

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 Website: www.polycab.com



Date: 30th May 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 year ended 31st March 2020.

Kindly take the same on your record.

Thanking you

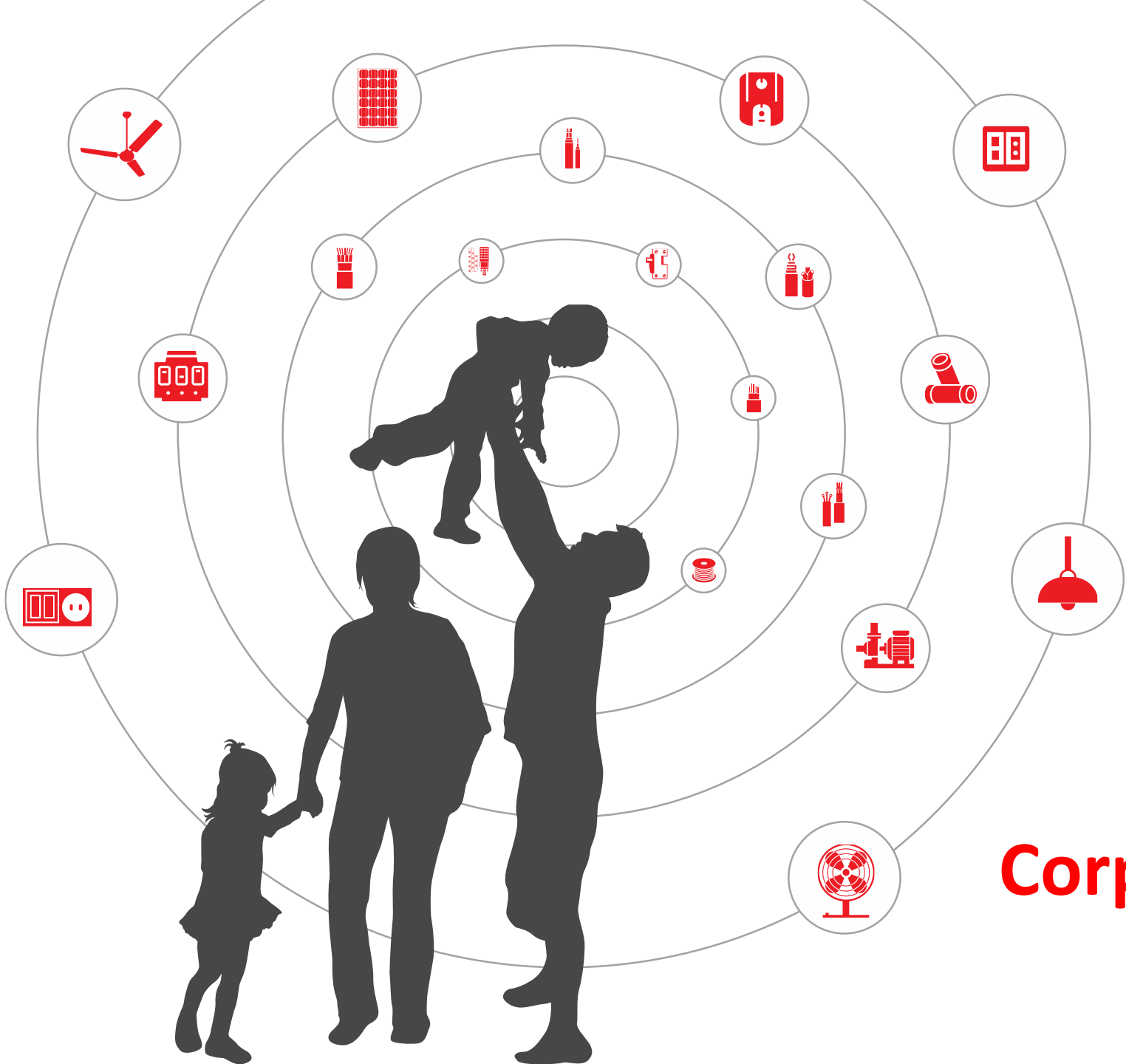
Yours Faithfully

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



Registered Office:
E -554 ,Greater Kailash -II,
New Delhi-110048 India
Tel : 011-29228574



Corporate Presentation

30 May 2020

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Company Overview



Polycab: A Snapshot

#1 Manufacturer in India

Market leader in Wires and Cables¹

12 - 13% Overall Market Share²



PAN India Network



3,500+ Dealers & Distributors

1,25,000+ Retail Outlets

Fast Growing FMEG Brand



5-year CAGR at ~47%

Manufacturing Footprint



25 Facilities, 7 locations

Strong backward integration

Strong Management Bandwidth



Blend of Entrepreneurial and highly experienced professional management

Proven Track Record

5 year CAGR

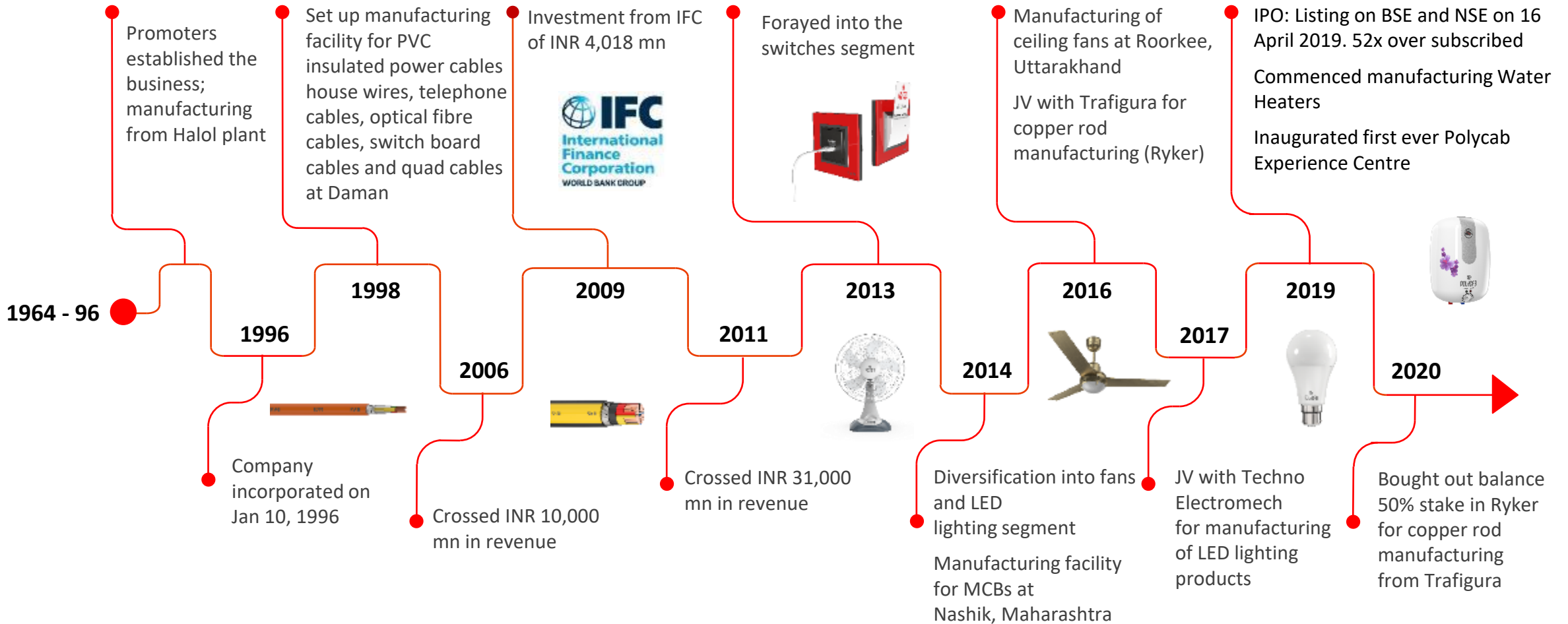
Revenue 13%

EBITDA⁴ 21%, PAT⁵ 37%



Note: FMEG: Fast Moving Electrical Goods; (1) In India, In terms of segment revenue; (2) As of March 31, 2020; (3) EBITDA - Earnings before Interest, Tax, Depreciation & Amortization excludes other Income; (4) PAT – Profit after tax

Our Journey



Our Segments: An Overview

% of Total Revenue



85%
Wires & Cables

9%
**Fast Moving
Electrical Goods**

**FY 20 Total Revenue
88,300 Mn**

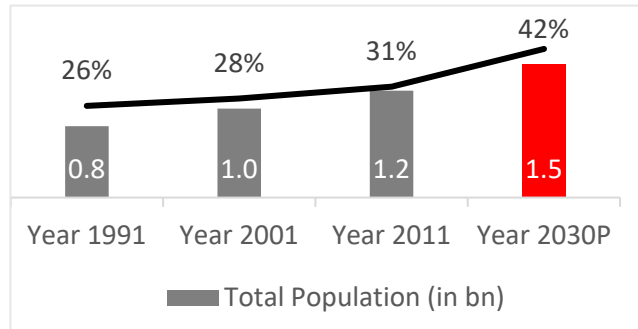
6%
Other (incl. EPC)



Notes: Consolidated Revenue in INR Mn

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

Consumer Spend



- **Metropolitan cities** in India to increase from 46 in 2011 to **68 in 2030¹**
- **Working-age population** to grow **~1.2x times** in the period 2015-2030
- Increasing **propensity to Spend**, demand for **improved products** and preference of **Indian brands**
- **Per Capita Income CAGR of c.10%** over last 5 years
- **Developed Rural, Urbanization and Nuclearization of families**

Infrastructure Development

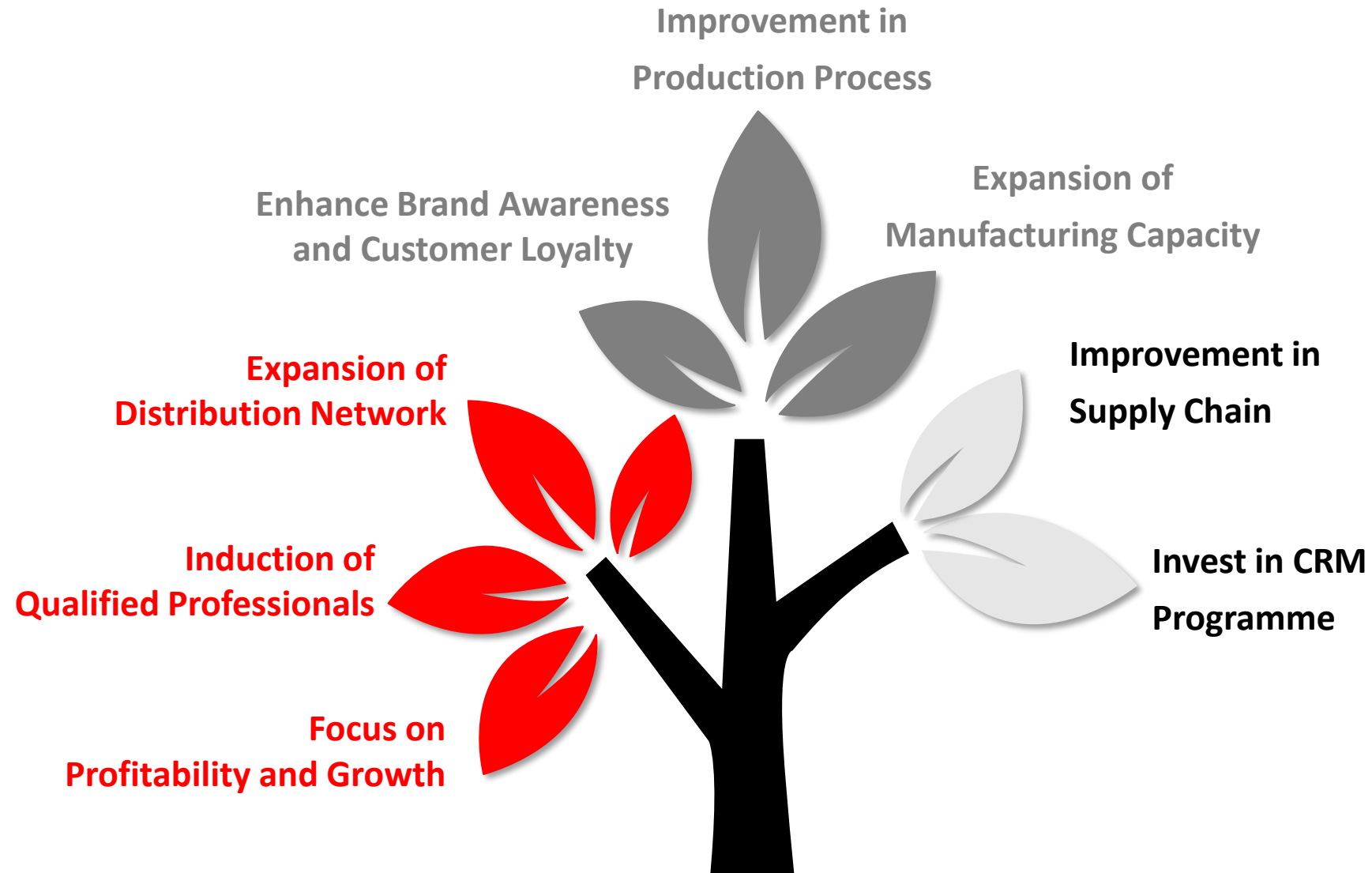
- Government announced expenditure of **~ INR 111 lakh crore** in infrastructure sector over **next 5 years, as a part of National Infrastructure Pipeline (NIP)**,
 - Energy, railways, urban and infrastructure to comprise **~72%** of the expenditure
- Total Energy capacity expected to be **583 GW by 2025** from current 356 GW
- **Housing for All by 2022** targeting 31mn households in the urban and rural areas – PMAY
- **100% electrification** of existing railway network, mass **rapid transit system** and availability of **public charging infrastructure**
- **100% population** coverage for telecom and high-quality broadband services and **laying optical fiber cables** across the nation under **Bharat Net project**

Industrial Growth

- **Indian Electrical Equipment Industry** plans to make India the “country of choice” for production of electrical equipment
- **Indigenous** manufacturing, self reliant India
- **Cut in corporate tax rate** to promote growth and investments
- Reforms and initiatives under **Aatmanirbhar Bharat Abhiyaan** to support Indian economy:
 - MSME funding, MGNREGS allocation, Agriculture reforms to boost income
 - Liquidity Injection to revive DISCOMs and overall economy. Power Tariff reforms
 - No foreign participation in < Rs 200cr Government tenders, Defence import ban.
 - Affordable housing push through Credit Linked Subsidy Scheme. Industrial infrastructure upgrade scheme

Sources: 1. National Infrastructure Pipeline Task Force Report 2020, 2. Pradhan Mantri Awas Yojana (Urban) Mission, 3. Announcements by Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman

Key Management Initiatives to create value



Leadership in Wires and Cables

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



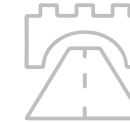
Oil and Gas



Construction



IT Park



Infrastructure



Metal



Non-Metal



Cement



Agriculture



Real Estate



Telecom



Railway

Polycab's dominant position in Wires and Cables industry to capture attractive market size

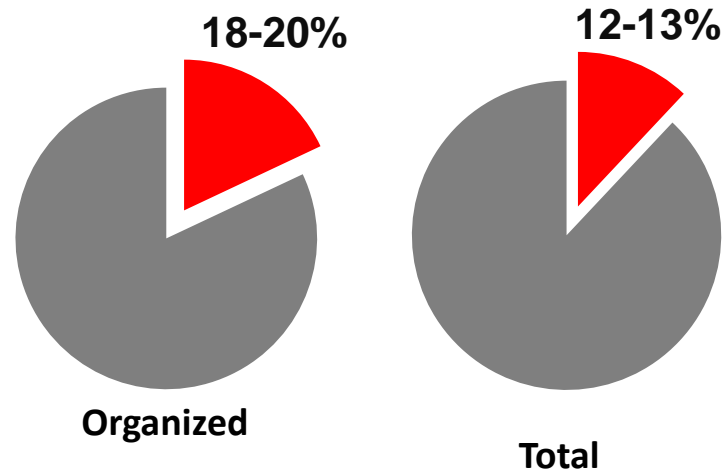
**Wires and Cables industry
In FY20¹:**

~ 500 – 550bn
Market Size

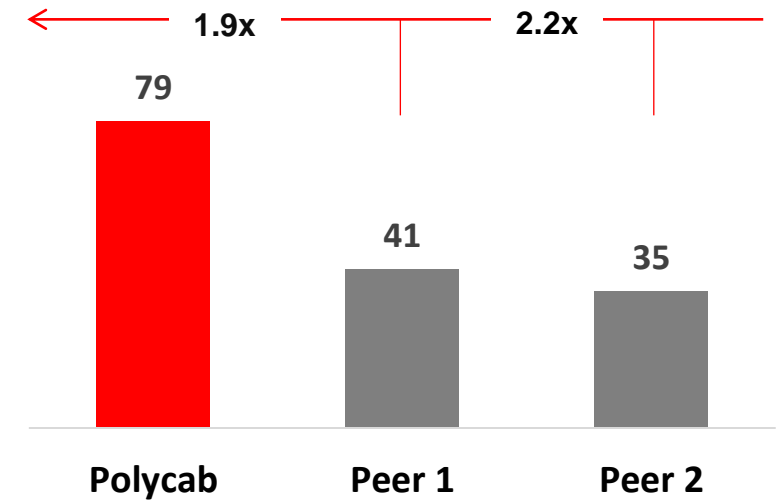
40–45% of the electrical
equipment industry

Polycab 5-year C&W Revenue CAGR: ~11%

Market Share in FY20⁽¹⁾



CY20 Wires and Cables Revenue⁽²⁾



The Polycab Advantage



Note: (1) Industry estimates, Polycab estimates; (2) Revenue in INR billion; No adjustment for Inter segment revenue (3) CY = year ending december

Fast growing FMEG Business

FMEG : Expanding presence in ‘Electricals’ ecosystem

FMEG continues to become a sizeable part of the business - growing at 47% CAGR in past 5 years

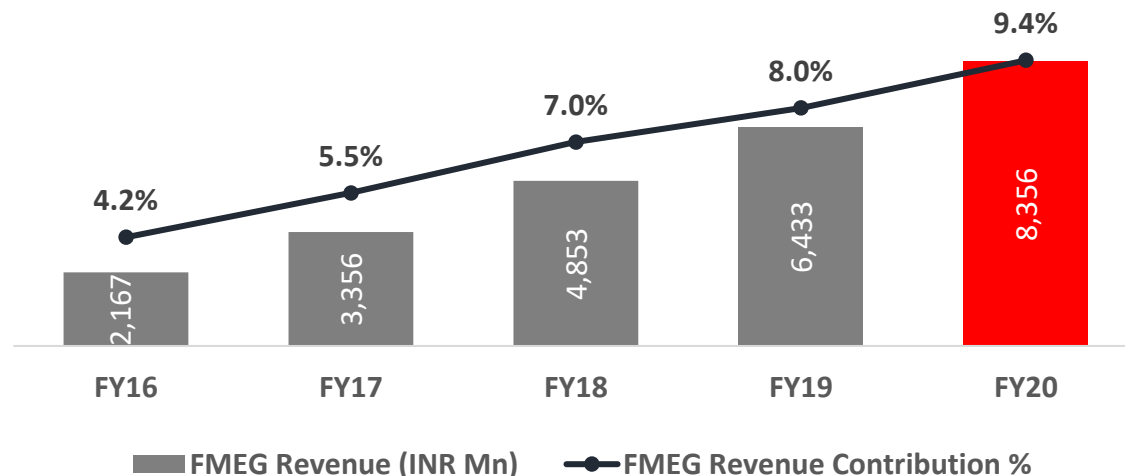


Forayed in FY14 ...

- 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

Macro drivers include evolving consumer aspirations, increasing awareness, rising income, rural electrification, urbanisation, digital connectivity

Fans



93Bn

- Preference for **energy efficient fans**
- **Value added products**
- Increasing demand for **premium and smart fans** with aesthetic appeal

Switches



46Bn

- Customer preferences towards **modular switches**
- Demand for **safe and secure switches**
- Greater awareness towards **building automation and management**

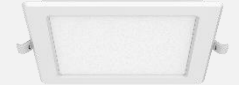
Switchgear



210Bn

- **LV to outgrow MV / HV** segment
- **Modular devices and safe products** gaining preference
- Rising demand for various **electrical appliances**

Lighting



223Bn

- Considerable **shift towards LED segment**
- Government efforts and consumer awareness towards **energy efficient technology**
- **Emerging technology trends** like Smart LED's

Notes: Industry estimates, Polycab estimates; Figures in INR

Polycab Experience Centres: Expanding in 'Electricals' ecosystem

- 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 and southern 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, Pune and Kerala



Strengthening Brand Recognition

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 Khurana, & Paresh Rawal (Actors)
Indian Premier League (IPL)

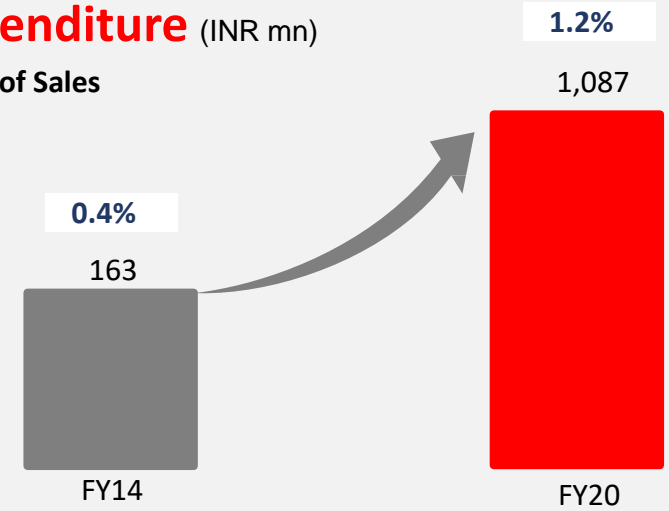


... and strengthening it further using multi pronged approach

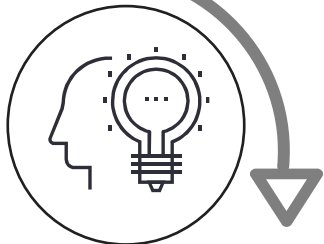


Advertising and Sales Promotion Expenditure (INR mn)

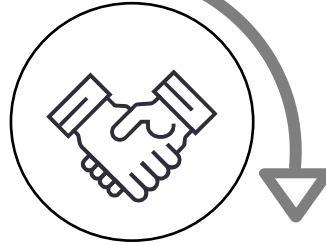
As % of Sales



Multi pronged approach to increase brand awareness



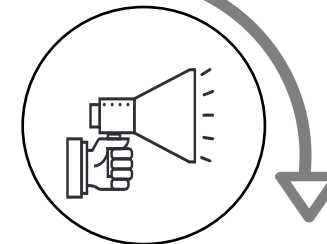
Actively engage Dealers and Distributors



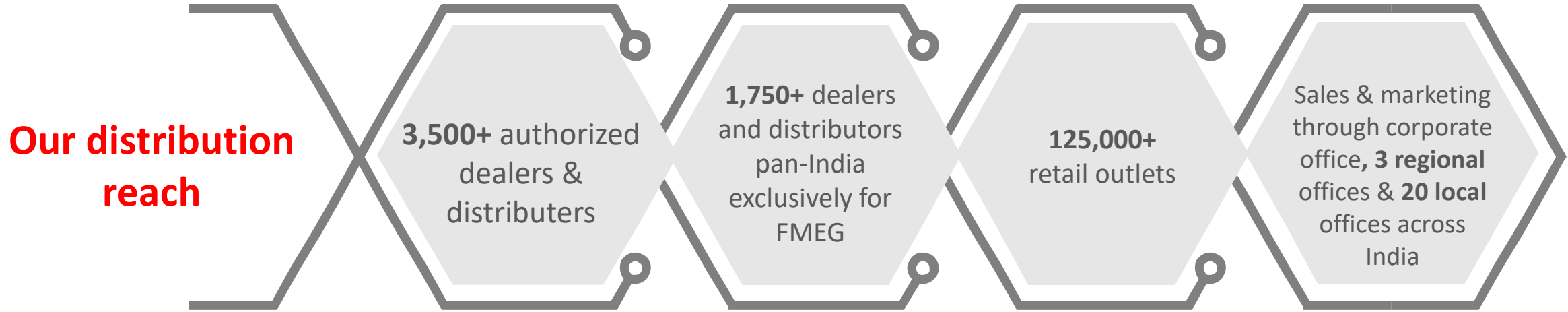
Loyalty Points via Bandhan Star App



Increased Advertising on Social Media and Sales Promotion



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



By Product



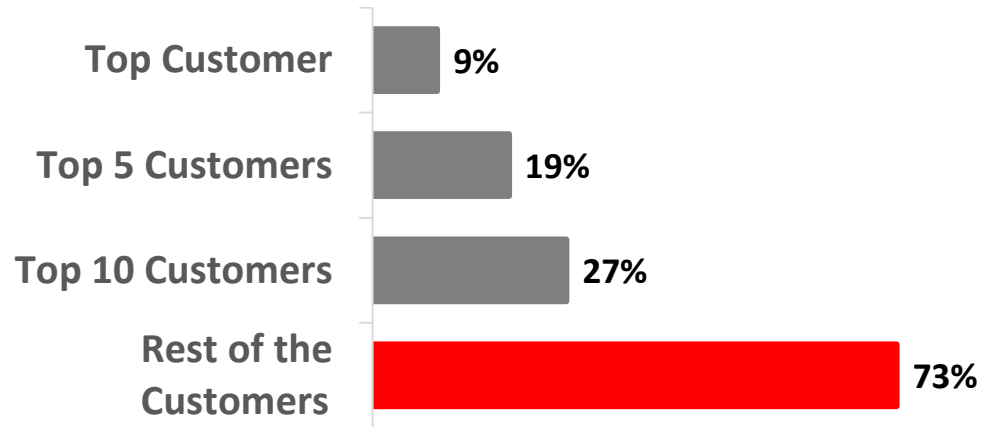
By Geography



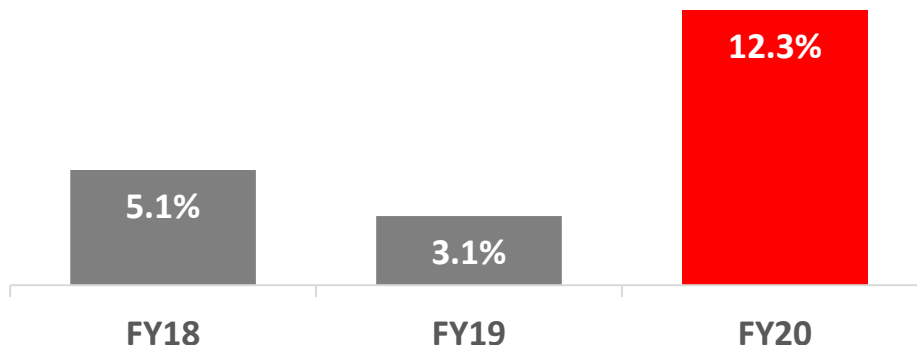
Notes: The charts represent split of authorised dealers and distributors

Catering to marquee customers

Total Revenue Contribution in FY20



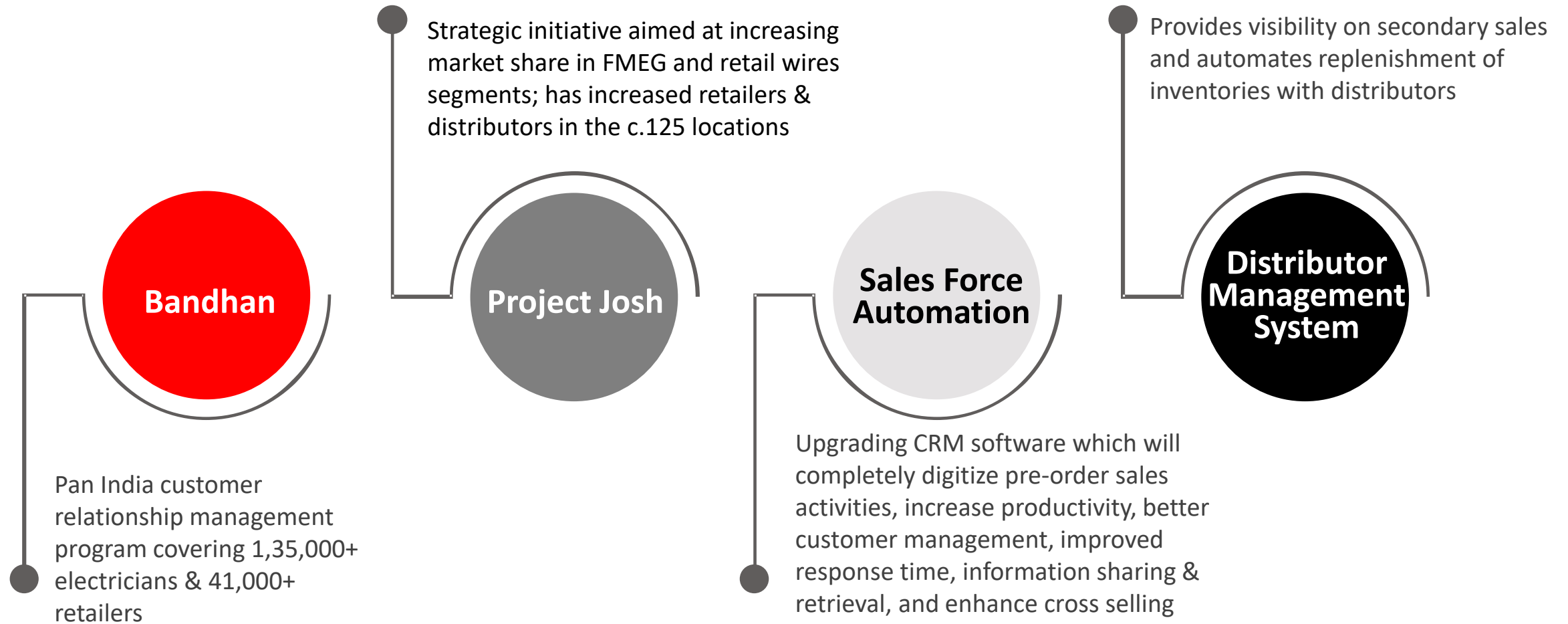
Revenue from outside India (% of total revenue)



Oil & Gas	Reliance Industries Limited	HP	Bharat Petroleum	IndianOil	ONGC	
Metal	vedanta	JSW Steel	सेल SAIL	Hindustan Zinc Limited	Export	
Infrastructure	LARSEN & TOUBRO	SIEMENS	Honeywell	AFCONS	INDIAN RAILWAYS	
Paints Chemicals	asianpaints	KANSAI NEROLAC PAINTS LIMITED	Auto	BOSCH	TATA TATA MOTORS	
Cement	ACC	Ambuja Cement	Telecom	jio	vodafone	!dea
Power	TATA TATA POWER	Government	इसरो ISRO	SPCIL	MMRC	

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

Strategic initiatives to drive sustainable growth over long term



**Strong Manufacturing
& R&D capabilities**

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, 2020;

...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
- Over 100 engineers and technicians
- Centre of excellence for R&D on polymers
- Bought out Ryker further strengthening backward integration of operations and improve quality of its key input i.e. Copper
- Ryker Plant copper analysis center for both incoming and out -going raw materials
- 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

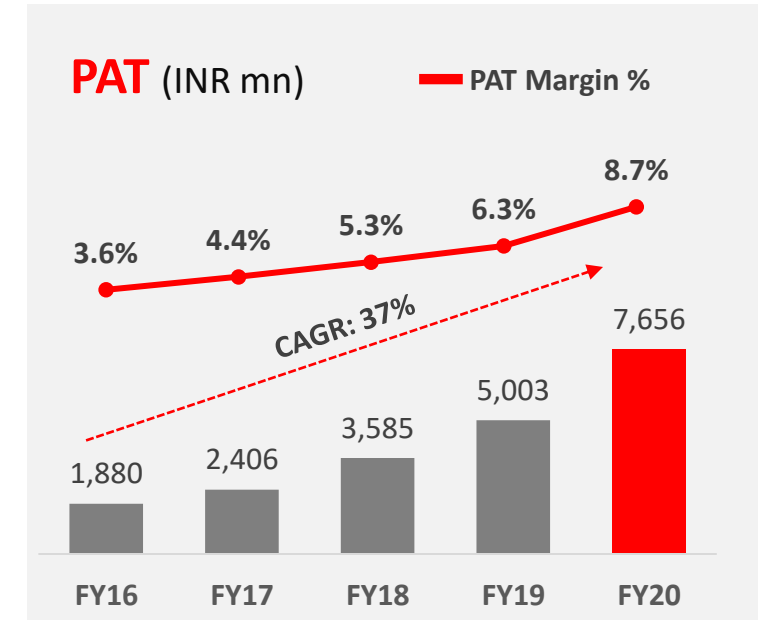
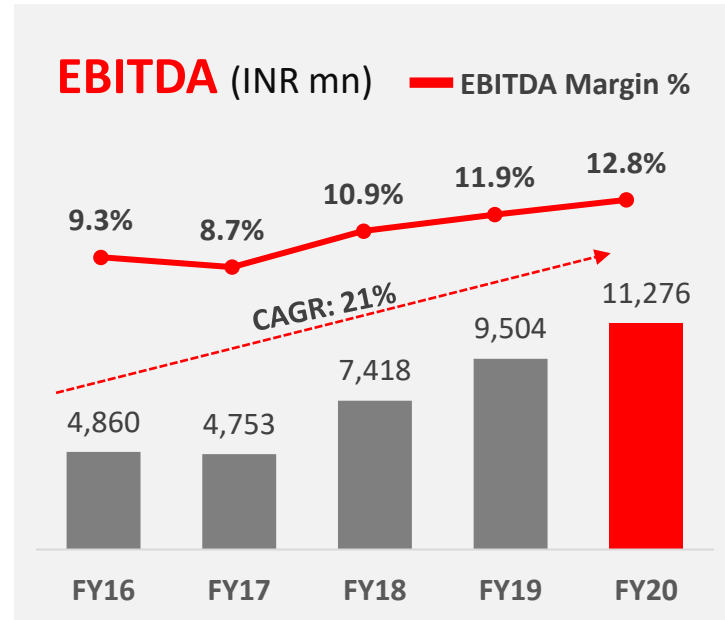
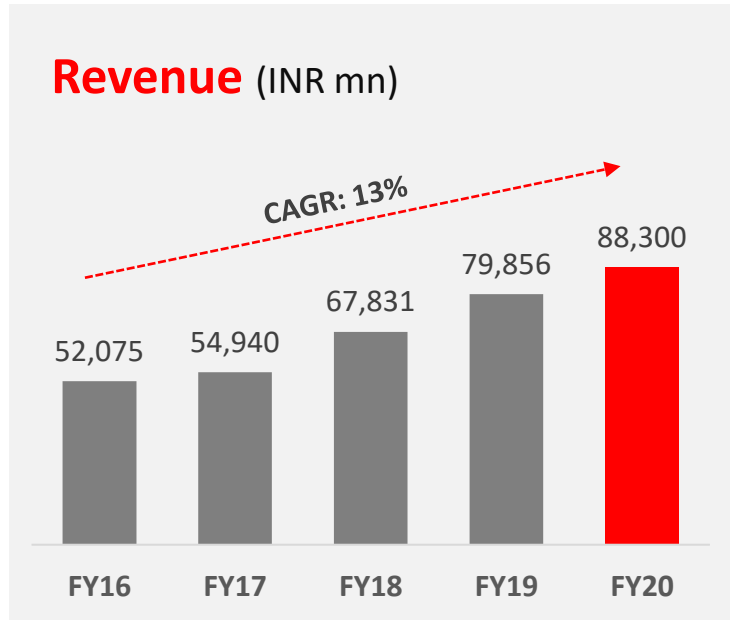
Launched Green Wire in 2017 an energy efficient and environment-friendly product that contributes to India's 'Go Green' mission

Supported by quality & reliability initiatives...



Robust Financials

Proven track record of financial performance

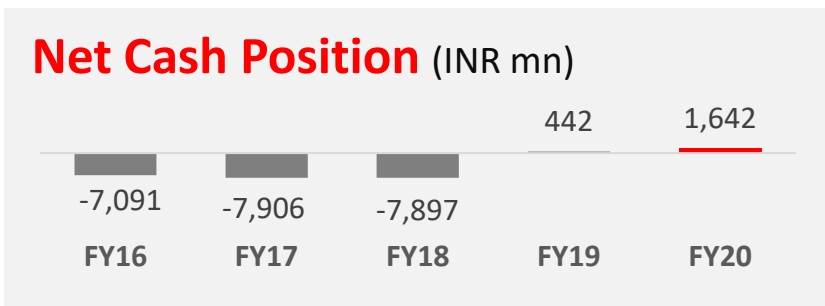
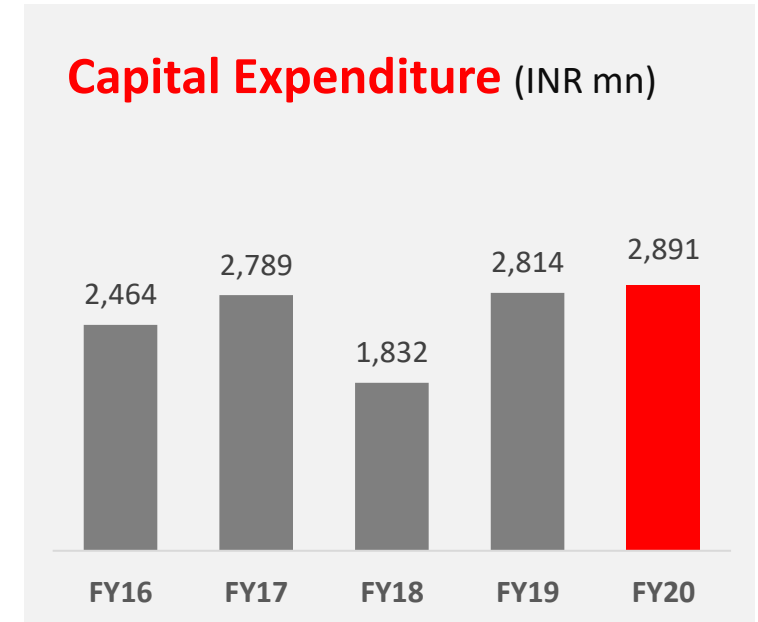
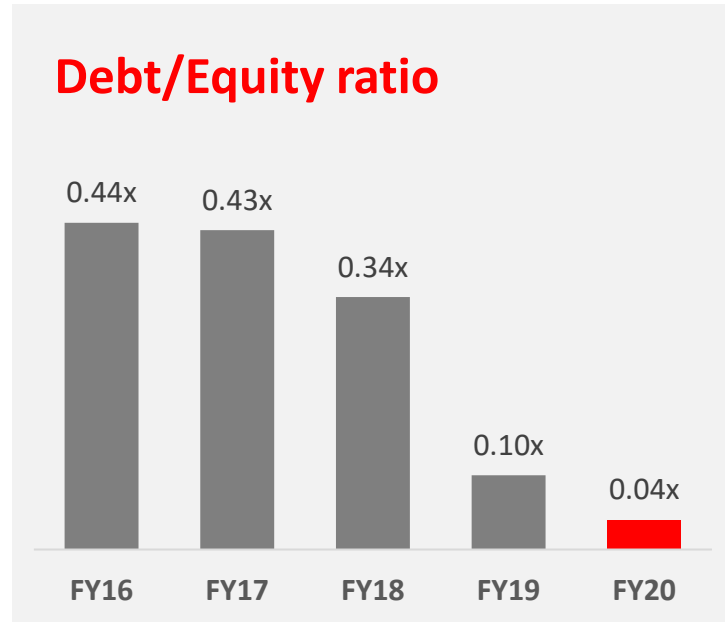
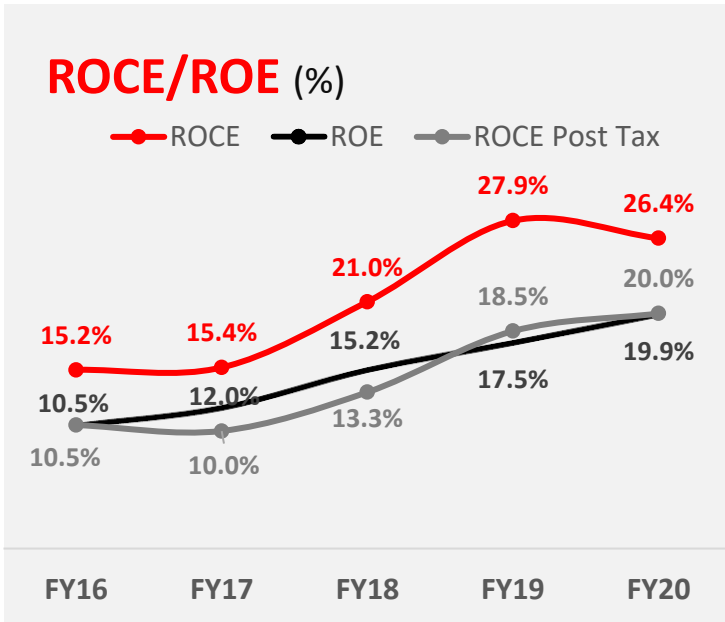


Delivering steady growth + profitability



Notes: (1) Numbers on consolidated basis (2) Financials for FY16-FY20 have been prepared using IND AS (3) Revenue: Revenue from operations (4) EBITDA excludes Other Income (5) CAGR - five years

Proven track record of financial performance



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 FY16-FY20 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 effective 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 Profit and Loss Statement

Particulars (INR mn)	FY 2020	%	FY 2019	%	FY 2018	%
Revenue from Operation	88,300	100.0%	79,856	100.0%	67,831	100.0%
Cost of Goods sold	63,686	72.1%	59,660	74.7%	52,053	76.7%
Contribution (A)	24,613	27.9%	20,196	25.3%	15,778	23.3%
Employee cost	3,657	4.1%	3,002	3.8%	2,593	3.8%
Other Operating Expenses	9,606	10.9%	7,666	9.6%	5,768	8.5%
Total Operating Expenses (B)	13,263	15.0%	10,668	13.4%	8,361	12.3%
Share of profit/(loss) of JVs (Net of tax) (C)	-74	-0.1%	-23	0.0%	1	0.0%
EBITDA (A) - (B) + (C)	11,276	12.8%	9,504	11.9%	7,418	10.9%
Other Income	928	1.1%	638	0.8%	516	0.8%
Depreciation	1,609	1.8%	1,414	1.8%	1,330	2.0%
Finance Cost	495	0.6%	1,167	1.5%	937	1.4%
PBT	10,100	11.4%	7,561	9.5%	5,667	8.4%
Income Tax	2,444	2.8%	2,558	3.2%	2,082	3.1%
PAT	7,656	8.7%	5,003	6.3%	3,585	5.3%

Consolidated Balance Sheet

Particulars (INR mn)	FY 2020	FY 2019	FY 2018
<u>Assets</u>			
<u>Non-Current Assets</u>			
Fixed Assets	16,632	14,686	13,331
Other Non-current Assets	2,485	2,355	1,891
Total Non-current Assets	19,117	17,041	15,222
<u>Current Assets</u>			
Inventories	19,250	19,958	13,657
Investments	400	0	0
Trade Receivables	14,336	13,343	12,908
Cash and Bank Balances	2813	3166	106
Others - Current Assets	3,700	2,774	2,588
Total Current Assets	40,499	39,242	29,259
Total Assets	59,616	56,283	44,481

Particulars (INR mn)	FY 2020	FY 2019	FY 2018
<u>Equity & Liabilities</u>			
Shareholder's Funds			
Share Capital	1,489	1,412	1,412
Reserves and Surplus	36,875	27,057	22,064
Total Shareholder's Funds	38,364	28,470	23,476
Minority Interest	150	84	40
<u>Non-current Liabilities</u>			
Borrowings	107	889	1,589
Others - Non-current Liabilities	904	650	831
Total Non-current Liabilities	1,011	1,540	2,420
<u>Current Liabilities</u>			
Short-term Borrowings	1,115	1,031	5,687
Trade Payables	13,537	15,202	9,221
Others - Current Liabilities	5,440	9,957	3,636
Total Current Liabilities	20,091	26,189	18,544
Total Equity and Liabilities	59,616	56,283	44,481

Consolidated Annual Cash Flow Statement

Particulars (INR mn)	FY 2020	FY 2019	FY 2018
Net Cash Flow from Operating Activities	2,446	12,300	3,624
Net cash flow from/(used in) investing activities	-2,622	-4,077	-1,878
Net cash flow from/(used in) financing activities	107	-6,514	-1,898
Net Increase / (Decrease in cash and cash equivalents)	-69	1,708	-152

Q4FY20 Key Highlights

Top-line (Revenue)

FY20: 88,300 mn
 ⬆️ 11% Y-o-Y

Q4 FY20: 21,294 mn
 ⬇️ -14% Y-o-Y
 ⬇️ -15% Q-o-Q

Operating (EBITDA)

FY20: 11,276 mn
 ⬆️ 19% Y-o-Y

Q4 FY20: 2,948 mn
 ⬆️ 20% Y-o-Y
 ⬇️ -13% Q-o-Q

Profitability (PAT)

FY20: 7,656 mn
 ⬆️ 53% Y-o-Y

Q4 FY20: 2,151 mn
 ⬆️ 53% Y-o-Y
 ⬇️ -3% Q-o-Q

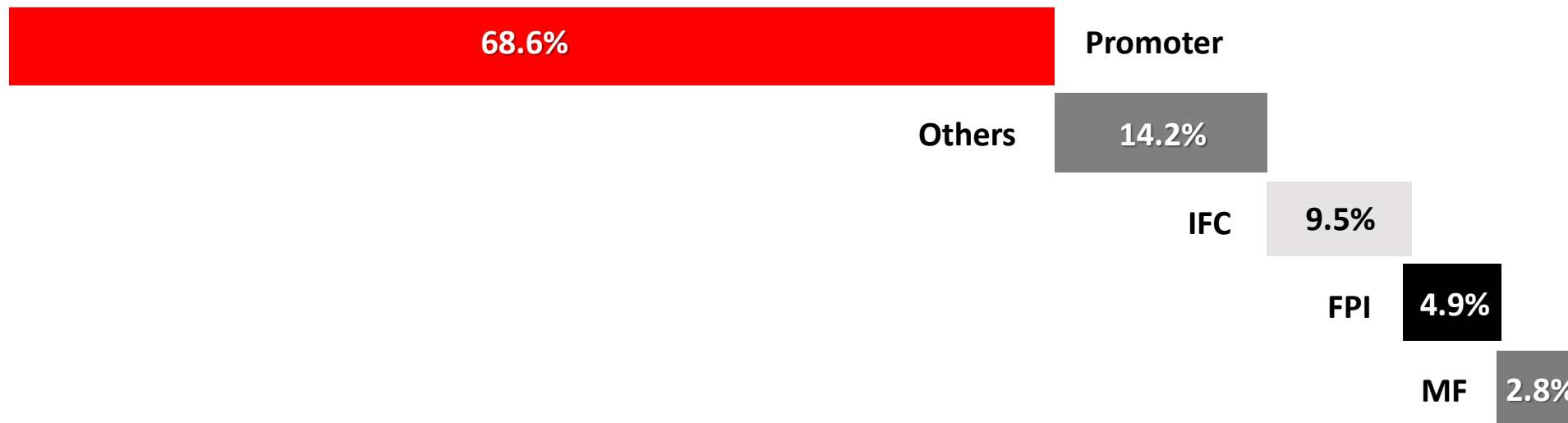
Returns (ROCE)

FY20: 26.4%
 Q4 FY20: 29.8%



Notes: (1) Numbers on consolidated basis (2) Revenue: Revenue from operations (3) PAT: Profit After Tax (4) ROCE (Return on Capital Employed): (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), Annualised (5) EBITDA excludes other Income

Shareholding Pattern



Notes: As on March 31st 2020



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-Ahemdabad 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

Notes: * SL Bajaj resigned as Chief Financial Officer (CFO) w.e.f. 30 May 2020. Gandharv Tongia appointed as the new CFO from 31 May 2020

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

Notes: * SL Bajaj resigned as Chief Financial Officer (CFO) w.e.f. 30 May 2020. Gandharv Tongia appointed as the new CFO from 31 May 2020

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 110.5 Bn.
(as of 31 Mar 2020)

Market Cap
~USD 1.6 Bn.



MSCI* - MSCI India Price Index . USD INR average spot rate FY20

Safe Harbour

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Thank you

Polycab India Limited

CIN: L31300DL1996PLC266483

Contact us

For investor relations: investor.relations@polycab.com

For queries on shares & investor grievance: shares@polycab.com

Website: www.polycab.com