

Polycab India (POLYCARB)

Consumer Electricals | Annual Report Analysis

HOLD

CMP: Rs6,718 | Target Price (TP): Rs6,555 | Downside: (2.4)%

July 7, 2025

Leader in W&C; FMEG sees growth

Key Points

- Remains the market leader in the core wires & cables business; market share expanded by 100bps reaching 26-27% of India's organised market in FY25.
- **Wires and cables:** Growth in cables was driven by mobility, power, and real estate sectors; special-purpose cables saw some softness due to elections.
- **Project Spring:** Project LEAP target of Rs200bn revenue achieved ahead of time in FY25 itself while initiating Project Spring—a new growth cycle for the next 5 years.
- **FMEG** segment experienced significant growth, fueled by strong demand across product categories such as fans, lighting, switches, and switchgear. The emphasis on premium and energy-efficient products resonated well with consumers. Notably, growth was widespread with fans alone increasing over 25%.
- **EPC** segment saw steady execution across key infrastructure projects, particularly in power distribution and transmission. Focus on government-led initiatives and rural electrification continued to drive the order inflow.
- **Exports:** Strong exports to the Middle East offset the slowdown in US and Australia. With a healthy order book in hand, the company has clear visibility for a rebound in cable exports in FY26E. Exports contributed 6% to the FY25 topline; goal is to increase this share to 10% over the next five years.
- We maintain HOLD with a TP of Rs6,555. This implies a P/E of 35x on FY27E EPS and it is at a ~16% premium to the 5-yr historical average P/E multiple on a 1-yr forward basis. We believe that the multiple is fair and adequately captures: 1) ~18% EPS CAGR over FY25-FY27E, 2) post-tax RoCE of 20.6% in FY26E, and 3) correctly rewards the company for strong tailwinds in cables—which started only a couple of years back. **We remain structurally positive on Polycab's long-term prospects, viewing it as a strong compounder that should be accumulated on dips. While we stay cautious on potential medium-to-long term risks from new entrants like UltraTech and Adani in the W&C segment—particularly around growth, margins, and RoCE—we expect Polycab to deliver healthy revenue and profit growth driven by solid execution and favorable industry tailwinds.**

Est Change	No Change
TP Change	No Change
Rating Change	No Change

Company Data and Valuation Summary

Reuters:	POLC.BO
Bloomberg:	POLYCARB IN
Mkt Cap (Rsbn/US\$bn):	1,011.0 / 11.8
52 Wk H / L (Rs):	7,605 / 4,555
ADTV-3M (mn) (Rs/US\$):	2,303.0 / 26.9
Stock performance (%) 1M/6M/1yr:	13.9 / (6.8) / 0.8
Nifty 50 performance (%) 1M/6M/1yr:	3.7 / 11.2 / 4.7

Shareholding	2QFY25	3QFY25	4QFY25
Promoters	63.1	63.1	63.0
DILs	9.4	10.7	10.9
FII	13.5	12.8	11.1
Others	14.1	13.5	14.9
Pro pledge	0.0	0.0	0.0

Financial and Valuation Summary

Particulars (Rsmn)	FY24	FY25	FY26E	FY27E
Net Sales	180,394	224,083	267,167	315,496
Growth YoY (%)	27.9	24.2	19.2	18.1
Gross Margin (%)	26.4	24.9	26.1	26.3
EBITDA	24,918	29,602	34,602	41,250
EBITDA Margin (%)	13.8	13.2	13.0	13.1
Adj. PAT	17,840	20,267	23,707	28,170
Growth YoY %	40.5	13.6	17.0	18.8
Adj. EPS (Rs)	118.6	134.7	157.6	187.3
RoCE (%)	20.5	20.0	20.3	20.6
ROE (%)	21.8	20.6	21.0	21.2
RoIC	28.3	26.9	26.7	27.3
P/E	56.6	49.9	42.6	35.9
EV/EBITDA	39.7	33.3	28.4	23.7
P/B	12.3	10.3	8.9	7.6

Source: Company, Bloomberg, Nirmal Bang Institutional Equities Research

Key Links – [Annual Report 2024-2025](#)

Please refer to the disclaimer towards the end of the document.

Maintains its stronghold in wires & cables: Polycab reinforced its leadership in the Indian wires and cables (W&C) market in FY25, expanding its share of the organized segment between 26–27%, up by 100bps YoY. W&C revenue grew ~20% during the year, significantly outpacing industry growth of ~12%. The international business maintained strong momentum, clocking a 5-year CAGR of 26% and contributing 6% to FY25 revenue. In the wires segment, mass-market brands—Etira, Primma, and Maxima+—together accounted for around 47% of total wire sales. Regionally, growth was led by the West, followed by the South, North, and East, reversing last year's order of North, West, East, and South.

FMEG revival on track: Polycab's FMEG segment saw a sharp turnaround in FY25 with 29% YoY revenue growth, crossing Rs16bn after 2-3 years of stagnation. Growth was broad-based across fans, lighting, switches, and switchgear, supported by premiumization, energy-efficient products, and digital-led branding. The segment achieved breakeven in Q4FY25, aided by network expansion through ~500 new dealers/distributors. With a strategic focus on six core categories (no white goods entry planned), Polycab is now targeting full-year profitability and aims to reach 8-10% EBITDA margins by FY30, growing at twice the industry rate. Export potential may be tapped over the next 2-3 years, while the fan business—currently at 30% capacity utilization—offers strong operating leverage ahead.

Project Spring – Vision for sustainable growth (FY25-30): Polycab's five-year growth strategy (FY25-30) is focused on scaling sustainably across B2B, B2C, and international markets. Building on Project LEAP's success, it targets expanding capacity, premiumizing offerings, and deepening ESG integration. The management is focused on key goals such as growing wires & cables and FMEG at 1.5x–2x the industry rate, achieving 11-13% and 8-10% EBITDA margins, respectively, and increasing international revenue to over 10%. With a Rs60-80bn capex plan fully funded through internal accruals, the initiative aims to strengthen Polycab's leadership and long-term value creation.

Robust balance sheet: Operating cash flow stood at Rs19bn in FY25 and ROIC at 26.9%. The cash conversion cycle has consistently improved and net cash as of end-FY25 was Rs~24bn vs targeted capex of Rs12bn-16bn for FY26, signifying a comfortable financial position.

Exhibit 1: We expect Polycab to deliver revenue CAGR of ~19% from FY25-27E

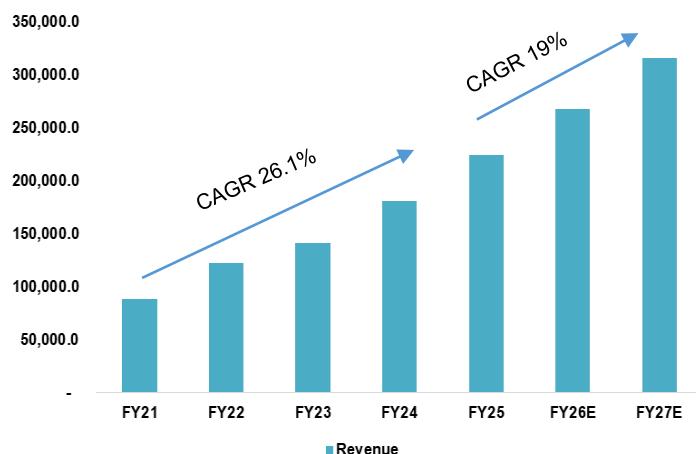
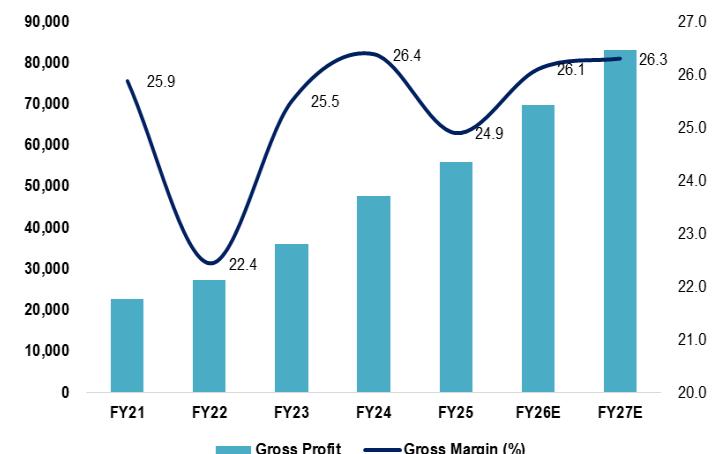
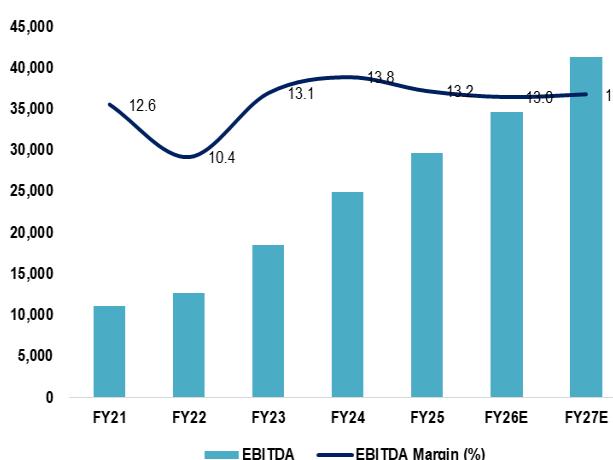


Exhibit 2: Gross margin to expand by ~100bps by FY27E

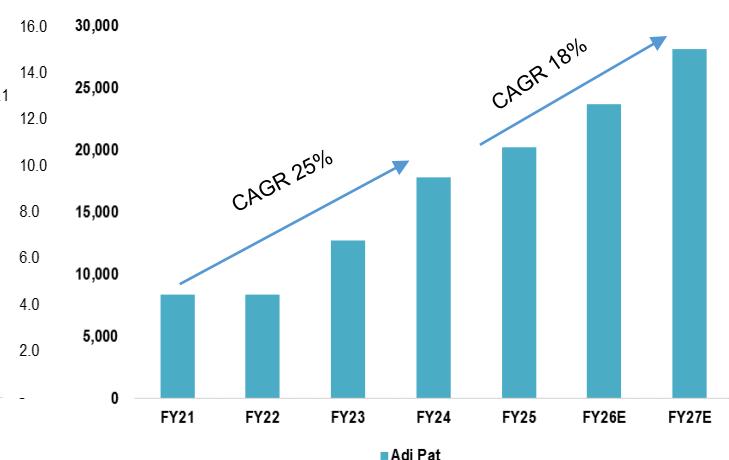


Source: Bloomberg, Nirmal Bang Institutional Equities Research

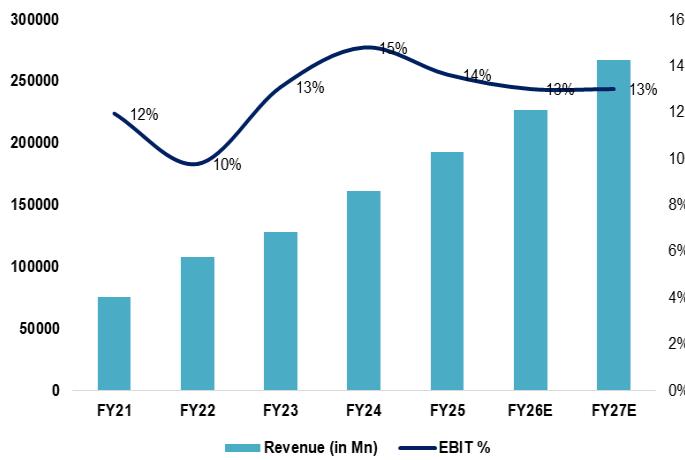
Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 3: EBITDA margin to be maintained at 13%


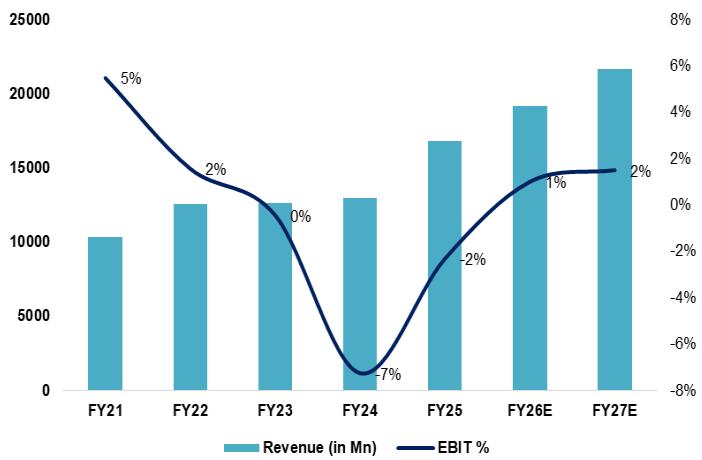
Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 4: We expect Polycab to deliver PAT CAGR of ~18% from FY25-FY27E


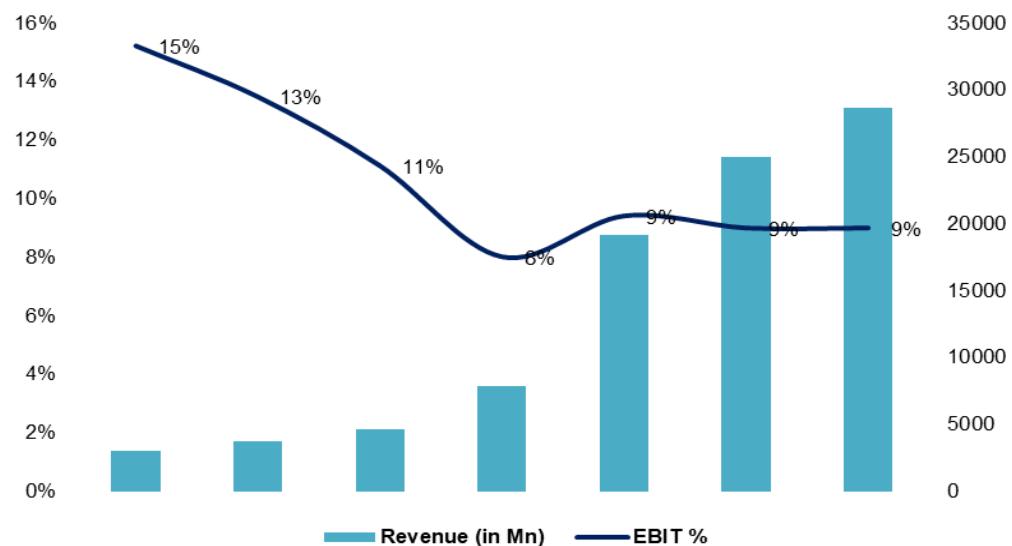
Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 5: W&C segment trend


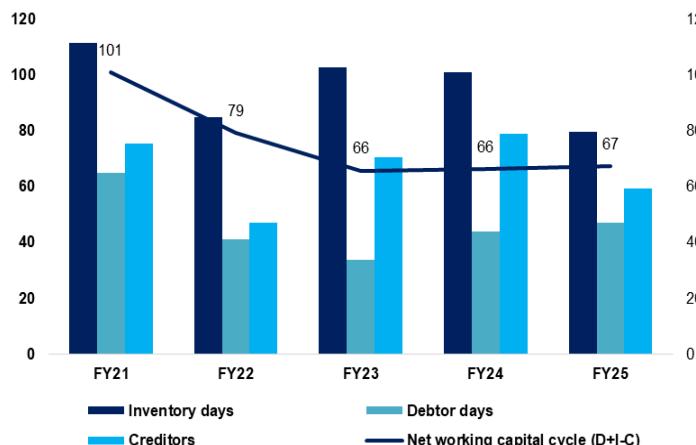
Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 6: FMEG segment trend


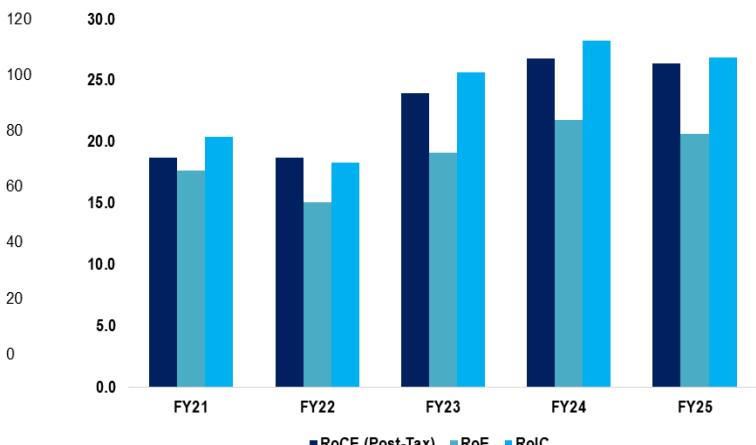
Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 7: EPC + Others


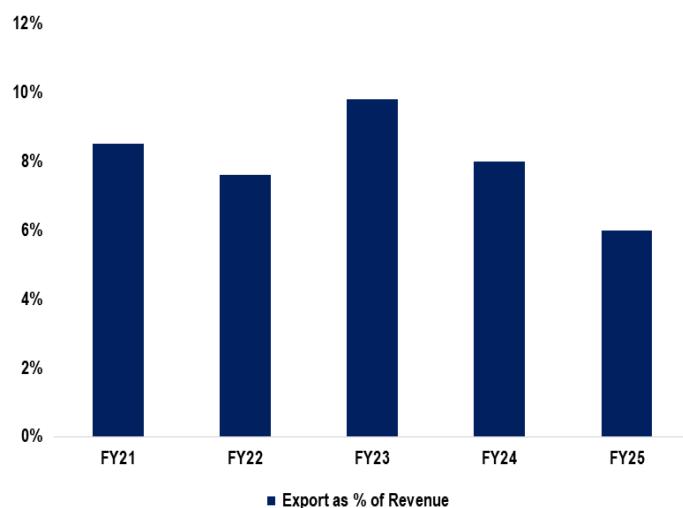
Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 8: Working capital cycle


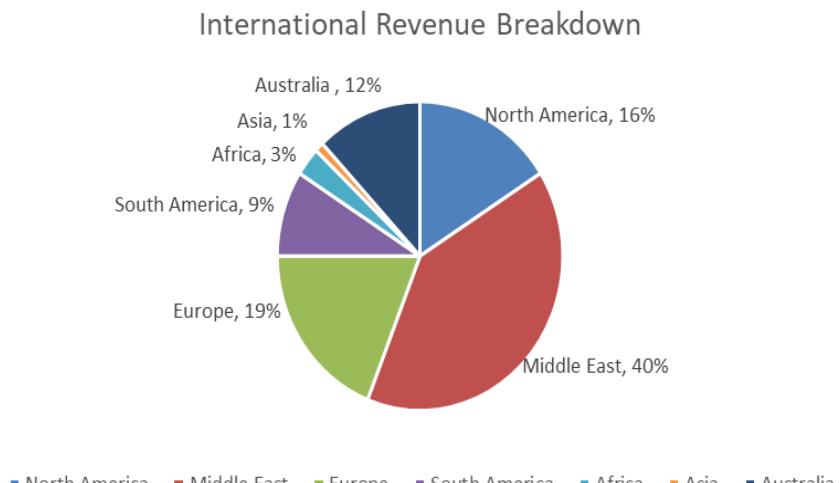
Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 9: Return ratio trends


Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 10: Export contribution as % of revenue


Source: Bloomberg, Nirmal Bang Institutional Equities Research

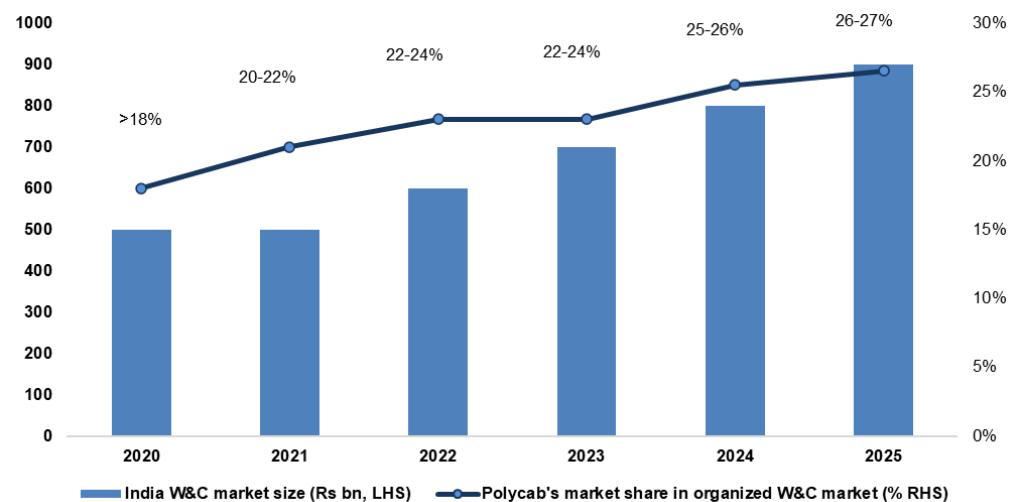
Exhibit 11: International revenue breakdown


Source: Bloomberg, Nirmal Bang Institutional Equities Research

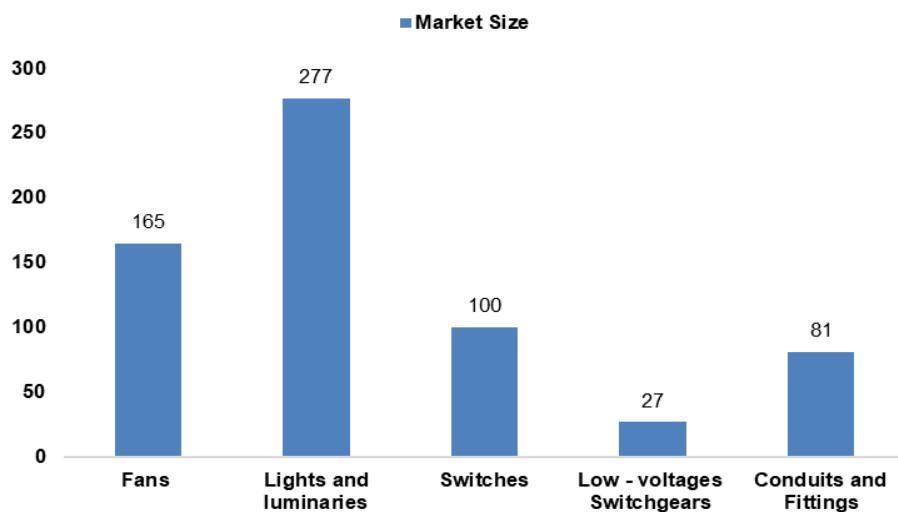
Exhibit 12: Polycab – Geography wise revenue split, March fiscal year-end (2019-25)

Years	International Business (Rsmn)	Domestic Business (Rsmn)
2019	2,482	76,571
2020	10,955	76,343
2021	7,433	79,904
2022	9,229	112,591
2023	13,835	126,898
2024	14,360	165,184
2025	13,452	209,709

Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 13: India W&C market size and Polycab's market share in the organized W&C market


Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 14: Segment wise market size for India FMEG


Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 15: Contingent liabilities

Particulars (Rsmn)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Taxation matters								
Disputed liability in respect of sales tax /VAT demand and pending sales tax/VAT forms	359	371	9	4	2	1	0.66	0.66
Disputed liability in respect of service tax duty demand	-	-	-	18	18	18	18.17	18.17
Disputed liability in respect of excise duty demand	46	46	86	9	9	8	8.6	8.6
Disputed liability in respect of custom duty demand	16	22	17	17	17	17	17.08	17.08
Disputed liability in respect of income tax demand	-	51	31	97	46	43	3.71	3.71
Disputed liability in respect of Goods & Service Tax	-	6	76	207	190	210	9.64	3.9
Customs duty on capital goods imported under Export Promotion Capital Goods Scheme, against which export obligation is to be fulfilled	4,849	1,300	1,244	-	-	-	149.18	293.6
Customs duty on raw materials imported under Advance License, against which export obligation is to be fulfilled	0	634	634	-	-	-	376.37	334.95
Total	5,269	2,429	2,097	352	282	288	583	680.67
Networth	23,476	28,470	38,364	47,539	55,437	66,311	81,871	98,250
CL (ex-guarantees) as a % of net worth	22%	9%	5%	1%	1%	0%	1%	1%

Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 16: Working capital management

Particulars (Rsmn)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Account receivables	13,788	14,694	15,997	15,641	13,763	12,992	21,662	28,957
Receivable days	74	67	66	65	41	34	44	47
Inventory	13,657	19,958	19,250	19,879	21,996	29,514	36,751	36,613
Inventory days	96	122	110	111	85	102	101	79
Account Payables	9,221	15,202	13,537	13,480	12,175	20,326	28,633	27,358
Payable days	65	93	78	75	47	71	79	59
Cash conversion cycle	105	96	99	101	79	66	66	67

Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 17: Subsidiaries

	Date of Creation of Interest	Nature	Location
Tirupati Reels Private Limited	21-Jan-15	Subsidiary	India
Dowells Cables Accessories Private Limited	1-Dec-15	Subsidiary	India
Uniglobus Electricals and Electronics Private Limited ('Uniglobus')	24-Mar-21	WOS2	USA
Polycab Australia Pty Limited	1-Jul-20	WOS2	India
Polycab Support Force Private Limited	13-Mar-21	WOS2	Australia
Polycab USA LLC	27-Jan-20	WOS2	India
Polycab Electricals and Electronics Private Limited	19-Mar-20	WOS2	India
Steel Matrix Private Limited	11-Nov-21	WOS2	India

Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 18: Plant location

Plant Location	No of plants
	FY25
Halol, Gujarat	10
Daman	11
Nashik, Maharashtra	2
Roorkee, Uttarakhand	1
Chennai, Tamil Nadu	1
Kalsar, Gujarat	1
Bengaluru	1

Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 19: Annual manufacturing capacities in FY25

Particulars	FY25
Wires & cables	6 Mn Km
Fans	9 Mn units
Switches	10 Mn units
Pipes and conduits	24,000 MT
Metal box	5.1 Mn units
Switchgear	24 Mn units

Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 20: Auditor's remuneration in FY25

Particulars (Rsmn)	FY18	FY19	FY20	Fy21	Fy22	FY23	FY24	FY25
Auditor's remunerations	18.5	21.7	10.47	11.35	11.12	11.88	14.74	17.67
EBITDA	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0

Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 21: Remuneration of Key Management Personnel (KMP)

Particulars (Rsmn)	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Executive Director							
Mr. Inder T. Jaisinghani	86	115	141	138	217	303	344.78
Mr. Nikhil R. Jaisinghani	-	-	-	19	21	24	26.8
Mr. Bharat A. Jaisinghani	-	-	-	19	21	24	27.29
Mr. T.P. Ostwal	-	-	-	-	-	-	5.88
Mr. R.S. Sharma	-	-	-	-	-	-	5.35
Ms. Sutapa Banerjee	-	-	-	-	-	-	5.04
Ms. Manju Agarwal	-	-	-	-	-	-	5.05
Mr. Bhaskar Sharma	-	-	-	-	-	-	4.72
Mr. Sumit Malhotra	-	-	-	-	-	-	1.17

Source: Bloomberg, Nirmal Bang Institutional Equities Research

Annual report analysis: Key takeaways

Polycab India (Polycab) is a leading manufacturer of wires, cables, and allied products, and has a presence in the fast-moving electrical goods (FMEG) industry. The company views the increased demand from India as structural growth accelerators, as industries such as telecom and infrastructure, the real estate market's comeback, premiumization, rural electrification, the drive towards renewable energy, and the diversification of international supply chains provide a robust demand scenario. POLYCB registered its highest-ever consolidated revenue at Rs~224bn and PAT at Rs20bn in FY25, supported by healthy volume growth in the W&C and FMEG businesses.

Key highlights

Market leadership in Wires & Cables (W&C):

- Polycab holds a leading 26-27% share in India's organized W&C market—nearly double that of its nearest competitor. Over the last six years, it has gained 8-9% market share, driven by strong product quality, a vast 9,600+ SKU portfolio, and a deep sectoral reach across real estate, infrastructure, and manufacturing. Backward integration enhances cost efficiency and supply chain control, while industry-best EBIT margins reflect operational strength. With continued focus on capacity expansion, Tier 3-5 market penetration and influencer engagement, Polycab is well-positioned to sustain its leadership.

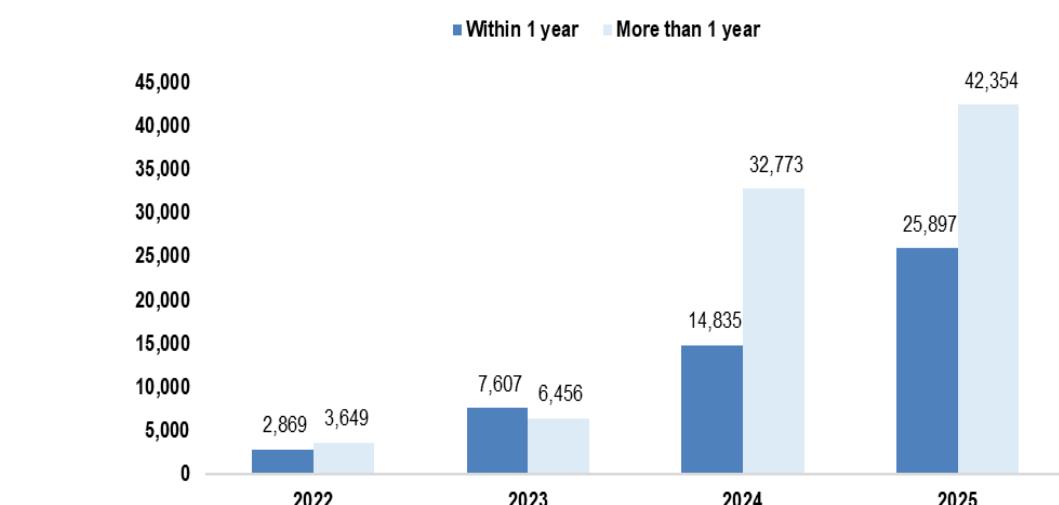
FMEG current performance and expansion strategy:

- Polycab's Fast-Moving Electrical Goods (FMEG) segment has demonstrated strong recovery by achieving 29% YoY growth in FY24-25 and reaching break-even in Q4—marking a major strategic milestone. This turnaround has been driven by distribution expansion, product innovation, and targeted brand investments. With a portfolio spanning fans, lighting, switches, switchgear, and conduit pipes, Polycab has added ~500 new dealers and distributors during the year to deepen its market reach. Looking ahead, the company plans to grow the FMEG business at 1.5x-2x the industry growth rate, while targeting EBITDA margins of 8-10%. Key levers include premiumization of offerings, enhanced influencer engagement, stronger digital-first brand campaigns, and deeper penetration into underpenetrated regions. The strategy also focuses on leveraging synergies with the W&C segment through cross-selling and expanding product presence in clean energy categories like solar inverters, thereby positioning Polycab to emerge as a top player in the consumer electricals market.

EPC expansion strategy:

- Polycab's EPC (Engineering, Procurement, and Construction) strategy is centered on leveraging its strong ~Rs70bn order book to drive sustained growth over the next few years. The focus is on efficient and timely execution of projects under key government schemes such as RDSS and BharatNet, ensuring delivery excellence through robust project management and resource optimization. The company aims to enhance its role as a turnkey solutions provider, promoting the integration of its own EHV, MV, and LV cables in large-scale infrastructure projects. Going forward, Polycab plans to deepen its presence in public sector initiatives, expand technical capabilities, and strengthen partnerships with utilities and contractors—positioning the EPC segment as a strategic growth driver and enabler for core product sales.

Exhibit 22: EPC order book is healthy, led by BharatNet orders and RDSS



Source: Bloomberg, Nirmal Bang Institutional Equities Research

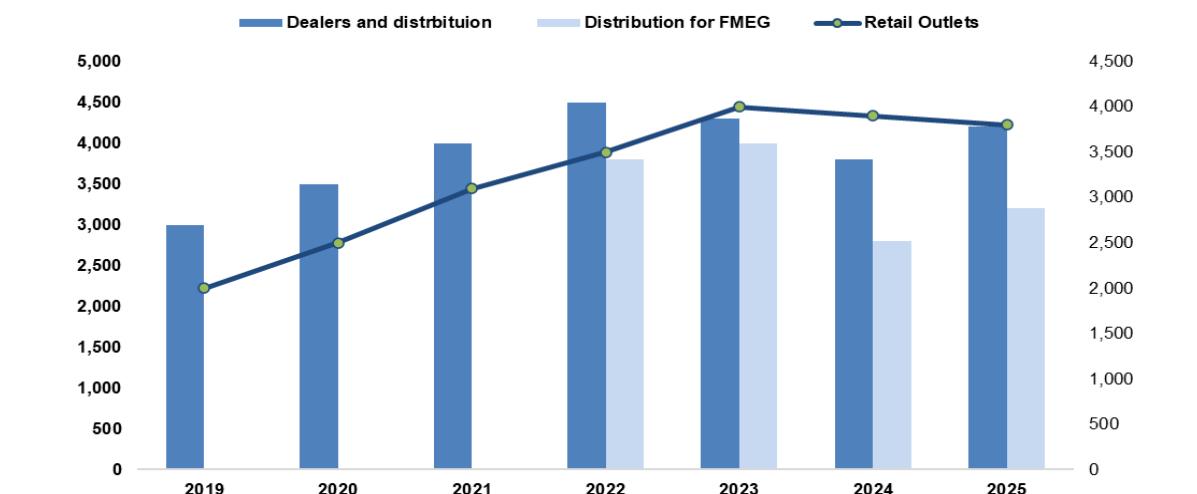
Backward integration plan:

- Polycab's backward integration strategy is a core enabler of its operational excellence and long-term competitiveness. The company is already 100% backward integrated in wires & cables and over 90% in FMEG, allowing tight control over input quality, production costs, and supply chain reliability. Going forward, Polycab plans to deepen this integration by expanding in-house manufacturing of critical components, reducing reliance on external suppliers, and enhancing process efficiency. This will support its planned capacity expansion, ensure faster go-to-market execution, and safeguard against input price volatility. Additionally, backward integration is aligned with its Rs60-80bn capex plan and ESG goals thus enabling sustainable production through better resource management and reduced operational risk.

Expansion and distribution

- Polycab's expansion strategy spans both domestic and international markets and is aimed at driving sustained growth along with market leadership. Domestically, the company is focused on deepening its presence in Tier 3 to Tier 5 cities through distribution expansion, product premiumization, and a micro-market approach tailored to regional needs. With over 4,300 distributors and 200,000+ retail outlets, Polycab continues to strengthen its retail footprint while investing in capacity expansion to meet the rising demand. Internationally, Polycab is targeting to increase the share of global revenues to over 10% of the total by expanding its presence across 84 countries. The company is building scale in North America, Europe, the Middle East, and Australia, while aggressively entering high-growth emerging markets like Africa, Southeast Asia, and Latin America. Strategic partnerships, localized product adaptation, and improved distribution infrastructure are central to this growth. Focused investments in product certifications and regulatory compliance further support this effort. Both domestic and international expansion are underpinned by Polycab's strong manufacturing base and backward integration. Together, these initiatives aim to consolidate its position as a global electrical solutions leader.

Exhibit 23: Polycab – Distribution reach from 2019-2025



Source: Bloomberg, Nirmal Bang Institutional Equities Research

Advertising and research plans

- Polycab is significantly ramping up its R&D investments to drive innovation across product categories. With a team of ~90 R&D professionals, the company is developing differentiated offerings, including energy-efficient and digitally enabled solutions in the FMEG segment. In parallel, Polycab is intensifying its advertising and promotion spend, focusing on brand building through digital-first campaigns, influencer engagement, and retailer partnerships. This dual approach supports premiumization, enhances consumer connect, and strengthens market competitiveness.

Segment-wise performance

Wires & cables

- Polycab retained its leadership with a 26-27% market share in the organized W&C segment, the highest in India.
- The segment reported 20% YoY revenue growth at Rs~188bn, driven by robust demand from the infrastructure, power, and real estate sectors.
- To cater to the evolving needs, Polycab expanded its product range with Extra High Voltage (EHV) and Special Purpose cables.
- It deepened market penetration by implementing a micro-market strategy and increasing its engagement with electricians and contractors.
- The company adopted a vertical-centric structure and introduced price laddering to serve diverse customer segments while maintaining margins.

Fast-Moving Electrical Goods (FMEG)

- The FMEG segment staged a strong comeback with a revenue of Rs~16bn and 29% YoY revenue growth; it achieved breakeven in Q4FY25.
- Polycab aims to be among the top three players across all major FMEG categories such as fans, lights, switches, and switchgears.
- It focused on product innovation and premiumization, launching energy-efficient and digitally-enabled solutions.
- The company added around 500 new distributors and dealers, enhancing reach in priority and underpenetrated markets.
- The company has Increased ATL and BTL marketing tailored to each segment.
- They also aim to increase A&P spend to 3-5% of B2C revenue.
- Strategic efforts included aggressive advertising, influencer marketing, and leveraging the W&C channel for cross selling.
- **Fans:** Polycab's fans business grew over 25% in FY25, driven by wider distribution and increasing demand for energy-efficient models. The premium segment currently makes up 18% of the mix with plans to scale this to 30-35%, in line with industry trends. During the year, the company launched over 100 new SKUs, added 280 new channel partners, and onboarded 8,000+ retailers.
- **Lighting & luminaries:** Despite persistent price erosion—over 15% in FY25—Polycab achieved strong double-digit volume and high-teen value growth. The company continues to expand its portfolio and reach, with 190+ new SKUs, 170+ distributors, and 11,500+ retailers added during the year. Industry players expect the pricing to stabilize in FY26 as regulatory compliance costs rise.
- **Switches & switchgears:** The B2C switches and low-voltage switchgear segment saw industry growth in early double digits and high-single digits, respectively. Polycab outpaced this with 30% YoY growth. While switches faced increased competition from the unorganized players, switchgears remained a stronghold of the organized sector due to high entry barriers. Polycab is now among the top 5 B2C switchgear players in India with this business delivering double-digit EBITDA margins.
- **Solar products:** The solar product category—primarily solar inverters—grew 2.5x YoY, becoming the third-largest FMEG category for Polycab.

- **Outlook:** Polycab aims to grow its FMEG segment at 1.5-2x the industry rate, while gradually expanding EBITDA margins to 8-10%. This will be driven by continued premiumization, focused brand building, and deeper channel expansion.

Engineering, Procurement & Construction (EPC)

- Polycab's EPC division delivered a stellar performance of around Rs19bn; that is ~143% YoY revenue growth, backed by large-scale RDSS project execution.
- It holds a robust order book worth ~Rs70bn thus ensuring revenue visibility over the next few years.
- The business capitalized on government-led schemes like RDSS and BharatNet to drive volume and visibility.
- The company is prioritizing timely and efficient project execution with a sharp focus on risk mitigation and resource optimization.
- EPC also plays a strategic role in driving in-house cable sales, improving operating leverage, and project integration.

International business

- The Middle East led export growth with 37% YoY increase, helping offset steep declines in North America (-61%) and Australia (-30%), driven by a strategic transition to the distributor-led model.
- Exports contributed 6% to the overall revenue in FY25 with 84 countries in the portfolio. Key markets include the Middle East (~40%), Europe (~18%), North America (~16%), and Australia (~12%).
- Management expects a strong rebound in FY26E, backed by a robust order book and improving traction in core markets such as the Middle East, US, Australia, and Europe.
- Ongoing expansion across North America, Europe, Southeast Asia, Latin America, and the Middle East is aligned with regional demand potential.
- Despite temporary geopolitical and freight-related disruptions, underlying fundamentals remain solid, supported by strong certifications and market access credentials.
- Polycab is actively building local partnerships and adapting products to meet regional regulations, thereby strengthening its long-term global growth strategy.

Exhibit 24: Polycab – Segmental revenue

Segment Revenues	2019	2020	2021	2022	2023	2024	2025
- Wires and Cables	70,643.1	75,898.4	75,910.9	107,938.1	127,775.0	161,072.5	192,366.3
- FMEG	6,432.9	8,355.8	10,341.1	12,543.8	12,607.4	12,988.2	16,821.8
- EPC + Others	4,637.4	5,964.9	2,997.6	3,701.8	4,647.1	11,008.1	19,192.4
<i>Less Inter-segmental</i>	1,348.0	1,440.7	658.6	1,743.8	3,564.7	3,676.7	3,711.6
Total Revenues	80,365.4	88,778.4	88,591.0	122,439.9	141,464.8	181,392.1	224,668.8
YoY Change							
- Wires and Cables	12%	7%	0%	42%	18%	26%	19%
- FMEG	33%	30%	24%	21%	1%	3%	30%
- EPC + Others	86%	29%	-50%	23%	26%	137%	74%
Overall	14%	10%	0%	38%	16%	28%	24%
EBIT Margin							
- Wires and Cables	12%	12%	12%	10%	13%	15%	14%
- FMEG	1%	2%	5%	2%	0%	-7%	-2%
- EPC + Others	4%	15%	15%	13%	11%	11%	9%
Overall	11%	12%	11%	9%	12%	13%	12%

Source: Bloomberg, Nirmal Bang Institutional Equities Research

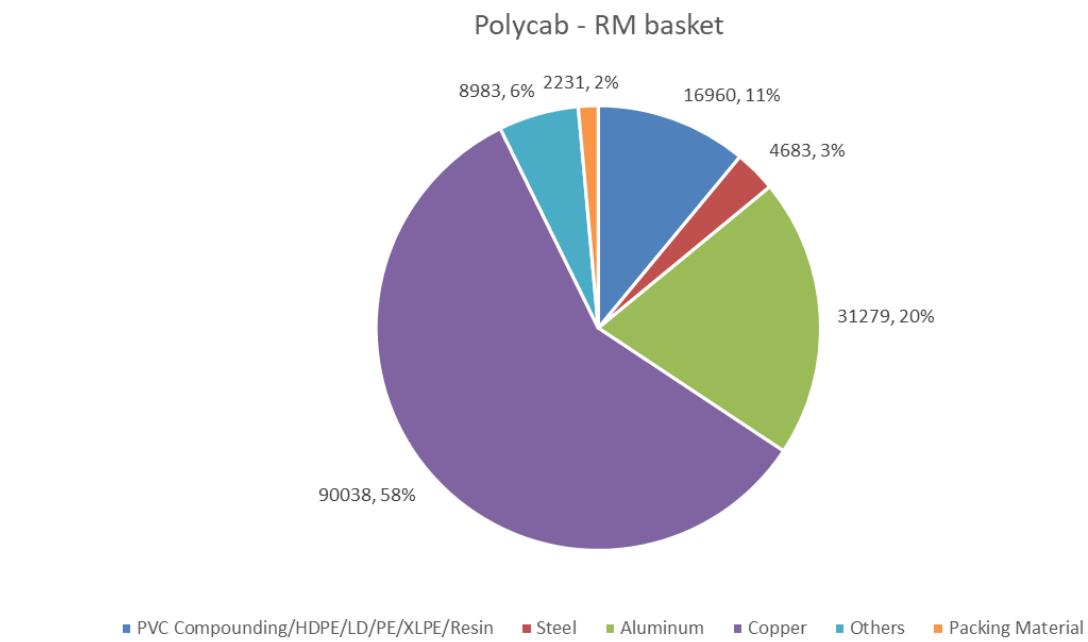
Other highlights

- Capex:
 - In FY24-25, Polycab India Ltd. significantly increased its capital expenditure to Rs9,583mn, marking a 12% rise compared to the previous year. This elevated capex reflects the company's strategic focus on capacity expansion, backward integration, digitization, and ESG initiatives under its five-year Project Spring roadmap. The growth in investments underscores Polycab's commitment to building a future-ready infrastructure and scaling its operations to support long-term growth ambitions across the W&C, FMEG, and international segments.
- Increasing A&P spends:
 - Polycab continued its aggressive brand-building efforts in FY24-25 with a notable increase in advertising and promotion (A&P) expenditure. The company strategically invested in digital campaigns, influencer engagement, and retail branding, particularly in the FMEG segment to enhance brand visibility and consumer connect. These elevated A&P spends supported premiumization efforts and deeper market penetration, especially in Tier 2 and 3 cities, positioning Polycab strongly for long-term B2C growth.
- Raw material prices:
 - During FY24-25, Polycab experienced fluctuating raw material costs particularly in key inputs like copper, aluminum, and polymers. While global commodity markets remained volatile, the company effectively managed procurement through strategic sourcing and backward integration, especially in the W&C segment. Despite inflationary pressures, Polycab's cost-control initiatives and pricing discipline helped protect margins, highlighting operational resilience, and supply chain agility.

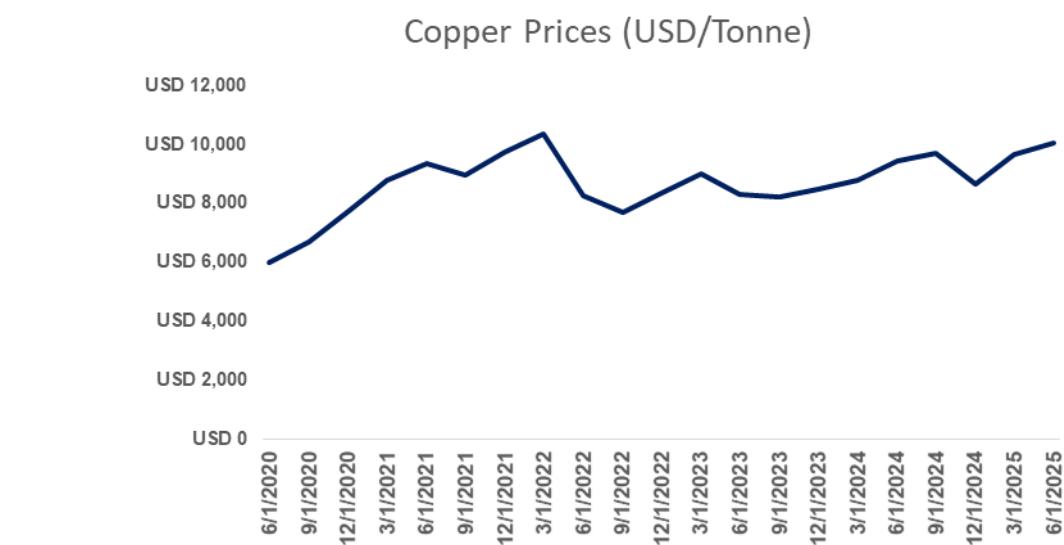
Exhibit 25: Raw material consumption trend

Raw Material Consumed	FY25	FY24	YoY
Copper	90,038	78,273	15%
Aluminum	31,279	20,663	51%
Steel	4,683	4,178	12%
PVC compound / HDPE / LDPE / XLPE / Resin	16,960	14,947	13%
Packing materials	2,231	1,879	19%
Others	8,983	6,677	35%

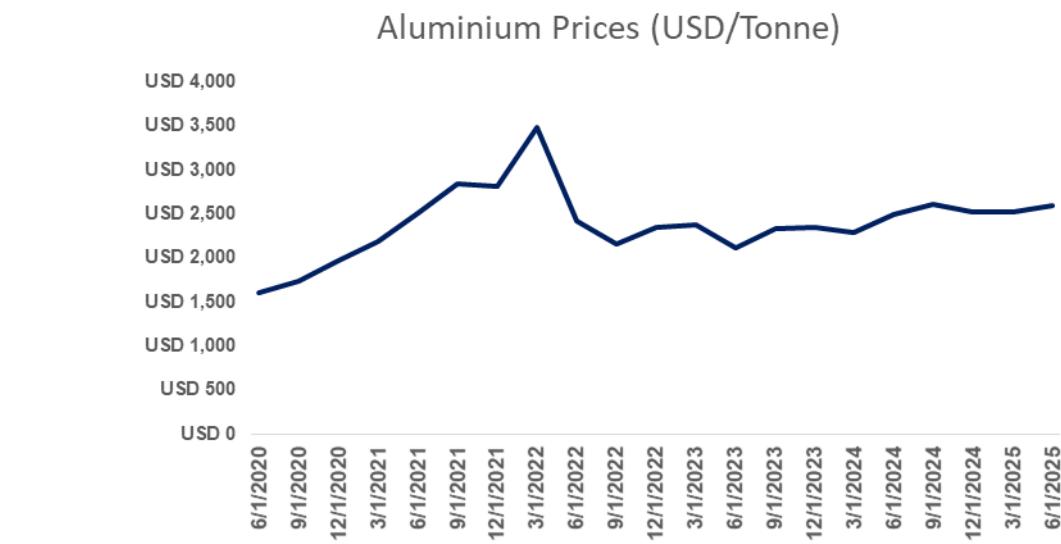
Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 26: Polycab raw material consumed


Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 27: Copper prices were up ~12% in FY25


Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 28: Aluminum prices were up ~15% in FY25


Source: Bloomberg, Nirmal Bang Institutional Equities Research

➤ **Balance sheet**

Net cash position: POLYCAP ended the year with net cash of Rs24.5bn. The cash conversion cycle stood at 67 days in FY25 with receivables at 47 days, inventory at 79 days, and payables at 59 days

Capex: The company increased its capex significantly to Rs9.5bn in FY25, 12% higher than the amount spent in FY24, driven by government's heightened focus on long-term infrastructure development marked by rising budget allocations, extended planning by infrastructure ministries, and improved project execution. Along with that, in order to sustain this growth momentum, POLYCAP plans to maintain an annual capex of Rs12bn-16bn over the next five years to expand manufacturing capacities across product lines, including Extra High Voltage (EHV) cables, special purpose cables, and optical fiber cables.

Exhibit 29: Key assumptions

Particulars (Rsmn)	FY24	FY25	FY26E	FY27E
Revenue	180,394	224,083	267,167	315,496
EBITDA	24,918	29,602	34,602	41,250
EBITDA margins (%)	13.8	13.2	13.0	13.1
Adj Pat	17,840	20,267	23,707	28,170
Pat Margins (%)	9.9	9.0	8.9	8.9
EPS (Rs)	118.6	134.7	157.6	187.3

Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 30: Change in estimates

Description	FY26E			FY27E			
	(Rsmn)	Old	New	Change (%)	Old	New	Change (%)
Net Sales	267,167	267,167		-	315,496	315,496	-
EBITDA	34,602	34,602		-	41,250	41,250	-
EBITDA Margin (%)	13.0	13.0	0 bps		13.1	13.1	0 bps
Adj. PAT	23,707	23,707		-	28,170	28,170	-
Adj. EPS (Rs)	157.6	157.6		-	187.3	187.3	-

Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 31: Project Spring

S Solidifying Market Leadership in B2B	P Propelling B2C Expansion
<p>Transition to Industry-focused Vertical Structure</p> <ul style="list-style-type: none"> We are implementing a vertical-focused approach by segmenting the industry into five distinct sectors. This structured strategy will enable us to address opportunities more effectively across each vertical, ensuring comprehensive market coverage without overlooking any potential Create dedicated teams for each vertical to focus on sector-specific opportunities <p>Pivot from Product to Solutions</p> <ul style="list-style-type: none"> Shift from providing just products to offering comprehensive electrical solutions Assist customers through the entire journey, from project planning to product supply Cater to the full needs of clients in various industries, ensuring integrated and tailored solutions 	<p>Secondary Sales Through Focused Demand Generation</p> <ul style="list-style-type: none"> Use market intelligence, secondary sales tracking and customer insights to identify high-potential regions and tailor demand-generation efforts for maximum impact Equip distributors and retailers with the right tools such as promotions, training and marketing support to convert demand into sales effectively and improve secondary sales velocity Generate demand at the influencer and end-user level through targeted marketing, influencer engagement (e.g., electricians, contractors) and on-ground activation programme to improve pull-through <p>Create and Execute a Winning Strategy for the Sunrise Sectors</p> <ul style="list-style-type: none"> Focus on high-growth sectors like electric vehicles, data centres and renewable energy Develop and implement targeted strategies for these emerging sectors Introduce customised solutions specific to the needs of these industries
	<p>Institutionalise Micro-market Strategy</p> <ul style="list-style-type: none"> Tailor offerings to the specific needs of regional markets Implement localised marketing and sales strategies to cater to regional variations in demand Focus on both urban and rural markets to capture growth across all areas <p>Scale up Influencer Management Programme</p> <ul style="list-style-type: none"> Strengthen relationships with electricians, contractors, retailers and other key decision-makers through structured loyalty programme, training sessions and regular engagement activities Onboard a larger base of influencers across regions, especially in underpenetrated markets, to drive product advocacy and enhance brand visibility at the grassroots level Use digital platforms and mobile apps to track engagement, deliver personalised communication and monitor performance, enabling data-driven management and improved ROI on influencer initiatives <p>Enhance Brand Positioning</p> <ul style="list-style-type: none"> Elevate Polycab's positioning as a trusted and innovative brand through consistent messaging and high-impact campaigns across traditional and digital media Highlight product quality, technological superiority and customer-centric solutions to differentiate from competition Develop relatable, insight-driven storytelling and regionalised campaigns to resonate with diverse customer segments and deepen brand affinity <p>Drive Profitability through Product Premiumisation and Cost Optimisation</p> <ul style="list-style-type: none"> Increase salience of higher-margin premium products by catering to the growing demand for premium electrical solutions Optimise manufacturing processes to reduce costs while maintaining quality Streamline logistics to ensure cost-efficiency throughout the supply chain

Exhibit 32: Project Spring

R Ramp-up International Business	I Innovation and Automation-Led Holistic Development
<p>Expanding into Strategic Niche Markets with High Growth Potential</p> <ul style="list-style-type: none"> Focus on regions with growing infrastructure and industrial demand such as North America, Europe, Australia and the Middle East where premium quality and reliability offer a competitive edge Develop and customise product portfolios to meet specific regulatory, technical and customer requirements in niche markets, enhancing relevance and acceptance Establish and strengthen alliances with local distributors, EPC contractors and influencers to accelerate market entry, ensure last-mile reach and build long-term customer trust <p>Approvals from Identified Large EPCs</p> <ul style="list-style-type: none"> Secure approvals from large EPC (Engineering, Procurement and Construction) firms Build long-term partnerships with key players in infrastructure and industrial projects Position Polycab as the preferred supplier for major infrastructure projects 	<p>Targeted Offerings Tailored to Specific Geographies and Customer Segments</p> <ul style="list-style-type: none"> Customise products and solutions for different geographic regions and customer segments Adapt pricing models and marketing strategies to suit local demands Focus on meeting the specific needs of industries such as renewable energy, oil and gas and infrastructure <p>Distribution and Logistics Optimisation</p> <ul style="list-style-type: none"> Strengthen relationships with distributors to ensure timely deliveries Optimise logistics to reduce lead times and improve product availability Implement advanced tracking technologies to enhance supply chain visibility <p>Elevate R&D Investments for Product Innovation</p> <ul style="list-style-type: none"> Increase investment in R&D to stay ahead of market trends and meet future customer needs Develop cutting-edge solutions for industries like smart cities and renewable energy Focus on sustainable and energy-efficient products that cater to growing environmental concerns <p>Optimise Supply Chain</p> <ul style="list-style-type: none"> Use data analytics to improve forecasting and inventory management Strengthen supplier relationships to ensure the reliability and quality of materials Implement automated systems to streamline supply chain operations <p>Digitisation of Processes across Stakeholders</p> <ul style="list-style-type: none"> Digitalise order management, customer interactions and internal workflows Improve communication and collaboration across teams and stakeholders Implement data-driven tools for better decision-making and efficiency <p>Automation-Led Manufacturing Productivity</p> <ul style="list-style-type: none"> Invest in automated manufacturing systems to reduce reliance on manual labour and increase production capacity Use AI and IoT technologies to monitor manufacturing processes in real-time Ensure consistent product quality through automation 

Exhibit 33: 1-Year forward P/E trend


Source: Bloomberg, Nirmal Bang Institutional Equities Research



Source: Bloomberg, Nirmal Bang Institutional Equities Research

Financials

Exhibit 34: Income Statement

Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
Net Sales	141,078	180,394	224,083	267,167	315,496
% growth	15.6	27.9	24.2	19.2	18.1
Gross Profit	35,969	47,591	55,783	69,731	82,975
Gross Margin (%)	25.5	26.4	24.9	26.1	26.3
Staff cost	4,568	6,095	7,367	9,084	10,727
% of sales	3.2	3.4	3.3	3.4	3.4
Other expenses	12,880	16,578	18,813	26,044	30,998
% of sales	9.1	9.2	8.4	9.7	9.8
EBITDA	18,521	24,918	29,602	34,602	41,250
% growth	46.4	34.5	18.8	16.9	19.2
EBITDA margin (%)	13.1	13.8	13.2	13.0	13.1
Depreciation	2,092	2,450	2,981	3,346	4,062
EBIT	16,430	22,468	26,621	31,256	37,188
Interest	598	1,083	1,689	1,800	1,900
Other income	1,333	2,209	2,076	2,405	2,524
PBT (bei)	17,165	23,593	27,008	31,861	37,812
PBT	17,165	23,593	27,008	31,861	37,812
ETR	24.8	23.6	24.3	25.0	25.0
PAT	12,915	18,029	20,455	23,896	28,359
Adj PAT	12,700	17,840	20,267	23,707	28,170
% growth	39.8	40.5	13.6	17.0	18.8

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 36: Balance Sheet

Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
Share capital	1,498	1,502	1,504	1,504	1,504
Reserves	64,814	80,369	96,746	111,591	131,487
Net worth	66,311	81,871	98,250	113,095	132,991
Short-term Loans	1,509	672	671	421	171
Long-term Loans	42	226	419	419	419
Total Loans	1,551	898	1,090	840	590
Net Debt	(5,401)	(3,126)	(6,616)	(8,666)	(14,070)
Other non-current liabilities	409	415	785	785	785
Total Equity & Liabilities	68,646	83,746	100,943	115,537	135,184
Gross Block	32,236	36,259	45,476	57,476	69,476
Depreciation	12,131	14,582	17,563	20,909	24,971
Net Block	20,669	22,612	29,321	37,975	45,913
CWIP	2,508	5,784	7,081	5,500	5,500
Other non-current assets	0	0	0	0	0
Investments	13,505	18,987	18,281	18,281	18,281
Trade receivables	12,992	21,662	28,957	27,083	31,117
Inventories	29,514	36,751	36,613	51,387	57,334
Cash & Cash Equivalents	6,952	4,024	7,706	9,506	14,660
Other Current assets	8,101	10,840	9,527	15,229	17,983
Total Current assets	57,559	73,276	82,804	103,205	121,094
Trade payables	20,326	28,633	27,358	37,324	41,408
Other current liabilities	5,269	8,281	9,187	12,100	14,196
Total current liabilities	25,596	36,914	36,544	49,424	55,604
Total Assets	68,646	83,746	100,943	115,537	135,184

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 35: Cash Flow

Y/E March (Rsmn)	FY23	FY24	FY25	FY26E	FY27E
PBT	17,165	23,593	27,008	31,861	37,812
Depreciation	2,092	2,450	2,981	3,346	4,062
Interest	(598)	(1,083)	(1,689)	(1,800)	(1,900)
Other adjustments	(216)	(189)	(189)	(189)	(189)
Change in Working capital	(530)	(7,327)	(6,214)	(5,722)	(6,555)
Tax paid	(4,113)	(5,558)	(6,183)	(7,965)	(9,453)
Operating cash flow	14,996	14,053	19,092	23,131	27,577
Capital expenditure (-)	(4,763)	(7,670)	(10,987)	(10,419)	(12,000)
Free cash flow	10,233	6,383	8,105	12,712	15,577
Other investing activities	-	-	-	-	-
Investing cash flow	(4,763)	(7,670)	(10,987)	(10,419)	(12,000)
Issuance of share capital	3	5	2	-	-
Movement of Debt	720	(654)	192	(250)	(250)
Dividend paid (incl DDT)	(2,995)	(4,507)	(4,513)	(6,017)	(8,273)
Other financing activities	(6,247)	(6,377)	(727)	(1,800)	(1,900)
Financing cash flow	(8,519)	(11,533)	(5,046)	(8,067)	(10,423)
Net change in cash flow	2,881	(2,929)	3,683	1,800	5,153
Opening cash	4,071	6,952	4,024	7,706	9,506
Closing cash	6,952	4,024	7,706	9,506	14,660

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 37: Key Ratios

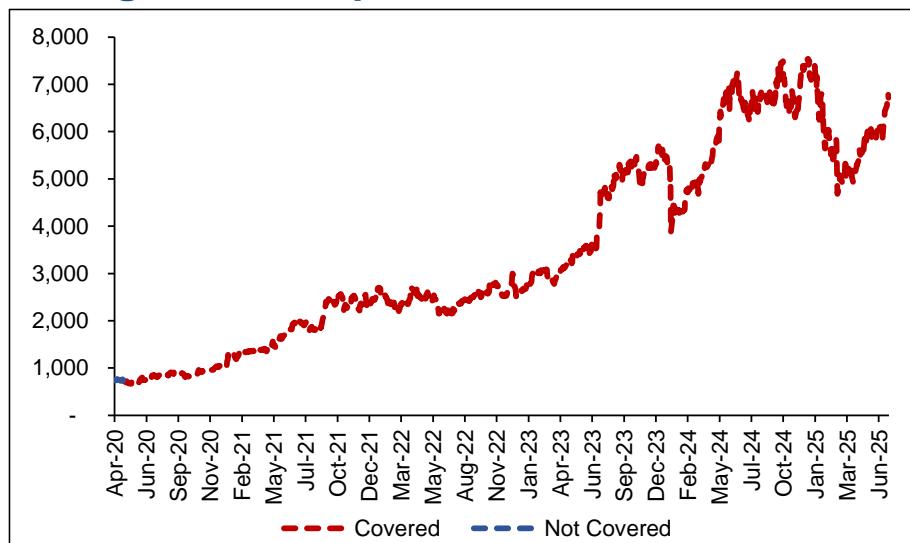
Y/E March	FY23	FY24	FY25	FY26E	FY27E
Per Share (Rs)					
EPS	84.4	118.6	134.7	157.6	187.3
Book value	440.8	544.3	653.2	751.9	884.1
DPS	20.0	30.0	30.0	40.0	55.0
Valuation (x)					
P/Sales	7.16	5.60	4.51	3.78	3.20
EV/EBITDA	53.56	39.69	33.32	28.45	23.73
P/E	79.6	56.6	49.9	42.6	35.9
P/BV	15.2	12.3	10.3	8.9	7.6
Return ratio (%)					
RoCE	18.0	20.5	20.0	20.3	20.6
RoCE (Pre-Tax)	23.9	26.8	26.4	27.1	27.5
RoE	19.2	21.8	20.6	21.0	21.2
RoIC	25.7	28.3	26.9	26.7	27.3
Profitability ratio (%)					
Gross Margin	25.5	26.4	24.9	26.1	26.3
EBITDA margin	13.1	13.8	13.2	13.0	13.1
PAT margin	9.0	9.9	9.0	8.9	8.9
Liquidity ratios (%)					
Current ratio	2.2	2.0	2.3	2.1	2.2
Quick ratio	1.1	1.0	1.3	1.0	1.1
Solvency ratio (x)					
Net Debt-equity	(0.08)	(0.04)	(0.07)	(0.08)	(0.11)
Turnover ratio					
Fixed Asset turnover ratio (x)	4.4	5.0	4.9	4.6	4.5
Debtor days	34	44	47	37	36
Inventory days	102	101	79	95	90
Creditors days	71	79	59	69	65
Net Working capital days	66	66	67	63	61

Source: Company, Nirmal Bang Institutional Equities Research

Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
24 April 2021	Hold	1,479	1,620
24 May 2021	Hold	1,677	1,700
23 July 2021	Hold	1,910	1,865
26 September 2021	Hold	2,413	2,500
25 October 2021	Hold	2,348	2,600
22 January 2022	Hold	2,511	2,600
21 February 2022	Hold	2,380	2,650
12 May 2022	Hold	2,428	2,625
20 July 2022	Buy	2,199	2,625
1 September 2022	Hold	2,485	2,625
19 September 2022	Hold	2,645	2,845
19 October 2022	Hold	2,707	2,775
5 December 2022	Hold	2,528	2,775
22 January 2023	Hold	2,761	3,015
22 March 2023	Hold	2,864	3,065
15 May 2023	Hold	3,381	3,415
7 June 2023	Hold	3,538	3,415
20 July 2023	Buy	4,308	5,335
4 September 2023	Hold	5,208	5,335
19 October 2023	Hold	5,297	5,625
24 November 2023	Hold	5,226	5,625
19 January 2024	Buy	4,423	5,255
19 February 2024	Hold	4,769	5,255
10 May 2024	Hold	6,156	5,905
5 June 2024	Hold	6,456	6,150
19 July 2024	Hold	6,312	6,165
20 October 2024	Hold	7,120	7,320
26 December 2024	Hold	7,144	7,625
24 January 2025	Hold	6,251	6,765
28 February 2025	Buy	4,674	6,228
7 May 2025	Hold	5,886	6,555
2 June 2025	Hold	5,925	6,555
7 July 2025	Hold	6,718	6,555

Rating Track Graph



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BUY > 15%

HOLD -5% to 14%

SELL < -5%

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