

POLYCAB

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Polycab India Limited

28th Annual General Meeting

16th July 2024 (09:00 A.M. to 09:55 A.M.)

Company Participants:

- Mr. Inder T. Jaisinghani - Chairman & Managing Director
- Mr. Bharat A. Jaisinghani - Executive Director
- Mr. Nikhil R. Jaisinghani - Executive Director
- Mr. Rakesh Talati - Executive Director
- Mr. Gandharv Tongia - Executive Director & Chief Financial Officer
- Mr. T. P. Ostwal - Independent Director
- Mr. R. S. Sharma - Independent Director
- Mrs. Sutapa Banerjee - Independent Director
- Mrs. Manju Agarwal - Independent Director
- Mr. Bhaskar Sharma - Independent Director
- Ms. Manita Gonsalves – Company Secretary & Vice President Legal

Auditors:

- Mr. Bhavesh Dhupelia (BSR & Co. LLP) - Statutory Auditors
- Mr. Avinash Bagul (BNP & Associates) - Secretarial Auditors

Scrutinizer:

Mr. Avinash Bagul (BNP & Associates) – Partner

Manita Gonsalves: A very Good Morning, I am Manita Gonsalves, Company Secretary of Polycab India Limited. A warm welcome to all our stakeholders, shareholders, Independent Directors and Executive Directors who have joined us via video conferencing, a warm welcome also to Mr. Inder T. Jaisinghani our Chairman & Managing Director, Bharat Jaisinghani our Executive Director and Gandharv, our Executive Director & CFO present on the dais. Before I request Inder sir to conduct the proceedings, I would like to inform the shareholders that the video conferencing platform for joining the AGM commenced 30 minutes prior to the scheduled time of the meeting at 08:30 a.m. and it shall remain open for another 15 minutes after the conclusion of the AGM. In view of the circulars issued by the Ministry of Corporate Affairs and SEBI, the Annual General Meeting is being held through video conferencing. The requisite quorum for convening the Annual General Meeting is present and hence I request Inder Sir to commence the formal proceedings of the 28th Annual General Meeting of the Company.

Inder T. Jaisinghani: Good Morning, I welcome you to the 28th Annual General Meeting of your Company. I would now request other Directors present at the meeting to please introduce themselves.

T. P. Ostwal: I am T.P. Ostwal and I am Director of the Company as well as Chairman of the Audit Committee.

Bharat Jaisinghani: I am Bharat Jaisinghani. I am an Executive Director of Polycab India Limited.

Nikhil Jaisinghani: I am Nikhil Jaisinghani, Executive Director of Polycab India.

Gandharv Tongia: Good Morning, I am Gandharv Tongia, Executive Director and CFO of Polycab India.

Rakesh Talati: Good Morning, I am Rakesh Talati, Executive Director of Polycab India. I am attending the AGM from Polycab's Registered office located in Halol.

R. S. Sharma: Good Morning, I am R. S. Sharma, Independent Director on the Board of Polycab. I am also Chairman of Nomination and Remuneration Committee and attending the AGM from my residence in Gurgaon.

Sutapa Banerjee: Good Morning. I am Sutapa Banerjee, Independent Director on the Board of Polycab. I am joining this AGM from my residence in Mumbai.

Manju Agarwal: Good Morning, I am Manju Agarwal, Independent Director of Polycab India. I am attending this meeting from my residence located in USA.

Bhaskar Sharma: Good Morning, I am Bhaskar Sharma, Independent Director of Polycab India. I am attending the AGM from residence located in Mumbai.

Inder T. Jaisinghani: Thank you fellow Directors for the introduction. I would like to inform that Mr. Bhavesh Dhupelia Partner of BSR & Co. LLP, Chartered Accountants, Statutory Auditors and Mr. Avinash Bagul, Partner of BNP & Associates, Secretarial Auditors of the Company are also present at the meeting.

Inder T. Jaisinghani: Dear shareholders, FY24 has been a remarkable period for our Company, characterized by significant achievements and milestones that underscore our firm commitment to excellence. The Company's revenues soared past ₹180 billion and profitability surpassed ₹18 billion, marking all-time highs in our history. This remarkable achievement is a result of our strategic foresight and robust operational capabilities enabling us to anticipate and meet the increasing demand for our products. Looking ahead, we are strategically focused on expanding our B2B and B2C businesses, improving operational excellence as well as promoting a culture of professional excellence. These initiatives will enable us to capitalize on the growing opportunities in both the Indian and global markets. I extend my heartfelt thanks for your unwavering support and confidence in our vision and journey. I now request Gandharv to provide an overview of the past year's performance.

Gandharv Tongia: Thank You, Inder Bhai.

Good morning, everyone. I would like to extend a very warm welcome to all present at the 28th Annual General Meeting of our Company. In my presentation over the next few minutes, I would like to highlight the Company's performance for the year gone by and provide an update on various strategic initiatives.

The financial year 2023-24 was a period of extraordinary growth and impressive accomplishments for the Company. We achieved a robust revenue expansion of 28% year-on-year, surpassing the ₹180 billion mark, bringing us within striking distance of our ambitious Project LEAP target of ₹200 billion in revenues by fiscal 26. This impressive growth was driven by significant volume growth in the domestic wires and cables business, bolstered by substantial government infrastructure investments, selective recovery in private capex, strong demand momentum in the real estate sector, increased adoption of renewable energy sources, and the effective execution of our strategic internal initiatives. Besides our impressive revenue growth, we also achieved record-breaking profits, further reinforcing Polycab's position as the most profitable Company in the electrical industry. Our EBITDA was up by 35% year-on-year with margin expansion of ~70 bps to 13.8%. Margin expansion was driven by improved gross margins, resulting from strategic pricing adjustments and a favourable change in product mix. Profits After Tax grew by 41% year-on-year, with PAT margin expanding ~90 bps to 10.0%.

Looking at segmental performance – the wires and cables business saw impressive growth of 27% year-on-year, reaching ₹159 billion, driven mainly by strong domestic volume growth of 30%-40%. Domestically, the distribution business maintained its robust growth momentum, while the institutional business showed remarkable acceleration. Furthermore, the merger of the HDC and LDC verticals continues to yield cross-selling opportunities, enhancing the Company's pocket share among end-customers. International business registered a marginal growth of 4%, due to certain transitional reasons. However, the Company remains positive on the business in the mid-to-long term. The Company has expanded its global footprint to 79 countries spread across all 6 continents. Our focus remains on expanding into new geographies to diversify our revenue streams and mitigate concentration risks effectively. FMEG business had a soft year with a moderate growth of 3%, primarily due to persistent fragility in consumer sentiment and heightened competition in certain product segments. Among our FMEG products, switches, switchgears and

conduits pipes & fittings saw notable growth. In the fans category, we continued to focus on our premiumization strategy, achieving meaningful progress on contribution from the premium SKUs. However, the lights & luminaries segment faced challenges from significant price erosion and subdued consumer demand in the B2C segment. Looking ahead, with expected improvement in consumer sentiment through stable inflation, coupled with our refined execution strategies, we expect a notable improvement in the growth trajectory of our FMEG business over the next few years. Meanwhile, our other business segment, primarily comprising of our strategic EPC business, achieved a 169% YoY growth in FY24. We anticipate this business maintaining a medium to high single-digit percentage share of our overall sales over the mid to long term.

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Herein, we have presented the key highlights for the year.

We have achieved industry-leading top-line growth in C&W segment that not only surpassed expectations but also resulted in significant market share gains within the industry. At an organized level, Polycab's market share is estimated to have grown by 2%-3% compared to last year, now standing at 25%-26%. This outstanding achievement underscores our strategic foresight and proactive approach, evidenced by timely investments in expanding our cable manufacturing capacities. By anticipating and preparing for escalating market demands, we have solidified our position as the preferred provider for customers seeking dependable and high-quality electrical solutions.

I have covered our impressive improvement in profitability in my opening remarks.

As our nation traverses through this transformative phase of upgrading its infrastructure, Polycab remains steadfast in its commitment to contribute to the nation's progress, as we have done over the years. To fulfill this commitment effectively, we have significantly bolstered our capital investment aimed at expanding our manufacturing capabilities. Previously, our annual capital expenditure averaged between ₹3-4 billion every year. However, in the current fiscal year, we have escalated our capex to ₹8.58 billion. Looking ahead, over the next 2-3 years, we plan to invest between ₹ 10 billion and ₹ 11 billion annually. These investments are not only geared towards meeting present demands but also positioning our Company for sustained growth and continued leadership in the market.

Aligned with our business growth trajectory and consistent with our track record since listing, we have enhanced our dividend payout for the year to 25.4%, equating to a dividend of ₹30 per share. This marks a substantial 50% increase compared to the ₹20 per share paid out last year.

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The end of fiscal year 2024 marked the completion of 5 years since our listing in April 2019. On this slide, we have presented our performance on certain key parameters, since listing.

Our Company's revenues have shown impressive growth, achieving a CAGR of 18% over the past five years, surging from ~₹ 80 billion in fiscal19 to over ₹180 billion this year. In fact, over the past 3 years, Polycab's top-line has grown at a

CAGR of ~26%, doubling from ₹ 90 billion in FY21 to over ₹180 billion in FY24, making it one of the fastest Company to double its top-line, to ₹180 billion, within a span of 3 years. This remarkable growth has been achieved without compromising on profitability, with EBITDA and PAT growing at a CAGR of 21% and 29% respectively. From a modest ₹ 450 million net cash position in FY19, we have significantly enhanced our cash flows. This improvement stems from optimizing our working capital and reducing debt, resulting in a robust net cash balance of ₹21.4 billion as of the end of FY24. We have also achieved remarkable progress in our international business, which has expanded sixfold since our listing, now contributing ~8% to our overall revenues. At home, we have also strengthened our market presence, increasing our market share from 18% in FY19 to 25%-26% in FY24. Alongside this growth, we have consistently created value for our shareholders, with dividends expanding at a CAGR of 58%, from ₹ 3 in FY19 to ₹ 30 this year.

The next slide depicts shareholder returns since our listing. As on date, the market cap of the Company stands at just over ₹ 1 trillion, having registered a growth CAGR of 68%, from ~₹ 80 billion at listing. Additionally, the Company has distributed over ₹ 8,000 million in dividends to shareholders over the past five years, with distribution of another ₹ 4,500 million in dividends recommended for approval in today's meeting.

We are very proud of what Polycab has achieved over the past 5 years and remain steadfast in our commitment to create sustainable growth and generate significant value for our stakeholders.

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This slide provides a concise overview of Polycab's pivotal role in driving India's development through the supply of cables and wires across various infrastructure projects. Our robust portfolio has enabled successful initiatives across industries, including, infrastructure development, energy generation, commercial and urban expansion and digital communication networks, among others. These projects are instrumental in advancing India's socio-economic growth and fostering its integration into the digital era. As the country prepares itself to take the next leap of growth, towards becoming 'Viksit Bharat' by 2047, Polycab remains committed to making significant contributions to this journey.

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Now, let us talk about our key transformational project called, "Project Leap", which completed 3 years. As you all are aware, we embarked on this project post FY21, partnering with BCG, to work on a range of strategic themes and initiatives focused on growth, profitability and long-term capability building for the organization across both B2B and B2C businesses with a goal of achieving ₹ 200 Bn of top-line by FY26. Under the project, we have been working on various streams, clubbed into four key strategic themes, namely Customer Centricity; Go-to-Market Excellence; Winning with New Products; and Setup of Organization Enablers. We have made tremendous progress in each of these key areas over the past 3 years. I will highlight a few initiatives we've undertaken in the last year under each of these topics one-by-one.

At the heart of our customer-centric initiatives lies a relentless pursuit of excellence and innovation. We have strengthened our Key Account Management strategy,

ensuring our entire portfolio reaches crucial builder accounts, thereby enriching our relationships and service offerings. To better support influencers, we've assembled a strong team and integrated a digital-first platform for seamless engagement and support. Additionally, through enhanced CRM utilization, our TSIs have intensified efforts to improve outreach and service efficiency, gaining better control over pricing and market dynamics for enhanced secondary sales. Harnessing AI/ML, we've developed an advanced pricing engine to optimize win rates and minimize errors, ensuring competitive pricing strategies that resonates with our customers.

In our pursuit of Go-To-Market Excellence, we've undertaken transformative initiatives to strengthen our brand presence and market reach. Our recent Brand Identity Refresh has introduced our new identity "Ideas. Connected.", symbolizing our commitment to innovation and connectivity. Furthermore, we've bolstered our brand building efforts with increased advertising and promotional activities to amplify our visibility. Geography-specific Go-To-Market (GTM) strategies, informed by data analytics, have driven sustained market expansion. We've also targeted untapped markets to foster inclusive growth and diversify our market presence.

Innovation remains central to meeting evolving market demands, driving our initiatives in New Product Development. Expanding our wires portfolio across various price segments, including successful launches like Etira, Primma, and Green Wires, have contributed significantly to retail sales growth. Similar successes in fans, switches, and switchgears have been witnessed during the year.

In our quest to enable organizational excellence, we've implemented transformative measures aimed at enhancing operational efficiency and strategic alignment. Embracing Vertical Specialization, we've created distinct verticals across all product portfolios in B2C, fostering strategic focus and agility in our operations. Additionally, our revamped loyalty app 'Experts' tailored for electricians and retailers and upgraded B2B CRM system have strengthened engagement and service efficiency. Streamlining back-office functions has notably reduced response times, enhancing overall effectiveness. Moving forward, we remain committed to identifying talented individuals who will drive our Company towards its goals and unlock its full potential.

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This slide will give you insights about our ESG Journey so far. Our commitment to ESG principles has evolved significantly over the years, reflecting our dedication to sustainability and responsible business practices. In fiscal year 2020, we embarked on our ESG journey by introducing the Business Responsibility Report (BRR) within our Annual Report. This marked our initial step in formalizing our pledge to sustainability, laying the groundwork for future endeavours. The subsequent year saw a pivotal advancement as we embraced an integrated approach, presenting our first Integrated Report that encompassed the BRR. In FY22, we conducted a thorough Materiality Assessment to identify and prioritize ESG issues crucial to our stakeholders and operations. This process was complemented by obtaining limited assurance under the GRI standards, affirming the credibility and accuracy of our ESG disclosures. Building upon these foundations, last year we formulated a comprehensive ESG framework and Charter, outlining our steadfast commitment to addressing critical ESG topics. This year, we have achieved significant strides across all identified material topics, setting specific ESG targets to foster continuous improvement in our sustainability performance. To bolster our efforts, we have

engaged the expertise of seasoned consultants to guide us in implementing robust ESG practices. This strategic collaboration has provided invaluable insights and helped us streamline our approach towards sustainability. Furthermore, our commitment to excellence is reinforced by our assessment by S&P Global, a prominent global ESG agency, which has benchmarked our performance and adherence to ESG standards. This evaluation not only validates our progress but also identifies areas for further enhancement. Looking ahead, we remain steadfast in our commitment to advancing ESG compliance through innovation and rigorous implementation.

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At Polycab, our commitment to excellence extends beyond mere sales growth and profitability; it encompasses the enhancement and support of all our stakeholders while ensuring the safety, efficiency, and reliability of electrical installations and appliances. Each year, a significant portion of fire-related accidents in our country are caused by electricity. These fires often stem from defective electrical systems, loose or improper wiring, substandard electrical fittings, and poor maintenance of wiring. A major contributing factor to these issues is that many electricians begin their careers as apprentices with little to no formal technical training. They often rely on experience and word-of-mouth to learn the trade, which can result in gaps in their knowledge, reduced efficiency and an increased risk of unsafe practices and accidents.

In order to improve this situation and foster a safer environment, Polycab launched “Polycab Utkarsh” yesterday, on World Youth Skills Day. This CSR program aims to provide technical, safety and professional skills training to electricians. This program will facilitate enrolled electricians to appear for Construction skill development council examinations under the Recognition of Prior Learning (RPL) course, helping them gain recognition as skilled workers.

The benefits for electricians are profound. They can improve the quality of their work, expand their service offerings, gain access to advanced tools and techniques, increase customer satisfaction and loyalty, and earn a higher and more stable income. For customers and society, the benefits are equally significant. Customers can access skilled, reliable, and professional electricians, the industry benefits from a larger pool of trained and certified electricians, and society sees a reduced risk of electrical accidents, fires, and shocks.

To conclude, I would like to thank all our shareholders, customers and other stakeholders who have shown immense support and trust towards the Company over the course of its existence. The macro environment continues to show strength, presenting a favourable opportunity for our Company. Our emphasis on innovation, sustainability and operational excellence will drive our future growth, supported by substantial investments in capacity building, R&D, talent acquisition and efficiency improvements.

Before handing over the proceedings to Manita, I would like to play a short video highlighting the year gone by. Thank you.

Manita Gonsalves: Thank you, Gandharv. The Notice dated 10th May 2024 convening the 28th Annual General Meeting had been circulated to the Members. With your permission, I take the Notice as read. The Auditors Report for the financial year 2023-24 issued by M/s. BSR & Co. LLP, Statutory Auditors of the Company, does not contain any qualification, reservation, adverse remarks or disclaimer and as such the Report can be taken as read with the consent of the members. Hence, with your permission, I take the Auditors Report as read. Further, the Secretarial Audit Report for the financial year 2023-24 issued by M/s. BNP & Associates, Practicing Company Secretaries does not contain any qualification or adverse remark. The resolutions in respect of Ordinary and special businesses have been circulated to the members. With your permission, I take them as read.

I am pleased to bring to your notice that the Company had provided remote e-voting facility to the shareholders of the Company in respect of all businesses mentioned in the notice. The remote e-voting facility was kept open from Saturday, 13th July 2024 (09:00 a.m.) till Monday, 15th July 2024 (05:00 p.m.). Members who have not exercised their vote electronically through remote e-voting can vote at this meeting through the e-voting facility provided by NSDL.

The Board has appointed BNP & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The final report on the voting shall be submitted by the Scrutinizer within 48 hours of conclusion of the Annual General Meeting and the results thereof shall be declared immediately upon receipt of the report of the Scrutinizer. The combined results of the votes cast by the members through remote e-voting and the e-voting at the meeting, on all resolutions, based on the report of the Scrutinizer, once finalized, will be informed to BSE Limited and National Stock Exchange of India Limited and also uploaded on Company's website www.polycab.com.

Manita Gonsalves: I will now call out the names of shareholders who had registered as 'Speaker' to express their views and ask questions. We will attempt to answer all of them once the shareholders have spoken. Please limit your questions to two per participant in the best interest of time of all other shareholders attending this Meeting. When your name is called out, please switch on your camera, unmute yourself and proceed with your query / views in the order as will be discussed/mentioned here:

I request speakers to please express their views in the following sequence:

Speaker No. 1 is Mr. Gopal Khandelwal. May I request Mr. Gopal Khandelwal to please unmute himself.

Mr. Gopal Khandelwal: Good Morning to Inder Bhai and all the other Directors. Firstly, I would like to extend my congratulations to the management on the occasion of the 28th Annual General Body Meeting. I have diligently reviewed the comprehensive 515-page Annual Report, which has effectively addressed majority of my inquiries. I want to commend the team for preparing an outstanding and informative Annual Report. My question for the Board today is more on a macro level. Will the recent election results, wherein the incumbent BJP government failed to secure a majority, affect the level of investments on infrastructure by the government and thereby its impact on the wires and cables sector and the Company?

I also worry about the competitive intensity in the sector. I believe, most of your peers, in the cables industry are adding newer capacities. With their newer

capacities expected to be commissioned soon, do we expect the competitive intensity to increase, affecting our top-line and bottom-line adversely?

Manita Gonsalves: May I please request Mr. Ankit Sadana to switch on your video. Mr. Ankit if we are audible to you please go ahead and ask your question.

Mr. Ankit Sadana: Good morning respected Inder Sir and other Directors, I am Ankit Sadana, joining this meeting from New Delhi. I would like to extend my heartfelt appreciation to the Secretarial Department for their exemplary work in ensuring effective governance and proactive approach as well as prompt responsiveness to shareholders. Now, I'll get to my question, which is linked to the previous shareholder's query. Our Company has been able to achieve very impressive improvement in margins over the years, as highlighted by Gandharv Sir in his opening remarks. In fact, the margins in wires and cables business are actually ahead of the management's own guidance. My question is, are these margin levels sustainable? If yes, my suggestion to the management is to revise their guidance, so investors like us can have better idea on what profitability to expect from the Company. Thank You!

Manita Gonsalves: May I now request Mr. Akash Saraf to please switch on your video unmute yourself and please go ahead with your question.

Mr. Akash Saraf: Respected Chairman and Board member and my fellow shareholders, my name is Akash Saraf, I'm from Mumbai. Firstly, I would like to thank the management and the Company for a handsome dividend of ₹30. It is heartening to see the Company rewarding its shareholders in-line with its own growth. My question to the management is on the parts of our business which are under-performing. The Company has been able to grow its International business very well over the past few years. However, last year, the International business de-grew marginally. My question to the management is how do we see the business panning out in the mid-to-long term?

Follow-up: Losses in the FMEG continues to increase. What is the Company's plan to curtail losses and turn-around the business?

Manita Gonsalves: Thank you Mr. Saraf. May I request Mr. Garv Bhugra to please unmute yourself switch on your video if possible and place your question.

Mr. Garv Arora Bhugra: Good morning esteemed Chairman, distinguished members of the Board of Directors, and my fellow shareholders present at this meeting. I would like to express my sincere appreciation to Gandharv for his detailed presentation and insightful speech. It provided a clear understanding of the Company's operations, particularly for retail investors like myself. The share price of the Company has rallied over the past year to reflect the kind of outperformance Polycab has exhibited over the industry. But as a result, the share price of the Company has become very high, especially for retail investors like us. My request to the Board is consider splitting the share to make it more affordable for retail investors. Further, I would also like to get an update on the IT raid issue which happened in December last year. While the share price of the Company has recovered from its lows seen in January, and in fact has seen levels even higher than pre-raided,

shareholders like me still worry about when will the entire issue get resolved, so that we don't have the sword hanging on our head. I would like to hear the management's take on the issue.

Manita Gonsalves: Thank you Mr. Bhugra. May I now request Ms. Prakashini Shenoy to please switch on your video and to please place your question forward and you may unmute yourself too please.

Ms. Prakashini G. Shenoy: I am Prakashini Ganesha Shenoy. Respected honourable Chairman Mr. Inder Jaisinghani and other designatories on the Board and my fellow shareholders Good Morning to all of you. I received AGM report well in time which is colourful, transparent, knowledgable, informative and contains all the informations as per the Corporate Governance. I thank Ms. Manita Gonsalves and her team for the same. The Chairman and Mr. Gandharv, CFO has given a beautiful picture regarding the Company and its working in all parameter. Thank you Mr. Gandharv Ji. I am glad to note that there is robust performance in all the parameters such as Revenue, Profit etc. etc. Anyway Congratulations once again at the outset. I am thankful to the Board for recommending the dividend for the FY 2023-24. I am also very happy and glad to note that the Company is doing outstanding work in the field of CSR during the year. So I have just one or two questions. My first question is What is the future of the Company? And my next question is How are we planning for digitization in the Company? And my last question is What is the roadmap for next 2 years and the capex for next 2 years? Last but not the least Chairman sir my earnest request to you is to please continue with VC so that people all over will have the opportunity to express their views. I wish the Company Good Luck for a bright future and pray God that the profit of the Company shall reach the peak in due course. Sir, I strongly and wholeheartedly support all the resolutions put forth in today's meeting. Thank you Chairman Sir.

Manita Gonsalves: Thank you Ms. Shenoy.

Gandharv Tongia: Thank you all the Shareholders for taking out time and participating in this AGM. As Manita mentioned a while back that we'll go question by question and attempt to answer and I am going to request to my fellow directors also to participate in this question and answer session. In the same order Mr. Gopal Khandelwal inquired on the effect of BJP not securing majority in the elections and its effect on the Company's growth prospect and I think he also wanted to know about the fact that peers are adding capacities then what would be the impact on the Company's Top line and bottom line. So to answer the first question, we don't believe there should be any material change in the policies of the central government. The central government is working on long term infrastructure growth in the Country through its Viksit Bharat 2047 initiative, aligning all infra ministries with this vision. Looking ahead, we anticipate a steady increase in infrastructure spending over the next few years which will create a virtuous cycle of productive growth, directly and indirectly supporting our industry and Company by generating increased demand for our products. Coming to the capacities related question. The wires and cables industry has seen accelerated growth over the past couple of years, with industry growth rate

now in double digits, compared to single digits historically. We believe, this level of heightened industry growth will continue in the near-to-mid term because of the government's continues push on infrastructure growth, private capex, as well as strong demand momentum in the real estate sector. Moreover, the cables industry is quite consolidated, with limited players of size, who have the ability to invest in capacity expansion. While few of them are also enhancing their capacities, the strength of the demand outlook appears robust enough to accommodate growth for all industry players without any significant pricing pressure.

I think the next question was by Mr. Ankit Sadana. Mr Ankit Sadana wanted to understand the future margin trajectory of the Company.

The improvement in margins observed over past few years can be attributed to a variety of factors, including changes in the business and product mix, operational leverage gains and improvement in gross margins through strategic initiatives. Looking ahead, several variables will shape the trajectory of these margins.

The interplay between domestic cables and wires is key; although cables offer lower margins than wires, they are seeing a higher growth rate. The amount spent on advertising and promotion also plays a crucial role. The company plans to allocate 3% to 5% of its B2C revenue annually to this area. Margin contributions also hinge on the balance between international and domestic business—with international currently being more profitable—along with operational leverage, which has been strong with utilization rates at 70-80% in FY24. However, margins might dip slightly due to decreased utilization from capacity expansions.

While all these factors may influence margin direction in the future, the Company remains focused on sustaining and optimizing margins through strategic initiatives and prudent management of operational dynamics across its diverse business segments. The long-term EBITDA margin guidance for the cables and wires business remains steady at 11% - 13%. Additionally, the gradual improvement in profitability of the FMEG business is anticipated to contribute positively to the Company's overall profitability.

Moving on to the third speaker Mr. Akash Saraf. He wanted to gain more understanding on the future growth of the international business and the Company's plans to make FMEG business profitable. So I am going to request Nikhil to talk about the international business and then I will come to Bharat for FMEG business.

Nikhil Jaisinghani: Thank you for your question Akash. I think we have to put in a lot of effort to bring in the right approvals and certifications required. Last year was a relatively soft here due to various reasons. The Red Sea crisis other geopolitical issues and of course overall we believe these obstacles are short-term in nature, and are expected to get resolved sooner rather than later. In the meantime, we will continue to expand our global footprint, which now stand at 79 countries across all 6 continents. We believe international business has immense potential, and in the future can contribute even more meaningfully to the company's top-line as well as bottom-line.

Gandharv Tongia: Thanks Nikhil. Now may I request Bharat to share his views on FMEG business.

Bharat Jaisinghani: Thank you Akash for your question and concern about the business. As a Company we are clear on our long term strategy and objectives. We want to surround ourselves around the electricals, for this we have consolidated our FMEG business with retail wires under a single leader and we're going deeper on each state on our distribution. The businesses in FMEG which feature closer to our core has started showing positive results we have gone through a lot of learnings on the others and have some cleanup and getting ourselves ready for the next wave so as we are confident we are on the right path and building our ecosystem around the electricians is going to give us great results over the years and that's what we are aiming to do. Thank you!

Gandharv Tongia: Thanks a lot Bharat. The next speaker is Mr. Garv Bhugra. He wanted to know about share split as well as to make it more affordable and also about the income tax raid. So share split, you know we appreciate your feedback and understand that affordability can be a crucial factor for many investors. A share split can indeed increase the accessibility of our stock by reducing the per-share price and potentially increasing liquidity. While the Board has not made any specific decisions regarding a share split at this time, we remain committed to exploring all avenues that can enhance shareholder value. The Board regularly reviews the Company's capital structure and market positioning to ensure it is making the best decisions for the Company's shareholders. Should the Board decide that a share split is in the best interest of the shareholders, we will promptly communicate our plans and the rationale behind such a decision.

Coming to the second part of this question on the Income tax, at this stage, there is no new update on the IT issue than what we had communicated during our Q4 investor call. As of the present date, we want to emphasize that no tax demand notice or any other order has been issued to us by the Income Tax department.

We remain committed to maintaining full cooperation with the income-tax department and are prepared to extend all necessary assistance as required. Our priority continues to be ensuring transparency and adherence to all regulatory requirements.

We appreciate the continued support and understanding of our stakeholders during this period. As and when we have an update on the matter, we will transparently disclose it to all our stakeholders, like we have done in the past.

Moving to the last participant, Mrs. Shenoy and I think she wanted to know about future capex and roadmap of the company.

As I mentioned in answer to one of the previous shareholder's question, we believe the demand momentum in the wires & cables industry will continue to be strong in the near-to-mid term. As a result, we believe it is imperative for a large player like us to expand our capacities to enable ourselves to cater to the expected increase in demand. Over the next 2-3 years, we plan to invest between ₹ 10 billion and ₹ 11 billion annually. These investments are not only geared towards meeting present demands but also positioning our Company for sustained growth and continued leadership in the market.

As far as Company's roadmap is concerned, we have been working on our 5-year transformation project 'LEAP' since FY22 and are now very close to achieving the top-line target of ₹200 billion. We are in the process of calibrating our new mid-term guidance and will disclose the same during the course of this financial year. The guidance will serve as a roadmap to investors on what to expect from the Company in the near future.

I think these were the questions which were raised by our respected shareholders.

I wish to thank all my fellow shareholders for their enduring support. I would further request the shareholders who are attending the AGM today and have not cast their vote by remote e-voting to cast their vote on the e-voting platform over the next 15 minutes. I greatly value the collective contributions made by the entire Polycab team to help the Company in leaping to tomorrow.

Lastly, I place on record our appreciation to the co-operation and support extended by everyone, directly or indirectly, including our auditors, government agencies, stock exchanges, regulators, banks, dealers, customers, our well-wishers and above all the biggest asset of our company which is our Employees. I once again thank you all for participating at the AGM. Have a nice day and I hand it over to Manita now.

Manita Gonsalves: Thank you Gandharv! Thank you Inder Sir for Chairing this Meeting, I would also like to thank our Independent Directors, Executive Directors and CFO. Lastly, thank you shareholders and we look forward to your continual support and cooperation. With the permission of the Chair, I do herewith conclude the meeting. Thank you once again.

(Note: The presentation made by Mr. Gandharv Tongia at the Annual General Meeting is enclosed herewith for ready reference)