Polycab India Ltd.

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Pune E-Stock Broking Limited

Investment Rationale:

Record Revenue Scale and Accelerating Profitability: In FY26, Polycab delivered its highest-ever revenue of ₹28,883 crore (+29% YoY) and PAT of ₹2,708 crore (+32% YoY). Growth accelerated in Q2FY27, achieving record quarterly revenue of ₹9,899 crore (+53% YoY), EBITDA of ₹1,422 crore (+39% YoY), and PAT growth of 43% YoY with a 10% PAT margin.

FMEG Segment Inflection and Sustainable Margins: The FMEG segment registered 25% YoY revenue growth in FY26 to ₹2,069 crores, sustaining profitability across five consecutive quarters. By Q2FY27, FMEG achieved its seventh consecutive profitable quarter, validating distribution restructurings and product premiumization initiatives under Project Spring toward its 8–10% EBITDA margin FY30 target.

Expanding Domestic and Global Industry TAM: The domestic Wires & Cables industry reached ₹1 lakh crore in FY26, growing at 1.5–2x GDP, and is projected to sustain this acceleration through FY30. Globally, the W&C TAM is estimated at $350–370 billion, expanding at a 6–7% CAGR to reach $410 billion by FY30, providing a massive TAM runway for organized players.

High-Margin Export Expansion and Global Footprint: Indian cable exports are projected to grow at a 20% CAGR to ₹325 billion by FY30. Polycab generated ₹1,569 crore in FY26 export revenue across 94 countries, with Q2FY27 exports rebounding 25% QoQ. Under Project Spring, management targets expanding export contribution to >10% of total revenues by FY30 through restructured US distribution and 'China+1' tailwinds.

Outlook: Polycab's growth momentum accelerated in Q2FY27, with record quarterly revenue of ₹9,899 crore (+53% YoY), EBITDA of ₹1,422 crore (+39%) and PAT of ₹990 crore (+43%). Strong domestic W&C demand, favourable realisations and infrastructure spending underpin the outlook, while FMEG's 124% revenue growth and 10.1% EBITDA margin signal a meaningful profitability inflection. Management remains confident of sustaining W&C EBITDA margins within 11–13% under Project Spring and targeting volume growth at 1.5x industry growth. Export recovery, data centres, AI infrastructure and EHV cables from FY28 offer additional growth avenues.

With ₹4,520 crore net cash and ₹610 crore H1FY27 capex, Polycab retains financial flexibility to fund expansion. However, intensifying competition from new entrants, including UltraTech's entry into wires and cables, could increase pricing pressure and challenge market-share gains. The pending NCLAT order in the ₹2.79 crore Asier Metals dispute remains a monitorable, although management does not expect any material adverse operational or financial impact. We remain positive on its long-term prospects, supported by structural electrification, market-share gains and disciplined execution.

At CMP, the stock is trading at a P/E multiple of 31x to its FY28E earnings. Reiterating our growth projections and valuation framework, we assign a P/E of 37x to FY28E EPS of ₹295 to arrive at a TP of ₹10,916 with a BUY rating on the stock, implying an upside of 32%.

CMP: ₹8,219
Rating: BUY
Target Price: ₹10,916

Stock Info	
BSE	542652
NSE	POLYCAB
Sector	Capital Goods
Face Value (₹)	10
Equity Capital (₹ Cr)	151
Mkt Cap (₹ Cr)	1,23,986
Avg volume (1 year)	4,23,912
Dividend yield (%)	0.56
52w H/L (₹)	10,129/ 6,660

Source: Company filings, PESB research

Shareholding Pattern (Jun 2026)	
Promoters	61.46%
FII	19.00%
DII	7.62%
Public	11.92%

Source: Company filings, PESB research

Returns (%)	Polycab India	Nifty50
1M	0.70	0.09
6M	5.35	4.70
1 year	7.15	-8.81

Soft Coverage Link: Polycab India Ltd.

Anupama Bhootra
Analyst
Praveen Kumar Yadav
Associate

Q2FY27 Financials

Income Statement (In ₹ Cr)	Q1 FY27	Q4 FY26	QoQ (%)	Q1 FY26	YoY (%)
Operational Income	**9,899**	**8,210**	*21%*	**6,477**	*53%*
COGS	7,562	6,252	21%	4,721	60%
Employee Expense	266	261	*2%*	230	*15%*
Other Expense	648	560	16%	505	28%
EBITDA	**1,422**	**1,136**	*25%*	**1,021**	*39%*
EBITDA Margin	*14%*	*14%*	*53bps*	*16%*	*-139bps*
Depreciation and Amortization	111	103	*8%*	97	*15%*
Finance Costs	94	80	17%	48	93%
Other Income	88	105	*-16%*	45	*94%*
EBT	**1,306**	**1,058**	23%	**921**	42%
EBT Margin	*13%*	*13%*	*31bps*	*14%*	*-102bps*
Tax Expense	316	262	21%	228	39%
PAT	**990**	**797**	*24%*	**693**	*43%*
PAT Margin	*10%*	*10%*	*30bps*	*11%*	*-70bps*
EPS	**65.84**	**52.07**	*24%*	**45.54**	*43%*

Source: Company filings, PESB research

➢ Concall Highlights

- **Record Quarterly Performance:** Polycab reported record quarterly revenue growth of 53% YoY to ₹9,899 crores, EBITDA growth of 39% which stood at ₹1,422 crores and PAT growth of 43% to ₹990 crore. EBITDA margin expanded sequentially by over 50 bps to 14.4%. Management attributed growth to healthy demand, strong distribution execution, favourable commodity-linked realisations and infrastructure momentum.

- **Wires & Cables Growth Driven by Strong Demand:** The wires and cables segment delivered 47% revenue growth, with domestic business expanding 50% YoY. Overall volumes grew mid-to-high single digits, led by double-digit wire volumes, while cable volumes increased in the mid-single-digit range despite a strong base.

- **Competitive Threat from New Entrants Remains Manageable:** Management sees limited near-term disruption from UltraTech's entry, as wires represent only around 30% of the ₹1.1 lakh crore industry, with 30–35% of the wire market still unorganised. Polycab gained 3–4 percentage points of market share last year.

- **Capex & Cash Position:** Polycab incurred ₹610 crore in capex during H1FY27, towards capacity expansion, supply-chain capabilities and future growth platforms. The company maintained a strong balance sheet, with net cash of ₹4,520 crore as of September 2026, up from ₹2,940 crore a year ago, providing financial flexibility to fund future growth investments.

- **Long-Term Guidance Unchanged:** Wires and cables EBITDA margin stood at 14.2%, aided by operating leverage, higher wire contribution, stronger channel sales and premiumisation. Management remains comfortable with its 11–13% long-term margin guidance under Project Spring, expecting quarterly fluctuations as product mix normalises.

- **Commodity Inflation Passed Through to Customers:** Polycab follows a cost-plus model, limiting direct exposure to copper price volatility. Copper prices rose around 6% QoQ, while pricing adjustments are generally implemented fortnightly for wires and monthly for cables. Management reported no significant channel inventory build-up or demand disruption.

Concall Highlights

- **Export Business Gaining Traction Across Geographies:** Exports grew 17% YoY and 85% QoQ, with management highlighting a strong order pipeline across the US, Europe, Latin America and Asia. Polycab serves 94 countries, while geopolitical tensions and shipping delays of 10–12 days remain near-term headwinds.

- **FMEG Delivers Breakthrough Growth and Double-Digit Margins:** FMEG revenue surged 124% YoY, marking its 11th consecutive quarter of industry-leading growth. EBITDA margin reached 10.1%, supported by scale, premiumisation and distribution expansion. Premium products now account for 33% of fan sales and 38% of lighting sales.

- **Volume Growth Outlook Anchored to Industry Expansion:** Management expects Polycab's wires and cables volumes to grow at 1.5x the industry growth rate over the long term. If industry growth remains around 12–13%, the company's implied volume growth would be approximately 18–19%, although quarterly comparisons face a high base.

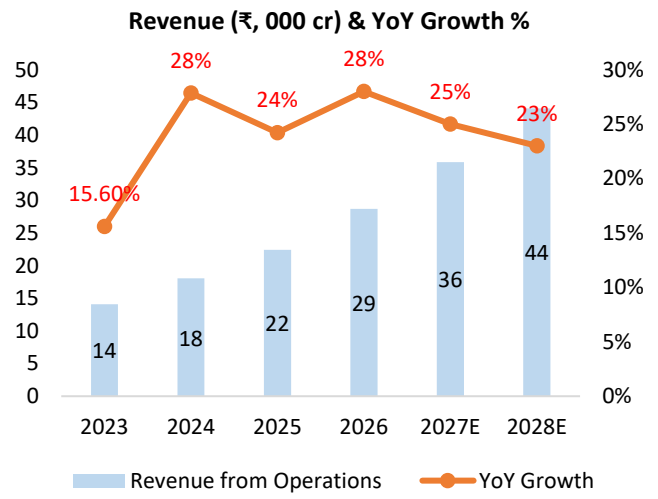
- **Data Centres and EHV Cables Offer Incremental Growth Opportunities:** Management highlighted data centres, AI infrastructure and energy transition as emerging opportunities, with Indian data-centre capacity currently around 1.6–1.7 GW. The EHV plant is expected to be commissioned in FY28, opening another potential growth avenue.

- **Structural Demand Outlook Remains Positive Across End Markets:** Management remains confident about infrastructure, manufacturing, real estate and energy-transition demand. Government capex grew 18% YoY to ₹5.1 lakh crore during April–August 2026, while EPC revenue rose 53% YoY, supported by a ₹9,000–10,000 crore order book.

- **NCLAT Proceedings – Management Confident of a Favourable Outcome:** Polycab stated that the NCLAT had stayed the NCLT admission order in its entirety, including initiation of the Corporate Insolvency Resolution Process (CIRP), in a ₹2.79 crore commercial dispute involving Asier Metals. Following the hearing on 15 October 2026, management said arguments were complete and the order was reserved. It expressed confidence in the merits of its case, is pursuing resolution at the earliest, and does not expect any material adverse impact on business or financial operations.

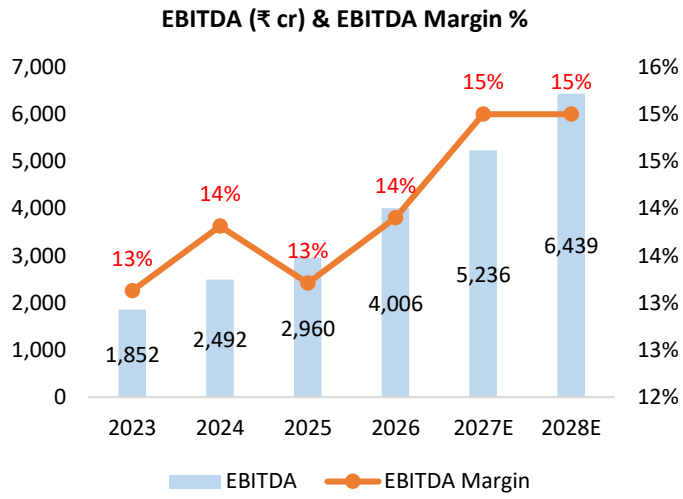
Story in Charts

Figure 5: Revenue nearly tripled from FY21 to FY25. Revenue is expected to grow at 1.5x of industry growth.



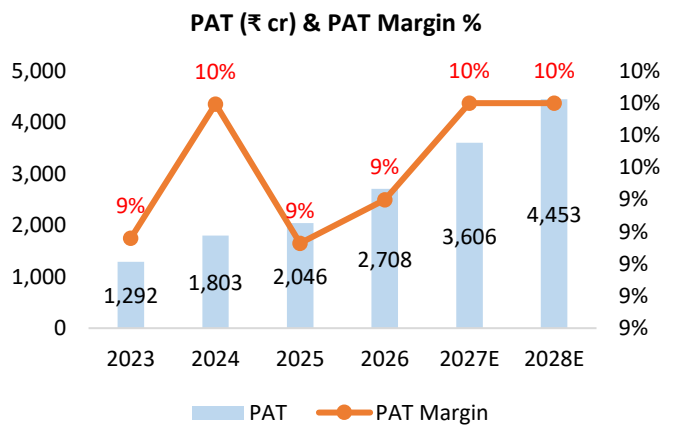
Source: PESB Research, Company filings

Figure 6: EBITDA growing steadily, margins stable near 13%



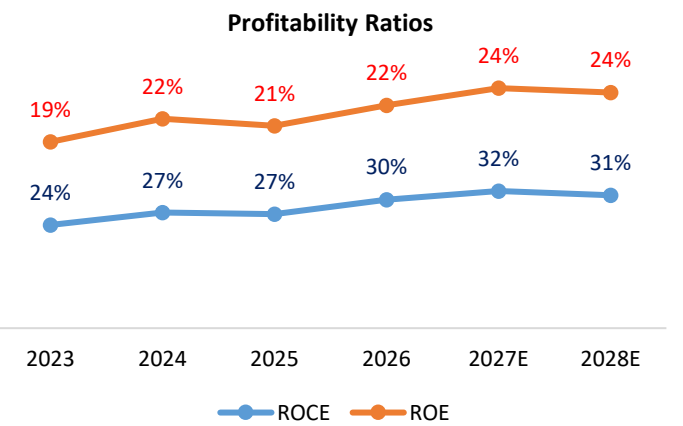
Source: PESB Research, Company filings

Figure 7: Profit nearly doubled; margins consistently above 9%

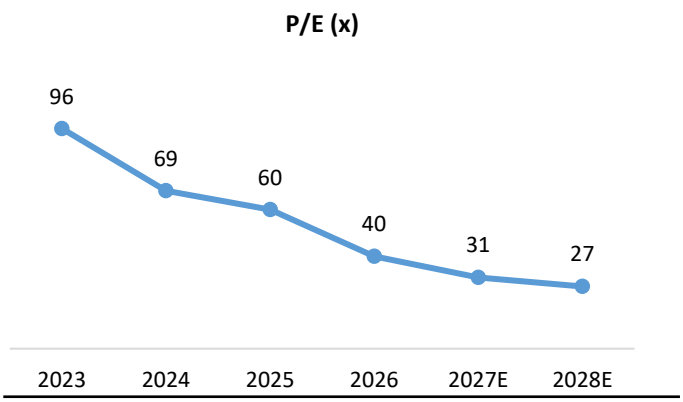


Source: PESB Research, Company filings

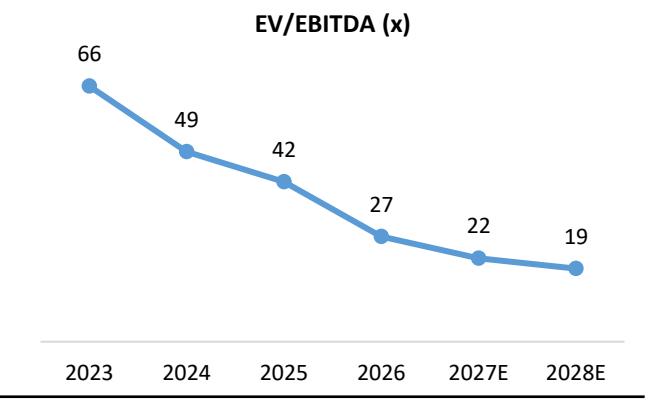
Figure 8: Return ratios improving, ROCE peaked at 22% in FY24



Source: PESB Research, Company filings



Source: PESB Research, Company filings



Source: PESB Research, Company filings

Financial Statements

Income Statement

Particulars (₹ Cr)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E
Revenue from Operations	14,108	18,039	22,408	28,884	36,105	44,409
Expenses						
COGS	10,376	12,806	15,573	20,587	25,273	31,086
Employee Expense	457	610	737	879	1,264	1,554
SG&A	1,423	2,132	3,138	3,412	4,333	5,329
EBITDA	**1,852**	**2,492**	**2,960**	**4,006**	**5,235**	**6,439**
EBITDA Margin	***13%***	***14%***	***13%***	***14%***	***15%***	***15%***
EBITDA Growth (%)		***35%***	***19%***	***35%***	***31%***	***23%***
Depreciation and Amortization	209	245	298	386	442	544
EBIT	**1,643**	**2,247**	**2,662**	**3,620**	**4,793**	**5,895**
EBIT Margin	***12%***	***12%***	***12%***	***13%***	***13%***	***13%***
EBIT Growth (%)		***37%***	***18%***	***36%***	***32%***	***23%***
Finance Cost	60	108	169	243	243	292
Other Income	133	221	208	236	261	336
Exceptional items	0	0	0	0	0	0
EBT	**1,717**	**2,359**	**2,701**	**3,613**	**4,811**	**5,940**
EBT Margin	***12%***	***13%***	***12%***	***13%***	***13%***	***13%***
EBT Growth (%)		***37%***	***14%***	***34%***	***33%***	***23%***
Tax expense	424	556	655	905	1,203	1,485
PAT	**1,292**	**1,803**	**2,046**	**2,708**	**3,608**	**4,455**
PAT Margin	***9%***	***10%***	***9%***	***9%***	***10%***	***10%***
PAT Growth (%)		***40%***	***13%***	***32%***	***33%***	***23%***

				FY23-26		FY27-28E
Revenue CAGR				**27%**		**24%**
EBITDA CAGR				**29%**		**27%**
PAT CAGR				**28%**		**28%**

Source: PESB Research, Company filings

RATIOS

	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E
Margin Analysis						
Gross Margins	26%	29%	31%	29%	30%	30%
EBITDA Margin	13%	14%	13%	14%	15%	15%
PAT Margin	9%	10%	9%	9%	10%	10%
	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E
Profitability						
ROA	14%	15%	15%	13%	18%	18%
ROCE	24%	27%	27%	30%	32%	31%
ROE	19%	22%	21%	22%	24%	24%
	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E
Liquidity and Solvency						
Current ratio (x)	2.6	2.4	2.7	1.8	3.0	3.2
Quick ratio (x)	1.5	1.4	1.6	1.1	1.9	2.0
Fixed asset turnover (x)	6.1	6.4	6.2	6.2	7.0	7.5
Total Debt/ Equity (x)	0.0	0.0	0.0	0.0	0.0	0.0
Interest Coverage Ratio (x)	27.5	20.7	15.8	14.9	19.7	20.2
	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E
Valuation Ratios						
EV/EBITDA (x)	74	55	46	34	26	21
P/E (x)	107	77	67	51	38	31
P/B (x)	21	17	14	11	9	7
EV/Sales (x)	10	8	6	5	4	3

Source: PESB Research, Company filings

Financial Statements

BALANCE SHEET

Particulars (₹ Cr)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E
Assets						
PP&E (Including Intangibles)	2,026	2,184	2,801	3,509	4,136	4,874
Capital WIP	287	651	839	1,139	989	1,064
Other Non Current Assets	204	530	813	1,167	585	658
Inventories	2,951	3,675	3,661	5,560	5,539	6,643
Investments	1,350	1,822	1,749	3,405	1,818	2,029
Trade Receivables	1,247	2,047	2,596	3,759	3,462	4,502
Cash and Bank	695	402	771	882	2,896	4,177
Other Current Assets	665	767	542	1,055	701	746
Total Assets	**9,425**	**12,079**	**13,773**	**20,476**	**20,127**	**24,692**
Equity						
Equity Share Capital	150	150	150	151	151	151
Other Equity	6,519	8,093	9,756	11,976	14,841	18,448
Total Equity	**6,669**	**8,243**	**9,907**	**12,127**	**14,991**	**18,599**
Liabilities						
Borrowings	4	23	42	39	142	142
Other Non Current Liabilities	126	219	314	345	221	245
Borrowings	151	67	67	93	50	55
Trade Payables	2,033	1,001	1,430	1,799	2,423	2,981
Other Current Liabilities	443	2,526	2,014	6,073	2,300	2,671
Total Equity and Liabilities	**9,425**	**12,079**	**13,773**	**20,476**	**20,127**	**24,693**

Source: PESB Research, Company filings

CASH FLOW

Particulars (₹ Cr)	FY23A	FY24A	FY25A	FY26A	FY27E	FY28E
Net cash from operations	9,069	10,898	10,673	3,811	1,569	3,736
Net cash from Investing	-7,188	-8,789	-15,836	-2,850	1,125	-1,616
Net cash from Financing	-1,631	-1,926	5,076	-799	-681	-839

Source: PESB Research, Company filings

Disclosures and Disclaimers:

Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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