

POLYCAB INDIA LIMITED

(formerly known as Polycab Wires Limited)

Polycab House, 771 Mogul Lane, Mahim (W), Mumbai - 400016

CIN: L31300DL1996PLC266483

Tel : +91 22 2432 7070-74 Fax : +91 22 2432 7075 Email: shares@polycab.com Web: www.polycab.com

Date: 21st January 2020

To
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai - 400 001

To
Listing Department
National Stock Exchange of India Limited
C-1, G-Block, Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051

Scrip Code: 542652 Scrip Symbol: Polycab
ISIN:- INE455K01017

Dear Sir / Madam

Sub: Corporate Presentation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In accordance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Corporate presentation on the financial results of the Company for the quarter and nine months ended 31st December 2019.

Kindly take the same on your record.

Thanking you

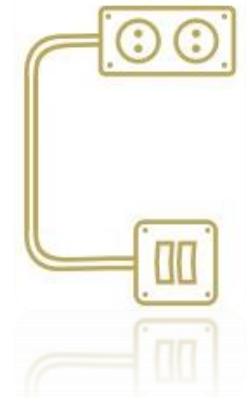
Yours Faithfully

For Polycab India Limited



Sai Subramaniam Narayana
Company Secretary and Compliance Officer
Membership No.: F5221
Address: Polycab House, 771, Mogul Lane
Mahim (West), Mumbai - 400 016





Corporate Presentation

21 January 2020

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Polycab: A Snapshot

#1 Manufacturer in India

Market leader in Wires and Cables¹

12% Overall Market Share²



PAN India Network



3,450+ Dealers & Distributors

1,25,000+ Retail Outlets

Fast Growing FMEG Brand



5-year CAGR at ~51%

Manufacturing Footprint



25 Facilities, 7 locations

Strong backward integration³

Strong Management Bandwidth



With highly experienced fit-for-purpose professionals

Proven Track Record

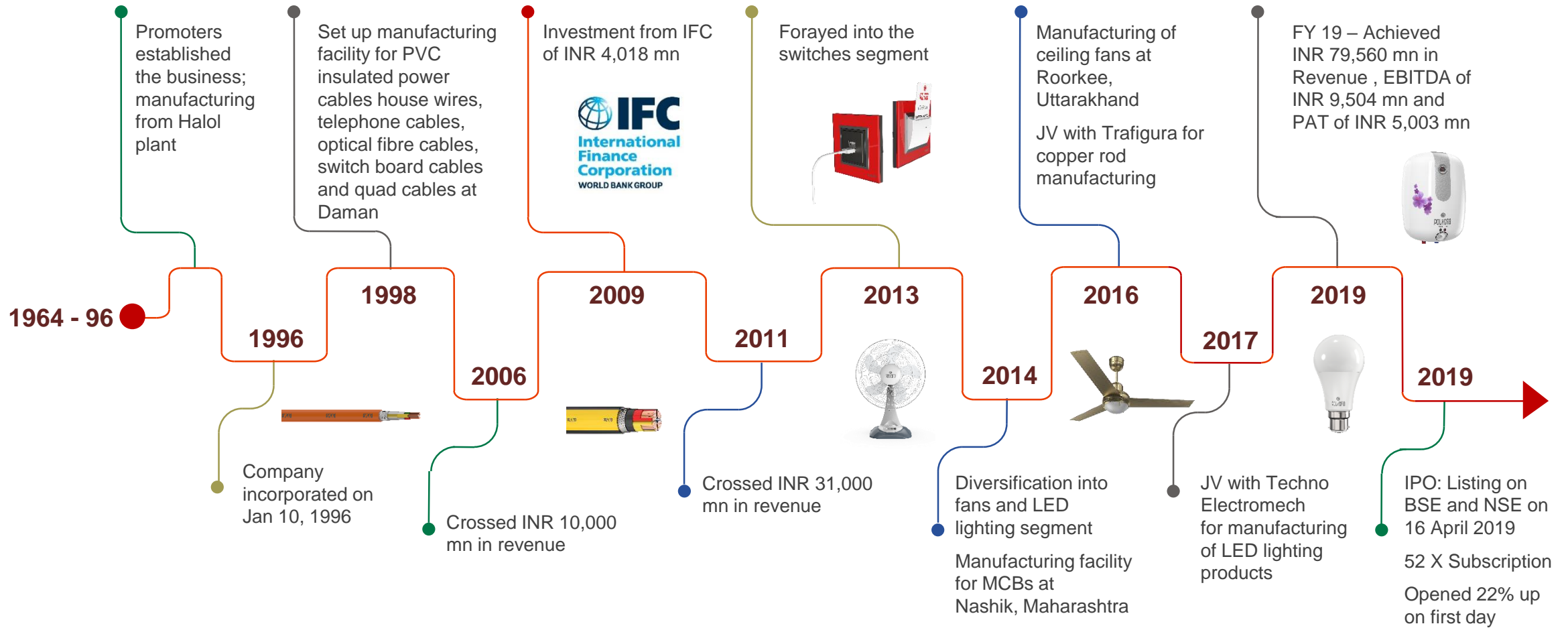


5 year CAGR

Revenue 14%, EBITDA⁴ 21%

PAT⁵ 33%

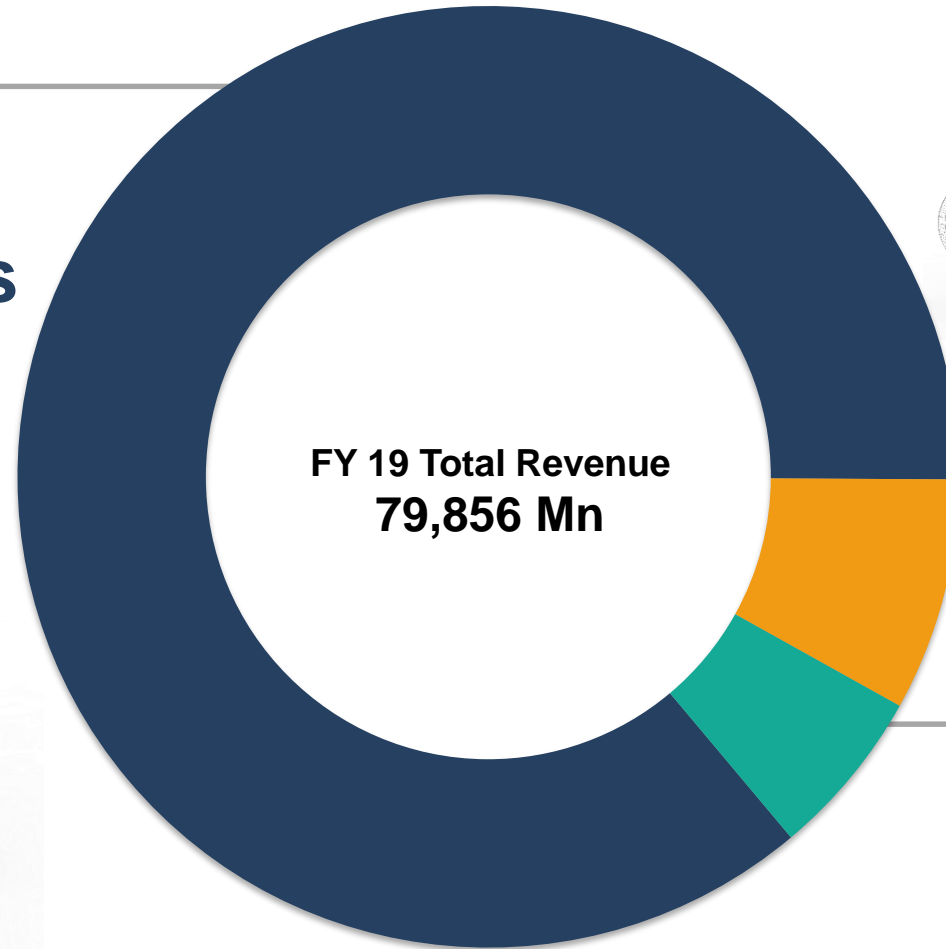
Our Journey



Our Segments: An Overview

% of Total Revenue

86%
Wires & Cables



8%
**Fast Moving
Electrical Goods**

6%
Other (incl. EPC)

Increase in Consumer Spending, Infrastructure Growth and Industrial Investments to Drive Electricals Industry

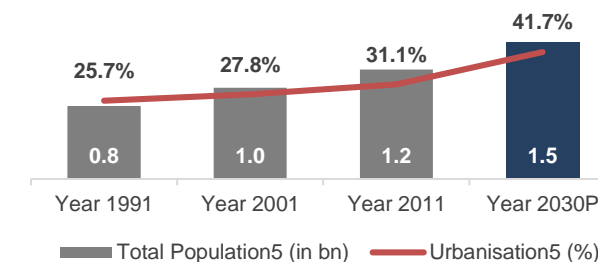
Infrastructure Development

- Government announced expenditure of ~ **INR 102 lakh crore** in infrastructure sector over **next 5 years**, as part of **National Infrastructure Pipeline (NIP)**⁵
- Roads, urban and housing, railways, power and irrigation to comprise ~**80% of the NIP**⁵
- Total Energy capacity expected to be **619 GW by 2025** from current 356 GW⁵
- **Housing for All by 2022** targeting 20mn households – PMAY^{3,5}
- 100% of the existing railway network to be electrified by 2025⁵
- By 2025, Metro rail transit system to be available in >25 cities⁵
- DDUGJY²: 5,934 Rural Electrification projects
- National Solar Mission : 40-41 GW capacity addition
- **100% population** coverage for telecom and high quality broadband services⁵

Industrial Growth

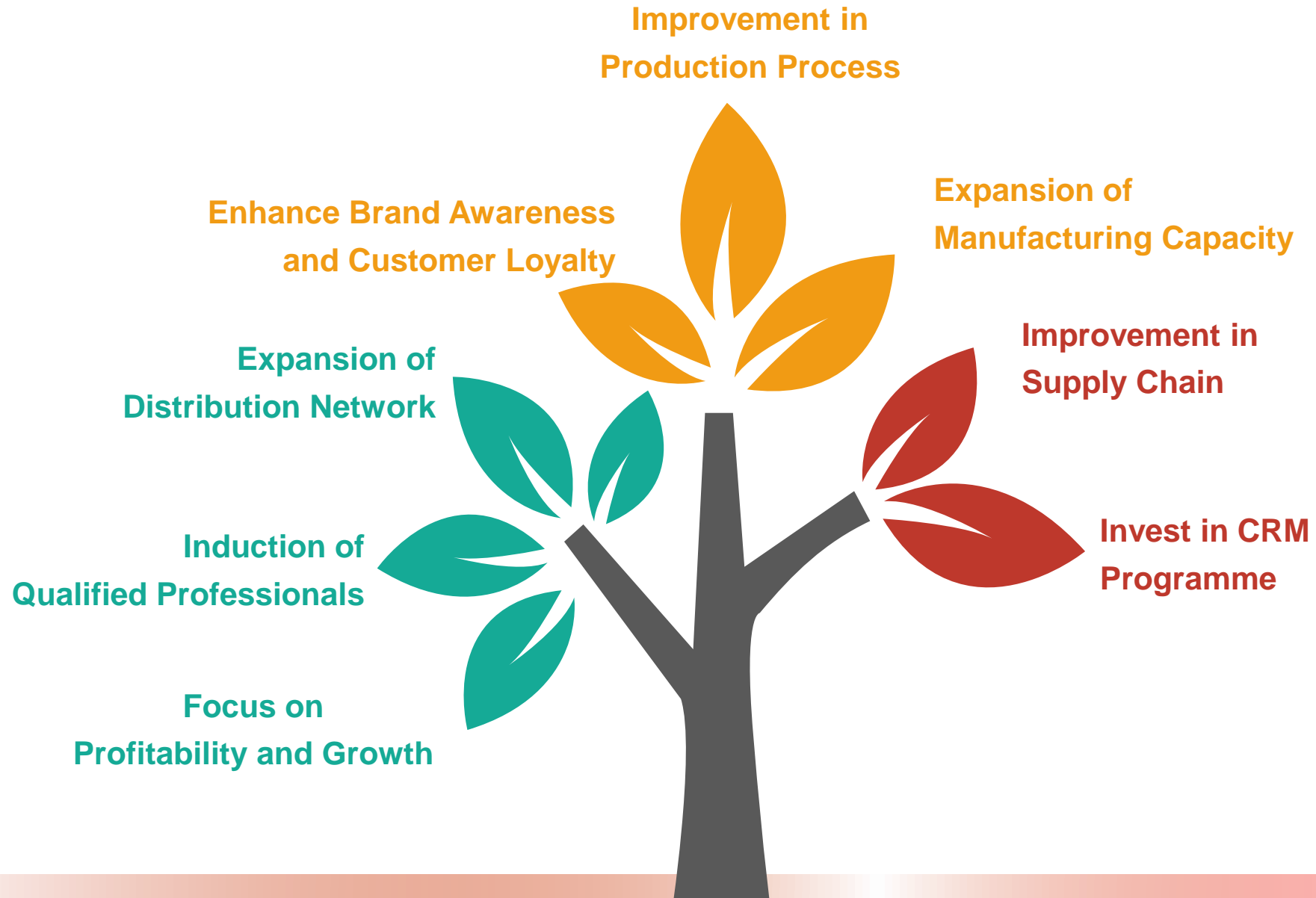
- Impetus from **government initiatives** such as:
 - Indian Electrical Equipment Industry Mission Plan to make India the “**country of choice**” for production of electrical equipment
 - Make in India to encourage manufacturing in India
 - Bharat Net to realize the **vision of Digital India** by laying a network of optical fiber cables across the nation
 - **National Infrastructure Pipeline**
- **Increasing Industry Capex** driven by overall **GDP Growth**
- Targeting **GDP of \$ 5 trillion** over next **5 years**⁵
- **Cut in corporate tax rate** from **30% to 22%** to promote growth and investments
- Investments rising across industries like **auto, steel, oil & gas, power, etc**

Consumer Spend



- **Metropolitan cities** in India to increase from 46 in 2011 to **68 in 2030**⁵
- Increasing **Propensity to Spend**
- **Per Capita Income CAGR of c.10%** over last 5 years¹
- **Urbanization and Nuclearization of families**
- Demand for **improved products**

Key Management Initiatives in the recent past



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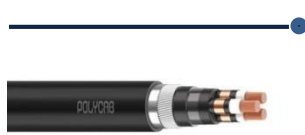
Market leader in Wires and Cables with a diverse suite of products

Polycab is the largest Wires and Cables manufacturer in India, with a strong suite of products...

Power Cable



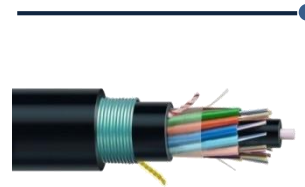
Control Cables



Other Cables



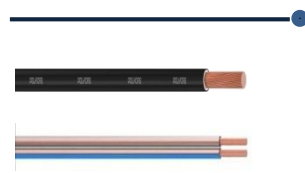
Optical Fiber Cable



Instrumentation Cables



Flexible Wires



Building Wires



FR (Flame Retardant)

FRLS (Flame Retardant Low Smoke)

ZHFR (Zero Halogen Flame Retardant)

Solar Cable



Wide Customer Base across Industries...



Power



Oil and Gas



Construction



IT Park



Infrastructure



Metal



Non-Metal



Cement



Agriculture



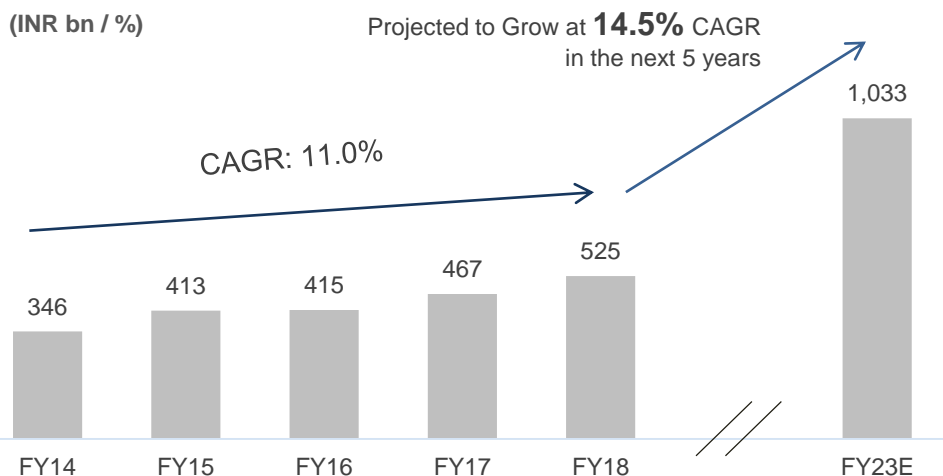
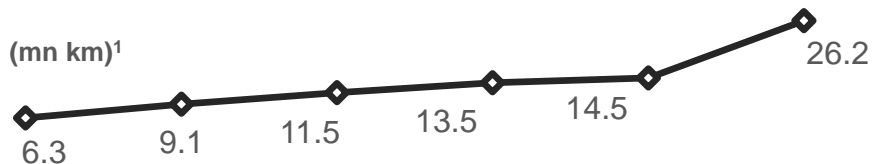
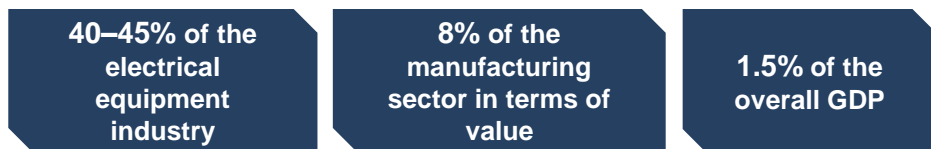
Real Estate Industries

Going strong at the back of attractive market opportunities...

Wires & Cables Poised for Faster Growth¹...

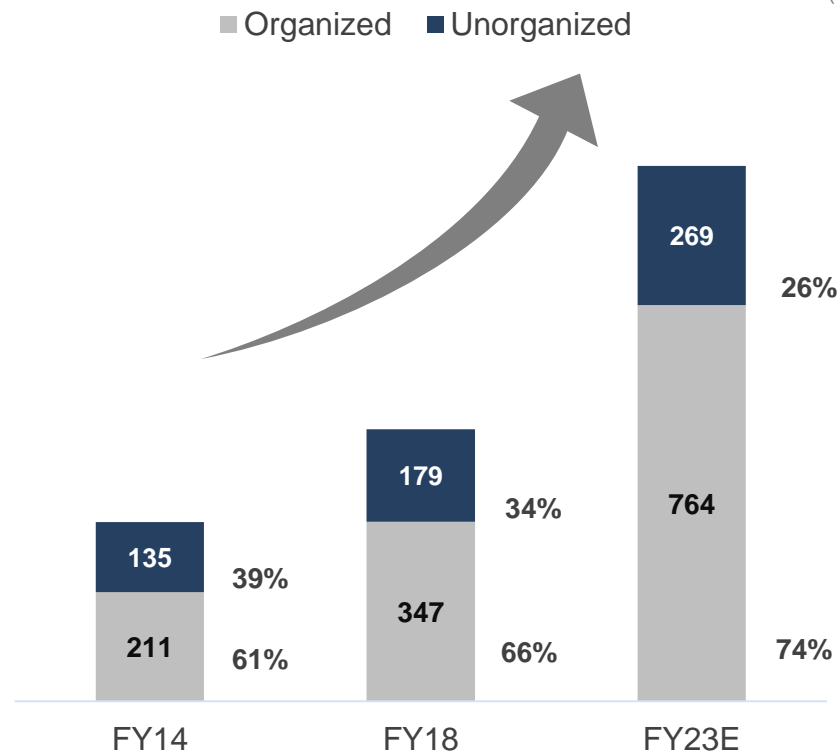
...Polycab 5-year C&W Revenue CAGR: ~14%

In FY18: Wires and Cables industry was:



...With Increasing share of organized players²

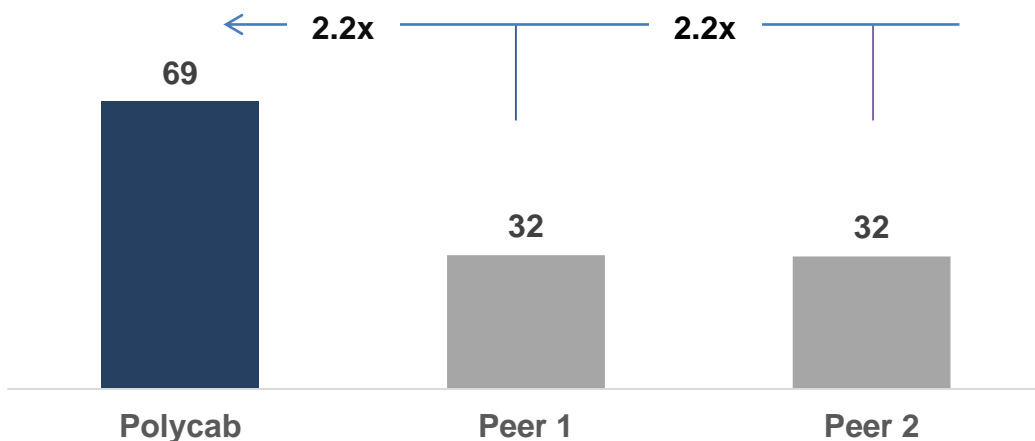
(INR bn / %)



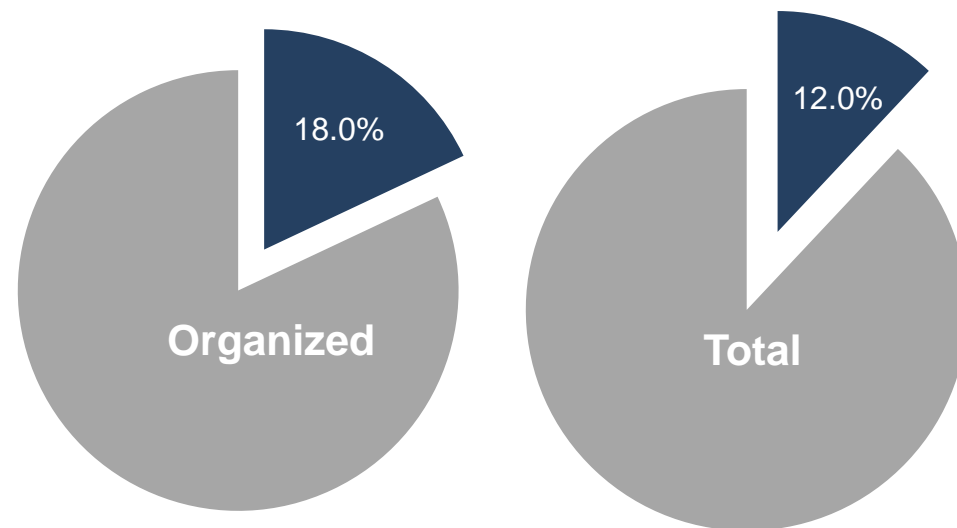
Polycab's focuses on Technological Complexity, Marketing + Branding, Manufacturing Strength, Quality of Products, Customer Relationships and Supply Chain Reliability

...with a dominant position in Wires and Cables industry

FY19 Wires and Cables Revenue⁽¹⁾⁽²⁾



Polycab's Market Share in FY18



The Polycab Advantage



Source: (1), (2) IEEMA, CRISIL Research;
 Note: (1) Revenue net of excise duty; (2) Finolex Cables is present in control cables and not instrumentation cables

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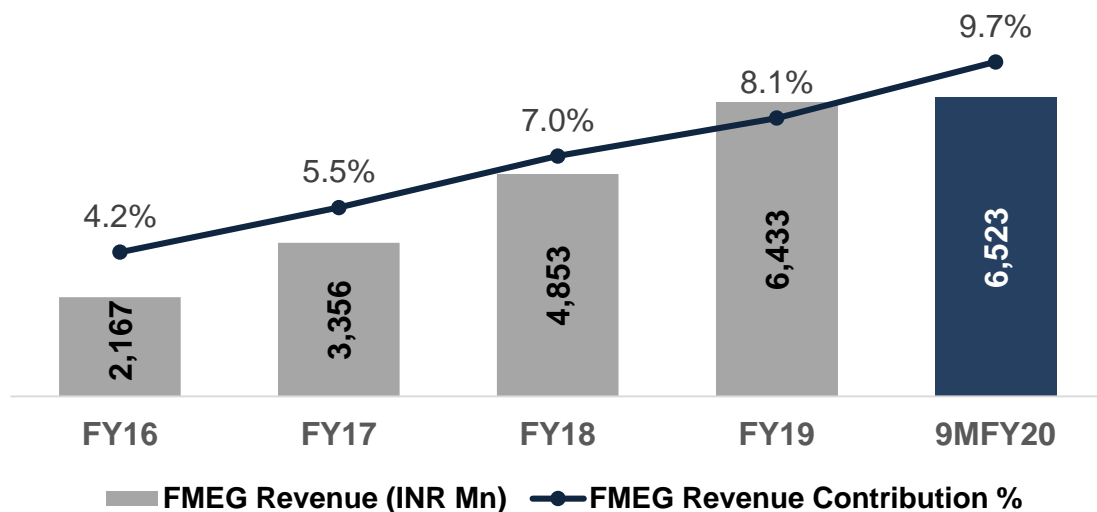
Supported by strong Manufacturing & R&D capabilities

06

Robust Financials

FMEG : Expanding presence in ‘Electricals’ ecosystem

FMEG contribution to top line close to double digits from 0.4% in FY14



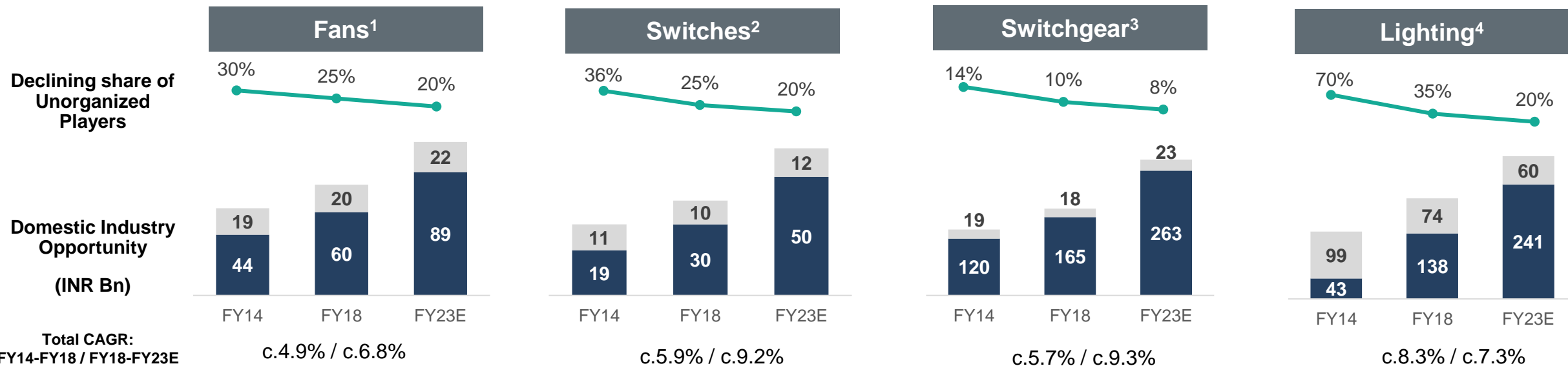
Forayed in FY14 ...

- ❖ Diversified portfolio with focus on the upcoming industry trends
- ❖ Inhouse Manufacturing
- ❖ Pan India Distribution
- ❖ Present in Fans, Lighting Luminaires, Switches, Switchgears, Water heaters, Pipes, Conduits, Agro pumps, Solar etc.

Logical synergies ...

- ✓ Common raw materials - higher negotiating power
- ✓ Manufacturing know how
- ✓ Strong brand goodwill in electricals space
- ✓ Economies of scale - Cost-savings in transportation & distribution
- ✓ Cross-sell opportunities to a larger customer base

High Growth Opportunity in the Indian FMEG Industry



Key Growth Drivers

- ❖ **Premium ceiling fans** with preference for energy efficient fans
- ❖ Premium Fans category expected to grow at a CAGR of c.22% from FY18 –23E
- ❖ **Rural electrification** and **urban replacement** demand
- ❖ **Value added products** to improve realizations
- ❖ **Electrification push** especially rural demand
- ❖ **Changing customer preferences** towards modular switches
- ❖ **Modular switches** segment expected to grow at a CAGR of c.11% from FY18 – 23E
- ❖ Greater awareness of safe and secure switches
- ❖ **LV to outgrow MV / HV segment**
- ❖ LV switchgears segment expected to grow at a CAGR of c.11% from FY18 – 23E
- ❖ Modular devices and safe products gaining preference
- ❖ **Improving electrification** to drive growth
- ❖ **Housing sector** to drive retail demand
- ❖ Considerable **shift towards LED segment** coupled with decline in LED chip prices
- ❖ LED segment expected to grow at a CAGR of c.12% from FY18 – 23E
- ❖ **Govt. efforts and consumer awareness** towards energy efficient technology

Expanding presence in 'Electricals' ecosystem: Polycab Experience Centres

- ❖ Strategic showcase enabling consumers and trade constituents to experience and choose from a wide range of quality products
- ❖ At iconic electric markets hub which is also an important feeder market to western India
- ❖ Deepens connect with direct customers in the FMEG market as well as retailers from upcountry
- ❖ Aiming to expand such experimental stores across key cities
- ❖ Currently in Mumbai and Pune



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- 05 Supported by strong Manufacturing & R&D capabilities
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Strong Brand Recognition in the Electricals Industry..

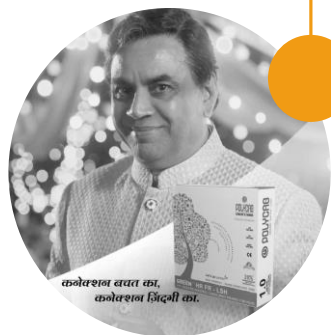
From B2B to B2C Our Brand Journey

'Connection Zindagi Ka' was a hit with customers- the impactful narrative with their minds and hearts



2013

Corporate Commercial,
Elevated our brand
amongst Top 3 in
house wires



2014

Polycab became a
household name with
the target audience



2016- 2017

Indian Premier League

2018

R Madhavan, actor



2019

Ayushmann Khurrana, & Paresh Rawal (Actors)
Indian Premier League (IPL)

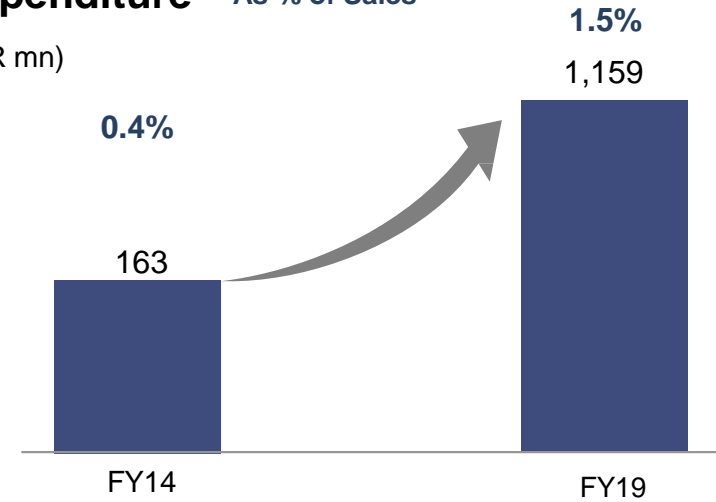


... and strengthening it further using multi pronged approach

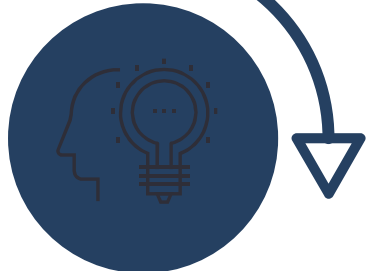


Advertising and Sales Promotion Expenditure As % of Sales

(INR mn)



Multi pronged approach to increase brand awareness



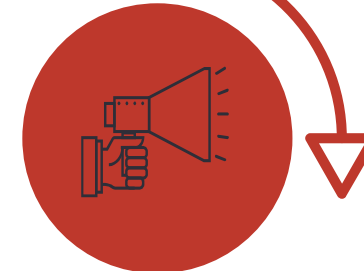
Actively engage Dealers and Distributors



Loyalty Points via Bandhan Star App



Increased Advertising on Social Media and Sales Promotion



Pan India distribution network to support diverse customer base and product categories



By Product

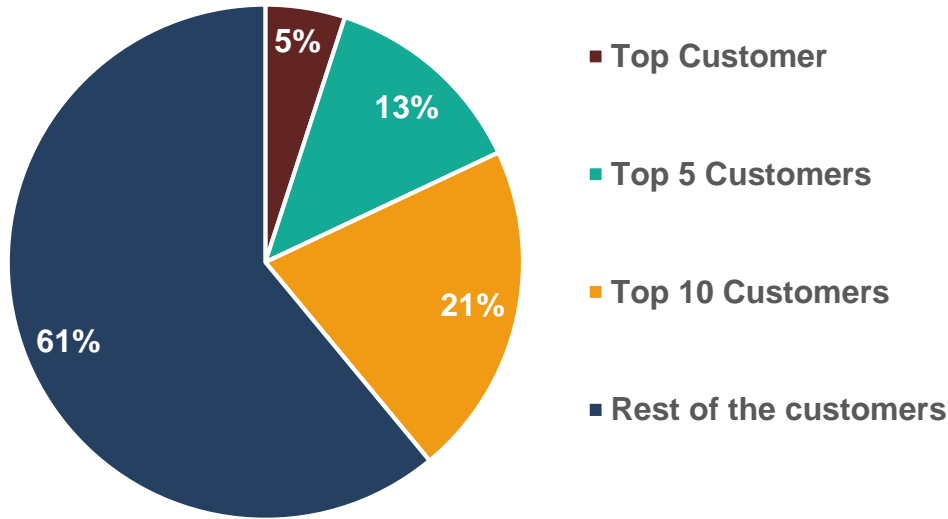


By Geography

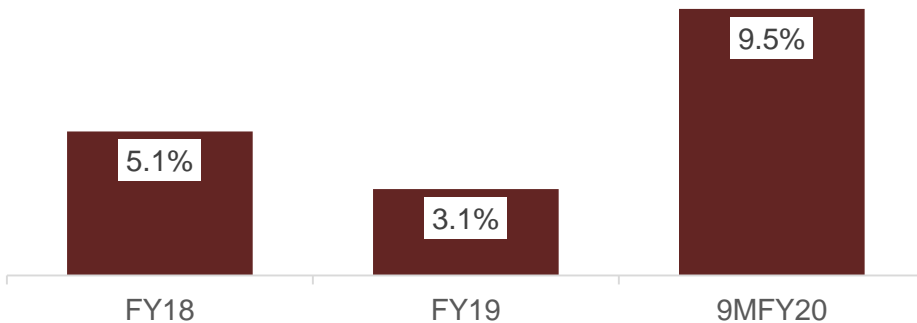


Catering to marquee customers

Total Revenue Contribution in FY19



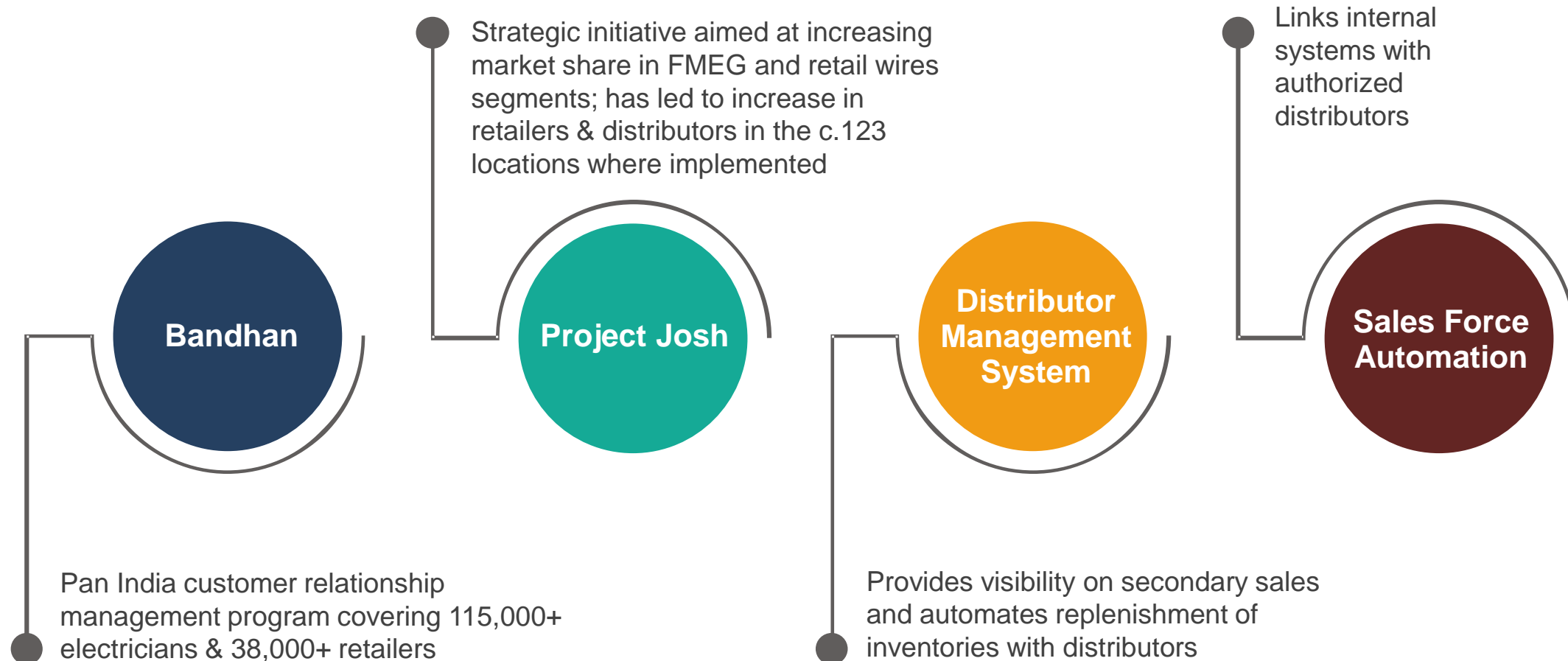
Revenue from outside India (% of total revenue)



Oil & Gas	Reliance Industries Limited	हिन्दुस्तान पेट्रोलियम HP	Bharat Petroleum	इंडियनऑयल IndianOil	ओएनजीसी ONGC
Metal	vedanta	JSW Steel	सेल SAIL	Hindustan Zinc Limited	Export DANGOTE GROUP
Infrastructure	LARSEN & TOUBRO	SIEMENS	Honeywell	AFCONS	INDIAN RAILWAYS
Paints Chemicals	asianpaints	KANSAL NEROLAC PAINTS LIMITED	Auto	BOSCH	TATA TATA MOTORS
Cement	ACC	Ambuja Cement	Telecom	jio	vodafone
Power	TATA TATA POWER	Government	इसरो ISRO	एनपीसीएल NPCIL	MMRC

Note: Companies served in past and present, directly or indirectly through authorised dealer/ distributors

Strategic initiatives to drive sustainable growth over long term



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Robust Financials

Inhouse Manufacturing with a high degree of backward integration and Automation...

Multi-location manufacturing

(Products¹: Annual capacity)



Halol



Fan Manufacturing Unit



Braiding Machines



Cable CCV Line

1. Figures are absolute numbers where no units are indicated as of 31st March, 2019;

...Strong R&D and innovation capabilities with quality assurance

Investments in in-house R&D capabilities with strong focus on backward integration...

- ✓ **NABL ISO 17025 certified** R&D centre to support **own manufacturing**
- ✓ **~100 engineers and technicians**
- ✓ **Centre of excellence** for R&D on polymers
- ✓ **Ryker Plant copper analysis center** for both incoming and out-going raw materials
- ✓ **50:50 JV with Trafigura**, to set up a manufacturing facility in Waghodia to produce copper wire rods (Ryker Plant)
- ✓ Existing facilities for key raw materials with continuously improving R&D capabilities to capitalize on industry trends
- ✓ Environmentally friendly power cables, rubber (elastomeric) cables and electron-beam irradiated cables



Green Wire

Our ecological initiative

Launched Green Wire in 2017 an energy efficient and environment-friendly product that contributes to India's 'Go Green' mission

Supported by quality & reliability initiatives...



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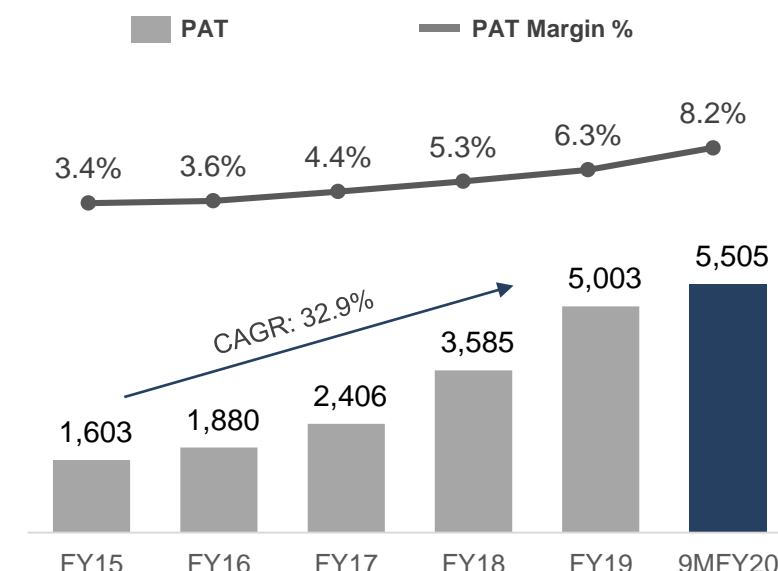
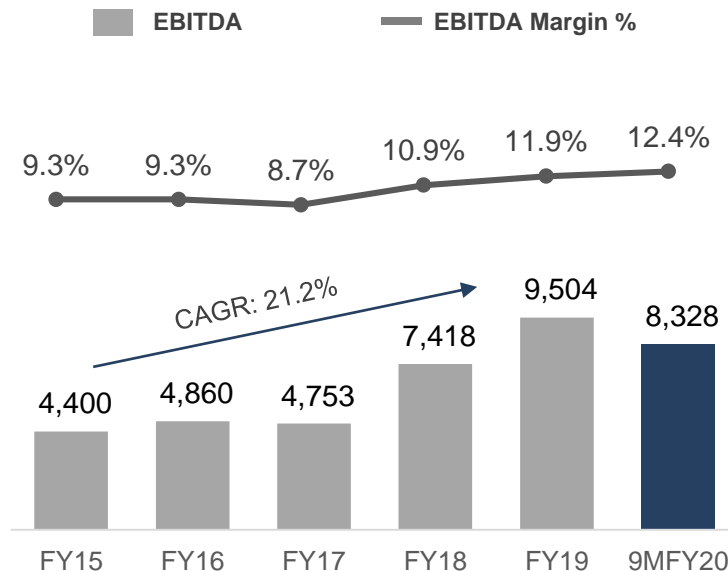
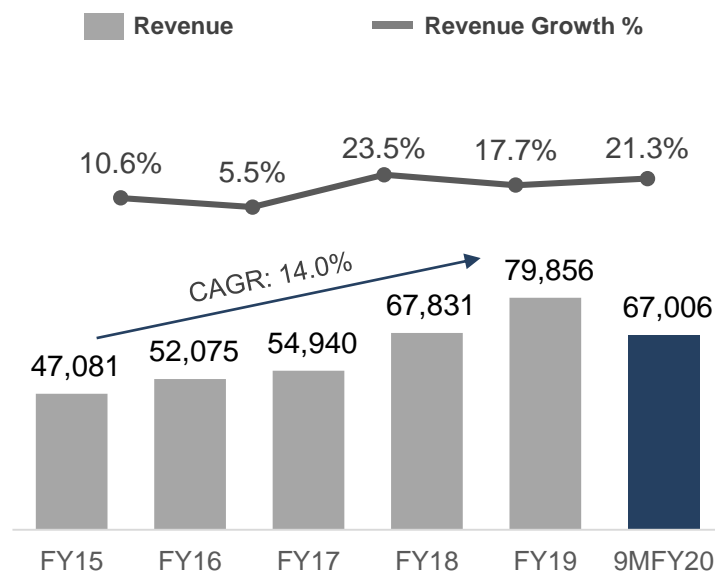
Robust Financials

Proven track record of financial performance (1/2)

Revenue INR mn

EBITDA INR mn

PAT INR mn



Delivering steady growth + profitability

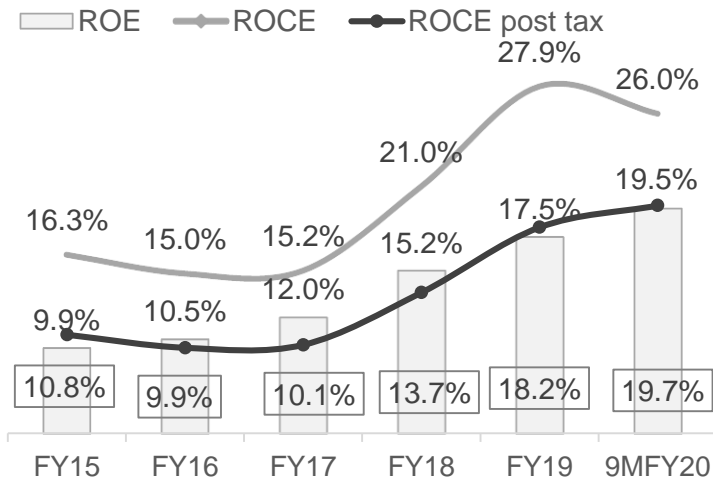
Strong manufacturing capability

Expansion of Distribution Network

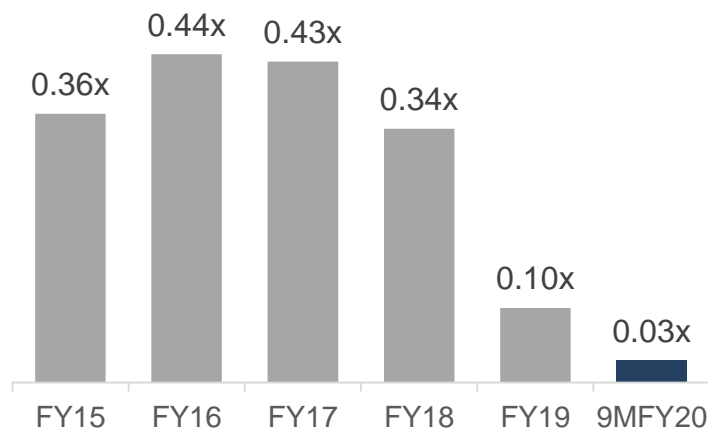
Focus on Profitable Growth

Proven track record of financial performance (2/2)

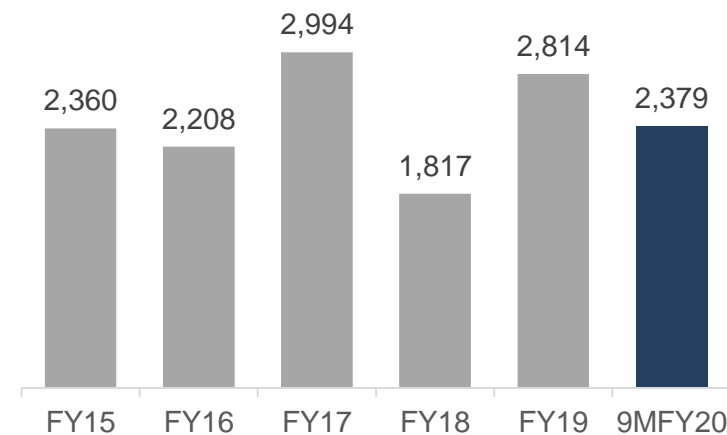
ROCE/ROE %



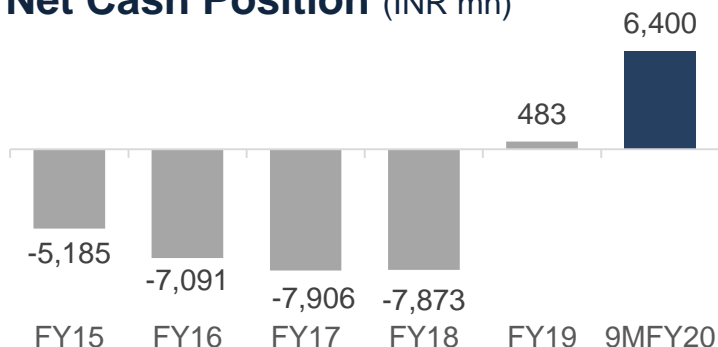
Debt/Equity ratio



Capital Expenditure (INR mn)



Net Cash Position (INR mn)



* Comparatively higher capital base than March 2019

Improving returns and surplus cash to fuel future growth

Growth Funded by Internal Accruals

Invested in Technology and Built Capacities for Future

Notes: (1) Financials for FY15 based on Indian GAAP, whereas FY16-FY19 have been prepared using IND AS (2) ROCE (Return on Capital Employed) is (Profit before tax plus finance cost) divided by closing value of (non-current borrowings plus current borrowings plus current maturities of non-current borrowings plus total equity including non-controlling interest), ROCE post tax uses applicable statutory tax rate (3) ROE (Return on Equity) is Profit for the year divided by closing value of equity including non-controlling interests (4) Debt / Equity: Total debt / equity including non-controlling interests (5) Net Cash Position: Cash + Bank balances + Investments - Debt

Consolidated Annual Profit and Loss Statement

Particulars (INR Mn)	FY 2019	%	FY 2018	%	FY 2017	%
Revenue from Operation	79,856	100.0%	67,831	100.0%	54,940	100.0%
Cost of Goods sold	59,660	74.7%	52,053	76.7%	42,411	77.2%
Contribution (A)	20,196	25.3%	15,778	23.3%	12,529	22.8%
Employee cost	3,002	3.8%	2,593	3.8%	2,291	4.2%
Other Operating Expenses	7,666	9.6%	5,768	8.5%	5,482	10.0%
Total Operating Expenses (B)	10,668	13.4%	8,361	12.3%	7,773	14.1%
Share of profit/(loss) of joint ventures (Net of tax) (C)	-23	0.0%	1	0.0%	-3	0.0%
EBITDA (A)-(B)+(C)	9,504	11.9%	7,418	10.9%	4,753	8.7%
Other Income	638	0.8%	516	0.8%	869	1.6%
Depreciation	1,414	1.8%	1,330	2.0%	1,278	2.3%
Finance Cost	1,167	1.5%	937	1.4%	658	1.2%
PBT	7,561	9.5%	5,667	8.4%	3,686	6.7%
Income Tax	2,558	3.2%	2,082	3.1%	1,280	2.3%
PAT	5,003	6.3%	3,585	5.3%	2,406	4.4%

Consolidated Balance Sheet

Particulars (INR Mn)	FY 2019	FY 2018	FY 2017
<u>Assets</u>			
<u>Non-Current Assets</u>			
Fixed Assets	14,686	13,331	12,933
Financial / Non-current Assets	2,346	1,891	1,483
Total Non-current Assets	17,032	15,222	14,416
<u>Current Assets</u>			
Inventories	19,958	13,657	15,198
Trade Receivables	13,343	12,908	11,974
Investments	-	-	-
Cash and Bank Balances	3,176	106	302
Others - Current Assets	2,774	2,588	3,349
Assets classified as held for disposal	-	-	-
Total Current Assets	39,251	29,259	30,821
Total Assets	56,283	44,481	45,237

Particulars (INR Mn)	FY 2019	FY 2018	FY 2017
<u>Equity & Liabilities</u>			
Shareholder's Funds			
Share Capital	1,412	1,412	1,412
Reserves and Surplus	27,057	22,064	18,630
Total Shareholder's Funds	28,470	23,476	20,042
Minority Interest	84	40	30
<u>Non-current Liabilities</u>			
Borrowings	889	1,589	1,618
Others - Non-current Liabilities	650	831	498
Total Non-current Liabilities	1,540	2,420	2,116
<u>Current Liabilities</u>			
Short-term Borrowings	1,031	5,687	6,590
Trade Payables	15,202	9,221	13,577
Others - Current Liabilities	9,957	3,636	2,883
Total Current Liabilities	26,189	18,544	23,050
Total Equity and Liabilities	56,283	44,481	45,238

Consolidated Annual Cash Flow Statement

Particulars (INR Mn)	FY 2019	FY 2018	FY 2017
Net Cash Flow from Operating Activities	12,299	3,624	3,145
Net cash flow from/(used in) investing activities	-4,077	-1,878	-2,906
Net cash flow from/(used in) financing activities	-6,514	-1,898	-271
Net Increase / (Decrease in cash and cash equivalents)	1,708	-152	-32

9M & Q3 FY20 Key Highlights

Revenue Growth

Revenue: ▲ 21% 9M-o-9M Q3 vs Q3 ▲ 24% Y-o-Y Q3 vs Q2 ▲ 12% Q-o-Q

Profitability

PAT: ▲ 53% 9M-o-9M ▲ 14% Y-o-Y ▲ 14% Q-o-Q

Returns

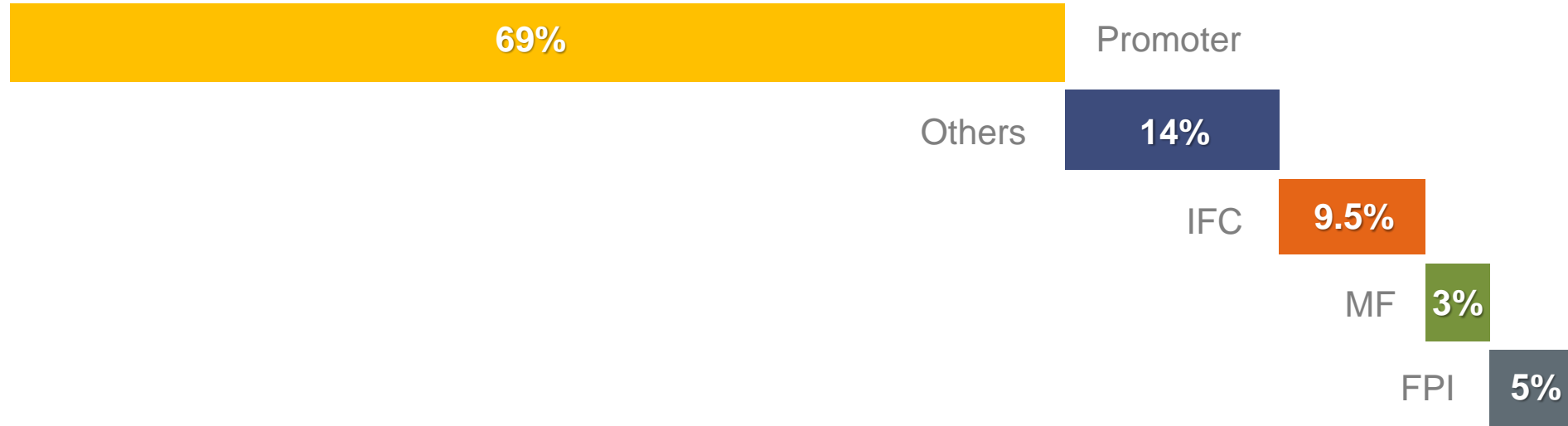
ROCE: ▲ 26.0% 30.6% 30.6%
 ▲ 53bp 9M-o-9M ▼ -612bp Y-o-Y ▲ 431bp Q-o-Q

Balance sheet

as on	Dec'19	Dec'18	Sep'18
Net Cash:	6.4bn	-6.1bn	3.9bn



Shareholding Pattern



Notes: As on December 31st 2019



Leadership Team - Board of Directors



Inder T Jaisinghani
Chairman and Managing Director



Ajay T Jaisinghani
Whole-Time Director



Ramesh T Jaisinghani
Whole-Time Director



SL Bajaj
CFO & Whole-Time Director
Qualified Chartered Accountant & has previously served major leadership role in Vedanta Ltd, Hindustan Zinc Ltd.



RS Sharma
Independent Director

Holds a degree from ICWA
Previously served as Chairman and MD at ONGC Limited



TP Ostwal
Independent Director

Practicing Chartered Accountant and is a senior partner with T.P Ostwal and Associates LLP



Pradeep Poddar
Independent Director

IIM-Ahmedabad Alumni
Currently on the Boards of Monsanto India Limited, Welspun India Limited, and Uflex Limited.



Hiroo Mirchandani
Independent Director

Business career of 30+ years. A Chevening Gurukul Scholar from the London School of Economics. Held leadership roles at Dabur, World Gold Council & BPL Telecom

Leadership Team - Key Management

- ❖ Blend of Entrepreneurial and Professional Management
- ❖ Professionals with Prior Experience in Vedanta, Tata Group, Unilever, Havells, Bajaj, SRBC & Co, Crompton, etc.
- ❖ Vision to Execute Strategies in a Dynamic Environment
- ❖ Extensive Relationships and Deep Business Understanding



R Ramakrishnan
Chief Executive



Bharat A Jaisinghani
Director – FMEG Business
(Non-board member)



Nikhil R Jaisinghani
Director – LDC Business
(Non-board member)



Anil Hariani
Director – Commodities
(Non-board member)



Manoj Verma
Executive President &
Chief Operating Officer (CE)



Anil Shipley
Executive President and Chief
Supply Chain Officer



Gandharv Tongia
Deputy Chief
Financial Officer



Sanjeev Chhabra
President (Treasury)



Anurag Agarwal
President (Strategic
Initiatives &
New Businesses)



Shashi Amin
President (Cables)



Suresh Kumar
President (Strategy
& Human Resources)



Sandeep Bhargava
President (Procurement)



Diwaker Bharadwaj
President (Packaging)



**Vijay Narayanan
Ananthanarayanan**
President
(Strategic Marketing)



Vivek Khanna
President (Accounts and
Information Technology)



Kunal I Jaisinghani
Head – Agri Products



**Sai Subramaniam
Narayana**
Company Secretary and
Compliance Officer

Our Social Responsibility – A Philosophy of Empathetic Care

Community



Promoting **efficient farming** through sessions on soil testing & model farms

Women oriented skill training & creation of self help groups

Deeping of water reservoirs under Gujarat Government initiated “Sujalam Sufalam” programme in villages of Asoj, Bodidra & Waghodia were deepened

Infrastructure



Construction of **toilets and providing clean drinking water** in Gadhmahuda, Chachariya & Govindpuri village

Improvements in school infrastructure in Chachariya & Baska villages

Education



Leadership Enrichment for Adolescence through Assessment & Development (LEAAD) programme organised, students exposed to leadership building qualities

Study Science, Technology, Engineering & Mathematics (STEM) Laboratory set up for students to learn practical aspects of education

Health



Mobile Medical Unit offering services like OPD, medicines, health talks, camps & counselling in interiors. On an average 90 to 100 patients/day take advantages of these services

Jointly conducted **breast tumour detection camp** with Shree Halol Stree Samaj

Health camps in Mota Sandhiya, and Jalariya villages

Enhancing shareholder value



Market Cap
~INR 147.7 Bn.
(as of 31 Dec 2019)

Market Cap
~USD 2.1 Bn.



Safe Harbour

This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international copper, aluminum, oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward-looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward-looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.



Thank you

Polycab India Limited

CIN: L31300DL1996PLC266483

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