POLYCAB

Date: July 20, 2026

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

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

Scrip Code: 542652 Scrip Symbol: POLYCAB
ISIN: INE455K01017

Dear Sir(s) / Madam(s),

Subject: Submission of Transcript of Earnings Conference Call held on July 16, 2026.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of Earnings Conference Call held on July 16, 2026.

Kindly take the same on your record.

Thanking you
Yours Faithfully

For **Polycab India Limited**

MANITA CARMEN ALBERT GONSALVES

Digitally signed by MANITA CARMEN ALBERT GONSALVES
DN: c=IN, postalCode=400104, st=MAHARASHTRA, street=FLAT NO 8BUILDING NO 9PIRAMAL NAGAR S V ROADMUMBAIBESIDES PATEL PETROL PUMP 400104, l=MUMBAI, o=Personal, title=9350, serialNumber=e9923616fb581748338360a9dcca7ddbef53792338962e492591c02f91606f5f, pseudonym=06cc99809d91787cadb069ca8ac6e070, 2.5.4.20=d6b37cc9b008ba4c44a5e26aead891e74cc85aea24a8e6ad4562fa78a0802a6d, email=MANITA.GONSALVES@POLYCAB.COM, cn=MANITA CARMEN ALBERT GONSALVES
Date: 2026.07.20 11:49:01 +05'30'

Manita Carmen A. Gonsalves
Vice President Legal and Company Secretary
Membership No.: A18321
Address: #29, Ruby, 21st Floor, Senapati Bapat Marg,
Tulsi Pipe Road, Dadar West, Mumbai – 400028

"Polycab India Limited
Q1 FY27 Earnings Conference Call"
July 16, 2026

MANAGEMENT: **MR NIYANT MARU – CHIEF FINANCIAL OFFICER – POLYCAB INDIA LIMITED**

MR. SHASHANK YAGNICK – HEAD, STRATEGY AND INVESTOR RELATIONS – POLYCAB INDIA LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Polycab India Limited Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

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

Niyant Maru: Good afternoon, everyone, and thank you for joining us. I hope all of you are staying healthy and safe. On this call, we shall discuss the Q1 FY27 results, which were approved in the Board meeting 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 Head of Strategy and Investor Relations, Mr. Shashank Yagnick. I am pleased to share that building on the momentum of last year, the company delivered another quarter of strong performance, underpinned by healthy revenue growth and profitability.

Our performance reflects not only favourable demand conditions, but also the deliberate investments and strategic choices made over the past several years. The Wires & Cables business maintained steady momentum, leveraging its market leadership and execution capabilities, while the FMEG business continued its trajectory of steady improvement, supported by a richer product portfolio and a wider customer reach.

The progress we are seeing today is a direct outcome of our commitment to building a more agile, scalable and future-ready organization. We remain focused on operational excellence, disciplined capital allocation and enhancing customer value across every touch point.

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

The global macroeconomic landscape continues to be shaped by ongoing geopolitical developments. Disruptions across energy markets and global trade routes, particularly around the Strait of Hormuz contributed to inflationary pressures during the first half of 2026.

While oil prices have moderated from the peaks which we witnessed in April, they continue to remain volatile. Given the fluid nature of the geopolitical environment, uncertainty around the energy crisis, supply chains and global trade flows may persist in the near term.

The IMF's latest outlook projects global growth approximately at 3% for 2026, supported by resilient economic activity and technology-driven investment cycle, while global inflation forecasts have been revised higher. The renewed energy shock has pushed every major central bank on to a firmer footing. The Fed held rates at 3.5% to 3.75% in June, but turned notably more hawkish, expecting rates to rise later this year. A similar stance was seen by the Bank of England, which held the rates at 3.75% to gauge the impact of the U.S.-Iran war.

The RBI held its repo rate at 5.25%, taking a neutral stance, but flagged accrued driven inflation and rupee volatility as the key swing factors for its next move. Against the global backdrop, India remains one of the strongest performing major economies globally. While the external environment has become more challenging, India continues to benefit from robust domestic demand, public investment, healthy credit expansion and increasing private sector capital expenditure.

Economic activity has remained resilient despite global volatility, reinforcing India's position as one of the fastest-growing economies in the world. Government-led infrastructure spending, a broadening manufacturing base and sustained momentum in services continue to remain key growth drivers. While services and consumption are driving growth, the government capex is progressing well in the first 2 months of FY27 at INR 2.51 lakh crores versus INR 2.21 lakh crores in April, May of last year, reflecting a healthy 14% growth.

At the same time, the real estate sector and formalization trends across the economy remains supportive of medium-term growth prospects. On the investment flows front, although foreign portfolio flows were impacted by geopolitical tensions and global risk aversion, strong domestic institutional participation helped sustain market liquidity.

Overall, while the global environment remains uncertain, India's structural growth story remains firmly intact. A resilient domestic economy, strengthening investment cycle, a stable financial system and a continued policy focus on infrastructure and manufacturing provide a very solid foundation for sustained growth.

We remain confident in the medium-term outlook for the Indian economy and the robust demand environment it continues to create for our business. Across the organization, our focus remains on execution excellence translating strategy into outcomes and strengthening the foundation for long-term growth. Looking ahead, our priorities remain very clear, sustaining growth momentum, strengthening our competitive positioning and continuing to invest in innovation, talent and capabilities.

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

Shashank Yagnick: Thank you, Niyant. For the quarter ended June 30, 2026, we delivered another strong set of results, underscoring the resilience of our business model and the effectiveness of our execution strategy. Consolidated revenues grew by 39% year-on-year, supported by sustained momentum across both our wires and cables and FMEG businesses.

Operating performance remained robust during the quarter. EBITDA increased by 32% year-on-year and the margins stood at 13.8%, reflecting an improvement of approximately 70 basis points sequentially over the previous quarter. At the bottom line, we achieved our highest ever quarterly Profit After Tax of INR 7,967 million, representing a growth of 33% year-on-year.

PAT margins for the quarter came in at 9.7%. Finance costs for the quarter were INR 800 million, while other income stood at INR 1,049 million.

For a detailed understanding of these line items, I would request you to refer to Slide number 17 of the presentation. Our balance sheet continues to remain strong with a net cash position of INR 39.9 billion. The average working capital cycle improved significantly to 15 days in Quarter 1 Financial Year 2027, aided by a temporary increase in payable days due to the use of letter of credit for raw material procurement.

As these effects normalize, we expect the working capital cycle to settle within our long-term operating range of 45 to 50 days. Capital expenditure during the quarter amounted to INR 3.2 billion, reflecting our continued commitment to building capacity and strengthening future growth drivers.

Let me now move to Slide 6 and discuss the performance of our Wires & Cables business. The Wires & Cables segment registered a healthy 39% year-on-year growth during the quarter. Within this, the domestic Wires & Cables business delivered an impressive 43% year-on-year growth, supported by robust market demand, effective execution across key channels and favourable commodity-linked realizations.

Volume growth for the quarter on a year-on-year basis was low to mid-single digits, which was on top of a very strong base of Q1 of last year. From a category standpoint, wires grew faster than cables during the quarter. Channel sales also outperformed institutional sales, highlighting the strength of our distribution network.

Regionally, the West remained the strongest contributor, followed by North, South and East, reflecting the broad-based nature of our market presence across the country.

Our international business witnessed a decline on Y-o-Y basis, reflecting the impact of near-term geopolitical developments. However, the underlying fundamentals remain strong and intact. We continue to maintain a healthy order book and remain confident of a strong recovery, supported by a positive long-term outlook.

EBIT margins for the Wires & Cables business stood at 13.3%. Sequential margin improvement was driven by a favourable business mix and continued focus on operational excellence. Consistent with our Project Spring roadmap, we continue to maintain our medium- to long-term margin guidance of 11% to 13% for this business.

Turning now to Slide number 8 for our FMEG business. The FMEG segment delivered another outstanding quarter, recording 71% year-on-year growth with strong contributions across all product categories. This marks the tenth consecutive quarter in which we have outperformed industry growth rates, reinforcing the strength of our business model and execution capabilities.

Solar business, our largest category within the FMEG portfolio, continued to be the primary growth engine, delivering more than twofold growth year-on-year. The category continues to benefit from favourable structural trends, including the PM Surya Ghar Yojana, state-level incentive programs and increasing consumer adoption of renewable energy solutions.

We believe the long-term growth opportunity in this space is quite substantial. The rest of the portfolio, including fans, lighting, switches, switchgears, conduit pipes and fittings also delivered healthy growth. This was driven by continued strength in the real estate and construction sectors, supported by our focus on product expansion, market development and deeper customer engagement.

The profitability trajectory of the FMEG business also continued to improve, having turned profitable in Q4 of financial year 2025. The business has steadily enhanced earnings while simultaneously investing in people, innovation, product development and brand building.

EBIT margins for the quarter were 8%, very much in line with the milestones laid out under Project Spring, where we target EBITDA margins of 8% to 10% by FY 2030. Looking ahead, we remain optimistic about the long-term prospects of the FMEG segment. Our strategic priorities remain unchanged to grow at 1.5x to 2x of the industry growth while progressively enhancing profitability.

Ongoing investments in distribution reach, product innovation and brand strength will continue to drive support sustainable value creation over the coming years. Moving on to Slide number 10 for an update on our EPC business. The EPC business reported revenues of INR 3,077 million during the Quarter 1 Financial Year 2027, reflecting a year-on-year decline of 11%, primarily due to the timing and execution cycle of projects. Despite the lower revenue base, profitability remained healthy at INR 338 million, translating into a margin of 11%.

Over the medium to long term, we continue to expect sustainable operating margins for the EPC business to remain in the high single-digit range. In closing, I would like to thank all our stakeholders for their continued trust and support. The quarter's performance reflects the strength of our diversified portfolio, disciplined execution and strategic investments across the growth platforms.

With that, we conclude our prepared remarks, and we'll now be happy to take your questions. Thank you.

Moderator: The first question comes from the line of Aniruddha Joshi with ICICI Securities.

Aniruddha Joshi: Yes. Congrats to entire team for posting for a solid result. Sir, two questions from my side. If you can indicate the price hikes and volume growth in this quarter on a year-on-year basis. And now considering the copper prices, how do you see the pricing working out for Q2? That is question number one. And secondly is in terms of accounting, as you alluded to earlier, the acceptances have gone up considerably and which is included in payable days. So, if you can quantify the actual creditors, the creditors or exponent creditors for capex, and third, the actual acceptances. And as the acceptances are part of payables whether the interest cost on the acceptances is booked through the expenses line? Or is it included in finance costs? Just as an accounting clarification.

Shashank Yagnick: So Anirudhha, thank you. I think in your two questions, you had 4. We'll try and answer all. So firstly, on the copper price and in fact, the volume and price growth in this quarter. So I think I can give you volume growth trajectory, which is put together, cable & wire domestic business grew from about low to mid-single-digit volume growth.

But we must note that the Q1 of last year, our volume growth was very, very strong. We had a base of about 26% volume growth, cable & wire put together, where again, cables was high and wires was north of 20%. So on that base, this time, we have recorded low to mid-single-digit kind of overall cable & wire business growth, where, this time, like we mentioned in the earlier part of the conversation, wires have outpaced cables.

And on the copper price, I don't see we have given any guidance on that for Quarter 2. We will continue to focus on business and price will, of course, be something that we can't control. It's like you are aware, it's a cost-plus model. So whatever is the cost, we'll pass it on, and we'll continue to focus on the business. So that is the first question.

Second question, I'll just briefly address by saying that -- so while acceptances have gone up, I think the goods are still in transit. So hence, if you look at typically the way we operate, the inventory is usually on a higher side, say, around 100-110 days. Using LCs, we get payable days around, say, 80-90 days. And it's only a play of that. And if you look at receivables, you must be aware our business happens 90% through channel, and majority of that again comes from channel finance.

So our receivables are always low. But typically, considering the other parts of business, including EPC, we believe our receivables are usually within 20 to 30 days. So if you put together these 3 pieces, you will always figure that we are somewhere around the average range we guide is 45 to 50 days. But this time, we were on the better side, and we ended up with 15 days in this quarter. So I think for more details into it, we can of course take it offline.

Moderator: Next question comes from the line of Sonali Salgaonkar with Jefferies.

Sonali Salgaonkar: Congratulations to the team for such a strong performance. My first question is a little strategic in nature. It would be nice to hear your thoughts on the upcoming data centre opportunity or any opportunity in optic fibres that you see? And my second question is in terms of exports. Now we understand that 13% decline, was it largely because of Middle East? And how do we foresee the coming quarters?

Shashank Yagnick: Thank you so much, Sonali, for these two questions. So firstly, on the data centre opportunity, I think it's a very big opportunity. We are hopeful that material translation should happen from estimates to reality. Today, I think the installed base is somewhere around 1.6 gigawatt.

We have read reports where the estimation is somewhere around 8 gigawatt to 16 gigawatt or 18 gigawatt. So we estimate that 1 megawatt translates into around INR 3.5 crores worth of cables with 50% to 60% being conventional and the balance being optical fibre. So a sizable chunk of demand can come from data centre. It's just a matter of timing. Definitely, a INR 20,000 to 25,000 crores market is there, but that's over a period of maybe 6-8 years.

Through our distribution channel, we have supplied a majority chunk of the conventional piece in the existing installations. I think we have called out earlier publicly that in the data centres of Vodafone Idea in Mohali, Pune and South of India, we have supplied the cables.

So, we continue to focus on that market. It's a dedicated focus area for us. And that, of course, is one such chunk of demand centre, which can actually explode and create another layer of demand for cable and wire put together. So I think we definitely expect this to pick up in a bigger way.

And like I mentioned, the opportunity could actually be from 8 gigawatt to 16 to 18 gigawatts, and that to over a period of 5 to 8 years. We need to see how it translates into reality. And on the second part, which was exports, so like you rightly mentioned, Middle East got impacted in the month of March. And certain geographies in the Middle East continue to be impacted.

But I'm happy to state that we have seen a good amount of momentum coming back in exports. Today, we have a very healthy order book. U.S., Europe and Latin America put together, we have a very sizable order book.

I'm happy to state that even in Q1, we could do about 20-24% kind of a business from Middle East, which again came from countries like Oman, Saudi and UAE put together. And North America continued; the contribution from North America was somewhere around 45-50% in our Q1 turnover.

And of course, Europe was about 18-20%. So broadly, we have been pretty broad-based. Last year, we were happy to add 10 new geographies in our global footprint. And today, we believe that all of that is going to pay rich dividends in the time to come.

Moderator: Next question comes from the line of Pulkit Patni with Goldman Sachs.

Pulkit Patni: Just one question. This is on the Bharat Net project. Given how steep a price increase have we seen in the fibre side, how do you see the profitability of these projects panning out over the next couple of years? And also, we have seen that overall, the EPC revenue has been quite weak. Any particular reason that's impacted this revenue? So just that question.

Shashank Yagnick: Sure. Thanks, Pulkit. So again, I think one was on Bharat Net and the high fibre prices. Happy to state that the strength of our procurement is such that we have been able to secure the fibre for the execution period, which is next 2 to 3 years. So there is a INR 4,500 crores execution piece of the contract of INR 8,000 crores overall.

So within that, overall supply portion is around 30% of the overall value. Now for that portion, we have already secured the fibre. So hence, we are technically not exposed to the high fibre prices that are happening today, and completely appreciate the fact that the fibre prices are obviously on the uptick.

But we have secured our fibre. Hence, we are not exposed and not impacted. And profitability, like you mentioned, we have always guided that Bharat Net, which again forms part of our EPC business, the expected margins are supposed to be high single digits.

This quarter, we have delivered EBIT of 11% in our EPC business, but we estimate that from a long-term perspective, it should be high single digit. And also, I think since you mentioned that EPC has taken a hit in this quarter, I would say EPC business is the nature of business wherein you shouldn't see on a 2 to 3 month basis. These are all milestone-linked payouts.

So if the milestone happens, say, after a period of 5 months, then possibly, the revenue recognition will happen in second quarter and not in the first quarter. So that's the only way. Otherwise, materially, if you see on a full year basis, you will not see hopefully a dip.

Moderator: Next question comes from the line of Akshay Gattani with UBS.

Akshay Gattani: Congratulations on great results. Sir, how should we look at full year volume growth? Like Q1, you highlighted low to mid-single-digit volume growth on a high base. Q3, again, will have a high base. Q2 will have a slightly, I would say, moderate base and then this is becoming favourable in Quarter 4. So how should we look at full year volume growth for Polycab this year?

Shashank Yagnick: So Akshay, thanks for your question. So, see, I think best way to look at it is look backwards. So if you look at Q4, I think the industry didn't have significant volume gains. Q3 was maybe 40% for us. So similarly, quarter-on-quarter, you will have different volumes.

But I think we have always guided that we will do 1.5x of market growth, which is a mix of both volume and value. So as long as there is growth in the volumes or growth in the market, we definitely do better than the industry growth rate. That is the only guidance we can give.

But if you look back, like I mentioned, overall full year FY26, we did 18% volume growth. So I think over a period of 10 to 12 months is a good time to look at a trend. 2 to 3 months period, I mean, you will have only 2 to 3 dots. You'll not be able to draw a trendline. So I think 10 to 12 months is a good period. Over maybe 2-3 next quarters, you will see a trend, and you should definitely see 1.5x of market growth.

Akshay Gattani: Got it. And second question, sir, on the wires growth this quarter, you highlighted wires have outperformed cables growth this quarter. So does this imply market share gain for Polycab in wires segment? And how much will be the market share, if you can quantify?

Shashank Yagnick: Okay, we'll have to obviously wait for other results to also get public, right? Only then we can comment on that. And typically, we do this market share analysis or exercise typically, again at a 10 to 12 month period. In last quarter, in fact, we updated that overall, we have gained 3% to 4% market share.

I think quarter-on-quarter, it may or may not be true because this should not be cyclical, right? It should be at least structural gains, which can again appear only after 8-10 months. And of course, after peers have also declared the results.

Moderator: Next question comes from the line of Ravi Swaminathan with Avendus Spark.

Ravi Swaminathan: Congrats on a good set of numbers. I would like to double-click on the volume growth opportunity from the cable segment. How was the performance from transmission side this time? And how do you see the visibility, especially from solar side? Is there a possibility of further growth that can be there from that particular subsegment?

And similarly, with respect to demand from infra and industrial, how it was in the first quarter? And how is it likely to pan out? Are we seeing a recovery in demand from both infra and industrial side?

Shashank Yagnick: Thanks, Ravi. Thanks for that question. So I think I'll just reiterate. So basically, 90% of our business happens through channel. So majority of the times, we don't get to know who is the end customer. But of course, we have some estimates and assessments where we can give you some colour.

Not every quarter, you will have a particular sector contributing. But overall, if you see, our sales, thanks to being the largest player in the cable and wire industry, our sales are very broad-based. So it will be across the spectrum of demand. I'll just cite a few numbers, Ravi, and thanks for pointing this out that what is the traction in T&D space.

See, overall generation side, I'm sure we are all happy with the developments that are happening on renewable generation. I think around 55-56 gigawatt got added in the last financial year. Under the National Generation Adequacy plan of Government, by FY36, we have to reach somewhere around 1,120-odd gigawatts, where 70% of that has to come from renewable.

So today, solar is maybe around 150 gigawatt. It has to go up to almost 500 gigawatt plus. So substantial generation, maybe I think north of 50-60 gigawatt every year will continue. So all of that will, of course, translate into significant cable demand.

Second piece is the transmission and distribution. So if you look at period of FY20 to FY25, the average transmission line capacity addition was around 15,000 circuit kilometres. Now that has to substantially go up to about north of 20,000. So estimates are 20,000 or 21,000 circuit kilometre should be the average for the period of FY26 to FY30.

Now this year, again, Central Electricity Authority (CEA) has predicted that at least it will be 17,000 circuit kilometre in this financial year. So all of these are very, very good positive signs. And I'm happy to state that 2,000 circuit kilometres have already been executed in April and May month.

So we don't have a number for June, but 2 months have already seen 2,000 circuit kilometre getting added. So it's a very real execution which is visible. Even the MNRE budget for last year, they were able to pump in INR 24,000 crores. So against their budget estimate, the actual spend was about 90-plus percent. So all of these are very, very healthy signs.

If you look at the capacity addition plans of the transformer companies, they are pretty robust. If you look at CG Power, ABB, Siemens, Hitachi, they have very sizable capacity addition plans. All of them are targeting the huge T&D pickup that is going to come. And of course, AI and data centres are further going to propel this demand.

So we are very positive, Ravi. I think that's going to continue. Also on the private side, I think you mentioned, thanks to our distribution reach, we are able to aggregate demand at Tier 2, Tier 3, Tier 4 markets, our distributors are able to cater to that demand.

We have been fortunate to be able to cater to sizable private demand. And on a broad-based basis, we expect that demand to kick in even strongly now that government budget is strongly focusing on logistics, railway, corridors and stuff like that, which will further create the right environment for private capex to pull in.

We have seen that the BSE 500 companies, ex-BFSI, they have committed somewhere around INR 11.6 lakh crores for next 12 to 18 months in capacity enhancements and new capex. And majority of them are going into industries like metals, semiconductors, manufacturing and even renewable.

So if all of that comes through, I think majority of these will translate into very strong demand for cable and wire, and we are yet to fully see the potential from defence, EV charging infrastructure, data centres, which can create another layer of demand altogether.

So I think from demand side, we are reasonably assured. I think India is at a very sweet spot. And not just for this year, I think, Ravi, for the next 2 to 3 years, we are very positive about the demand.

Moderator: Next question comes from the line of Achal Lohade with Nuvama Institutional Equities.

Achal Lohade: Am I audible?

Moderator: Please go ahead.

Achal Lohade: So, two questions. First, in terms of the volume growth, if you could call out base quarter number for cables and wires separately. You mentioned that wires has grown faster than cables in this quarter. So is there any element of channel stocking, which has kind of helped in this quarter and towards June month? That's my first question.

Shashank Yagnick: So Achal, maybe let me address the first question, so which is the volume split between cable and wire. So, wires, like I mentioned, outpaced cables. Wires was high single-digit growth. Again, at the cost of reiteration, I'm repeating that our volume base of last year, Q1 was very, very high. Cables was almost north of 25%. Wires was north of 20%. So, on that base, our wires recorded high single digit. Cables was low to mid-single digit.

Achal Lohade: Got it. And in terms of channel stocking, how is the channel stocking at this stage for wires and also cables.

Shashank Yagnick: Very good way to look at it is the movement in copper and aluminium. So if you see in June specifically, I think it has plummeted. Aluminium has gone down by maybe 18-20%, from point to point, 1st of June to 30th of June. And if you look at even copper has substantially come down. So it had almost gone to almost INR 14,000 and then it came down to INR 13,100 - 13,200.

So I think as soon as price tends to go up, the stocking happens. If price comes down, destocking happens. That's the usual trend in the channel and which is consistent any time. And hence, the answer to your specific question is that the stocking did not happen to the expectation.

Of course, there is some stocking that happens because of a quarter end or a month end. But compared to the regular estimate of a typical quarter, it was definitely impacted by the plummeting of raw material prices.

Achal Lohade: So fair to say that the channel stocking is suboptimal? Would that be a fair way to look at it?

Shashank Yagnick: So again, here, suboptimal is very difficult for me to place it on record, point being that in our case, typically, a healthy stocking is say maybe about 20-25 days. That may not be true for other peers because we are able to replenish them faster. So, below expectation is a better way to put it.

Achal Lohade: Fair point. Secondly, in terms of the margins, if I look at the mix in cable and wires, mix will be in favour of wires in this quarter. But the margin improvement Q-o-Q -- ideally, the margin should have seen further improvement. So I was just curious, is there any one-off or any cost escalation, etc, which has kind of impacted the Q-o-Q improvement in the margin?

Shashank Yagnick: No. Achal, I'll just put it this way that it's a factor of 4 things typically in case of us for defining the margins. One is the export contribution in the overall business. This quarter, again, the effect of West Asia gradually phasing out or at least I don't know, at least till last week, the effect was reducing or going in the right direction of resolution.

But this quarter, of course, had an impact on exports. So export didn't contribute meaningfully. Second is the split between wires and cables. Now wires was obviously higher. So that, of course, uplifted or supported our margins. Second is the channel versus institutional. So channel was higher, and hence, that also supported the margins.

But the fourth, again, being the operating leverage. So exports contribution and the operating leverage possibly didn't go in the right way. So all of this comes together, then definitely, we are able to at least support our margins in a good way.

But at the same time, also, Achal, I would put it that based on our long-term or medium- to long-term guidance of 11% to 13% under Project Spring, we definitely want to operate there. And we believe that this is again a healthy range. Of course, all 4 things coming together will play a role in our defining the margins.

Achal Lohade: Perfect. Just one last question. In terms of the U.S. exports, if you could talk about the distribution revamp, where are we? And what kind of pickup are we seeing? And what was the growth in U.S. exports on a Y-o-Y basis?

Shashank Yagnick: So let me put it this way. This year -- this quarter, the mix of exports, U.S. was again 50%. And overall, we have seen a dip in exports. But North America continues to be a large contributor to our overall exports.

And second thing is on the setup. I think setup is more or less complete. We had appointed market representatives, and that process is complete. I think we have sown the right seeds. There's a very healthy order book, specifically from U.S. And there's a very healthy inquiry bank as well.

So, these two put together gives us enough confidence that in the coming quarters in this financial year, we should see sizable pickup in U.S. export and overall exports also will definitely show a good uptick.

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

Ashish Kanodia: Yes, I can hear you. So just my first question is on the pricing side and stocking. So one, have you taken any -- like was there a price cut which has happened during the first 15 days of July? And post that, did you see a slightly better stocking given maybe towards the June end channel would have delayed some bit of a stocking in anticipation of the price cut?

Shashank Yagnick: Yes. So, I think we have taken some price correction or rather price revision in the first fortnight, and we will see the translation into volumes gradually.

Ashish Kanodia: And can you quantify, please, what was the price revision.

Shashank Yagnick: I think about 3% to 4%.

Ashish Kanodia: Sure. And second question is on the FMEG side. On the margin side, we have seen a very, very strong outcome. So, one, is it purely operating leverage led or on the gross margin side also, you have seen some improvement?

Shashank Yagnick: No. So like I mentioned on the margins. So again, there are 4 factors, which I just mentioned to Achal also. So wires, obviously is a higher-margin business for us.

Ashish Kanodia: Shashank, my question was on FMEG business.

Shashank Yagnick: Okay. Sure. So on FMEG, there are 2 or 3 big things which are kicking for us. One is the operating leverage. And thanks to our low base, we have been able to deliver higher growth and we have been able to gain substantial benefits from operating leverage. That is one big kicker.

Second is the premium mix has gone up significantly. In this quarter, we have seen premium mix going up to almost 25% in the overall FMEG portfolio.

In case of fans, it has gone up to almost 33%. In case of lighting and luminaries, it has gone up to 38%. So all of this put together, placing the right product in the right market and having strategies for respective regions and not pan-India strategy for single product category. All of this and very solid on-ground execution is resulting in a very solid top line growth, which is, of course, then supporting the operating leverage, and the premium product mix has helped uplift the EBITDA margins in FMEG.

Ashish Kanodia: Sure. And just last bit on the EPC side - on a full year basis because quarter-to-quarter, the execution could vary. But on a full year basis, what kind of revenue or execution can we expect from RDSS and Bharat Net?

Shashank Yagnick: So Ashish, like you remember, Bharat Net, the overall order size is around INR 8,000 crores. Out of that, INR 4,500 crores is the execution piece for new infrastructure which is over a period of 3 years.

We have started the execution sometime in last quarter in March. So we can safely say maybe 1/3rd of that should translate into revenue, maybe INR 800 crores to INR 1,000 crores may come from Bharat Net alone. And RDSS, we had overall order book when we started the execution was around INR 3,250 crores.

Today, I think we have recognized some of it. But overall, put together, Bharat Net and RDSS, the order book stands at around INR 10,900 crores. And again, in case of RDSS, since the execution piece is around 3 years, we should expect about INR 800-odd crores translating this year.

Moderator: Next question comes from the line of Sameer Gupta with IIFL Capital.

Sameer Gupta: Congrats on a good set of numbers. Sir, first question is on the FMEG piece, taking it from Ashish. Now solar here is a big driver. Any colour on the scale of this segment and sustainability of this growth?

I remember 1 year back, this was the third largest category within FMEG and now it is the largest, and it is still growing at 2x. So just trying to understand what kind of visibility we have currently on this momentum in solar?

Shashank Yagnick: Thanks, Sameer. So I think it's very much related to the government policies, the PM Surya Ghar Yojana and the state incentives and central incentives for rooftop solar. So I think this solar inverter business for us is also driving the same momentum. We definitely see a strong trajectory of growth in the next 2 to 3 years in the same way as the country is witnessing.

Sameer Gupta: And any colour on what contribution it would be within FMEG? Will it be like 30% now? Or any colour you can give there?

Shashank Yagnick: So Sameer, I'm sure you are aware, we don't usually, by design, give a split of the FMEG basket, but I'm happy to state and like you have mentioned, it's the single largest contributor, but it's still less than 50%. I can tell you the descending order of the topline of the respective categories. It is solar followed by fans, followed by pipes and conduits in this quarter. And then you have switchgears and switches.

Sameer Gupta: Fans and lighting and luminaries you are clubbing together, is it?

Shashank Yagnick: I mentioned solar inverter, followed by fans. Then you have pipes and conduits. Then lights, switchgears and switches.

Sameer Gupta: Okay. And on the FMEG ex-solar if you could just help me with the growth in terms of volume and price hikes for this quarter, it would be helpful.

Shashank Yagnick: Sameer by design, we don't give a split of the FMEG respective portfolios. But I'm happy to state, and I think I covered that in my earlier commentary, is that all 6 categories have delivered stronger growth than the industry growth for the respective category.

And again, that has two, three elements, like I mentioned, which is premium mix, which has helped not just topline, but also has helped the bottomline. The segmental play with respect to right product in the right market. We have done same counters retail wires are getting sold. We are driving switches and switches along with that. So a lot of these things are working out, and all of them are delivering, thanks to lower base, a very high growth for all 6 categories.

Sameer Gupta: Got it, sir. The idea for asking this question was that typically in consumer durables this quarter, there is an element of a low base because there was an early monsoon last year, and it's been a delayed summer this year or a delayed monsoon this year.

Plus, there have been some bit of price hikes into the channel, both in 4Q and 1Q. So just trying to gauge the sustainability of this growth. That was the idea of asking the question. Any granular information here would be helpful, even if you don't want to share the numbers.

Shashank Yagnick: Sure, Sameer. I appreciate your question. And like you rightly mentioned, I think the industry like fans, coolers, ACs, although we are not into ACs and coolers, but I'm saying all of this industry has benefited from the extended summer, and we too have benefited. And like you rightly mentioned, in case of fans, say for example, the new products with the new BEE norms when they launched in the market, of course, there was a 4-5% correction.

That's not only for us, but for everybody. And similarly for other products, I think. And since you come up with a new product every time, so the prices may not tally with the industry per se. Hence, we don't usually give a split, and I think you'll appreciate that.

Moderator: Next question comes from the line of Naushad Chaudhary with Aditya Birla Mutual Fund.

Naushad Chaudhary: Clarification on the data centre and T&D opportunity. As you mentioned, 1 megawatt translates to INR 3.5 crores of wire and cable demand. So INR 3,500 crores on 1 gigawatt and assuming in a best case, 1 gigawatt capacity comes in annually. So it would generate INR 3,500 crores of wire and cable demand. And obviously, there would be some base last year as well. So with INR 3,500 crores of demand, how can it have a significant percentage growth impact on a TAM of INR 1 lakh crores.

And same goes to T&D also, last year, 12,000 to 13,000 circuit kilometre was the number and future would be 13 to 15. So percentage-wise, it is not going up much. So these two, how can it have a significant impact on the industry growth percentage. Just wanted to understand if I'm reading it correctly or not?

Shashank Yagnick: Naushad, thanks for that question. So I agree on the first one and disagree on the second one. So first one, which was data centre. So I think I kind of agree with you. I think if the addition only happens 1 gigawatt, then obviously, the translation to cable and wire requirement of the market will not be substantial. And I'm completely agreeing with you.

And unfortunately, today, we are sitting at a base of 1.6 gigawatt, but that has happened over a period of 5-7 years. I think 2019 or 2020, maybe some capacity started setting up, and it has taken some time to reach 1.6 gigawatt. And in the initial part of my commentary also, I mentioned that when somebody asked me about data centres, we see an opportunity of 8 gigawatt to 18 gigawatt, and we don't know how long it will take to get there, right.

So of course, if it's a factor. If 5 gigawatt comes in tomorrow, then obviously, the sizable portion of demand will come. So I'm completely agreeing with you on that. So it's your guess versus mine. I'm yet to see that translation happening on ground with respect to data centre capacity coming up.

At the same time, let me also put forward that we have a decent order book. There are some establishments which are already about to start. They may or may not be at a very sizable number to translate into 1 gigawatt in a year. But definitely, there is some movement happening, and there's a good trajectory. But at the same time, giving a bullish number on that is something that is outside my purview.

On the second piece of T&D, that is where I would like to differ. We have seen the average of last 5 years, like I mentioned, was around 14,000 to 15,000 circuit kilometres. So last year's number, maybe I mean you and I both can recheck. I think it's somewhere closer to 14,000 and 15,000 circuit kilometre.

And the trajectory for the next 5 years as per CEA estimates is somewhere around 20,000-21,000 circuit kilometre. This year itself in FY27, we are expecting around 17,000 circuit kilometre capacity addition. So definitely, there is a disconnect, and this is a factual number so we can all check.

Secondly, 2,000 circuit kilometre has already been added in the period of April and May put together only in this financial year. So there is a good amount of trajectory. Also, the conversion, the execution has been very, very good. If you look at the government capex, which is a substantial portion is going to power T&D, a good amount of conversion and execution is happening.

So hence, there I differ. I think T&D is going to pick up in a bigger way. And the translation to cable and wire requirement, specifically in case of T&D is higher. So INR 100 spent on T&D translates to a cable requirement of about 15%, which is very, very high. So, we definitely estimate that the next 5 years is going to be very significant monumental for T&D and both generation, transmission and distribution put together.

Naushad Chaudhary: See, last 5 years, even with a target of 23,000 average, the achievement is 14,000. And now next 5 years target of roughly on an average, 20. So, in that case, if we achieve 15 on a base of 15,000 annually, so that gives some worriedness in terms of percentage growth. So, is there any other data point which you can give us to have some confidence on incremental growth from T&D for the sector should come in?

Shashank Yagnick: Naushad, we are only going by the published numbers of Central Electricity Authority. So I think we are very confident. And also one more parallel, another lead indicator that you can refer is the capacity expansion plans of the transformer companies.

And also, if you look at their order book ratio of order book versus revenue, that has gone up to almost 2.5x. So order book is around 2.5x of their revenue. So which means there is substantial development happening on T&D front. And at the same time, even if the conversion execution is, say, X percentage, if it is 70% / 80% / 90%, like I mentioned, the translation to cable and wire has been very, very high in case of P&D.

Generation has been the major kicker in the last 2 to 3 years, where a substantial amount of renewable capacity has gotten added. But to that, that momentum is going to continue and T&D is going to pick up the chain now. So that's my take, and I'm happy to agree and disagree on certain aspects.

Moderator: Next question comes from the line of Keyur Pandya with ICICI Prudential Life Insurance Corporation Limited.

Keyur Pandya: Few questions. First on the volume growth side. So you have guided for 1.5x growth versus industry growth. But I'm just saying from the perspective of absolute growth number, do you worry about the lower growth for last 3 quarters in terms of volume? Is it just because of this? Or you see there is a deceleration in the momentum?

And just -- I mean, building on the previous discussion, all the data centre or transmission or T&D capex, I mean it can delay by 1 or 2 years and that can impact our volume growth. I'm not denying any risk to this T&D capex, but any delay can at least impact our growth rate. So are you seeing any deceleration? So how do you dissect this lower growth numbers? That is first question.

And second is on export side. I mean, at least the better environment in the Middle East and some normalization of trade routes plus your strategy in the distribution, how do you see or when do you see export growth picking up or at least for FY27? Yes, these are the 2 questions.

Shashank Yagnick: Sure. Thanks, Keyur. Firstly, on the volume growth. So I'll just narrate the same story, which is, say, Q4 of last year, our volume -- the industry volume growth were pretty moderate. Q3, we outperformed everybody and we registered 40% volume growth.

Q1, Q2 had another story, respectively. But if you look at full year basis, our volume growth was 18%. So this year, again, Q1, at the back of West Asia crisis, which appears that we have passed the peak and we are going in the right direction. Again, last week, it's resurfaced between Iran and U.S. So all of that will continue to play. But 3 months may or may not be a good indicator. Like you see in June, the prices of copper and aluminium shooting down. So stocking or destocking continues to happen.

But in our assessment, we have seen the CAGR of our volume growth has always been double digits in the last 5 to 7 years. So quarter-on-quarter may or may not be a good indicator. You may have to look at a longer time period of at least 10 to 12 months to assess that.

We are very confident on the demand side, and that's true for, I think, all cable and wire operators. And that's also true that, that is why so much of competition is jumping into this sector because they see a significant potential. I mean that's the only good thing to take from that.

So definitely, there is volume growth, which is going to come. We have guided that we'll continue to grow at 1.5x of market growth. And we still believe in that, and we have delivered that in the last 1-1.5 years ever since we have made that commitment. And we believe that will continue to happen until FY30. There are significant pockets of demand. So power, of course, we believe is going to drive the demand momentum, which has happened in the previous years as well. And more so now it will happen with greater push towards self-sufficiency and energy security.

Second is the manufacturing and private sector, which we believe is now going to come up in a bigger way. Mobility, again, wherein 10% to 12% demand for cables comes from mobility, where again, we see railways, airports, seaports, roadways, highways. Annually, we have reached about 10,000 kilometres of road construction, highway construction every year. That's a sizable number.

And 800 new Vande Bharat are expected by 2030. So I think all of these will substantially add to the demand. Further, I think data centre, defence, EV charging infrastructure, these are somewhere around 4-5% today, but they may explode and create another layer of demand. So demand is very much there.

We believe that we'll be at the forefront of taking the lion's share of the demand. And on a full year basis, we should be able to live up to 1.5x of market growth and maybe even today. So on the volume part, I think I broadly addressed. I think we are not too concerned or worried about that at all.

Secondly, if you look at exports, specifically U.S. Definitely, I think the momentum is very much back. The Middle East is also somewhat we have started catering to Oman, Saudi and UAE. And we see that we have sown the right seeds. We have entered 10 new geographies in the last year. Today, our footprint is around in 94 countries. And we will definitely see a higher traction.

In exports, India as a country is very under-indexed. We believe that India has immense potential and more so for Polycab because we have the right approvals and right products and right availability guarantee. We assure that we'll be able to deliver higher growth. And there is no specific target because it's an uncapped growth opportunity. We have given our guidance of going north of 10% of our overall top line by 2030.

And that's one indication that our export growth should be higher than domestic. And we believe if there are no more trade barriers and it's a level playing field, today, we are very well poised to leverage on that growth, and that should reflect in the numbers in the coming quarters.

Keyur Pandya: Understood. Just last one question. On the FMEG side, you highlighted all the reasons for better margin. Now this is as high as your, say, FY30 guidance. So I mean, this is one-off or because of the seasonality or some other reasons? Or we should assume that you have reached your guidance earlier than what you had thought?

Shashank Yagnick: So Keyur, again, our guidance we have given clearly till FY30, quarter-on-quarter based on seasonality. I mean, typically, this industry is about seasonality, right. Fans will have a seasonality for sure. Lights, of course, will have a seasonality. So all of this definitely has seasonality. But on top line basis, like we' have guided, whatever the market growth will deliver 1.5x to 2x of that growth. And of course, the ambition is that on a full year basis, we should be able to reach 8% to 10% of EBITDA margins on FMEG.

So currently, what you can read is a very, very good trajectory. If you look at last 5 quarters and today, we have come by leaps and bounds in the right direction, both on top line and bottomline front. Topline growth of 71% year-on-year is a phenomenal growth. And even EBIT of 8% in FMEG today with increasing focus on A&P spends is again a very, very commendable story.

Moderator: Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I now hand the conference over to Mr. Niyant Maru for closing comments.

Niyant Maru: Thank you all the investors for taking part in this call. We appreciate your questions and hope we have answered to your desire. Hope to see you again in the next quarter. Thank you.

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