RATING BUY | CMP INR 8,808 | TP INR 10,764

PL Capital PRABHUDAS LILLADHER

Polycab India (POLYCAB IN)

Management Meet Update

September 03, 2026

■ Estimate Change | ■ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	10,764		10,764	
Sales (INR mn)	362,543	434,137	362,543	434,137
% Chng.	-	-		
EBITDA (INR mn)	49,064	60,630	49,064	60,630
% Chng.	-	-		
EPS (INR)	216.2	267.9	216.2	267.9
% Chng.	-	-		

Key Data	POLC.BO | POLYCAB IN
BSE Code	542652
NSE Code	POLYCAB
52-W High / Low	INR 10,128 / INR 6,660
Face Value	10
Sensex / Nifty	76,153 / 23,873
Market Cap	INR 1,327 bn / $ 14,046 mn
Shares Outstanding	150.69 mn
3M Avg. Daily Value	INR 3,288.86 mn

Shareholding Pattern (%)

Promoters	61.50
FIIs	18.21
Mutual Funds	5.23
Domestic Institutions	2.73
Public & Others	12.33
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(2.5)	(8.0)	3.0	21.7
Relative	0.7	(10.2)	8.6	28.8

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	224,082	288,837	362,543	434,137
EBITDA (INR mn)	29,602	40,056	49,064	60,630
Margin (%)	*13.2*	*13.9*	*13.5*	*14.0*
PAT (INR mn)	20,199	26,719	32,544	40,332
EV (INR mn)	1,301,812	1,285,838	1,272,650	1,253,679
Total Debt (INR mn)	1,315	1,551	1,847	2,134
C&C Eq. (INR mn)	7,706	8,825	19,282	35,656
EPS (INR)	134.3	177.5	216.2	267.9
Gr. (%)	*13.1*	*32.2*	*21.8*	*23.9*
DPS (INR)	35.0	47.0	50.0	52.0
Yield (%)	*0.4*	*0.5*	*0.6*	*0.6*
RoE (%)	*22.4*	*24.5*	*24.2*	*24.5*
RoCE (%)	*31.4*	*34.9*	*34.9*	*34.7*
EV/Sales (x)	5.8	4.5	3.5	2.9
EV/EBITDA (x)	44.0	32.1	25.9	20.7
PE (x)	65.6	49.6	40.7	32.9
P/BV (x)	13.5	11.0	8.9	7.3

Long Growth Runway and Expanding Global Footprint

Quick Pointers

- Organized W&C market share increased to ~31% in FY26 from ~18% in FY19
- US demand remains strong, led by data centers and the energy sector

We met with the management of Polycab India (POLYCAB) to discuss the company's performance, growth prospects and strategic priorities. The management remains constructive on the W&C demand environment, with structural demand continuing to remain strong, despite commodity price volatility. POLYCAB has consistently gained market share, increasing its organized W&C market share from ~18% in FY19 to 30-31% in FY26, with the management expecting further gains going ahead. The company's distribution network remains a key competitive moat, with ~90% of sales routed through distribution, while backward integration and scale-led sourcing provide additional advantages. The management believes industry supply will remain below demand at least until FY30, despite capacity additions, supporting a favorable industry backdrop. Cables account for ~70% of the W&C business, while wires are seeing strong demand from real estate, which the management expects to remain a key growth driver over the next 2-3 years. Exports, particularly to the US and Middle East, remain another significant growth opportunity, while FMEG growth is broadening beyond solar into other categories. We expect revenue/EBITDA/ PAT CAGR of 22.6%/23.0%/22.9% over FY26-28E. We assign SOTP-based TP of INR10,764, based on 40x FY28E P/E, and maintain 'BUY'.

Key takeaways

Market share gains remain structural: POLYCAB's market share has increased from ~18% in FY19 to 26-27% in FY25 and 30-31% in FY26, with gains of 1-1.5% annually and 3-4% last year. The management expects further gains, with W&C targeted to grow at 1.5x industry growth and FMEG at 1.5-2.0x. About 90% of sales are through distribution, due to its extensive reach across the country, including Tier 4/5 markets. Backward integration, with external resin procurement and in-house compounding, remains another key competitive advantage.

Scale-led sourcing supports margins: Cables account for ~70% of the W&C segment, while >90% of procurement is covered through the company's sourcing arrangement. Copper is entirely imported, with scale enabling committed volumes from suppliers. Price changes are passed through, with monthly revisions for cables and every 15 days for wires. Despite gross-margin contraction over the last 3-4 quarters, the management remains comfortable with 25-26% gross margins and expects operating leverage from volume growth.

Wire demand remains strong: Strong real-estate demand, which accounts for ~70% of the wires market, provides a 2-3 year growth runway. POLYCAB has also created a real estate vertical offering wires, switches, switchgear, lights and fans as a complete JIT solution.

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Exports gaining traction: The management remains positive on the US market, with strong demand from data centers and the energy sector. POLYCAB has re-established its US market-representative network and tied up with large EPCs, with an exclusive MR arrangement. The Middle East is also seeing strong enquiries, particularly from Oman and Saudi Arabia, while the company is exploring Latin America, Europe, Australia and Japan. POLYCAB is currently generating 15-16% EBITDA margin from exports.

SKU mix evolving with capacity utilisation: Management indicated that the company has been adding different SKUs while also rationalising certain SKUs, resulting in a changing product mix across wires and LV products. Despite the broader SKU portfolio, capacity utilisation remains at ~70-72%, providing headroom to support further volume growth without immediate capacity constraints.

Acceptances to remain elevated: Management indicated that the increase in acceptances is intentional, as the current structure remains beneficial to the company. While the company would ideally repay the facility, management does not expect any near-term normalization, given the continued benefits from the existing arrangement.

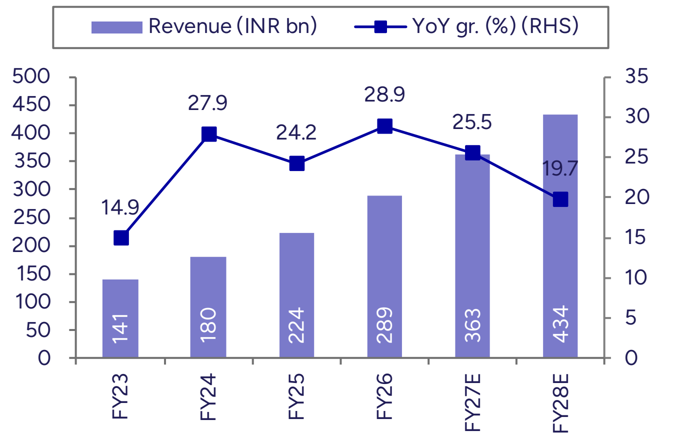
BharatNet execution remains on track: The project period is 3 years, followed by 10 years of maintenance. Revenue recognition is milestone-based, leading to quarterly volatility, while the management expects normalization over 10-12 months. The management has guided for double-digit margins in the BharatNet project.

Broad-based FEMG growth: POLYCAB is expected to see growth across FMEG categories, <<changes ok>> while margins should be supported by premiumization and increasing wallet share from existing customers.

Other key takeaways

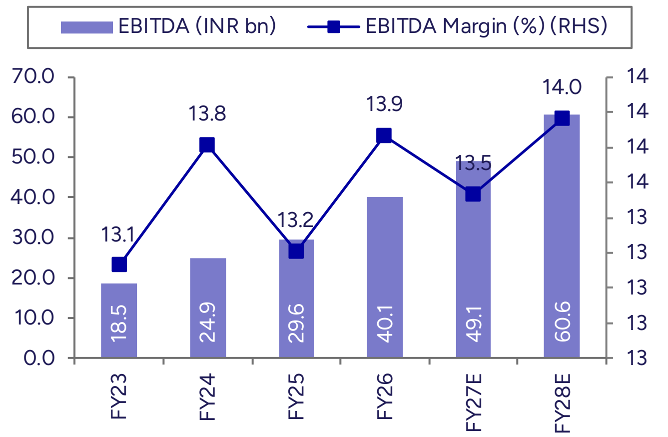
- POLYCAB has moved to six product-level P&Ls, with dedicated leaders responsible for individual businesses, enabling sharper accountability and greater focus on product-wise growth and profitability.
- Ad spends have shifted from a pan-India approach to region-specific spending, with greater focus on end markets and customer traction. This sharper allocation is expected to improve spending efficiency and enable better market-level traction.
- The management is not actively exploring inorganic acquisitions but remains open to opportunities.
- The management expects Q2FY27 to be better than Q1FY27

Exhibit 1: Revenue to clock 23% CAGR over FY26-28E



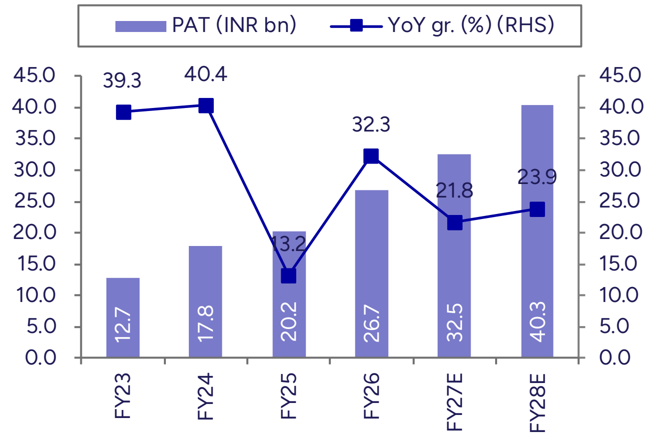
Source: Company, PL

Exhibit 2: EBITDA margin to gradually expand to 14% by FY28



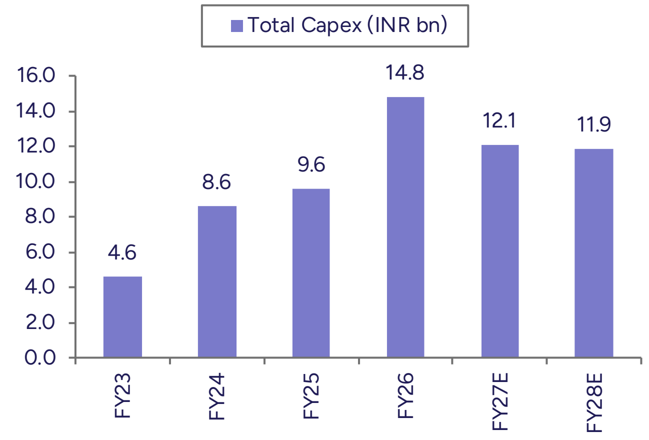
Source: Company, PL

Exhibit 3: PAT to clock 22.9% CAGR over FY26-28E



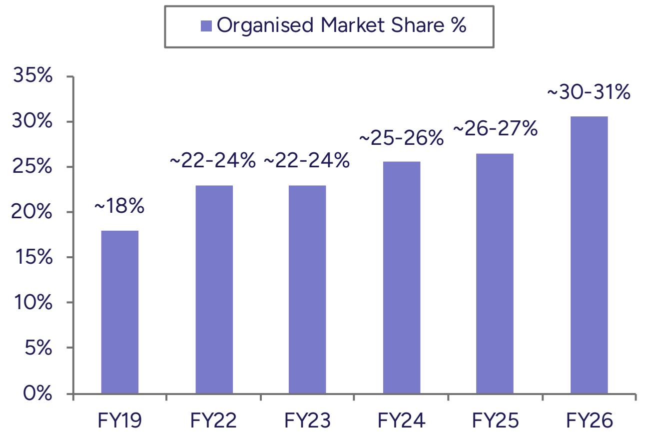
Source: Company, PL

Exhibit 4: POLYCAB entering in high-capex phase



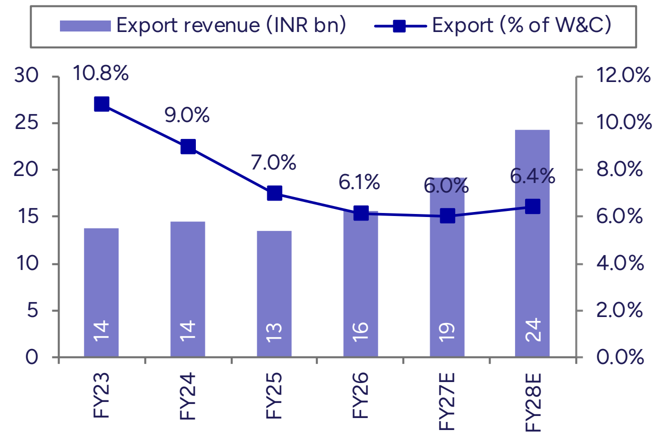
Source: Company, PL

Exhibit 5: Steadily gaining organized market share



Source: Company, PL

Exhibit 6: Export to contribute to 6.4% of W&C segment by FY28



Source: Company, PL

Exhibit 7: Valuation of W&C companies

Company Names	M Cap (INR bn)	CMP (INR)	Rating	TP (INR)	PER (x)				RoCE (x)				Sales CAGR (%) FY26-FY28E	EPS CAGR (%) FY26-FY28E
					FY25	FY26	FY27E	FY28E	FY25	FY26	FY27E	FY28E		
POLYCAB	1,325	8,808	BUY	10,764	66x	50x	41x	33x	31	35	35	35	22.6%	22.9%
KEII	509	5,327	Accumulate	6,001	73x	55x	44x	36x	21	20	22	23	25.7%	26.7%
RRKABEL	296	2,618	HOLD	2,596	95x	58x	42x	35x	21	29	33	31	21.9%	39.1%
HAVL	752	1,200	Accumulate	1,319	51x	51x	45x	36x	26	23	23	25	17.0%	12.0%

Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**224,082**	**288,837**	**362,543**	**434,137**
YoY gr. (%)	*24.2*	*28.9*	*25.5*	*19.7*
Cost of Goods Sold	168,300	215,816	272,920	324,939
Gross Profit	55,782	73,021	89,623	109,198
Margin (%)	*24.9*	*25.3*	*24.7*	*25.2*
Employee Cost	7,367	8,794	9,064	10,853
Other Expenses	9,058	12,295	14,274	17,093
EBITDA	**29,602**	**40,056**	**49,064**	**60,630**
YoY gr. (%)	*18.8*	*35.3*	*22.5*	*23.6*
Margin (%)	*13.2*	*13.9*	*13.5*	*14.0*
Depreciation and Amortization	2,981	3,859	4,722	5,660
EBIT	**26,621**	**36,197**	**44,342**	**54,969**
Margin (%)	*11.9*	*12.5*	*12.2*	*12.7*
Net Interest	1,689	2,430	3,372	3,367
Other Income	2,076	2,363	3,075	3,022
Profit Before Tax	**27,008**	**36,130**	**44,045**	**54,624**
Margin (%)	*12.1*	*12.5*	*12.1*	*12.6*
Total Tax	6,553	9,046	11,029	13,677
Effective Tax Rate (%)	*24.3*	*25.0*	*25.0*	*25.0*
Profit After Tax	**20,455**	**27,083**	**33,017**	**40,947**
Minority Interest	255	364	473	615
Share Profit from Associate	-	-	-	-
Adjusted PAT	**20,199**	**26,719**	**32,544**	**40,332**
YoY gr. (%)	*13.2*	*32.3*	*21.8*	*23.9*
Margin (%)	*9.0*	*9.3*	*9.0*	*9.3*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**20,199**	**26,719**	**32,544**	**40,332**
YoY gr. (%)	*13.2*	*32.3*	*21.8*	*23.9*
Margin (%)	*9.0*	*9.3*	*9.0*	*9.3*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	20,199	26,719	32,544	40,332
Equity Shares O/s (mn)	**150**	**151**	**151**	**151**
EPS (INR)	**134.3**	**177.5**	**216.2**	**267.9**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**46,830**	**57,551**	**70,086**	**82,651**
Tangibles	46,378	57,098	69,602	82,092
Intangibles	452	454	484	559
Acc: Dep / Amortization	**16,718**	**20,150**	**24,321**	**29,696**
Tangibles	16,365	19,738	23,847	29,154
Intangibles	353	413	474	542
Net Fixed Assets	**30,112**	**37,401**	**45,764**	**52,955**
Tangibles	30,013	37,360	45,755	52,938
Intangibles	98	41	10	16
Capital Work In Progress	7,081	11,393	10,393	9,393
Goodwill	-	-	-	-
Non-Current Investments	3,707	5,050	5,575	6,595
Net Deferred Tax Assets	(785)	(408)	(460)	(518)
Other Non-Current Assets	3,397	4,197	4,120	4,124
Current Assets				
Investments	17,490	34,048	37,548	41,048
Inventories	36,613	55,596	57,870	69,297
Trade Receivables	25,963	37,585	39,882	47,758
Cash & Bank Balance	7,706	8,825	19,282	35,656
Other Current Assets	4,159	7,780	9,765	11,694
Total Assets	**137,727**	**204,762**	**233,760**	**282,735**
Equity				
Equity Share Capital	1,504	1,506	1,506	1,506
Other Equity	96,745	118,580	147,018	179,823
Total Networth	**98,249**	**120,086**	**148,524**	**181,328**
Non-Current Liabilities				
Long Term Borrowings	419	393	393	393
Provisions	413	564	708	848
Other Non Current Liabilities	886	1,506	1,506	1,506
Current Liabilities				
ST Debt / Current of LT Debt	896	1,159	1,454	1,742
Trade Payables	27,358	60,644	55,643	66,249
Other Current Liabilities	6,849	17,849	22,227	26,479
Total Equity & Liabilities	**137,727**	**204,762**	**233,760**	**282,735**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	27,008	36,131	44,045	54,624
Add. Depreciation	2,981	3,859	4,722	5,660
Add. Interest	1,689	2,430	3,372	3,367
Less Financial Other Income	2,076	2,363	3,075	3,022
Add. Other	(1,162)	(1,533)	455	366
Op. Profit before WC Changes	30,516	40,886	52,594	64,018
Net Changes-WC	(6,099)	6,050	(8,342)	(8,009)
Direct Tax	(6,331)	(8,830)	(11,029)	(13,677)
Net Cash from Op. Activities	**18,085**	**38,107**	**33,224**	**42,332**
Capital Expenditures	(9,696)	(14,803)	(12,085)	(11,851)
Interest / Dividend Income	224	646	650	350
Others	(2,921)	(14,339)	(11,452)	(19,924)
Net Cash from Invt. Activities	**(12,393)**	**(28,497)**	**(22,887)**	**(31,424)**
Issue of Share Cap. / Premium	73	53	-	-
Debt Changes	(160)	(203)	296	287
Dividend Paid	(4,511)	(5,473)	(7,076)	(7,528)
Interest Paid	(1,685)	(2,368)	(3,372)	(3,367)
Others	-	-	-	-
Net Cash from Fin. Activities	**(6,283)**	**(7,990)**	**(10,152)**	**(10,607)**
Net Change in Cash	**(591)**	**1,619**	**185**	**300**
Free Cash Flow	8,389	23,303	21,139	30,481

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**64,772**	**76,361**	**88,645**	**82,097**
YoY gr. (%)	*17.8*	*46.1*	*26.9*	*39.0*
Raw Material Expenses	47,209	57,552	67,867	62,520
Gross Profit	17,563	18,809	20,777	19,577
Margin (%)	*27.1*	*24.6*	*23.4*	*23.8*
EBITDA	**10,208**	**9,661**	**11,613**	**11,362**
YoY gr. (%)	*61.6*	*34.2*	*13.3*	*32.5*
Margin (%)	*15.8*	*12.7*	*13.1*	*13.8*
Depreciation / Depletion	968	1,056	978	1,029
EBIT	**9,240**	**8,605**	**10,635**	**10,333**
Margin (%)	*14.3*	*11.3*	*12.0*	*12.6*
Net Interest	484	687	746	800
Other Income	454	505	604	1,049
Profit before Tax	**9,210**	**8,422**	**10,493**	**10,582**
Margin (%)	*14.2*	*11.0*	*11.8*	*12.9*
Total Tax	2,280	2,120	2,637	2,616
Effective Tax Rate (%)	*24.8*	*25.2*	*25.1*	*24.7*
Profit After Tax	**6,930**	**6,302**	**7,856**	**7,967**
Minority Interest	75	85	128	123
Share Profit from Associate	-	-	-	-
Adjusted PAT	**6,855**	**6,217**	**7,728**	**7,843**
YoY gr. (%)	*55.9*	*33.7*	*6.3*	*32.5*
Margin (%)	*10.6*	*8.1*	*8.7*	*9.6*
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	**6,855**	**6,217**	**7,728**	**7,843**
YoY gr. (%)	*55.9*	*33.7*	*6.3*	*32.5*
Margin (%)	*10.6*	*8.1*	*8.7*	*9.6*
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**6,855**	**6,217**	**7,728**	**7,843**
Avg. Shares O/s (mn)	150	150	150	151
EPS (INR)	**45.6**	**41.3**	**51.4**	**52.1**

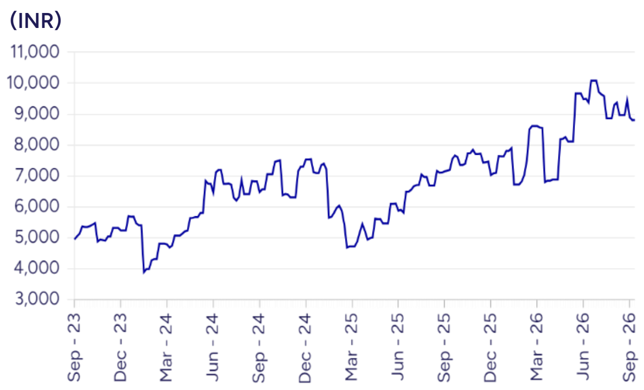
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	134.3	177.5	216.2	267.9
CEPS	154.1	203.1	247.5	305.5
BVPS	653.1	797.6	986.5	1,204.4
FCF	55.8	154.8	140.4	202.5
DPS	35.0	47.0	50.0	52.0
Return Ratio (%)				
RoCE	31.4	34.9	34.9	34.7
ROIC	30.5	40.1	42.0	45.7
RoE	22.4	24.5	24.2	24.5
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	43	15	24	24
Valuation (x)				
PER	65.6	49.6	40.7	32.9
P/B	13.5	11.0	8.9	7.3
P/CEPS	57.2	43.4	35.6	28.8
EV/EBITDA	44.0	32.1	25.9	20.7
EV/Sales	5.8	4.5	3.5	2.9
Dividend Yield (%)	0.4	0.5	0.6	0.6
FCFF Yield (%)	0.6	1.8	1.6	2.3
PEG Ratio	5.0	1.5	1.9	1.4

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	16-Jul-26	BUY	10764	9215
2	03-Jul-26	Accumulate	10503	9549
3	07-May-26	BUY	10282	8416
4	06-Apr-26	BUY	9611	6878
5	17-Jan-26	BUY	9744	7122
6	08-Jan-26	BUY	9781	7897
7	18-Oct-25	BUY	8808	7440
8	03-Oct-25	BUY	8718	7351
9	18-Jul-25	BUY	8091	6926
10	04-Jul-25	Accumulate	7510	6808

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Amber Enterprises India	Buy	9244	7222
2	Astral	BUY	1684	1464
3	Avalon Technologies	Reduce	1470	1823
4	Bajaj Electricals	Accumulate	403	383
5	Blue Star	Accumulate	1653	1514
6	Cello World	Accumulate	410	360
7	Century Plyboard (I)	Accumulate	878	770
8	Cera Sanitaryware	BUY	7221	6049
9	Crompton Greaves Consumer Electricals	Buy	330	252
10	Cyient DLM	HOLD	635	623
11	Finolex Industries	Accumulate	197	164
12	Greenpanel Industries	BUY	284	184
13	Havells India	Accumulate	1319	1187
14	Kajaria Ceramics	BUY	1403	1198
15	Kaynes Technology India	Accumulate	4390	3856
16	KEI Industries	Accumulate	6001	5500
17	LG Electronics India	HOLD	1723	1730
18	Polycab India	BUY	10764	9215
19	Premier Energies	Accumulate	1131	1047
20	R R Kabel	HOLD	2596	2525
21	Supreme Industries	BUY	4610	3395
22	Syrma SGS Technology	HOLD	1409	1378
23	Vikram Solar	Accumulate	173	157
24	Voltas	HOLD	1308	1321
25	Waaree Energies	BUY	3280	2625

PL's Recommendation Nomenclature (Absolute Performance)

BUY	:	> 15%
Accumulate	:	5% to 15%
Hold	:	+5% to -5%
Reduce	:	-5% to -15%
Sell	:	< -15%
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

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