

7 November 2025

Corporate Relationship Department
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National Stock Exchange of India Limited
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 3 November 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 3 November 2025 in relation to the financial results of the Company for the quarter and half-year ended on 30 September 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
Q2 FY26 Earnings Conference Call”
November 03, 2025**



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

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

Moderator: Ladies and gentlemen, good day. And welcome to Q2 FY '26 Earnings Conference Call of R R Kabel Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during 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 the conference over to Ms. Darshni Desai from MUFG Intime, their Investor Relations. Thank you, and over to you, Ms. Darshni.

Darshni Desai: Thank you. Good afternoon, everyone, and I extend a very warm welcome to all participants on Q2 and H1 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 Operating 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 Kabraji. Over to you, sir. Thank you.

Mahendrakumar Kabra: Good afternoon, everyone, and a warm welcome to all of you joining us for our quarter two FY '26 financial results discussion call. I'm pleased to be joined today by our COO, Mr. Rajesh Jain. I hope you had a happy and a safe Diwali. Before I start, it is honoured to announce the leadership transition of Shri Rajesh Jain to Chief Operating Officer, following an exploring tenure as our Chief Financial Officer; and Shri Jigar Mehta, previously Vice President, Finance as our Chief Financial Officer. I extend my warmest congratulations to them as they step into their new roles.

The second quarter has been particularly encouraging for R R Kabel as we delivered robust growth, both in revenue and profitability. This strong performance was primarily driven by the resilience and expansion of our core wires and cable business, which remains the backbone of our company's growth strategy.

The wires and cable industry continued to perform well, supported by several economical drivers, robust construction activity, infrastructure expansion, renewable energy expansion, government focus on electrification and healthy demand from both institutional and retail markets.

R R Kabel has leveraged these trends to deliver another quarter of consistent growth driven by strong traction across product categories and sustained operational discipline, enabling margin expansion. Our focus on high quality, safety standards, value-added offerings and compliance

with global quality benchmarks has further strengthened our market position, which helped us maintain healthy momentum across regions and end markets.

In the FMEG segment, market conditions remained challenging, particularly in fans and appliances, while switches and lighting products have performed better. Despite softer demand and seasonal headwinds, we have maintained steady performance, reflecting operational discipline and the strength of our diversified portfolio.

Our continued efforts in product optimization, cost efficiency and network expansion have yielded visible results. Overall, quarter two FY '26 marked a quarter of solid progress for R R Kabel year-on-year, as well as sequentially. We are confident that we'll be able to continue to deliver sequential growth in all parameters in second half of the year as well.

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, Mahendraji. At the onset, I'm grateful to the Board and our leadership for their trust and support over the years. In my new role as COO, I will continue to work to sustain R R Kabel's strong growth trajectory and deliver value to all our stakeholders. India's growth story remains strong. The second quarter saw stable GDP momentum, supported by government infrastructure spending, healthy private capex and gradually improving consumer sentiment.

While inflation moderated and rural demand is showing early signs of recovery, the broader industrial ecosystem remained cautious due to input cost fluctuation and uneven weather condition. Nonetheless, the electrical and construction sectors continued to benefit from ongoing infrastructure investments, housing growth and urban electrification projects, all of which form the foundation of R R Kabel's long-term opportunity.

The Indian wire and cable industry is also witnessing a shift towards organized and branded players driven by highlighted consumer awareness around safety, efficiency and compliance. R R Kabel with its deep distribution network and premium product positioning is well aligned to capture this transition. Furthermore, export demand remains healthy, supported by rising global preference for Indian manufactured cables that adhere to international standards and certifications.

In this favourable environment, R R Kabel has delivered another quarter of consistent growth and operational excellence. Our continuous focus on value-added, energy-efficient and safety compliant products continues to differentiate R R Kabel in a competitive landscape.

Our revenue from operations for the quarter stood at INR2,163.8 crores, representing a solid 19.5% year-on-year growth, compared to INR1,810.1 crores in Q2 FY '25. This growth was primarily driven by robust performance in the wires and cables business, where we achieved healthy volume expansion and improved realization. This segment saw a 16% volume increase, reflecting both institutional demand and the continued trust of retail consumers. For the first half of FY '26, revenue grew at 16.7% year-on-year, marking the highest ever half yearly revenue in the company's history.

On the profitability front, EBITDA rose sharply to INR176.1 crores, an increase of 105.8% year-on-year from INR85.6 crores in Q2 FY '25. The EBITDA margin expanded to 8.1% from 4.7% in the previous year due to operating leverage, reflecting better cost absorption and sustained efficiency initiatives across the procurement and production chain.

Our ability to manage cost pressures while maintaining quality has been a key differentiator in an otherwise competitive market. For the first half of FY '26, EBITDA reached INR319.2 crores, up 76.4% year-on-year with margin expanding to 7.6%, compared to 5% in the same period last year.

Moving to the bottom-line. Profit after tax for the quarter stood at INR116.3 crores, registering a 134.7% year-on-year increase from INR49.5 crores in Q2 FY '25. PAT margin expanded by 264 basis points, reached 5.4%, compared to 2.7% last year.

On a half yearly basis, we reported our highest ever H1 PAT of INR206 crores, up 80.9% year-on-year with margins improving by 173 basis points to 4.9%. Overall, Q2 FY '26 has been a quarter of solid progress, demonstrating the strength of our core business, disciplined execution and robust demand environment.

In terms of segment performance, the wires and cable business remains the primary growth engine. The segment reported revenue of INR1,971.2 crores in Q2 FY '26, up 22.3% from INR1,611.8 crores in Q2 FY '25. For the first half, the segment delivered INR3,804.7 crores, a growth of 19.3% year-on-year.

Segment profit rose sharply to INR180.4 crores, more than double from INR81.8 crores in the same quarter last year, supported by a 16% volume increase and stronger realization. Our business benefited from consistent institutional demand and a firm retail base, supported by efficient execution and cost optimization.

The FMEG segment, on the other hand, experienced a marginal decline in revenue, recording INR192.6 crores compared to INR198.3 crores in Q2 FY '25. While the broader market environment remained challenging for fans and appliances, a festive-led recovery is underway.

Our efforts towards product rationalization, operational efficiency and cost control helped keep losses largely stable. We remain confident that with the ongoing improvements in channel reach and brand strengthening, the segment will continue to its path towards gradual recovery and profitability. Our working capital has remained stable during the period with debtors days being in line with previous periods.

Inventory levels were increased to increase consumer demand and ensure uninterpreted supply amid rising demand. On the demand front, domestic sales continued to drive growth during the quarter, supported by increased spending in housing and construction as well as steady industrial and infrastructure activity. Export demand also improved, particularly from key markets, reflecting our efforts of diversify geography and expand our global footprint.

Looking ahead, we remain optimistic about the outlook for the second half of FY '26 and expect the second half to do better than first half. The underlying demand environment continued to be favorable, supported by government infrastructure initiative, the ongoing formalization of the electrical sector and increasing consumer preference for branded energy-efficient products.

R R Kabel remains focused on deepening its distribution reach, expanding export footprint and introducing technologically advanced products that cater to emerging sectors. Our strategic investment in automation, digital sales enablement and brand building will continue to strengthen our leadership in the industry.

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

Moderator:

The first question is from the line of Manoj Gori from Equirus Capital.

Manoj Gori:

Congratulations for good set of numbers. My question is, if I look at the performance over the last two quarter to three quarters, we have been probably doing well on the margin side. On wires and cables EBIT margins, we last year exited at close to around 7.4%. And currently, we seem to be on the upward trajectory. So, how should we look at the margin performance?

Q -- H2 should be similar to Q2 levels or H1 levels and probably the volume growth that we have registered during the quarter two. That momentum continues even in October and probably that should be expected in second half, how confident we are on that based on the current visibility?

Rajesh Jain:

Thanks, Manoj, for your question. Like last year, we had EBIT margins of 7.4% in our wires and cable business. And at the same time, we had targeted to improve by almost 100 basis points and we are very happy to share that we have achieved this target in first half also.

At the same time, now also we have our plan to improve these margins and maintain the volume growth and even to do and achieve our target of 18% volume growth, what we have defined in our Project Rise. So, with that, we are quite confident that our H2 will be better than H1, what we have achieved.

Manoj Gori:

Glad to hear that. Sir, lastly, if you look at probably the inventories that you just highlighted, so is it just a near-term thing and probably should we expect the working capital going back to normal cash flows turning positive at the end of the year?

Rajesh Jain:

Yes. So, if we see only from cash flow point of view, of course, it is like a little bit on negative side. But at the same time, it will get normalized by this year-end. And if we see like inventory or our debtor's level, it is in line with our expected levels what we have planned, and like whatever levels we have, like net working capital of 57 days, we'll maintain those levels.

Manoj Gori:

Right, sir. Sir, lastly, if you can throw some light on progress on cables, how things are panning out there, probably, how the expansion plans are on track. So probably any progress over there, that would be helpful, sir.

- Rajesh Jain:** So our long-term expansion plan of investing INR1,200 crores, particularly in wire and cable business, in that also like major focus is or investment is in my cable segment only. The -- our overall project is in line what we have planned and expansion is going in line with our master plan only.
- Manoj Gori:** Sure sir, Thankyou and wish you all the best.
- Moderator:** The next question is from the line of Praveen Sahay from PL Capital.
- Praveen Sahay:** Yes . Congratulations to Rajeshji and Jigarji for elevation. My first question, sir, is related to the margin only because this quarter on an overall basis, gross margin improved 300 basis points. So, is there any inventory gain also accounted in this quarter because of LME prices?
- Rajesh Jain:** Thanks, Praveen. See, when you see this margin improvement, we are comparing with last year Q2 FY '25, which as I already told, that was not very normal. But when you compare with my yearly gross margins of last year also, we have seen a good improvement and this is sustainable. And this we have achieved through my better product mix and like whatever efficiency control we are bringing in our operations. So, these are maintainable and sustainable margins, and we'll keep achieving and improving in this front. There is no impact or larger impact on the copper prices.
- Praveen Sahay:** Okay. Okay. Good to hear, sir. Second question, sir, as you had earlier also and even in the media also, you had said 18% of a volume growth for a year. That tells that the second half required 23%, 24% of volume growth. So, from where and how confident you are to achieving such kind of a good volume growth?
- Rajesh Jain:** So in our Project Rise, what we have targeted 18% volume growth on CAGR basis. So -- and as per our plan, we are on track on quarterly or half yearly basis, there may be like 1%, 2% here and there, but we need to see this growth in larger business plan and prospectus.
- Praveen Sahay:** Yes. Okay. And any color on the export because export grew very fast this quarter. So, any geographical specific locations you are getting more of a traction from where you are getting such kind of 35%, 36% a growth there?
- Rajesh Jain:** So export, of course, we got some new customers and new geography also. Still Europe and Middle East, our biggest market and we are getting very good growth from there. And overall, if you see like, there may be like 1% or 2% here and there, but our focus is on domestic, as well as export market. It is equal focus, but the result or figures may vary by 1% or 2% here and there.
- Praveen Sahay:** Okay. Last question, sir, on the FMEG, when you are expecting a breakeven?
- Rajesh Jain:** By Q4 of FY '26.
- Praveen Sahay:** Okay. So earlier guidance is maintaining that. Okay.
- Rajesh Jain:** Yes. Yes.

- Praveen Sahay:** Thankyou sir and all the best.
- Moderator:** The next question is from the line of Achal Lohade from Nuvama Wealth Management Limited.
- Achal Lohade:** Congratulations for strong results. Sir, the first question I have, you've said that exports have grown 20% Y-o-Y. And particularly, you've made a comment that Europe and Middle East continue to do well. So, if you could give us some sense in terms of what is the mix in terms of regions?
- Where the customer additions and see if any further certifications or additions on approvals we have seen? And how do you see this exports growth? Will that be absolutely in sync with the overall growth? Or do you think there could be an opportunity to have a much larger growth?
- Rajesh Jain:** So in export, if you remember, like earlier, we were having some exports of around 8% to U.S. also. And there were like some talk and some disturbance due to tariff challenges also. But still, since we have very diversified export market, and so we were able to get or compensate it through our existing market and new customers also. Still like most of our sales in export is coming from Europe and Middle East, which is almost 75% to 80% of revenue coming.
- At the same time, like we are making very good efforts for new approvals and new market. And we hope that, again, U.S. market very soon, it will be on a normalized basis, and we'll have higher growth from those markets also.
- Achal Lohade:** So, are we seeing like was there any disproportionate growth for U.S. exports in this quarter gone by?
- Rajesh Jain:** No. Not disproportionate, but like U.S., if it was like 8%, contributing 8%, so contribution might have reduced by another 2%. But at the same time, whatever growth we achieved was from new or new markets and new customers, which are in Europe and Middle East only.
- Achal Lohade:** Okay. Okay. The second question I have is given the significant increase in the aluminum and copper price, particularly copper price, if you could give us some sense, how does it impact us, particularly on the export front? Do you see margin pressure on an optics percentage perspective?
- Rajesh Jain:** So if copper prices remains keep increasing, then there may be some impact. But what happens since we are focusing on our change in product mix also in exports, now we are having more focus where like products like cable or special wires where we have higher margins. So, it will get be covered or rather improved from export market also. And these copper prices are always -- volatility is always part of our business. But at the same time, we are on right to improve our margins by changing product mix in favorable situation.
- Achal Lohade:** Got it. Any guidance for FY '27, sir, in terms of the margins?
- Rajesh Jain:** No. It will be in line with our -- so Achal, it will be in line with our Project Rise only, where we have given guidance about our growth expansion plan and product mix, everything.

- Achal Lohade:** That remains as is. Okay. Got it. And just a clarification, the volume growth, if you could call out for first half?
- Rajesh Jain:** It is around 12%.
- Achal Lohade:** 12%. Got it. Allright sir I'll go back in the queue for follow-ups.
- Moderator:** The next question is from the line of Dhruv Jain from Ambit Capital.
- Dhruv Jain:** Sir, my first question is on the utilization level. So, if you could just spell out what is the utilization level of cables and wires? And incrementally, the capacity addition that you are doing in cables, how much of it would be in terms of quantum or volume, whatever you want to share, higher than the 66 kV piece in the higher voltage segment?
- Rajesh Jain:** So Dhruv, if you see, we are already like almost 70% utilization in my wire business while 90% in cable business. And in line with our growth plan, we have planned our capex in such a way that we keep meeting our projections of getting higher growth in cables and wire as well. So, our expansion will keep coming in execution in line with our increasing demand and increasing business plan also.
- If I talk about like 66 kV and above like the measure this capex plan, what we have planned for INR1,200 crores in this like almost 80% is for cable, which includes LV cable also, HV cables also, and like we plan to achieve production capabilities up to 220 kV.
- Dhruv Jain:** Sure, sir. So, in that, what would be the share of the HV cables in terms of overall capacity?
- Rajesh Jain:** See, in power cables, majority of the operations like wire drawing or extrusion or armoring process remains the same. So, there are many things common. So, to some extent, our brand -- sorry, our product mix is fungible within cable segment. So, it depends during that time, what kind of demand we get. But at the same time, we have flexibility to have some product mix change and keep my product utilization to optimum levels.
- Dhruv Jain:** Sure, sir. Sir, my second question is on your market share in certain specific states. So, at the time of the IPO, you had highlighted certain key states in the south and the eastern markets where your market share was less than 5%.
- Just want to get a sense of how is the progress in terms of market share gain, and incrementally, is there enough opportunity in those states for you to continue gaining market share or are you at a reasonable level in that sense and incrementally growth will be closer to the market growth in those states?
- Rajesh Jain:** So still our major growth is coming from our strong markets, which is west and north only. But at the same time, since we have a very good establishment or setup of distributor dealer in south and other East geography also in some states.
- So there, we are looking or we have seen a good growth, but still it is overall having very less contribution in my overall market share. So, you cannot see a very significant growth, but we

are in line with our master plan and we will keep focusing on new states or states where my market share is below less than 5%.

Dhruv Jain: Sure, sir. And sir, on the cable side, as the new capacity comes through, which is also catering to the higher voltages, is it safe to say that your institutional share of the volume will go up materially, which could have some bearing on your margins or that's not the case?

Rajesh Jain: So, when we talk about cable business, which is mainly to institutional or B2B side only, so there -- and since we are a very small player there, and we need to be a sizable player and our majority of the investment is also coming in that segment only. So, we'll see a good increase of share from that segment. At the same time, that will improve our margins also. It is not that, that will reduce my margins.

Dhruv Jain: Okay sir. Thankyou so much and all the best.

Moderator: The next question is from the line of Vidit Trivedi from Asian Market Securities.

Vidit Trivedi: Congratulations on great set of numbers. Sir, could you please give the breakup on the volume growth between -- in wires and cable segment separately?

Rajesh Jain: So, in this quarter, we had a similar growth of 16% in both wires as well as cable, almost similar.

Vidit Trivedi: Got it. Sir, I remember in your last call, you've mentioned that there is some spillover of major cable contracts to this quarter. Have we completed that? And the overall volume growth of 16%, is it because of this?

Rajesh Jain: No. No. It's -- there was very little impact in that quarter also. And it is continuous process since contracts are always continuous and we'll keep supplying to long-term projects also. So it is like a regular process, and it is not a very big contribution of spillover of contracts.

Vidit Trivedi: Got it, sir. Sir, one last question. Could you please comment on the margin sustainability in the wires and cable segment for the coming quarters and, let's say, FY '27 and '28?

Rajesh Jain: In our long-term planning, we have like targeted of having EBIT margins in wire and cable in the range of 10.5% to 11% kind of margins by FY '28. At the same time, if you see we have targeted an improvement of 100 basis points in this year, and we are in line with our project. And since normally, second half of this industry remains always better looking to the demand and industry behavior. So, we are quite hopeful to sustain or rather improve these margins in H2.

Vidit Trivedi: Thanks a lot sir all the best.

Moderator: The next question is from the line of Sandesh Shetty from HSBC.

Sandesh Shetty: Congrats for a great set of results. And also Jain sir, congratulations on your elevation and Mr. Jigar for your elevation. Sir, my question to you is on the demand side. We are seeing a lot of inflation in copper. Do you foresee any impact on demand due to it -- near-term challenge?

- Rajesh Jain:** No. No. So, this price fluctuation, as I already told, this is part of our business. Demand is like - has to be there. The way we see Indian economy is growing, the investment in infrastructure is coming or our real estate or maybe data centers. So everywhere based on the micro level of Indian economy, we are quite hopeful that this demand will remain stable or rather it will be very good in coming years.
- Sandesh Shetty:** And second question, sir, on exports. So, for this quarter, the exports growth has been in line with domestic. So, the growth was driven by cables or it is similar for export growth also?
- Rajesh Jain:** Yes. In export also, we have seen a similar growth in wire and cable division. So, see, we have a very equal focus, be it the wire business or cable business for domestic or export. So, like we are getting results from all the segments and areas.
- Sandesh Shetty:** Okay. And sir, in FMEG, you mentioned that you expect to breakeven by last quarter. So, on a full year basis, is it possible that we breakeven or it will be spilled over to next year?
- Rajesh Jain:** So, on a quarterly basis, we'll achieve our breakeven. And of course, since this year already, you have seen we have done a very good improvement or our losses has been reduced when I compare H1 versus H1 of this year in FMEG. So overall, there will be very negligible impact in negative side.
- Sandesh Shetty:** Okay. And sir, lastly, on -- you mentioned certain special category of cables that you are planning to introduce or already launched. Sir, can you elaborate on which are the end markets that the special category cables in, which are high margin?
- Rajesh Jain:** See, as of now, we are a very big player in B2C category, which is like building wire or projects and everything. But as our capacity is coming and our focus is increasing on cable business and special business. So, like we hope that we'll get more presence in utility business or B2B infrastructure business, data center and OEM business where we have larger demand for special cable.
- Sandesh Shetty:** That's all from my side thankyou sir and all the best.
- Moderator:** The next question is from the line of Pankaj Tibrewal from IKIGAI Asset Manager.
- Pankaj Tibrewal:** Congratulations on good set of results. My question is to Mahendraji. So, when I look at R R Kabel into two parts, one is pre-IPO and one is post-IPO. Pre-IPO normally, we used to compound at a very high rate. And after IPO, because of various external or internal challenges, there was a period where things didn't go our way. Now for the last two, three quarters, we are seeing that renewed growth and attrition coming back?
- Rajesh Jain:** Pankaj, your voice is very less. Can you repeat this?
- Pankaj Tibrewal:** Can you hear me?
- Rajesh Jain:** Yes. It's better. Yes. It's better. Please continue.

- Pankaj Tibrewal:** No. What I was saying was that when I look at R R Kabel into two parts, pre-IPO and post-IPO, pre-IPO, we used to compound at a very strong rate every two, three years, four years, we used to double. And then there was a phase post-IPO where we had a struggle for growth.
- And last two, three quarters, we are seeing the same growth path coming back again, which R R Kabel was used to. What has happened in the last two, three, four quarters? And how sustainable we are looking at it? If you can just help us understand, it will really help us understand that R R Kabel is back on the growth path?
- Mahendrakumar Kabra:** See, overall, the economy...
- Pankaj Tibrewal:** Last two, three quarters has been really, really good that we are seeing that aggression again coming back on the growth side?
- Mahendrakumar Kabra:** Thanks for this question. See, overall, if you see the industrial scenario and economic survey, total country is growing in a certainly good percentage. And we also R R Kabel, we are following the same thing. We are focusing more on the institutional sales, project sales of retail sales, and this is definitely going to help us to grow further.
- Pankaj Tibrewal:** Yes. But from a business side, Mahendrajji, what has been the focus, how we have seen management changes? If you can just elaborate a bit that.
- Mahendrakumar Kabra:** No. It's not any management changes. From family, my Rajesh Kabra, who will be taking care for the wire and cable, Mahesh Kabra, my elder brother son, he will be taking care of the FMEG business. So, this is -- you can say a small succession plan. Otherwise, there's no management changes, as you can see.
- Pankaj Tibrewal:** From a focus perspective, what has gone right in the last two, three quarters, which has given us that growth?
- Mahendrakumar Kabra:** See, young team is there, they're more focused now. They work further more ahead.
- Pankaj Tibrewal:** Okay.
- Mahendrakumar Kabra:** And I'm more confident with this team.
- Pankaj Tibrewal:** Okay. And anything on the product side on the wires or the cables, which is...
- Mahendrakumar Kabra:** Product side...
- Pankaj Tibrewal:** Any geography or any geography. If you can just give some granular details, it will help us get that confidence that the growth is now sustainable over the remaining two quarters this year and maybe going forward in the medium-term. Any granular detail will help.
- Mahendrakumar Kabra:** I'm confident of growth in all the regions. Overall, even in the export market, you can see we have grown very well, similarly in the local market also. So, I'm very hopeful we will follow the last two quarters' trends.

Pankaj Tibrewal: That's encouraging. And on the margin side, if I hear you right in the previous questions, Rajeshji is very confident about margin trajectory improving.

Mahendrakumar Kabra: Naturally, if revenue grows in this way.

Pankaj Tibrewal: Yes.

Mahendrakumar Kabra: Your margins are going to be better.

Pankaj Tibrewal: Wish you all the best.

Moderator: The next question is from the line of Balasubramanian from Arihant Capital.

Balasubramanian: So my first question, whether we have taken any price hike in Q2 or any price hike anticipation over the next one or two quarters? Because due to commodity price rises, one of our competitors have like mentioned 3% price hike in this quarter, especially in Q3.

And secondly, in that within domestic business, which end markets are driving growth, especially residential, real estate, industrial and infrastructure or renewable? And how we are positioned to capitalize on the government infrastructure push, especially PLI scheme, smart cities and power distribution reforms?

Rajesh Jain: Yes. So, thanks for your question. See, price hike is a regular process of our business, and it is not about hike or rejection. It is related with our raw material prices, which is copper and aluminum. And in practice, what happened, if there is any major hike, say, more than 3%, either positive or negative, then we have to change the prices.

So, in last quarter, we have seen almost three to four new price list at the same time. So it is like a continuous process, and it had to be connected, with the raw material price movement rather than a price hike in separate. Secondly, like since we have like our major growth plan and focusing in new product categories where right now our major contribution is coming from building wire.

But at the same time, we have very good capex plan for cables and the growth will come from like infrastructure development, data center or export geography where we have seen a very good demand for cables -- Indian cable products. So, our overall growth will come from -- in India also and in export also, the growth what we can foresee in infrastructure investment or specialized cable utilization.

Balasubramanian: Okay sir thank you.

Moderator: The next question is from the line of Rehan Saiyyed from Trinetra Asset Managers.

Rehan Saiyyed: Like my majority of questions have been answered. So just wanted an update and overview of the market regarding Tier 2 and Tier 3 cities. So, sir, how is the retail demand environment trending across Tier 2 and Tier 3 post festive season? Are you seeing early signs of restocking in the wires and cable segment this time? Can I complete my question?

- Rajesh Jain:** Yes. Yes. Please go ahead.
- Rehan Saiyyed:** Yes. And continuing with this thing, like can you please understand the increasing intensity in the organized cable market, especially from peers expanding capacities? How are you ensuring pricing discipline while maintaining growth momentum. Yeas, it is my question.
- Rajesh Jain:** Yes. Thanks for your detailed question. And there are two parts. One is regarding the demand in retail market. Of course, we have seen a good momentum in Indian economy. And after GST 2.0 also, it is expected that people will have more savings and the customer spending will increase. And of course, this will increase our overall product demand also, especially wire and cable or be it FMEG also.
- So, with the -- whenever economy do better, we'll have better chances to get more demand in retail market. At the same time, investment in our B2B category also and a very good growth is coming in infrastructure investment or export market. So, this is like -- seems a sustainable growth over next three, four years.
- Rehan Saiyyed:** Okay thankyou sir
- Moderator:** The next question is from the line of Naman Parmar from Niveshaay Investments.
- Naman Parmar:** Hello. Yes. Good afternoon, sir. So can you please give what is the order book for the cable division as of now?
- Rajesh Jain:** So, since we are more in the distribution business, so we are not having very long-term like one-year, two-year kind of orders. So, this is a continuous process. We keep getting orders and executing them.
- Naman Parmar:** Okay. Understood. So in current quarter, what was the contribution of cable and wire?
- Rajesh Jain:** It's almost in line with our original of 70-30 kind of contribution where wire contributes 70% and cable is 30%. So, it is in line of those ratio only.
- Naman Parmar:** Okay understood thankyou.
- Moderator:** The next question is from the line of Sucrit D Patil from Eyesight Fintrade Private Limited.
- Sucrit D Patil:** My question to Mr. Kabra is as competition in the electrical and wiring space keeps rising, what is R R Kabel doing to build a strong edge, not just through distribution or pricing, but through something deeper that makes the brand hard to replace?
- Mahendrakumar Kabra:** See, as a company, we always try to create a USP in our products and this is in the process of the research and development team, and naturally we'll follow whatever the international trends are there, and accordingly we are going to act.
- Sucrit D Patil:** Okay. I have another question from Mr. Jain. Can I just -- can I ask my question, please?
- Rajesh Jain:** Yes. Please go ahead.

- Sucrit D Patil:** As input cost and channel dynamics keeps on shifting, how are you planning to protect the margin? And what cost levers do you think will remain strong over the next few quarters? I'm just trying to understand how are you going to balance short-term volatility with long-term margin stability?
- Rajesh Jain:** So, like since we have like a very big plan for our expansion -- cable expansion where this -- we are a very small player in B2B segment. And once we keep enhancing our capacity, leveraging our cost structure. As you know, like right now, we are a very small player in cable business. And once I expand my capacity, then my overall efficiency will improve, my price levels will increase, and we'll keep improving margins.
- So, in longer term, like right now, our margins are on the lower side, but at the same time, we'll be at par with industry level and keep improving these margins through operating leverage as well as higher profit giving products and everything.
- Sucrit D Patil:** **Thankyou very much** and I wish the entire team best of luck for Q3.
- Moderator:** The next question is from the line of Abhishek Gulati from Gulati LLP.
- Abhishek Gulati:** So my first question is that in case of wire and cables, like we saw that like INR1 lakh crores market cap company, they are growing either at par with us or sometimes better than us. Now, we are able to catch up with them. So why in that case, even a smaller base than them, we are not able to capture the market share?
- Rajesh Jain:** See, our overall strategy is that how we keep ahead of the industry average, and we are on line of that growth only. Yes, when you see on short-term or quarter-on-quarter basis, there may be some deviation. But still, when you see our master plan or our capex plan, then, of course, we will achieve the better growth than industry average.
- Abhishek Gulati:** Okay. And almost all the players in the industry guide that they will be growing at 1.5x of the industry. So, what is our market share currently? And what we are targeting in terms of future in two, three years down the line?
- Rajesh Jain:** So, I hope this industry is expected to grow at 13%, 14% because by thumb rule, double of your GDP, this industry grows. And we are also -- since we are expecting a volume growth of 18%, so it will be better than industry average. And this, we are trying to get through a better product mix or new capex plan by investing in our cable business. And at the same time, wire will remain in focus, which is our core contributor to our wire and cable business.
- Abhishek Gulati:** Okay. And last question is, what is our ROE target two years, three years down the line at the company level that we're targeting?
- Rajesh Jain:** It will be about more than 20%.
- Abhishek Gulati:** Okay wishing you all the best.
- Moderator:** The next question is from the line of Karan Kamdar from Choice Institutional Equities.

- Karan Kamdar:** Congratulations on a good set of numbers. Sir, I just wanted to understand, how are we separating ourselves from the competition in the FMEG segment, especially so that we can get a good growth in this segment. It's a very competitive segment as far as I understand. So, are our products different or is our pricing different? What is our edge in the FMEG segment specifically?
- Rajesh Jain:** Yes. So, there are two, three points. If you see even in the last two years, we have grown much ahead of the industry average, and that was due to a separate focus on our FMEG business where we have a separate CEO and we have a separate distribution line. What we understand that FMEG business is quite different from wire and cable business where you need to have a different kind of product.
- And at the same time, we are making a big investment in our R&D team, keep introducing new products -- and in last two years, apart from economy category also, now we have introduced a good number of products in premium and mid-premium category. So, in that way, we are ahead of the industry and getting this good growth and improvement in our margins as well.
- Karan Kamdar:** Okay. Just a follow-up on this. Since we've already had some good growth, as you say, are you confident that competition will not be intensifying over the next medium-term because consumption is increasing and there's capacity additions in all major players, especially in FMEG. So, any further color on how do we sort of separate ourselves in the mind of the consumer? Like why would I go for an R R Kabel fan or some other fan?
- Rajesh Jain:** We will achieve through better products in terms of quality, having good prices so that consumer can get attracted to R R Kabel FMEG products. And still, if you see by having right product mix, investing in R&D, we'll keep growing better than industry. And our products will be different from market and get good improvement in sales.
- Karan Kamdar:** One last question, if I can squeeze in. What are the primary geographies for FMEG segment?
- Rajesh Jain:** FMEG, we are very good in north and west part and a few states of even east also. So, it's still a very big market in south and other states.
- Karan Kamdar:** Okay thank you so much sir.
- Moderator:** The next question is from the line of Rahul Agarwal from IKIGAI Asset.
- Rahul Agarwal:** Hi, sir. Good afternoon. Just two questions. One is referring to the cable and wire segment. Fiscal '26 looks like coming back to normalcy on growth and margins on both sides. From a top-line, as you have explained, I think it's pretty clear that the growth is sustainable both on cable and wire going forward. But just on margins on a consol basis for cable and wire, what could be the levers for further expansion from a fiscal '26 base? That's the first question.
- Rajesh Jain:** So, Rahul, if you see like what we have planned in our Project Rise that we want to achieve double-digit 10.5% kind of EBIT margins in wire and cable by FY '28. And towards that only

that we expect to achieve through like better utilization of capacity or increasing product expansion.

So, we are quite confident and already like in first half, we have seen that whatever we have targeted, we are there in our line with our master plan. So, we are hopeful that even in this H2 or in coming years, we'll keep improving as per our guidelines, what we have -- projections we have given.

Rahul Agarwal: I understand, sir, just a clarification. I believe the EBIT you report on segment results includes the treasury income, right? So, this 10.5%, I should include the treasury income margin as well. Is that correct?

Rajesh Jain: Yes. But first of all, this treasury income is not pure treasury. It is part of -- since we are the biggest exporter, so when we follow this accounting terms, then the exchange rate goes into treasury income, but this is my real operational income only.

Rahul Agarwal: Yes. Absolutely. I appreciate that. I understand that. I was just saying that the guidance of 10.5% is inclusive of that, right?

Rajesh Jain: That is inclusive. Yes. Yes.

Rahul Agarwal: Got it. Just last question on export margins. How are the trends on a Y-o-Y basis for first half? I believe the cable mix is expected to improve. If you could just comment on that, please?

Rajesh Jain: Yes. So already, like cable is having more contribution in my overall export market also and that's why margins are also improving, and it will keep improving in coming time also.

Rahul Agarwal: Could you give some more details on what is the export margin right now and how have they improved first half, just historically?

Rajesh Jain: No. Not separately, we do not give this type of take-up. So, it's like in line with our overall master plan of business plan and overall business performance also.

Rahul Agarwal: Alright sir thankyou so much and wish you all the best

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

Rajesh Jain: Okay. Thank you, everyone, for taking some time out to participate in this call. In case of any queries, reach out to us or 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.