My second question is on two growth markets. One is exports: what is the outlook from a full-year growth perspective? The second is data centers. There is a big opportunity there. Is there anything you are looking to do on that side?

Management: It is good that you pointed out that exports are a largely untapped market for India. It is a very important growth driver for us, and it is performing exceptionally well. The geopolitical situation has dented some of our bookings, and there have also been global supply chain issues where shipping lines have moved out by 10–12 days. That is the kind of impact we are seeing.

However, if you look at our numbers, comparing Q1 with what we achieved in Q2, we gained around 25% in quarter-on-quarter growth. We are quite confident that we have a very strong order book in place.

The United States, Europe, Latin America, and Asia are all contributing significantly to us. Today, we are present in 94 countries. Last year, we added around 10 countries to our portfolio. We have a very diversified base in terms of exports.

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I would like to highlight that Chile was one of the countries that also contributed to our export revenue this time. Last quarter, Oman and Saudi Arabia contributed significantly to our Middle East mix. It is very encouraging to see that we are receiving all kinds of demand from these economies and countries. We are very happy with the kind of growth we are seeing in exports, and we are confident that, with the pipeline and order book we have, exports will certainly pick up from here.

Obviously, there is a risk element relating to Mr. Trump, but we remain very confident about the growth prospects.

Coming to the data center opportunity, data centers are definitely a large market and a significant opportunity for everyone to address. We have already highlighted that we are working towards this segment as well. Our innovation and R&D team continuously works to identify the right products.

As you are aware, we are already supplying the conventional part of data centers. Today, the market has around 1.6–1.7 gigawatts of data center capacity. Some reports have suggested that it could increase to 8–10 gigawatts, and some suggest it could reach 15 gigawatts. There are many announcements taking place, both from the private sector and the government. However, we will need to see how the execution progresses.

There are some regional pockets where private capex is being added, with projects of 10 megawatts and 50 megawatts in different regions. Data centers are a very large opportunity for us. We firmly believe that, given our capabilities, distribution network, and product portfolio, we will certainly be able to capture that market in {? near ?}.

Umang Mehta – Kotak Securities: Thank you so much, and all the best.

Management: Thank you.

Operator: The next question comes from the line of Ashish Kanodia with Citi. Please go ahead.

Ashish Kanodia – Citi: Thank you for the opportunity. My first question is on full-year volume growth. How should we think about it? The second half, especially Q3, has a very high base. From a volume growth perspective, do you expect mid-to-high single-digit volume growth on a full-year basis, with Q3 potentially being slightly soft and Q4 benefiting because the base will also be lower?

Management: Ashish, you have rightly pointed out that Q3 had a high base last year. We registered around 40–45% growth last year, so the base will be high in Q3. However, when you look at volume growth, it is not appropriate to look at it sequentially.

What we have already called out as an anchor for evaluating volume growth is that whatever growth the market achieves, we will achieve 1.5x that growth in cables and wires. If you look at recent GDP trends, growth is 7.8%. If that kind of market continues, wires and cables will definitely grow at around 12–13%, and we will grow at 1.5x that rate.

That is the long-term way of looking at volumes. You should also look at it over a 10–12-month basis. Quarter-to-quarter is not the right way to think about it. If you look at the trailing 12-month basis, we still believe we are achieving reasonable value and volume growth.

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Ashish Kanodia – Citi: Sure, {? Aditya ?}. My second question is on the EPC side of the business. Last time, you shared that, overall, BharatNet could be 800–1,000 crore and RDSS could be 800–1,000 crore of execution this year. Are we still working with the same numbers, or do you think execution might improve and we might do better than what we guided earlier?

Management: The nature of the EPC business is milestone-based. We will continue to receive orders in relation to the two projects we are executing, BharatNet and RDSS. EPC remains at a similar order book profile. Roughly, the order book is close to 9,000–10,000 crore.

Ashish Kanodia – Citi: Understood. My last question is on wires and cables. Is there anything to highlight about what led to wires outpacing cables? From an underlying demand perspective, the macro-level demand drivers appear stronger for cables. Was it largely due to inventory stocking at the channel level, or was there any other reason why cables grew relatively slower than wires?

Management: Ashish, the growth is largely coming from the demand we are receiving from different manufacturing segments and, as you are aware, from the mobility side as well. The real estate market continues to be strong and has not slowed down to that extent.

Today's year-over-year number in terms of launches is still up 4%, as per the latest numbers. We are serving the real estate market demand of 2024 today. During that period, 3.8 lakh units were sold and launched. We saw a similar number last year as well. The real estate market, which takes a major share of our...

Aditya: ...manufacturing end market is reasonably strong. What also needs to be considered is that the government is putting many initiatives and schemes in place for the manufacturing sector. The 8th Pay Commission is yet to come, and that is yet to add another layer of demand because that is when affordable housing picks up, as has historically been the case.

There is a lot of demand in the real estate market as well, and wires are contributing to that side. It is very difficult to quantify the end market for a cable and wire business, simply because some wires also act as an ancillary to cables. Wires also go through various different industries.

Overall demand remains very healthy and strong, and that is the reason we are seeing these numbers in our bottom line.

Ashish Kanodia – Citi: That is helpful. Thank you, and all the best.

Aditya: Thank you.

Operator: The next question comes from the line of Achal Lohade with Nuvama Institutional Equities. Please go ahead.

Achal Lohade – Nuvama Institutional Equities: Good evening. Thank you for the opportunity, and congratulations on an excellent performance. I have two questions. First, with respect to the institutional segment, while most of our sales are through the distribution channel, are you seeing any delay in offtake given the substantial quarter-on-quarter increase we have seen in copper and aluminum prices? Has that been the case, and how are you seeing the impact of the sharp decline in aluminum prices over the last two weeks?

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Aditya: No, Achal, we are not seeing any significant movement in that respect. Copper prices have increased only 6% quarter-on-quarter, and aluminum has actually declined. Whenever that happens, there will be a restocking or destocking event. Whenever copper prices increase, restocking will happen, and usually we pass the increase on to the end customer.

For cables, we do this monthly, and for wires, we do it every fortnight. That is the only dynamic at play here. We have not seen any significant pickup in inventories or channel stocking as of now. Obviously, copper prices are still at a relatively high level, but we are not seeing any meaningful deviation from what we saw in this quarter.

Achal Lohade – Nuvama Institutional Equities: Understood. The second question is on the balance sheet. We see a line item of approximately 12.5 billion in the cash flow statement. Could you explain its nature and whether it is a one-off that will reverse in the coming quarter?

Aditya: I do not think there is any one-off as such. These are simply advance payments we have made towards the procurement of some of our inventories. That is why you are seeing the high number, approximately 1,200 crores, in the cash flow statement. There is nothing one-off there.

Achal Lohade – Nuvama Institutional Equities: Understood. Thank you. I will fall back in the queue.

Aditya: Thank you.

Operator: The next question comes from the line of Akshay with UBS. Please go ahead.

Akshay – UBS: Thank you for the opportunity, and congratulations on a great quarter. I wanted to understand, on the export side, what kind of cables are seeing broader acceptability globally from Indian cable manufacturers. Could you distinguish this between LV, MV, and HV cables?

Secondly, on revenue, as you mentioned, H2 is also looking strong. Can we assume that the quarterly revenue achieved in Q2 represents a sustainable revenue run rate? The next quarter may have high year-on-year volumes, but is this revenue run rate sustainable based on the trends you are seeing on the ground right now?

Aditya: I will take the second part first. In terms of revenue, copper prices are at a level where you will always see an eventual benefit at the EBITDA level. Nobody has a view on copper right now. There is certainly a global deficit, but we do not have a view on copper, and we never take one.

Whatever happens to copper prices, the good part is that we are not exposed to the volatility we see. We work on a cost-plus model. If copper prices continue to stay at this level, the only assumption or conclusion I can give you is that demand is very strong. That is why these prices are being absorbed in the market.

Copper prices are already up around 40–45% on average throughout the first half of the year. If this continues, there will eventually be a point at which the base will also be absorbed. Copper prices started trending towards 10,000–12,000 from November–December last year. Therefore, we would not like to guide on revenue growth per se. It is anyone's guess how copper prices will move. Sorry, what was the first part?

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Akshay – UBS: Exports. What kind of products are seeing greater acceptability in the global market?

Aditya: For exports, Akshay, we are currently doing all the conventional cable products that we manufacture. These are all {? insti-base ?} businesses. We are doing LV, HV, and MV cables as well. The volumes we are sharing are quite reasonable, and the mix is oriented towards these products. That is the only guidance I can give because it is very difficult for us to guide where the end market will be.

Taking the United States as an example, we work through our market representatives. There is a certain level of institutional demand, and they have a strong presence in the end markets in the US. They have deep pockets and demand. At the end of the day, we may not be able to determine precisely where these cables are going, but there is definite demand from data centers, AI, and the energy transformation taking place in the US.

These are the kinds of cables we are supplying through our institutional business.

Akshay – UBS: Understood. Thank you.

Operator: The next question comes from the line of Ashish Jain with Macquarie. Please go ahead.

Ashish Jain – Macquarie: Good evening. My first question is on cable and wire margins. In the last 2–3 quarters, even with such high copper prices, we have been able to maintain margins in the 13–14% band, but we are still holding to the long-term guidance range of 11% to 13%. Is that largely due to competitive intensity, is there something else, or are we simply being conservative? How should we think about it?

Aditya: Ashish, as I mentioned in my previous comments, we are not taking any initiatives as of now specifically in response to competition. We do not need to do that. The only guidance I can give you is that, whenever you think about margins, there is a confluence of four or five factors at play.

The mix plays a role, and the mix can change every year. Last year, cables outpaced wires. Today, wires are outpacing cables. That mix will keep changing, and it will also affect margins.

Exports are a very high-margin business today. As a percentage of our overall revenue, exports are still at 5%. In the previous quarter last year, the figure was around 6.5%. Because domestic demand is high, you will see that number appear optically lower. A couple of years ago, exports contributed around 7–8%.

These mixes will keep changing, and that is why, when we published our Project Spring targets, we ran certain simulations around them. If all things come together, you will definitely see margins moving north of what we are seeing today.

In this quarter, we also received a certain amount of operating leverage. Our business mix has improved. The channel has performed better than the institutional business, and there is a certain level of premiumization taking place, which is driving part of the improvement.

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All these factors combined are giving us these margins. Over the longer term, however, you will always have to view this in the context that margins will normalize to a certain level. That is how you should think about it.

Ashish Jain – Macquarie: As an extension of that, do you think wires could continue to grow faster than cables in the second half? Is that our base-case expectation today based on the trajectory we are seeing?

Aditya: We would not like to give any guidance on that. We have never shared that kind of guidance. We have to wait and see how demand shapes up in the next quarter or so. These factors will keep changing, Ashish, so it is very difficult to say whether cables will outpace wires in the next quarter.

The right way to think about it is not to make such a prediction. In the first half, wires have definitely performed better than cables, but there is a lot of movement around this. We cannot state on record the kind of growth we will see in any particular segment.

Ashish Jain – Macquarie: Understood. Thank you so much.

Operator: The next question comes from the line of Rabindranath Nayak with Nirmal Bang Securities. Please go ahead.

Rabindranath Nayak – Nirmal Bang Securities: Am I audible right now?

Aditya: Yes.

Operator: Yes.

Rabindranath Nayak – Nirmal Bang Securities: Thank you very much, Aditya. My question is regarding the unorganized competition. You mentioned the unorganized market in the wire segment. What is the current unorganized market share in the housewire segment?

Aditya: Rabindra, we do not really share that kind of breakdown.

Rabindranath Nayak – Nirmal Bang Securities: No, I am asking about the industry and the current unorganized market in housewires.

Aditya: The wires market is roughly 30% of the overall pie. You can do the math.

Rabindranath Nayak – Nirmal Bang Securities: 1.5?

Aditya: It is 30%. It is 30% of the overall pie.

Rabindranath Nayak – Nirmal Bang Securities: Okay, 30%. So our share in housewires would be 30% in terms of revenue?

Aditya: Rabindra, we do not provide a breakdown of our market share by segment. On a combined basis for the cable and wires industry, we have stated in our annual report that our market share in the organized market is around 13–14%.

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Rabindranath Nayak – Nirmal Bang Securities: I agree, but I am asking only about the housewire segment.

Aditya: Rabindra, we do not provide that information.

Rabindranath Nayak – Nirmal Bang Securities: Okay, no problem. Thank you very much. Thank you, and all the best.

Aditya: Thank you.

Operator: The next question comes from the line of Vidit Trivedi with Asian Market Securities. Please go ahead.

Vidit Trivedi – Asian Market Securities: Thank you for the opportunity, and congratulations on a great set of numbers. Most of the questions have been answered. I 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: Vidit, thank you for asking this question. I would like to take this opportunity to inform the investor community that, in terms of the timelines for our EHV plant, we now expect the EHV plant to be commissioned sometime in FY28, the next year.

Vidit Trivedi – Asian Market Securities: And when will the contribution start?

Aditya: The reason is that commissioning may start in April or it may start in May. That is why we are giving you the timeline of the next fiscal year, FY28.

Vidit Trivedi – Asian Market Securities: Understood. Thanks a lot. Lastly, on the competition side, we conducted a channel check in the market. Competitors' wires have started entering the market, and they have strategically positioned themselves at least 10-15% below all the existing players. What are you picking up from the ground? What are the major areas they are supplying to? Just some initial comments on that.

Aditya: Vidit, I think you have your own channel checks, and we have our own channel checks. The kind of margin you are referring to is probably not applicable to Polycab wires. That is the overall essence of what I have understood. Your channel check is different from ours. We have a larger set of channel checks and a broader distribution network, and we are not seeing any pricing correction at present.

Vidit Trivedi – Asian Market Securities: Understood. That is very helpful. Thanks a lot, and all the best.

Aditya: Thank you.

Operator: The next question comes from the line of Rahul Agarwal with Ikigai Asset. Please go ahead.

Rahul Agarwal – Ikigai Asset: Thank you very much. Good evening. I have a couple of questions. Firstly, on the solar business, which is part of FMEG, I wanted to understand the growth for this

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segment a little better.

What type of products is Polycab offering on the solar rooftop side? Could you explain the nature of the products, which items are purchased from outside, and what you manufacture in-house?

Secondly, I understand that the exact mix is not available, but as you said, the majority of the growth is coming from solar. Some sense of the order book or revenue run rates going forward for solar would help us better understand what is happening with the appliance business, comprising fans, conduit pipes, and switchgear, and what is happening with the balance of the solar business. These are the two questions on the solar side.

Aditya: On the first question, Rahul, we are only doing inverters in the solar category. That is largely a trading business...

Management: ...for us, and this is the only category and model that we have in our solar business. It is growing multi-fold, to be honest. There is very strong demand in the market, and this segment is growing much faster in terms of the growth we are seeing. It is also driving the overall FMEG business.

Coming to the second part of your question, as I mentioned in my previous comments, all six categories in the FMEG business are growing significantly stronger today. It is not just one particular segment driving the results. All the segments, including lighting, switchgear, fans, pipes, and conduits, are growing, with every category beating industry growth. That is a very strong performance and reflects the kind of turnaround we have achieved in this business.

Rahul Agarwal – Ikigai Asset: As a follow-up, on solar, which is included in FMEG, we are only buying out solar inverters and are not actually entering solar panels or solar rooftop installations. Is that correct?

Management: Yes, as of now, we are not doing any manufacturing in that area. Whenever we believe there is an opportunity, we will definitely not shy away from pursuing that piece as well. Today, however, we are only doing inverters.

Rahul Agarwal – Ikigai Asset: Could you provide some guidance on how we should look at the revenue run rates for this business?

Management: Rahul, considering the kind of growth we are seeing in FMEG, we are very confident that we would like to maintain this level, and we are also very confident that this growth will increase further. The mix of this segment in our overall portfolio is certainly going to grow.

Rahul Agarwal – Ikigai Asset: Understood. I have one question for Nikhil. On the copper sourcing side, I understand that Polycab imports 100% of its copper. Globally, we have been reading reports about copper supply-demand mismatches for various reasons. Nobody really knows the pricing outlook, but in terms of your sourcing plan, how should we think about this over the longer term? Could you share some thoughts for the next 3–5 years?

We currently import 100% of our copper. Are we looking at domestic sources, and how could that impact industry growth if copper is genuinely in short supply in Indian markets for cables and wires?

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Any thoughts on that would be helpful.

Nikhil: Rahul, the only guidance I can give you is that today we source 100% of our copper through imports, and current market dynamics suggest that this is beneficial for us. We do not know how the mix will evolve in the future, and nobody knows how the sourcing situation will develop.

If you are sourcing from a plant in a particular part of the country and the shipping lines of that country are disrupted, then obviously any business would try to navigate through the situation. Today, we are not seeing any need for such arrangements. We are happy with the arrangements we currently have for copper sourcing. At present, everything is imported.

Rahul Agarwal – Ikigai Asset: Understood. Thank you so much, all the best, and I wish the team a happy Diwali. Thank you.

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

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

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

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.