

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE 4<sup>th</sup> MEETING (F.Y. 2023-24) OF THE AUDIT COMMITTEE OF R R KABEL LIMITED HELD ON WEDNESDAY 30<sup>th</sup> AUGUST 2023 AT SHORTER NOTICE THROUGH VIDEO CONFERENCING AT ALEMBIC BUSINESS PARK (W), GROUND FLOOR, BHAILAL AMIN MARG, GORWA, VADODARA - 390003 AT 05:15 P.M.

**APPROVE THE KEY PERFORMANCE INDICATORS:**

“RESOLVED THAT, as per the requirements of SEBI ICDR Amendment, relevant and material KPIs related to the business of the Company which may have a bearing for arriving at the basis for issue price, as identified by the Audit Committee along with rationale for such classification as set out in Annexure A and verified pursuant to the KPI Certificate, are hereby noted and the approval of the Audit Committee is hereby accorded to disclose such KPIs in the draft red herring prospectus, updated draft red herring prospectus, the red herring prospectus, the prospectus and other documents or material issued in relation to the Offer, including any amendments, addenda or corrigenda issued thereto (collectively, the “Offer Documents”).

RESOLVED FURTHER THAT, Shri Tribhuvanprasad Rameshwarlal Kabra, Chairman and Shri Shreegopal Rameshwarlal Kabra, Managing Director of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as deemed necessary, proper or desirable, and to settle to give effect to the above resolution or give instructions and directions for settling any questions, difficulties or doubts that may arise in this regard and to give effect to such modifications, changes, variations, alterations, deletions or additions as may be deemed fit and proper in the best interests of the Company.

RESOLVED FURTHER THAT, a copy of the above resolution, certified to be true by any director or the Company Secretary of the Company be forwarded to the concerned authorities for necessary action.”

Certified to be true  
For R R Kabel Limited

Himanshu Parmar  
Company Secretary  
FCS No. 10118



## Annexure A

### 1. Key Performance Indicators (“KPIs”)

The tables below set forth the details of our certain financial data based on our Restated Consolidated Financial Information, certain non-GAAP measures and KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. All the financial data based on our Restated Consolidated Financial Information, certain non-GAAP measures and KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated August 30, 2023. Further, the Audit Committee has noted that no KPIs have been disclosed to any new investors in the last three year preceding the date of this Red Herring Prospectus. The KPIs that have been consistently used by the management to analyse, track and monitor the operational and financial performance of the Company and were presented in the past meetings of the Board and Audit Committee or shared with the shareholders and potential investors during the three years preceding the date of this Red Herring Prospectus, which have been consequently identified as relevant and material KPIs and are disclosed in this “Basis for Offer Price” section, have been identified and verified by the management of our Company in consultation with the Independent Chartered Accountant in accordance with SEBI ICDR Regulations.

A list of certain financial data, based on our Restated Consolidated Financial Information is set out below for the indicated period:

| Particulars   | Three months ended<br>June 30, |           | As at / for the Fiscal ended March 31, |           |           |
|---|--------------------------------|-----------|--|-----------|-----------|
|   | 2023                           | 2022      | 2023                                   | 2022      | 2021      |
| Revenue from operations (in ₹ million)                            | 15,973.14                      | 12,359.10 | 55,992.00                              | 43,859.36 | 27,239.41 |
| Revenue from operations (Outside India) (in ₹ million)            | 4,303.73                       | 3,436.30  | 12,701.90                              | 10,075.54 | 5,867.66  |
| Advertisement and business promotion expenses (in ₹ million)      | 188.15                         | 134.45    | 851.43                                 | 491.29    | 259.61    |
| Profit for the year / period (in ₹ million)                       | 743.48                         | 181.42    | 1,898.72                               | 2,139.37  | 1,353.98  |
| Segment revenue from operations (wires and cables) (in ₹ million) | 14,230.82                      | 11,058.27 | 49,585.32                              | 41,112.71 | 25,202.47 |
| Segment revenue from operations (FMEG) (in ₹ million)             | 1,742.32                       | 1,300.83  | 6,406.68                               | 2,746.65  | 2,036.94  |
| Revenue from operations growth (%)                                | 29.24                          | -*        | 27.66                                  | 61.01     | -*        |
| Segment revenue from operations (wires and cables) growth (%)     | 28.69                          | -*        | 20.61                                  | 63.13     | -*        |
| Segment revenue from operations (FMEG) growth (%)                 | 33.94                          | -*        | 133.25                                 | 34.84     | -*        |
| Profit after tax growth (%) <sup>1</sup>                          | 309.81                         | -*        | (11.25)                                | 58.01     | -*        |
| Trade Receivables days <sup>2</sup>                               | 35                             | 39        | 36                                     | 39        | 56        |
| Inventory days <sup>3</sup>                                       | 60                             | 69        | 63                                     | 63        | 77        |
| Trade Payable days <sup>4</sup>                                   | 31                             | 24        | 24                                     | 14        | 25        |

Notes:

1. Profit after tax is Profit for the period / year.

2. Trade receivable days is defined as average trade receivables divided by revenue from operations multiplied by 365 for fiscal years and 91 days for three months period.

3. Inventory days is defined as average inventory divided by Cost of Goods Sold multiplied by 365 for fiscal years and 91 days for three months period. Cost of Goods Sold have been defined as cost of materials consumed plus purchase of stock-in-trade plus changes in inventories of finished goods, stock-in-trade, work-in-progress and scrap.

4. Trade payable days is defined as average trade payables divided by Cost of Goods Sold multiplied by 365 for fiscal years and 91 days for three months period. Cost of Goods Sold have been defined as cost of materials consumed plus purchases of stock-in-trade plus changes in inventories of finished goods, stock-in-trade, work-in-progress and scrap.

Average: Average means (opening plus closing) divided by two.

A list of our certain non-GAAP measures, is set out below for the indicated period:

| Particulars                        | Three months ended<br>June 30, |        | As at / for the Fiscal ended March 31, |          |          |
|------------------------------------|--------------------------------|--------|--|----------|----------|
|                                    | 2023                           | 2022   | 2023                                   | 2022     | 2021     |
| PAT Margin (%) <sup>1</sup>        | 4.61                           | 1.46   | 3.37                                   | 4.83     | 4.93     |
| EBITDA (in ₹ million) <sup>2</sup> | 1,298.99                       | 471.82 | 3,577.04                               | 3,537.27 | 2,532.40 |
| EBITDA Margin (%) <sup>3</sup>     | 8.05                           | 3.79   | 6.35                                   | 7.98     | 9.22     |
| EBITDA Growth (%) <sup>4</sup>     | 175.31                         | -*     | 1.12                                   | 39.68    | -*       |



| Particulars                                 | Three months ended<br>June 30, |      | As at / for the Fiscal ended March 31, |       |       |
|---|--------------------------------|------|--|-------|-------|
|   | 2023                           | 2022 | 2023                                   | 2022  | 2021  |
| Return on Capital Employed (%) <sup>2</sup> | 5.95                           | 1.86 | 15.57                                  | 17.41 | 13.59 |
| Return on Equity (%) <sup>6</sup>           | 5.05                           | 1.43 | 14.22                                  | 18.63 | 13.88 |
| Debt to Equity ratio (times) <sup>7</sup>   | 0.26                           | 0.39 | 0.36                                   | 0.42  | 0.48  |

Notes:

- PAT Margin is calculated as follows: Profit for the period / year divided by total income.
  - EBITDA is calculated as follows: profit for the year/ period plus finance costs plus tax expense plus depreciation and amortization expense.
  - EBITDA Margin is calculated as follows: EBITDA divided by total income.
  - EBITDA Growth is calculated as follows: (EBITDA of current period / year minus EBITDA of previous period / year) divided by EBITDA of previous period / year.
  - Return on Capital Employed is calculated as follows: Profit for the period/ year plus finance cost plus tax expenses (EBIT) divided by (Tangible Net Worth plus Total Debt plus Deferred Tax Liabilities). EBIT is not annualized.
  - Return on Equity is calculated as follows: (Profit for the period/year less preference dividend) divided by average equity. For the purposes of calculation of Return on Equity for the three months ended June 30, 2023 and June 30, 2022, profit for the period/year is not annualized.
  - Debt to Equity ratio is calculated as follows: Total Debt divided by equity.
- Total Debt: Total Debt is non-current borrowings plus current borrowings.  
Equity: Equity is equity share capital plus instrument entirely equity in nature plus other equity.  
Average: Average means (opening plus closing) divided by two.  
Tangible Net Worth: Equity share capital plus instrument entirely equity in nature plus other equity minus capital redemption reserve minus capital reserve minus share suspense account minus other intangible assets minus intangible assets under development

For reconciliation of certain non-GAAP measures, see “Other Financial Information – Reconciliation of Non-GAAP Measures” on page 372.

Further, the following KPIs have been certified by Bhagwagar Dalal and Doshi, Chartered Accountants, pursuant to their draft certificate for the indicated period:

| Particulars                                  | Three months ended June<br>30, |        | As at / for the Fiscal ended March 31, |        |        |
|--|--------------------------------|--------|--|--------|--------|
|  | 2023                           | 2022   | 2023                                   | 2022   | 2023   |
| Working Capital<br>Cycle (days) <sup>1</sup> | 64                             | 84     | 75                                     | 88     | 108    |
| B2C Sales (%)<br>Network of                  | 73.60                          | 71.82  | 76.68                                  | 76.91  | 79.55  |
| Distributors<br>(numbers)                    | 3,450                          | 2,631  | 3,296                                  | 1,844  | 1,423  |
| Dealers (numbers)                            | 3,656                          | 3,173  | 3,444                                  | 3,092  | 2,810  |
| Retailers (numbers)                          | 114,851                        | 67,811 | 106,626                                | 58,872 | 30,570 |

1. Working Capital Cycle is defined as trade receivable days plus inventory days less trade payable days.

For details of other performance indicators disclosed elsewhere in this Red Herring Prospectus, see “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 190 and 379, respectively.

Subject to applicable law, the Company confirms that it shall continue to disclose all the above financial data based on the Restated Consolidated Financial Information, certain non-GAAP measures and KPIs included in this “Basis for Offer Price” section, on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a duration that is at least the later of (i) one year after the date of listing of the Equity Shares on the Stock Exchanges; or (ii) till the utilization of the Net Proceeds as disclosed under “Objects of the Offer” section on page 113.

## 2. Description on the historic use of the certain financial data based on Restated Consolidated Financial Information, certain non-GAAP measures and KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company.

In evaluating our business, we consider and use certain financial data based on Restated Consolidated Financial Information, certain non-GAAP measures and KPIs, as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these certain financial data based on Restated Consolidated Financial Information, certain non-GAAP measures and KPIs is not intended to be considered in isolation or as a substitute for the restated summary statement. Some of these certain financial data based on Restated Consolidated Financial Information, certain non-GAAP measures and KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These certain financial data based on Restated Consolidated Financial Information, certain non-GAAP measures and KPIs have limitations as analytical tools. Further, these



certain financial data based on Restated Consolidated Financial Information, certain non-GAAP measures and KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these certain financial data based on Restated Consolidated Financial Information, certain non-GAAP measures and KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results, when taken collectively with financial measures prepared in accordance with Ind AS. For further details, please see "Risk Factors – We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Ind AS." on page 59.

### Explanations for the certain financial data based on Restated Consolidated Financial Information

| Certain financial data                                    | Explanations  |
|---|---|
| Revenue from operations                                   | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.  |
| Revenue from operations (Outside India)                   | Revenue from operations (Outside India) is used by our management to track the revenue profile from the exports undertaken by the Company and in turn helps assess the overall financial performance undertaken through exports by our Company. |
| Segment revenue from operations (wires and cables)        | Segment revenue from operations (wires and cables) provides information regarding the growth of the wires and cables segment for the respective period.   |
| Segment revenue from operations (FMEG)                    | Segment revenue from operations (FMEG) is used by our management to track the revenue profile of the FMEG segment and helps assess the financial performance of the FMEG segment.   |
| Advertisement and business promotion expenses             | Advertisement and business promotion expenses is the cost companies incurred to market their products or services to consumers. This expense is incurred in order to boost sales and revenue through marketing or promotion of the products.    |
| Profit for the year / period                              | Profit for the year / period provides information regarding the overall profitability of the business.  |
| Revenue from operations growth                            | Revenue from Operations growth provides information regarding the growth of our business for the respective period.   |
| Profit after tax growth                                   | Profit after tax growth provides information regarding the growth of our operational performance for the respective period.   |
| Segment revenue from operations (wires and cables) growth | Segment revenue from operations (wires and cables) growth provides information regarding the growth of the wires and cables segment for the respective period.  |
| Segment revenue from operations (FMEG) growth             | Segment revenue from operations (FMEG) growth provides information regarding the growth of the FMEG segment for the respective period.  |
| Trade Receivables days                                    | Trade Receivables days is the average number of days required for a company to receive payments from its customers.   |
| Inventory days  | Inventory days is the average number of days required for a company to convert its inventory into sales.  |
| Trade Payable days  | Trade Payable days is the average number of days required for a company to pay its suppliers.   |

### Explanations for certain non-GAAP measures

| Certain non-GAAP measures  | Explanations  |
|----------------------------|---|
| EBITDA                     | EBITDA provides information regarding the operational efficiency of the business.   |
| EBITDA Margin              | EBITDA Margin is an indicator of the operational profitability and financial performance of our business.                     |
| EBITDA Growth              | EBITDA growth provides information regarding the growth of our operational performance for the respective period.             |
| PAT Margin                 | PAT Margin is an indicator of the overall profitability and financial performance of our business.                            |
| Return on Capital Employed | Return on capital employed provides how efficiently our Company generates earnings from the capital employed in the business. |
| Return on Equity           | Return on equity provides how efficiently our Company generates profits from shareholders' funds.                             |
| Debt to Equity ratio       | Debt / Equity Ratio is used to measure the financial leverage of the Company and provides comparison benchmark against peers. |

Explanations for the KPIs

| KPIs  | Explanations  |
|---|---|
| B2C Sales                                   | Company product's end use determines whether the sale is through a B2B or B2C channel. According to Technopak, B2C sales provide higher gross margins as compared to B2B sales. |
| Working Capital Cycle                       | Working Capital Cycle is the time it takes to convert net current assets and current liabilities into cash.   |
| Network of Distributors, Dealers, Retailers | The network of Distributors, Dealers, Retailers is used to demonstrate the extensive domestic and global distribution network of the Company.                                   |

**For R R Kabel Limited**

  
**Himanshu Parmar**  
Company Secretary  
M.No.: F10118