

5 August 2025

Corporate Relationship Department  
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Exchange Plaza, Plot No. C-1,  
Block G, Bandra – Kurla Complex,  
Bandra (East), Mumbai – 400 051

**Script Code: 543981**

**Symbol: RRKABEL**

**Sub.: Submission of Transcript of Earnings Conference Call held on 1 August 2025.**

Dear Sir/Madam,

Pursuant to Regulations 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earnings Conference Call held on 1 August 2025 in relation to the financial results of the Company for the quarter ended on 30 June 2025.

We request you to take the above on record.

Thanking you,

Yours faithfully,  
**For R R KABEL LIMITED**

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

Encl.: as above



“R R Kabel Limited  
Q1 FY26 Earnings Conference Call”  
August 01, 2025



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

**MODERATOR:** **MS. DARSHNI DESAI – MUFG INTIME – INVESTOR  
RELATION**

**Moderator:** Ladies and gentlemen, good day and welcome to R R Kabel Limited Q1 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand over the conference to Ms. Darshni Desai from MUFG Intime, the Investor Relations. Thank you and over to you, ma'am.

**Darshni Desai:** Thank you. Good afternoon, everyone and I extend a very warm welcome to all participants on Q1 FY '26 Earnings Conference Call of R R Kabel Limited. Today on this call, we have Mr. Mahendrakumar Kabra, Managing Director and Mr. Rajesh Jain, Chief Financial Officer. Before we begin this call I would like to give a short disclaimer. This call may contain some forward-looking statements, which are completely based upon our beliefs, opinions and expectations as of today. These statements are not guarantees of our future performance and involve unforeseen risks and uncertainties.

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

**Mahendrakumar Kabra:** I, Mahendrakumar Kabra, on behalf of R R Kabel Limited, I extend a warm welcome to all of you joining us for our Q1 FY '26 financial results discussion call. I am pleased to be joined today by our CFO, Mr. Rajesh Jain. It is an honor to address you for the first time in my new role as Managing Director of R R Kabel Limited. I would like to express my sincere gratitude to the Board of Directors and our leadership team for placing their trust in me.

RR Kabel has built a strong legacy of innovation, resilience and performance and I am humbled to have the opportunity to lead the company into the next phase of growth. We are pleased to report that Q1 has been a strong start to the new fiscal year marked by broad-based growth and operational resilience.

Our business continued to benefit from sustained demand across key sectors especially driven by infrastructure expansion, housing construction and increased electrification efforts nationwide. These developments created a robust environment for wires and cables and RR Kabel has responded with agility and focus. The domestic market saw steady momentum with deeper penetration in semi-urban and rural regions.

On the international front, our export business continues to scale steadily underlining our growing global relevance and competitiveness. We have enhanced supply chain efficiency and maintained product reliability despite underlying commodity pressure, all while aligning with strategic pricing and procurement practices.

Above all, what makes this quarter truly encouraging is the consistency across metrics not just in top line growth, but across every element of our financial and strategic metrics. This reflects our continued investment in automation, optimized production planning, operational efficiency

and execution. We approach the future with confidence and a clear road map for sustained growth and leadership in our industry. Thank you for your continued trust and support.

With this, I'd like to hand over the call to Mr. Rajesh Jain to take this call further. Thank you, everyone.

**Rajesh Jain:**

Thanks, Mahendra ji. India continues to shine as one of the fastest growing major economies. The momentum is being driven by strong consumer demand, accelerating infrastructure development and supportive government policies. These factors have created a favorable environment for industrial growth and RR Kabel is proud to be contributing to and growing alongside this progress.

I am pleased to report that we have delivered a strong performance across all areas of our business in Q1. Our distribution network has expanded further in Tier 2 and Tier 3 cities, which has helped us to increase our market presence and improve brand visibility in these regions. International market continued to shine with our focused efforts in Europe and Middle East delivering encouraging results.

Despite fluctuation in commodity prices, there has been marginal improvement in the margins on Y-o-Y basis supported by strong purchase strategy, effective production planning, supply chain management and efficient operations. Revenue from operations stood at INR2,058.6 crores in Q1 FY '26 representing a solid 13.9% year-on-year growth from INR1,808.1 crores in Q1 FY '25.

This growth reflects healthy demand across our core product categories and increased traction in both domestic and export markets. While there was a modest sequential decline compared to Q4 FY '25, this is largely attributable to seasonal trends and inventory normalization across channels. Our EBITDA for the quarter rose sharply to INR143.1 crores, up 50% from INR95.4 crores in the same quarter last year reflecting improved operating leverage and better cost absorption.

The EBITDA margin also expanded to 7% compared to 5.3% in Q1 FY '25 driven by efficiency gains and prudent cost controls. On the bottom line, profit after tax stood at INR89.8 crores registering a significant 39.4% growth from INR64.4 crores in the corresponding quarter of the previous fiscal. This strong PAT performance underscores our continued focus on profitability and disciplined capital allocation.

In terms of business segment, the wire and cable segment posted revenue of INR1,833.5 crores in Q1 FY '26, up 16.2% from INR1,578.1 crores in Q1 FY '25. The segment profit also rose to INR139.1 crores compared to INR113 crores in the same period last year. This performance was supported by modest volume growth and better realization. Geographically, domestic revenue grew mainly due to wire business while cable remained subdued due to spill over impact.

The FMEG segment narrowed its segmental loss to INR7.1 crores from INR20.7 crores in Q1 FY '25 even though the revenue declined marginally to INR225.1 crores from INR230 crores on

Y-o-Y basis showing signs of recovery despite Q-o-Q softness. Fan segment has underplayed due to early monsoon having a tad impact on overall revenue. We remain optimistic about this segment as distribution channels strengthen and product mix improves.

We remain focused on building a responsible and future-ready business. The market outlook for the wire and cable sector is highly positive with projected industry growth expected to outpace GDP. We believe RR Kabel is well positioned to capitalize on this opportunity. Structural reforms and government initiatives around electrification, smart cities and renewable energy are providing strong long-term demand drivers.

Looking ahead, our focus remains on strengthening our brand and making it a household name across the country. We aim to expand our product offerings to better serve industrial, residential and commercial clients while continuing to grow our international presence and deliver on key projects. Thank you for your continued support and we remain confident in our ability to deliver sustained value and leadership across the industry in the quarters to come.

With this, I would request to open the floor for questions and answers.

- Moderator:** Thank you very much. We will now begin with the question and answer session. The first question is from the line of Vidit Trivedi from Asian Market Securities.
- Vidit Trivedi:** Congratulations on great set of numbers. First of all, Mahendra ji, congratulations on the elevation and all the best to you, sir. My first question is on the volume front. Could you please give me a breakup of the volumes growth between wires and cables? And given the margin expansion that we have seen in the EBITDA front despite a moderate volume growth, was it because of the shift in the pricing strategy or the product mix?
- Rajesh Jain:** Yes. So our overall volume growth is around 6.5% where if you see in breakup, then wires grew by approx. 10% while cable grew by 2%. And see, the improvement in margin is as we are trying to improve our product mix towards higher profit products. So it's in trend with our planning and budgeted figure.
- Vidit Trivedi:** Got it, sir. Sir, second on the capex front, you have already guided us that close to INR1,200-odd crores will be spent over a course of 3 years. My question is that how long does it usually take to reach the optimal levels?
- Rajesh Jain:** So first of all, our capex of INR1,200 crores over next 3 years so it is sequential addition on a yearly basis. It is not overnight we will get all the capacity at one go. So it is we have planned in such a way that as we keep getting capacity and we keep improving in our demand and sales scenario. So it will match as per demand and it will be gradually in line with our overall expansion plan and growth plan.
- Vidit Trivedi:** Got it, sir. That's helpful, Thank you.

- Moderator:** The next question is from the line of Praveen Sahay from PL Capital.
- Praveen Sahay:** Congrats for a good set of numbers. First question is related to your guidance of 18% of the volume growth for FY '26 and also the margin improvement, EBIT margin improvement of around 100 basis points for this year. This lead to ask rate for the next 9 months is quite higher. So would you continue with such guidance or there is any revision? And if, then how you are expected to report such a high volume growth?
- Rajesh Jain:** So Praveen, our 18% volume growth guidance and 100 bps improvement in our margins is intact and we are hopeful to achieve the same figures because the growth, already we have seen 40 bps improvement in margins and even volume front as we are expanding our capacities and we are quite confident to get the guided figures.
- Overall, already as you have seen also, always the H2 of year remains very strong in this industry and it is as per our budgeted and planned figure only.
- Praveen Sahay:** Okay, sir. And next is as in the last 2 years you had built the cable capacities as well. But so far, we have not seen your wire and cable mix has changed any bit. So do you see in this financial year there would be any shift towards cable in the mix?
- Rajesh Jain:** So our high growth will come from cable segment only. And as already in the past also we said that within wire and cable, cable is expected to grow at industry level also and for us, particularly more because earlier we were having limited capacity. And now as we have built the capacity also, we see a good demand also in domestic as well as export market. So you will see higher contribution from cable segment in coming quarters.
- Praveen Sahay:** You are still at 70-30 mix, right, sir?
- Rajesh Jain:** Yes. So it will gradually change. Looking to our very high base in wire so still I think maybe after 3 years, it may tilt towards 60-40 or maybe 58-42 type of movement.
- Praveen Sahay:** Sir, next question related to FMEG. When you are expecting a breakeven in that and how much is the growth expectation for this year?
- Rajesh Jain:** So if you see in this quarter itself, our losses have reduced by almost 550 basis points to 600 basis points. And though we were targeting early breakeven, but as you have seen this quarter was not that much good so now we are expecting that within this year, on yearly basis we will be at EBIT positive in FMEG.
- Praveen Sahay:** Okay. And growth, sir, how would be the growth projected?
- Rajesh Jain:** Around anything between 20% to 25% growth we are expecting in our FMEG business.
- Praveen Sahay:** Okay. And last question related to your creditor days, which has reached to around 40 days. So is there any arrangement, anything changed in that, which has a gradual increase from quarter-on-quarter we are seeing there?

- Rajesh Jain:** So in our cases, the major raw materials are copper, aluminium and then we have some imported material also where we are using LC facility in an effective way. So our creditor days have increased.
- Praveen Sahay:** Okay. And we will maintain at this level?
- Rajesh Jain:** Yes, almost this level will be maintained. So as of now, we have already improved and got very good working capital days and we'll try to maintain those days.
- Praveen Sahay:** Thank you Sir and all the best.
- Moderator:** The next question is from the line of Dhruv Jain from Ambit Capital.
- Dhruv Jain:** My first question is on cable. So in this quarter you saw about just 2% volume growth in cables, but you also said that there was some spill over impact. So if you could just quantify what was that impact in numbers, please?
- Rajesh Jain:** Yes. So two things happened in this quarter, Dhruv. First, April was not that much great in terms of cable and later on few big projects which are going to delivered in second quarter. So we could not achieve that kind of volume growth in Q1 itself. But as a growing business and looking to my overall order book, current quarter we are on track with our overall growth plans in cable.
- Dhruv Jain:** Basically 16% to 18% largely will be driven by cables and you have the visibility in terms of order book in that sense?
- Rajesh Jain:** Yes. So looking to this cable business segment even if I can give you further breakup like we are expecting around 10% to 12% growth in wire and 25% growth in our cable business.
- Dhruv Jain:** Okay. Got it, sir. And sir, incrementally over the next 3 years as cables capacities ramp up, just wanted to understand if you can just give some color on the approvals. So given the fact that cables is a very approval-driven system, do you have the approvals or say on a scale of 100, where you are in terms of the approvals in the cables business because next 3 years incremental growth will come through cables?
- Rajesh Jain:** Since we are already in this business though our scale is not that much yet and we have received meaningful approvals also and this is continuous process. As I will keep adding my capacities, at the same time my approval process is also continuous. And good thing is that since already we have got approvals from few of the utilities, now it is just keep that pace going and we'll keep adding approvals quarter-on-quarter basis.
- Dhruv Jain:** Okay. Get the point, sir. And sir, you've spoken about 100 basis point margin improvement while we've seen margin improvement in this quarter. But given the fact that the growth incrementally will be driven by cables in this year as well, would the mix not be adverse for RR Kabel in this year?

- Rajesh Jain:** No, it will not be adverse because see, overall since our margins are on lower side and now we are expecting even with cable once I get the scale, once I improve my availability, then cable margin itself will improve and it will be higher than my average margins only. So it is not dragging my margin and it will help me to improve.
- Dhruv Jain:** Got it, Thank you so much and all the best.
- Moderator:** The next question is from the line of Achal Lohade from Nuvama Institutional Equities.
- Achal Lohade:** Sir, if you could talk a little bit on the export part, what has been the volume growth and were there any deferment of the orders in terms of the shipments? Could that also be a reason for the slightly lower growth compared to the peers?
- Rajesh Jain:** No. So we have seen a very good growth in our export business in this quarter. And if I bifurcate between domestic and export, then we have seen like higher growth in terms of volume in export business. At the same time, till now we have not seen any impact. We have good order book from our all customers.
- Our majority of the export is still in Europe and Middle East and though we are exporting few quantities through U.S. also, but still things are not clear at their end and it will be too early to comment anything on that. But as of now, it does not have a very big impact or any impact what we have seen till now in our export business.
- Achal Lohade:** And in your guidance, are we budgeting the exports will also -- export mix will remain similar or could there be a higher delta in terms of the export mix?
- Rajesh Jain:** So we are targeting both the markets, be it domestic or exports. But in exports, bigger change is that now we have got few approvals for our cable segment also and as my cable capacity is expanding so my export will also have share of cable exports. At the same time, there may be 1% or 2% here or there, but we'll try to have growth in both domestic as well as export market.
- Achal Lohade:** Got it. And just last question, if I may, sir. Just a ballpark number in terms of the EBITDA margin or EBIT margin for the export cables, export wires, domestic cable, domestic wires. Just a ballpark number, if you could, sir?
- Rajesh Jain:** So it is in line with our earlier quarters only. As we have told in domestic wires, we have higher margins while in domestic cable, we have less margin because I have very low base and my delivery cycle and still waiting time is little bit higher. But once I improve the scale and then it will help me to improve the margins.
- On export, it is other way around. Wire is considered little bit simpler product so we have lesser margin while in cables we have higher margins and here we are improving our cable exports. So again, this will help me to improve my overall margins.



- Achal Lohade:** But if I were to just ask -- sorry, I'm asking a bit more nuanced question here. In terms of the margins, would domestic wires be the highest margin segment within these four or it will be the export cable margin will be the highest? If you could give some sense?
- Rajesh Jain:** Both are almost similar. In domestic wire and export cables, margins are in the range of 12%.
- Achal Lohade:** Okay. And how about the other two, sir?
- Rajesh Jain:** Other two is as of now in export wires, we have margins of around 5% while in cable, still we are in the range of 6% to 7% only, domestic cable.
- Achal Lohade:** Understood. And just last question with respect to the cables expansion. Can you help me understand the cables growth appear to be fairly low 2% while we are adding capacity. So is capacity a constraint, was a constraint for the last quarter or how do we see this when you are guiding for a 25% kind of a volume growth in cable?
- Rajesh Jain:** So as I explained particularly in this quarter, in April month it was starting of the year and demand was little bit slower. But later on we have very good demand and the only thing, few of the big orders which were supposed to be delivered in the month of June could not be delivered and they are executed in this quarter. So you will see the impact of that growth in this quarter.
- Achal Lohade:** Understood. Could you quantify how large would that be, sir, in terms of...?
- Rajesh Jain:** That answer will remain in that now as we are targeting 25% growth in cable. So on quarterly basis, there may be some variation; but overall we will see this growth. In next 3 quarters we'll make up this.
- Achal Lohade:** Understood. Thank you so much and all the best.
- Moderator:** The next question is from the line of Nattasha Jain from PhillipCapital.
- Nattasha Jain:** Congratulations, sir, on a good set of numbers. My question is more export based and more macro-based rather. The tariff that's there on copper, sir, can you just help us understand is it like a blanket tariff both on wires and cables or does this supersede the existing country tariff? So first question is that?
- Rajesh Jain:** So Nattasha, still things are not very clear and what we could understand and even we could not receive any feedback from our customers also. So though by plain reading it seems the tariff is like very high. Apart from a general tariff of 25%, it seems they have imposed a custom duty of around 50% on copper products, which includes wires and cables both.
- Nattasha Jain:** Got it. So sir, maybe I'll ask this the other way around. So even if I just assume that it's a 50% flat tariff irrespective of the country tariff because if I see country tariff, we are at a disadvantageous position now because I think South Korea, Vietnam, Japan, Germany; all of them have lower tariffs than us and they are bigger exporters to the U.S.

But if I just consider 50% tariff, sir, do you think is it possible for any company in the Indian space to pass on that kind of tariff? If not, then do you think eventually this will become a very volume-driven market for us? And whatever we said that U.S. is a high-margin market, does that then slowly taper off? Because then you will have to probably eat up your margins a little and just play on volumes. Do you see that happening in the future?

**Rajesh Jain:**

So there are two, three parts in your question. First part if I consider if it is commodity based tariff, then it will make things on equal ground for India as well as with other countries. Secondly, if India specific duty is higher than other countries, then there may not be that much viability in that market.

But at the same time, see one, we are not only in copper export; but since we have aluminium cables also what we are exploring now. Right now we are doing only copper, but we are exploring cable made of aluminium also. So maybe that can make us more competitive. And at the same time here I would also like to give an explanation that since the overall we have 30% export and out of that, around 8% to 10% at U.S.A.

So overall, I have around 2.5% exposure to U.S. market. At the same time, we have huge opportunity in other countries. Good part with us that since we are largest exporter, I have presence in so many countries. So I'm not dependable on only one or two countries. And this gives me a good opportunity to cover either by new geographies or same geography with additional business and new products also.

Now when we are expanding our cable capacities, this will help me to grow my export business.

**Nattasha Jain:**

Got it, sir. Just 1 follow-up on that. Sir, do you also see a possibility of dumping happening in other geographies and that probably eroding anybody's competitive advantage in other geographies barring U.S.?

**Rajesh Jain:**

No, I don't think so. Though it is pure, pure -- right now it is like guesswork only. Since we are still not very clear how U.S. will behave so it will be too early to comment anything on that.

**Nattasha Jain:**

Fair enough, sir. Sir, just 1 last question on FMEG. Your numbers have -- at least your degrowth was comparatively lesser to your peers given the fact that you are still indexed very highly to fans and your growth guidance is also strong here.

You've had good margin, at least your losses have compressed. I want to understand what product category within FMEG helped you kind of contract your top line growth to just 2% versus peers at double-digit degrowth. What parts move there?

**Rajesh Jain:**

So yes, two things are important. Fan is contributing almost 50% in my FMEG business while lighting is around 30%, appliances is around 10% and rest is switchgear. Within fan since now we are not only in economy range, but we have introduced premium, mid-premium category; we are getting good market share in that. In my overall sales, we are getting 20% revenues from

premium products. So this is improving my visibility and also improving our margins and we are doing better than our peers.

**Nattasha Jain:** Understood. Thank you so much and all the best.

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

**Rahul Agarwal:** Sir, two questions. Firstly, on the domestic side. On the wires, how would have the markets behaved? If you could share some color on the entire quarter? I understand April was weak purely because of copper volatility. But overall for the quarter between your core markets, weaker states, new markets where you're entering; if you could give some color on how is the demand shaping up?

What are the new product launches happening on the wire side? Is there also the mix is improving on the value-added side? And you also mentioned distribution in Tier 2, Tier 3. If you could cover that as well in terms of overall domestic market for wire, that will be helpful, sir.

**Rajesh Jain:** So Rahul, as rightly pointed out by you, we have done better in this quarter in domestic wire segment. And as we are already very strong in our North and Western part of the country so though we are opening up new markets also and they are doing very well in South and Eastern part of country also, but still since base is very small so overall it seems like reasonable growth only. But as per our plan, slowly and steadily we are expanding our distribution base all over the India. And just now it is a matter of time how I improve the depth of my overall market.

**Rahul Agarwal:** Sir, is it possible -- you mentioned overall volume growth for the business was 6.5%, wires was 10% and cable was 2%. Is it possible to know domestic wire volume growth and domestic cable volume growth, if it's possible?

**Rajesh Jain:** So in domestic cable, we were little bit on negative side. So whatever growth we got in domestic was majorly driven by our wire growth only. So exact numbers I do not have readily available, but majorly driven by wire and cable was only growing to some extent in this quarter.

**Rahul Agarwal:** Got it. So sir, when I'm benchmarking it to other peer sets, right, I mean I understand there is some spill over on cables. I don't know whether that's domestic or export, but I'm assuming that's export. If you could clarify that. And overall...

**Rajesh Jain:** Just I would like to clarify that that is on domestic side only where few of our orders could not be executed in those quarters and that is the reason on prima facie it seems on degrowing side. But overall, looking to my production and overall demand facility, we are on positive and planned figures only.

**Rahul Agarwal:** Yes. Okay. Got it. So like we've already -- July is already finished. Is that entire spill over already taken care of or it's going to be more spread over?

- Rajesh Jain:** So I could not comment on current quarter, but as already told, we are quite confident to get that 25% kind of volume growth in next 3 quarters itself explains the situation.
- Rahul Agarwal:** Got it. And just to come back on the previous question on the domestic side. It looks like peers have done much better. Any comments on market share or is it more to do with just seasonality and some bit of up and down on the volatility? What is this -- why is this number so low for RR Kabel?
- Rajesh Jain:** So overall, in the beginning also I said that we are planning to grow around 12% in wire and 25% in cable. So we are in that line only. Since we are a wire heavy company and more growth is coming from cable so the major growth will be seen in the coming quarter.
- Rahul Agarwal:** Got it. Thank you so much and Mahendra Ji best wishes for the role and look forward to interacting with you very soon. Thank you and all the best.
- Moderator:** The next question is from the line of Raman KV from Sequent Investments.
- Raman KV:** Sir, my first question is with respect to copper prices. So with current copper prices increasing during this particular quarter, can we expect margin pressures in the coming quarters?
- Rajesh Jain:** No. So see, copper volatility is part of our business and, as you are aware, there is a mechanism where we keep passing on the prices to our consumers based on whatever there is upward or downward trend. So it is a continuous cycle.
- Raman KV:** Okay. So I just wanted to clarify this part. So it's easy to pass on the prices to the customer, right?
- Rajesh Jain:** Yes. So whenever there is, say, plus or minus 2% or 3% variation in our copper prices, then we change our selling prices also. So it could not be done on daily basis since we are in B2C category. So what happens at the industry level, we see and observe the price trend of last 15, 20 days and change our selling prices also.
- Raman KV:** So basically the price realization happens every 20 days like every month?
- Rajesh Jain:** Sorry, your voice is not clear. Can you repeat, please?
- Raman KV:** So I just wanted to clarify that you basically do the price readjustments every month based on the copper prices?
- Rajesh Jain:** So it's not every month. It depends on the fluctuation in copper prices or raw material prices. So sometimes it may remain same for 2 months also and sometimes there may be 2 price revision in the same month also. So as I informed that it is based or depends on the fluctuation in your raw material prices.
- Raman KV:** Okay, sir. And my, sir, second question is with respect to you giving us guidance of 25% growth in terms of cable volume mainly because there will be cable capacity coming online in the

coming quarter. I just wanted to understand what is the current manufacturing capacity of cables and what will be the manufacturing capacity of cables by the end of this year?

**Rajesh Jain:** So as of now, my cable is contributing 30% in my overall revenue while wire is contributing 70%. And as we are telling if I grow by 25% in cable segment, then this ratio may go in 32% or 35% by year-end.

**Raman KV:** No, no. I just want to understand the manufacturing capacity. What's the current manufacturing capacity of cables versus how much manufacturing capacity of cables will be coming by the end of this year, only with respect to cable?

**Rajesh Jain:** So right now within cable also, we have industrial cables, LT cables, ST cables and capacity is quite fungible also. Whatever capex plan we have done, whatever capacity we were having at the end of '23, now we are almost doubling our capacity with -- doubling the capacity, out of which few have already been added, few are in the process. And at the same time new capex, again we are doubling whatever capacity we have. So I cannot give figures exactly.

**Raman KV:** Yes. I understood. I just wanted to clarify. You are basically saying whatever was the cable capacity at the end of 2023, you are doing 2x by the end of this year and then within the next 3 years, you will do 2x of that?

**Rajesh Jain:** Yes, yes, exactly. That is our plan.

**Raman KV:** Sorry, come again, you said something?

**Rajesh Jain:** That's what we have planned to expand our business.

**Raman KV:** And sir, currently the exports are contributing about 30% of your total overall revenue. Going forward because we are seeing a huge demand from Australia and Europe in terms -- because they are doing various grid upgradation. So do you expect this percentage of exports to improve further?

**Rajesh Jain:** Yes. So this ratio may vary by 1% or 2% on quarter-to-quarter basis, but at max it can go up to 35% because we have equal focus on our domestic market as well.

**Raman KV:** Ok, Thank you Sir. I will rejoin the queue if i have any further questions.

**Moderator:** The next question is from the line of Mehul Mehta from Choice Institutional Equity.

**Mehul Mehta:** My question is related to capacity utilization. At the end of quarter 1, what would have been capacity utilization for cable and wire separately?

**Rajesh Jain:** So in wire we are at around 70% while cable we are already at 92%, 95%.

**Mehul Mehta:** So that is similar to what we are having at quarter 4 end, is it?

- Rajesh Jain:** Yes, yes. So if you see our growth is on similar trends only and planning is also to grow in that way only.
- Mehul Mehta:** Okay. And is it in terms of cables, whatever capacity expansion, whatever capex we have incurred of about INR5 billion in the past 2 years. So that will be commencing in quarter 2. Is that correct?
- Rajesh Jain:** No, no. Already few parts of that was operational in last year, few part is operational from April. So it is like a continuous process. As I told in the beginning also, whenever we do capex, it is not like a Whitefield project where all capacity will be added on one night. It is like modular expansion where we keep adding few capacities on quarterly or half yearly basis. So this is continuous process.
- Mehul Mehta:** Understood. And in terms of capex during the quarter 1, what would have been capex incurred by us so far?
- Rajesh Jain:** It may be around in the range of INR50 crores to INR75 crores.
- Mehul Mehta:** INR50 crores to INR75 crores. Okay. And I believe some about INR150 crores you were to incur for expanding capacity and post that, what you call, INR10.5 crores. So what has been so far incurred on INR150 crores?
- Rajesh Jain:** I'm not sure which INR150 crores you are asking?
- Mehul Mehta:** You said like INR1,200 crores is total capex which will be incurred going forward. So out of that INR150 crores separately and INR1,050 crores in I think Waghodia. So at Silvassa I think INR150 crores. So out of this, what would have been incurred in terms of INR70 crores, INR75 crores, it will be on Silvassa part or both put together?
- Rajesh Jain:** That was major. So when you are referring that INR150 crores and INR1,200 crores -- sorry, INR1,050 crores, that is based on location which is Silvassa and Waghodia. In Silvassa, yes, now currently expansion is going at Silvassa where we are completing the project, which was part of my last expansion. And even at Waghodia also the cable expansion, work is going on continuously and few of the capacity will be added in this quarter. So it is a mix of both the projects.
- Mehul Mehta:** Thank you and all the best.
- Moderator:** The next question is from the line of Balasubramanian from Arihant Capital.
- Balasubramanian:** Sir, regarding FMEG, right now we are doing improvement by doing cost reduction initiatives. So what are the key hurdles in terms of distribution, brand recognition, pricing pressures? So which are where we are lagging and what are the strategic initiatives we are taking to be profitable by end of the year? And secondly, I think that around 20% of revenue comes from

premium products a broader mix of premium, midrange and standard products in that FMEG segment?

**Rajesh Jain:**

So in FMEG, we have done in previous 2 years and even in this quarter also. See, it is if you see one was a better product mix. Second, if you see, we have done better than the industry in terms of growth also and in terms of profit improvement. Rather in our case, it was reduction in losses.

And in last year also, we reduced our -- on a yearly basis, we reduced our losses by almost 400 bps. And in this quarter when I compare with quarter-on-quarter, then our improvement is around 550 bps. These are driven by one is scale. As we are getting more and more scale in my FMEG business, the cost is being absorbed on higher basis.

Second, product mix is changing and if you have to make profit in FMEG, then the revenue must come from premium and mid premium category. And fairly we are doing good when our 20% of revenue is coming from premium products. And at the same time, we are improving our sales prices, we are improving on cost front and this is resulting in higher growth and reduction in losses.

**Balasubramanian:**

Sir, secondly, as per industry report, around 40% of revenue -- 40% of demand majorly comes from real estate side. And how products are majorly into whether it's residential or commercial focused? And secondly, how these renewables and data centers are growing as per our business? And what kind of contributions we can expect in these segments?

**Rajesh Jain:**

So when we talk about -- I think you are referring to our wire and cable business. So in wire and cable business, in wire majority of the growth comes from construction be it residential or commercial properties. So growth is coming from all the segments.

But now we are more hopeful and we are confident that more growth will come from infrastructure, data center, export business. So our cable segment is expected to do better. Even at industry level also, the same thing is expected that even if wire may grow at 10% and cable may grow at 15%, 16% at industry level. So this industry can grow at 13% to 14%.

**Balasubramanian:**

Got it sir, Thank you.

**Moderator:**

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

**Nikhil Purohit:**

Sir, my first question is can you tell me the current capacity across Waghodia, Silvassa and Roorkee and their current utilization levels?

**Rajesh Jain:**

So we have two plants of wire and cable. One is at Silvassa and other is at Waghodia while Roorkee, Garget and Bangalore are our FMEG plants where we are producing fans and lights. As I told in wire and cable, like already in wire we are at around 70% to 75% while in cable we are at 90% to 95%.

Most of the wires are got produced at Silvassa only while at Waghodia we have both wire and cable. Fan, it is seasonal products so capacity depends from season to season. Sometimes it is at 100% also, more than 100%.

**Nikhil Purohit:** Understood. And could you just update me with the current capacities at Waghodia and Silvassa particularly? Not the utilization, the current capacity?

**Rajesh Jain:** Capacity, sometimes it may be very tough because it depends on product to product also. We have quite fungible capacity where wire capacity can be used for industrial cables also and something like that. So it may not be that much particularly I can give the figure. But yes, more or less, I can say almost 30% to 35% capacity is at Silvassa while at Waghodia we have around 65% capacity.

**Nikhil Purohit:** Got it. And sir, just wanted to confirm what is our full year guidance for capex this year?

**Rajesh Jain:** It may be in the range of around INR300 crores.

**Nikhil Purohit:** 300 crores, Got it. Thank you.

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

**Nattasha Jain:** Sir, just wanted to understand are we completely into distribution cables or do we also supply a little bit of transmission cables as well?

**Rajesh Jain:** So it's a combination of both distribution and transmission, both. So we are not in conductor business. We are purely in HT and LT power cable only, which range up to 66 kV.

**Nattasha Jain:** Got it. Sir, just a broader question here in terms of industry understanding. Sir, for transmission, the cabling which is underground would be very high voltage, right? It would be classified as EHV or would it still come as high tension?

**Rajesh Jain:** It will be a combination of both. EHV will be -- at a higher level, it will be at EHV. But then when it will be further distributed, it will convert to HV also.

**Nattasha Jain:** Got it. So we are present in both HV on the transmission as well as the distribution power cables.

**Rajesh Jain:** Yes.

**Nattasha Jain:** Got it. Thank you so much.

**Moderator:** The next question is from the line of Raman KV from Sequent Investments.

**Raman KV:** I just wanted to understand this INR1,200 crores capex, what will be the asset turn on this?

**Rajesh Jain:** So with this, we are expecting top line of around INR4,500 crores at full operational level because this is a combination of wire and cable both.



**Raman KV:** Okay, sir. Thank you, sir.

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

**Rajesh Jain:** Thank you, everyone for taking some time out to participate in this call. In case of any queries, reach out to our Investor Relationship agency, MUFG Investor Relations. We wish you all the best and hope to interact with you soon. Thank you so much.

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