

**RPG  
Cables  
Limited**

**Management Discussion & Analysis**

*Quarter ended 30th June 2008*



## Quarter ended 30th June 08 at a glance

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### ■ Summary of performance

Particulars	Q1 FY 09	Q1 FY 08	% Increase
	Rs. Lacs	Rs. Lacs	%
Gross Revenue	9,283	6,476	43%
Net Revenue	8,382	5,626	49%
Operating PBDIT	293	134	119%
Operating PBDIT %	3.50%	2.38%	
Exceptional Item	-	210	
PBT	(498)	(323)	
PAT	(501)	(326)	

### ■ Operational highlights Q1

- Turnover has grown by 43% to **Rs. 93 crores** during the first quarter.
- The company witnessed a sharp increase in the raw material prices which has impacted the profitability of the company and resulted in the company posting a loss in the quarter.
- Operating margin of the Company has improved marginally to **3.50%** for Q1 as compared to 2.38% of the corresponding Quarter last year.
- One time Income of Rs.2.10 crs accounted in Q1 FY08 mainly consists of Interest waivers vis a vis Nil in the current corresponding quarter.

### ■ Strategic Initiatives

- The company is planning to manufacture power cables from its Mysore facility in the coming FY. Orders have been placed to purchase the required balancing equipment.
- The company is focusing on increasing revenue from its Extra High Voltage (EHV) cables business to improve margin and expect the orders to be finalised in the next quarter.

- Pursuant to an appeal filed by an aggrieved party against the tender issued by the Asset Sale Committee, the Appellate Authority has directed BIFR to re-hear the objections/suggestions of the DRS before the sale of this property at Thane is confirmed.

#### ■ **Future Outlook**

- Company has bagged an export order worth \$25 million for supply of cables to Ministry of Energy & Water, Afghanistan. Out of the above, order worth \$ 5 million have been shipped in Q1 FY09.
- Currently, the company has an order book position of approximately Rs.100 crs.
- In view of the rapid GDP growth in the country and the Government's commitment to improve power availability opportunity for the growth of business remains aggressive.
- The high volatility in commodity prices like Aluminium, Copper & Oil are of concern for stability in the maintaining the margins of the company.

#### Cautionary statement

Statement in this " Management Discussion and Analysis" describing the company's objectives, projections, estimates, expectations or predictions may be " forward looking statements" within the meaning of applicable securities law and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include demand supply conditions, finished goods prices, availability and prices of raw materials, changes in the government regulations, tax regimes, economic development within India and the countries within which the company conducts business and other factors such as litigations and labour negotiations.