



# POLYCAB INDIA LIMITED

Axis Capital

IPO NOTE

## Issue highlights

- Incorporated on January 10, 1996, Polycab India Limited ("Polycab") is engaged in the business of manufacturing and selling Wires and Cables and Fast Moving Electrical Goods ("FMEG") under the "POLYCAB" brand. According to CRISIL Research, **Polycab is the largest manufacturer in the Wires and Cables industry in India**, in terms of revenue from the wires and cables segment.
- Polycab manufactures and sells a diverse range of wires and cables and their key products in the wires and cables segment are power cables, control cables, instrumentation cables, solar cables, building wires, flexible cables, flexible/single multi core cables, communication cables and others including welding cables, submersible flat and round cables, rubber cables, overhead conductors, railway signaling cables, specialty cables and green wires. In 2009, they diversified into the Engineering, Procurement and Construction ("EPC") business. In 2014, they diversified into the Fast Moving Electrical Goods ("FMEG") segment and their key FMEG products are **Electric Fans, LED Lighting and Luminaires, Switches and Switchgears, Solar Products and Conduits and Accessories**
- For Fiscal 2018, they had a market share of approximately 18% of the organized wires and cables industry and approximately 12% of the total wires and cables industry in India, estimated at Rs.52,500 crore based on manufacturers realization (Source: CRISIL Research).
- The company has **24 manufacturing facilities**, including their 2 joint ventures with Techno Electromech Pvt Ltd. ("Techno") and Trafigura Pte Ltd ("Trafigura"), located across the states of Gujarat, Maharashtra and Uttarakhand and the union territory of Daman and Diu.
- Their Pan India Distribution Network comprises **over 2,800 Authorized Dealers and Distributors and 30 Warehouses** as at December 31, 2018. Polycab manages their sales and marketing activities through their **Corporate Office, 3 Regional Offices and 20 Local Offices in various parts of India** as at December 31, 2018

## Brief Financial Details\*

(Rs. In Cr)

Particulars	As at Dec'31,		As at March 31,		
	2018(09)	2017(09)	2018(12)	2017(12)	2016(12)
Equity Share Capital	141.21	141.21	141.21	141.21	141.21
Reserves as stated	2,574.99	2,233.39	2,208.31	1,852.55	1,641.59
Net worth as stated	2,716.20	2,174.60	2,349.52	1,993.76	1,782.80
Long Term Borrowings	93.77	166.18	158.95	161.77	100.85
Short Term Borrowings	446.40	1,018.38	568.75	659.03	694.79
Revenue from Operations	5,506.70	4,834.42	6,923.92	6,047.01	5,714.24
Revenue Growth (%)	13.91%	-	14.50%	5.82%	-
EBITDA as stated	743.79	438.00	803.15	555.15	523.88
EBITDA (%) as stated~	13.37%	9.25%	11.74%	9.96%	10.01%
Profit Before Tax	546.16	284.01	576.52	361.32	265.42
Profit After Tax	358.22	180.98	370.92	232.96	184.70
Profit as % to Revenue	6.51%	3.74%	5.36%	3.85%	3.23%
EPS (Rs.)	25.31^	12.79	26.23	16.48	13.09
RONW(%)	17.54%#	11.08%	15.76%	11.67%	10.37%
Net Asset Value (Rs.)	192.36	154.00	166.39	141.19	126.25
ROE	13.16%	8.31%	15.76%	11.67%	10.34%
ROCE	19.04%	9.88%	21.25%	14.98%	15.99%

Source: RHP, \* Restated Consolidated, ^ not annualized, # annualized, EBITDA(%) calculated on Net Total Income

## Issue Details

Fresh Issue of Equity shares aggregating upto Rs.400 Cr and Offer for sale of upto 17,582,000 Equity Shares.

## Issue highlights

**Issue size: Rs.1,336.47 – 1,345.26 Cr**

**No. of shares: 25,022,067 – 25,091,896 Equity Shares**

**Face value: Rs.10**

**Employee Portion : 175,000 Equity Shares**

## Issue summary

**Price band: Rs.533 - 538**

**Bid Lot: 27 Shares** and in multiple thereof

**Employee Discount: Rs.53/-Per share**

## Post Issue Implied Market Cap:

**Rs.7,926 Cr – 7,997 Cr**

**GCBRLMs: Axis Capital**, Kotak Mahindra Capital, Citigroup Global, Edelweiss Financial

**BRLMs: IIFL Holdings**, Yes Securities

**Registrar: Karvy Fintech Pvt. Ltd.**

**Issue opens on: Friday, 5<sup>th</sup> April 2019**

**Issue closes on: Tuesday, 9<sup>th</sup> April 2019**

## Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	12-04-2019
Refunds/Unblocking ASBA Fund	15-04-2019
Credit of equity shares to DP A/c	16-04-2019
Trading commences	18-04-2019

**Listing: BSE and NSE**

## Issue break-up

Cat	No. of Shares		% of Issue
	No. of Shares	Rs. In Cr	
QIB*	12,458,447-12,423,532	664.04-668.39	50%
NIB	3,737,535-3,727,061	199.21-200.52	15%
Retail	8,720,914-8,696,474	464.82-467.87	35%
Emp	175,000-175,000	8.40-8.49	-
<b>Total</b>	<b>25,091,896 -25,022,067</b>	<b>1336.47-1344.26</b>	<b>100%</b>

\* Company may allocate up to 60% Shares of the QIB Portion to Anchor Investors.

## Shareholding (No. of Shares)

	Pre issue	Post issue~	Post issue^
No of shares	141,205,838	148,640,782	148,710,528

^@ Upper price Band #@ Lower Price Band

## Shareholding (%)

	Pre-Issue	Post-Issue
Promoters & Promoters Gr	78.94%	68.66%
Public	21.06%	31.34%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## BACKGROUND

The company was incorporated on January 10, 1996 as 'Polycab Wires Private Limited' at Mumbai. The company was promoted by Inder T. Jaisinghani, Ajay T. Jaisinghani, Ramesh T. Jaisinghani and Girdhari T. Jaisinghani. Currently the promoters and promoter group hold, in aggregate, 111,472,029 Equity Shares, representing 78.94% of the issued and paid-up equity share capital of the company.

### Brief history of the Company

In 1964, Late Thakurdas Jaisinghani had established 'Sind Electric Stores', which dealt in various electrical products including fans, lighting, switches, and wires. Subsequently, the family business was managed from 1968 by Girdhari T. Jaisinghani, Inder T. Jaisinghani, Ajay T. Jaisinghani and Ramesh T. Jaisinghani being sons of Late Thakurdas Jaisinghani. Ajay T. Jaisinghani and Ramesh T. Jaisinghani along with certain members of the promoter group founded a partnership firm in the name of 'Thakur Industries'. Subsequently, the partners of 'Thakur Industries' entered into a lease agreement with MIDC in 1975 in respect of a parcel of land at Andheri, Mumbai for the purposes of setting up a factory for manufacturing cables and wires which was in operation until 1984.

In 1983, 'Polycab Industries', a partnership firm founded by Inder T. Jaisinghani, Ajay T. Jaisinghani, Ramesh T. Jaisinghani, and Girdhari T. Jaisinghani, was registered as a small scale industrial unit by the Directorate of Industries, Government of Gujarat in respect of a factory located at Halol for manufacturing/ processing activity of 'PVC insulated wires and cables, copper and aluminium and bare copper wire.

In 1998, 'Polycab Industries' was subsequently converted into a private limited company as 'Polycab Industries Private Limited'. Polycab Industries Private Limited was subsequently amalgamated with Polycab India Ltd in 2011.

Each of their promoters has more than 4 decades of experience.

**Inder T. Jaisinghani** is the Promoter, Chairman and Managing Director of the company. He has been working with the company since its inception. He has worked in different areas of Sales, Marketing, Production and other support services and has played a major role in leadership of the company.

**Ajay T. Jaisinghani** is the Promoter and Whole-Time Director of the company. He has worked in different areas of Sales, Marketing, Production and other support services and has played a major role in leadership of the company.

**Ramesh T. Jaisinghani** is the Whole-Time Director of the company. He has been working with the company since its inception as a director. He has worked in different areas of Sales, Marketing, Production and other support services and has played a major role in leadership of the company.

**Shyam Lal Bajaj** is the Chief Financial Officer and Whole-Time Director of the company. Prior to joining the company, he served as the Director Finance at Vedanta Ltd (including at Sesasterlite Ltd now merged with Vedanta Limited). He has also served as the Chief Financial Officer of Hindustan Zinc Ltd, served as Chief Financial Officer and Vice President of Finance at Sterlite Technologies Ltd (formerly called 'Sterlite Optical Technologies Ltd') and Senior General Manager at Sterlite Industries (India) Ltd (now Vedanta Ltd).

**Radhey Shyam Sharma, Tilokchand Punamchand Ostwal, Pradeep N. Poddar and Hiroo Mirchandani** are the Independent Director of the company.

**Sai Subramaniam Narayana** is the Company Secretary of the company. He joined the company on December 8, 2010. He has significant work experience in the field of legal, secretarial and administration.

### Senior Management Personnel

**Ramakrishnan Ramamurthi** is the Chief Executive of the company. He joined the company on March 12, 2012. He has significant work experience of 36 years in management and organizational leadership. Prior to joining the company he had worked for around 12 years in Bajaj Electricals Limited.

**Bharat A. Jaisinghani** is the Director - FMEG Business (non-board member) of the company since October 16, 2018. He has experience of working in different areas of sales, marketing, production and other support services and has played a key leadership role in the company.

**Nikhil R. Jaisinghani** is the Director - LDC Business (non-board member) of the company since October 16, 2018. He joined the company on January 1, 2012. He has worked in different areas of sales, marketing, production and other support services and has played a key leadership role in the company.

**Anil H. Hariani** is the Director - Commodities (non-board member) of the company since October 16, 2018. He has been working with the company since its inception. He has experience in Commodity Pricing, Forex, Purchase and Sales Support.

**Rakeshkumar Talati** is the Director (Non-Board Member), Division - Works (Projects, Administration and Investor Relations), since August 25, 2018. He has prior work experience in planning and designing of civil construction and interior designing work.

**Manoj Verma** is the Executive President and Chief Operating Officer (CE) of the company since October 16, 2018. He has significant work experience in sales, marketing and operations. Prior to joining the company, he has served as chief executive officer of Orient Paper and Industries Limited.

**Gandharv Tongia** is the Deputy Chief Financial Officer of the company. He joined the company on July 25, 2018. He has over 14 years of work experience in auditing and consulting.

## OFFER DETAILS

The Offer	
Fresh Issue	Upto 7,434,944 <sup>^</sup> - 7,504,690 <sup>~</sup> Equity Shares
	( <sup>^</sup> at upper price band and <sup>~</sup> lower price band)
Offer for Sale*	Upto 17,582,000 Equity Shares
* Offer for sale by :	Shares upto:
Inder T. Jaisinghani – The Promoter	2,089,603 Equity Shares
Ajay T. Jaisinghani – The Promoter	2,071,965 Equity Shares
Ramesh T. Jaisinghani – The Promoter	2,071,963 Equity Shares
Girdhari T. Jaisinghani – The Promoter	2,079,313 Equity Shares
Bharat A. Jaisinghani – The Promoter Group	529,420 Equity Shares
Nikhil R Jaisinghani – The Promoter Group	529,420 Equity Shares
IFC – Public	7,060,292 Equity Shares
Anil H. Hariani - Public	513,030 Equity Shares
Ramakrishnan Ramamurthi - Public	636,994 Equity Shares

### Shareholding of the Promoters and Promoter Group:

	Pre-offer		No. of Shares offered	Post-offer	
	Number of Equity Shares	% of Equity Share Capital		Number of Equity Shares	% of Equity Share Capital
Inder T. Jaisinghani	23,540,579	16.67%	2,089,603	21,450,976	14.42%
Ajay T. Jaisinghani	23,342,506	16.53%	2,071,963	21,270,543	14.30%
Ramesh T. Jaisinghani	23,339,964	16.53%	2,071,963	21,268,001	14.30%
Girdhari T. Jaisinghani	23,423,533	16.59%	2,079,313	21,344,220	14.35%
Bharat A. Jaisinghani	6,001,992	4.25%	529,420	5,472,572	3.68%
Nikhil R. Jaisinghani	6,001,892	4.25%	529,420	5,472,472	3.68%
Kunal I. Jaisinghani	5,820,263	4.12%		5,820,263	3.91%
Promoter Group -Others	1,300	-		1,300	-
<b>Total</b>	<b>111,472,029</b>	<b>78.94%</b>	<b>3,320,400</b>	<b>102,100,347</b>	<b>68.66%</b>

## BUSINESS OVERVIEW

**Polycab India Limited ("Polycab")** is engaged in the business of manufacturing and selling wires and cables and fast moving electrical goods ("FMEG") under the "POLYCAB" brand. According to CRISIL Research, Polycab is the largest manufacturer in the wires and cables industry in India, in terms of revenue from the wires and cables segment and provide one of the most extensive ranges of wires and cables in India. For Fiscal 2018, they had a market share of approximately 18% of the organized wires and cables industry and approximately 12% of the total wires and cables industry in India, estimated at Rs.52,500 crore based on manufacturers realization (Source: CRISIL Research). Apart from wires and cables, Polycab manufactures and sell FMEG such as electric fans, LED lighting and luminaires, switches and switchgears, solar products and conduits and accessories. According to CRISIL Research, the wires and cables industry in India, in value terms, has grown at a compound annual growth rate ("CAGR") of approximately 11% in the last 5 years to reach Rs.52,500 crore in Fiscal 2018. CRISIL Research expects the wires and cables industry

in India to expand at a CAGR of approximately 15% in value terms to reach approximately Rs.103,300 crore by Fiscal 2023.

Polycab manufactures and sells a diverse range of wires and cables and their key products in the wires and cables segment are power cables, control cables, instrumentation cables, solar cables, building wires, flexible cables, flexible/single multi core cables, communication cables and others including welding cables, submersible flat and round cables, rubber cables, overhead conductors, railway signaling cables, specialty cables and green wires. In 2009, they diversified into the engineering, procurement and construction ("EPC") business, which includes the design, engineering, supply, execution and commissioning of power distribution and rural electrification projects. In 2014, they diversified into the FMEG segment and their key FMEG products are electric fans, LED lighting and luminaires, switches and switchgears, solar products and conduits and accessories.

The company has 24 manufacturing facilities, including their 2 **joint ventures with Techno Electromech Pvt Ltd. ("Techno") and Trafigura Pte Ltd ("Trafigura")**, located across the states of Gujarat, Maharashtra and Uttarakhand and the union territory of Daman and Diu. 4 of these 24 manufacturing facilities are for the production of FMEG, including a 50:50 joint venture with Techno, a Gujarat-based manufacturer of LED products. In 2016, Polycab entered into a 50:50 joint venture with Trafigura, a commodity trading company, to set up a manufacturing facility in Waghodia, to produce copper wire rods (the "Ryker Plant"). The company expects the Ryker Plant to commence commercial operations by the end of Fiscal 2019, with an estimated annual capacity of 225,000 MT of copper wire rods once it is fully operational. The Ryker Plant will strengthen the backward integration of their manufacturing process which will meet a substantial part of their demand for copper wire rods for the manufacturing of their wires and cables and FMEG.

The company strives to deliver customized and innovative products with speed and quality service. Examples of made-to-order products they have manufactured for their customers include low voltage cables with low smoke zero halogen properties and high tension ("HT") cables with anti-rodent and anti-termite properties. Their production process is designed to ensure quality while delivering the ability to produce complex electrical products on short timeframes to meet their customers' needs.

Most of the manufacturing facilities are accredited with quality management system certificates for compliance with ISO 9001, ISO 14001 and OHSAS 18001 requirements. The central quality and test laboratory in Halol is accredited by NABL and the central test laboratory, also located in Halol, for all flexible wires and cables is approved by Underwriters Laboratories ("UL"). Certain of their products are also certified to be compliant with various national and international quality standards including Bureau of Indian Standards ("BIS"), British Approvals Service for Cables ("BASEC"), UL and international electrotechnical commission ("IEC").

Their Research and Development ("R&D") capabilities, emphasis on upgrading the technology used in their production process, customer-centric R&D efforts and their R&D center located in Halol, assist their sales and marketing team in understanding their customers' requirements. Their R&D efforts have helped them to resolve the technical problems that their customers faced. Through their R&D efforts, Polycab has developed products such as flame retardant elastomeric compounds, flame retardant chlorosulphonated polyethylene rubber compounds and cathodic protection cables using fluoropolymers and other innovative products such as environmentally friendly power cables, rubber (elastomeric) cables and electron-beam irradiated cables to serve the needs of the automobile, ship-building industry, mining, solar energy and rolling stock sector.

In addition, Polycab has adopted automation systems in their manufacturing process such as the manufacturing execution system ("MES"), which is an automated sensor base system for recording the actual consumption of raw materials in production, as well as enterprise resource planning ("ERP") systems. They have also adopted the Maynard Operation Sequence Technique ("MOST") to drive productivity and optimize capacity utilization.

The company has an established supply chain comprising their network of authorized dealers, distributors and retailers. This network supplies their products across India. Their distribution network in India comprises over 2,800 authorized dealers and distributors and 30 warehouses as at December 31, 2018. The company supplies their products directly to their authorized dealers and distributors who in turn supply their products to over 100,000 retail outlets in India. Polycab manages their sales and marketing activities through their corporate office, 3 regional offices and 20 local offices in various parts of India as at December 31, 2018. In addition, in Fiscal 2018, Polycab exported their products to over 40 countries. The revenue from outside India contributed 3.14% of their total segment revenue for the 9 months period ended December 31, 2018.

Polycab is an established manufacturer of cables and wires in India and they will continue to strengthen their brand in both their wires and cables business and their FMEG business. Their advertising and sales promotion expenses has increased from Rs.57.94 crore in Fiscal 2016 to Rs.93.69 crore in Fiscal 2018 and from Rs.72.67 crore for the 9 months period ended December 31, 2017 to Rs.75.73 crore for the 9 months period ended December 31, 2018.

Polycab has been awarded the gold trophy for 5 consecutive years from 2013 to 2017 at the Annual Convention on Quality Concepts organized by the Quality Circle Forum of India. The company works closely with major power utilities, oil and gas, IT parks, metro rail, infrastructure, metal and non-metal, cement and EPC companies that operate in India and abroad. **Their customers include institutional clients such as L&T Construction and government clients such as Konkan Railway Corporation Ltd.**

As of December 31, 2018, Polycab employed around 4,600 full-time employees across the globe. In addition to their full-time employees, they frequently hire workers on a contractual basis, largely for manufacturing and sales.

From Fiscals 2016 to 2018, the Total Income less excise duty grew at a CAGR of 14.31%. During the same period the EBITDA and PAT grew at a CAGR of 23.82% and 41.71%, respectively.

**For Fiscals 2016, 2017 and 2018**, the Total Income less excise duty was Rs.5,235.54 crore, Rs.5,575.65 crore and Rs.6,841.49 crore, respectively. The EBITDA margin was 10.01%, 9.96% and 11.74% respectively, the PAT margin was 3.53%, 4.18% and 5.42% respectively, the ROE was 10.34%, 11.67% and 15.76% respectively, the RoCE was 15.99%, 14.98% and 21.25%, respectively and the debt to equity ratio was 0.45, 0.43 and 0.34 respectively.

From the 9 month period ended December 31, 2017, the Total Income less excise duty, EBITDA and profit for the period ended December 31, 2018 grew by 17.48%, 69.81% and 97.94%, respectively.

**For the 9 month periods ended December 31, 2017 and December 31, 2018**, the Total Income less excise duty was Rs.4,733.58 crore and Rs.5,561.05 crore respectively. The EBITDA margin was 9.25% and 13.37% respectively, the PAT margin was 3.82% and 6.44% respectively, the ROE was 8.31% and 13.16% respectively, the RoCE was 9.88% and 19.04% respectively.

**As at December 31, 2017 and December 31, 2018 the debt to equity ratio was 0.57 and 0.23 respectively.**

#### Summary of Revenue from Operations

(Rs. In Cr)

Product	9 months ended 31 <sup>st</sup> Dec'				Fiscal					
	2018		2017		2018		2017		2016	
	Total Income (Rs. In Cr)	% of Total Income	Total Income (Rs. In Cr)	% of Total Income	Total Income (Rs. In Cr)	% of Total Income	Total Income (Rs. In Cr)	% of Total Income	Total Income (Rs. In Cr)	% of Total Income
<b>Sale of products*</b>	<b>5,405.35</b>	<b>98.16%</b>	<b>4,734.84</b>	<b>97.94%</b>	<b>6,789.17</b>	<b>98.05%</b>	<b>5,936.50</b>	<b>98.17%</b>	<b>5,620.11</b>	<b>98.35%</b>
– Finished goods	4,959.19		4,401.79		6,279.00		5,528.25		5,024.48	
– Traded goods	262.09		201.94		303.81		254.82		313.16	
– Revenue from Construction contracts	184.07		131.11		206.36		153.43		282.48	
<b>Other operating revenue</b>	<b>101.35</b>	<b>1.84%</b>	<b>99.59</b>	<b>2.06%</b>	<b>134.75</b>	<b>1.95%</b>	<b>110.51</b>	<b>1.83%</b>	<b>94.13</b>	<b>1.65%</b>
– Scrap sales	97.22		93.85		127.92		102.75		91.76	
– Export incentives	4.13		5.74		6.83		7.76		2.37	
<b>Total for Revenue from Operations</b>	<b>5,506.70</b>	<b>100.00%</b>	<b>4,834.42</b>	<b>100.00%</b>	<b>6,923.92</b>	<b>100.00%</b>	<b>6,047.01</b>	<b>100.00%</b>	<b>5,714.24</b>	<b>100.00%</b>

\* Including excise duty but excluding GST

#### Product-wise Revenue from operation (Total Income)

Product	9 months period ended Dec' 31,				Fiscal					
	2018		2017		2018		2017		2016	
	Total Income (Rs. In Cr)	% of Total Income	Total Income (Rs. In Cr)	% of Total Income	Total Income (Rs. In Cr)	% of Total Income	Total Income (Rs. In Cr)	% of Total Income	Total Income (Rs. In Cr)	% of Total Income
Wires and cables external sales	4,863.38	87.45%	4,398.84	90.17%	6,240.07	89.32%	5,608.20	91.60%	5,263.38	91.58%
– Cables	2,531.08		2,350.76		3,408.05		2,799.10		NA	
– Wires	2,169.23		1,748.55		2,436.32		2,050.45		NA	
– Others	163.07		154.89		250.87		211.44		NA	
– Excise duty	-		144.65		144.65		546.89		NA	
FMEG external sales	447.96	8.06%	316.85	6.50%	494.25	7.07%	338.38	5.53%	198.09	3.45%
Others external sales*	245.37	4.41%	158.55	3.25%	249.07	3.57%	172.02	2.81%	282.50	4.91%
Financial income	4.35	0.08%	3.99	0.08%	2.74	0.04%	3.94	0.06%	3.38	0.06%
<b>Total Income</b>	<b>5,561.05</b>	<b>100.00%</b>	<b>4,878.23</b>	<b>100.00%</b>	<b>6,986.14</b>	<b>100.00%</b>	<b>6,122.54</b>	<b>100.00%</b>	<b>5,747.35</b>	<b>100.00%</b>

^ Other external sales comprises the EPC business, which includes design, engineering, supply, execution and commissioning of power distribution and rural electrification projects.



## PRODUCT PORTFOLIO

The company is primarily engaged in the production and sales of a variety of wires and cables and FMEG including electric fans, LED lighting and luminaire, switches and switchgears, solar products and conduits and accessories. Their products are used in the power industry and a range of other industries, including petrochemicals, metal and mining, communication and railways, shipbuilding and construction.

### Wires and cables

	Principal Products	Rated Voltage	
• <b>Power cables</b>	Low voltage power cable	Up to 1.1 KV	These are suitable for use on AC single phase per 3 phases (earthed or unearthed) systems for rated voltage up to 1.1 KV. These can also be used on DC systems for rated voltage up to 1.5 KV to earth.
	Medium voltage power cable	1.1 KV to 33 KV	Medium voltage power cables of differing types have a variety of applications in instruments, ignition systems, and AC and DC power transmission.
	Extra high voltage power cable	66 KV to 220 KV	This cable is mainly used in expansion of transmission lines owing to its lower transmission loss benefits.
• <b>Control cables</b>	Control cables send signals to control the functioning of an equipment and allow distribution of data or signals that have low voltage. Designed specifically for automation controls, these cables have a copper conductor, which is enveloped in galvanized steel braid.		
• <b>Instrumentation cables</b>	Instrumentation cables find a wide variety of applications for process instrumentation for measurement, supervision and control of the process in oil & gas, power generation and distribution, auto, chemical and mining industries. With very low level of electrical signal passing through these cables which are also prone to external interferences during transmission.		
• <b>Solar cables</b>	DC solar cables are used as inter-connection cables for connecting different photovoltaic modules in air or conduit. LT solar AC cables are used for connection of inverter to transformer in air/underground trays whereas HT Solar AC cables are used for connecting transformer to the grid in air/underground trays.		
• <b>Building wires</b>	The building wires are environmentally friendly and suitable to use where high flexibility is of prime importance. The wires are also ideal for indoor- and outdoor-applications and building electrification in various industries, household appliances such as power-supply for refrigerators and air conditioners.		
• <b>Flexible Single/ Multi core</b>	Polycab manufactures energy efficient class 5 wire with different insulation properties such as PVC, heat resistant flame retardant ("HRFR"), heat resistant ("HR") and high resistant-flame retardant low smoke ("HR-FRLS").		
• <b>Communication cables</b>	Polycab manufactures a wide variety of communication cables which include telephone cables, LAN cables, co-axial cables and speaker cables.		
• <b>Other cables</b>	Polycab also manufactures other cables including welding cables, submersible flat and round cables, rubber cables, overhead conductors, railway signaling cables and specialty cables. The specialty cables can be used for various applications such as marine, oil and gas, extreme fire conditions, space station cables and traffic signaling.		

### Fast Moving Electrical Goods ("FMEG") Products

	Principal Products	Applications
• <b>Electric Fans</b>	Ceiling fans	Homes, offices and restaurants
	Table wall pedestal ("TPW")	Offices, factories and bungalows
	Exhaust fans	Kitchens, bathrooms and factories
	Air circulator	Water heaters in bathrooms and kitchens
• <b>LED Lighting and Luminaires</b>	Domestic (LED Domestic products including lamps, batten, panels and downlights)	Homes, restaurants, call centers, hotels, retail showrooms, stores, banks, hospitals
	Urbania (Street Lights)	Residential colonies, industrial parks, secondary and medium traffic roads
	Arenia (Flood Lights)	Billboards, facade lighting, open area lighting
	Industria (LED Luminaires including high bays, Medium bays, clean room and task lighting)	Industrial applications, power plants, cement plants, thermal plants, underground parking area, banks, hospitals
	Modernia (Commercial Luminaires including panels, downlights, mood lighting and recessed lighting)	Corporate offices, conference rooms, call centers, retail showrooms and stores, banks, hospitals
	Gardenia (Bollards and Landscape Lighting)	Parks, parking lots, lawns, pathways and bollard applications
• <b>Switches and Switchgears</b>	Miniature Circuit Breaker ("MCBs")	In the event of overload or a short-circuit, MCBs disconnects the load circuit.
	Residual Current Circuit Breaker ("RCCB")	RCCB is to be used with MCBs. The function of the RCCB is to detect earth leakage current and disconnect load to protect people, equipment and buildings against electric shocks.

	Residual Current Circuit Breaker with Overload Protection ("RCBO")	RCBO is installed where there is a need to protect against overload or short circuit on a particular circuit and to protect people against electric shocks.
	Distribution Board ("DB")	A DB is used to distribute electrical supply within the building. It usually houses all the circuit breakers and earth leakage breakers.
	Electrical Switches	Modular switches are used to make and break electric circuit.
	<b>Principal Products</b>	<b>Rated Voltage/Size</b>
• <b>Solar Products</b>	Solar DC Cables	1.5sq.mm to 300 sq.mm
	Solar Grid Tie Inverter	1kw to 60kw
	Solar Pump	1HP to 30HP
	Solar Pump Controller	1HP to 30HP
	Solar DC MCBs	0.5A to 63 Amps
	Solar Off Grid Inverters	0.5KVA to 25KVA
		<b>Applications</b>
		The solar DC Cables are TUV approved as per EN 50618 standard. Typically, 4sq.mm and 6sq.mm sizes are used to connect the output of solar photovoltaic ("PV") panel to the array junction.
		The solar grid tie inverters are used to convert direct current ("DC") power generated from solar energy through solar panel, into alternating current ("AC") power. It adjusts the voltage levels according to the grid voltage for synchronization with local grid supply.
		This largely caters to the agriculture segment and works on solar power generated through Solar Panels.
		The controllers provide variable frequency AC to drive the pump motor at different speeds, pumping water for irrigation throughout the day at various solar insolation.
		This provides protection to the Inverter input from excess overload and short circuit.
		This is used to convert the DC power received from the Solar PV panels to AC power. This provides power supply to the load and charges the batteries.

#### Conduits and Accessories

The company also sells uPVC conduits and accessories. The uPVC conduits carry wires inside the wall and under the slab at the time of construction. They are typically used for concealed wiring, underground wiring and surface wiring. uPVC accessories includes bending springs, circular boxes, circular lids, couplers, deep circular boxes, fan boxes, inspection bends, inspection elbows, inspection tees, junction boxes, reducers, round tees, saddle plates, saddle straps, slip type bends and space bar saddles.

#### EPC Division

The EPC division provides electrical turnkey solutions comprising project management, onsite execution and resource management through specialized erectors and financial management. Since Polycab started their EPC business in 2009, they have completed a range of projects including refinery works, rural and urban electrification and extra high voltage cable laying. Some of the key projects Polycab has completed include the 110kV extra high voltage cable laying in Kerala, electrification works for BPCL Kochi refinery, urban electrification of Nerul division in Navi Mumbai, Maharashtra, conversion of overhead infrastructure into underground cables in Azamgarh, Mau and Baharaich and rural electrification works in the town of Vaishali.

## COMPETITIVE STRENGTH

### • Market leader in wires and cables in India

Polycab is the largest wires and cables manufacturer in India, in terms of segment revenues, with a market share of approximately 18% of the organized wires and cables industry and approximately 12% of the total wires and cables industry in Fiscal 2018. (Source: CRISIL Research) Having grown at a CAGR of 14.2% from Fiscals 2014 to 2018 in terms of operating revenues, they are **one of the faster growing manufacturers in the organized wires and cables industry during the period from Fiscals 2014 to 2018** (Source: CRISIL Research).

Polycab has one of the most extensive portfolio of wires and cables to cater to the needs of their institutional and retail customers in different industries (Source: CRISIL Research). Their products are either (i) made-to-stock, produced based on demand forecasts from customers and/or company sales team, or (ii) made-to-order, where they work closely with their customers to develop customized products that are in line with their needs. Company's established customers include **institutional clients such as L&T Construction and Konkan Railway Corporation Ltd.** and other global leading brand companies.

### • Diverse suite of electrical products with varied applications across a diverse customer base

Polycab manufactures and sells a diverse portfolio of wires and cables and FMEG, which also gives them the opportunity to cross-sell their products to their diverse base of customers. As a business-to-business ("B2B")

manufacturer of wires and cables, Polycab has diversified into the FMEG business and transformed their company from a pure B2B company into a B2B and business-to-customer (“B2C”) company. According to CRISIL Research, they have one of the most diversified product portfolio as compared to their competitors. The FMEG external sales, as per the segment reporting under Ind AS 108, increased at a CAGR of 57.95% from Fiscals 2016 to 2018 and by 41.38% for the nine months period ended December 31, 2018 as compared to the 9 months period ended December 31, 2017.

Polycab has 3 business lines namely, (i) wires and cables, (ii) FMEG comprising electric fans, LED lighting and luminaire, switches and switchgears, solar products and conduits and accessories, and (iii) EPC. Key wires and cables products include light duty cables (“LDCs”), low voltage, medium voltage, extra-high voltage, instrumentation, building wires and electrical wiring accessories (“EWA”). In Fiscal 2018 their products were exported to more than 40 countries in the world.

- **Strong distribution network**

Polycab has wide distribution network across India which enables them to roll out new products more quickly and gives them a competitive advantage over their competitors. As at December 31, 2018, their distribution network across India, comprises 2,800 authorized dealers and distributors. The company supplies their products directly to their authorized dealers and distributors who in turn sell their products to over 100,000 retail outlets in India. Further, they supply their portfolio of products to their direct customers including EPC companies and government companies through direct sales.

**Polycab manages their sales and marketing activities through 1 corporate office, 3 regional offices and 20 local offices in India as at December 31, 2018.** In Fiscal 2018 they also exported their products, including wires and cables and certain FMEG products such as electric fans, to more than 40 countries.

The number of dealers and distributors by geography for the periods indicated:

	9 months period ended Dec’ 31, 2018*	Fiscal 2018	Fiscal 2017	Fiscal 2016
East	646	684	787	782
North	750	912	875	921
South	881	1,057	1,145	1,187
West	596	719	871	935
<b>Total</b>	<b>2,873</b>	<b>3,372</b>	<b>3,678</b>	<b>3,825</b>

Polycab has 30 warehouses located across 20 states and union territories in India. Their warehouses are typically located in close proximity to their authorized distributors, authorized dealers and direct customers. **The close proximity of the warehouses to their customers also enables them to mitigate the additional costs of transportation.** Further, they have implemented in 2 of their warehouses in Halol an automatic storage and retrieval system (“ASRS”), which are computer-controlled warehouse management systems designed to automate the placing and retrieving of loads, thereby making order fulfilment and delivery more efficient and reducing their costs of operation.

To strengthen their distribution network, Polycab has undertaken several internal and external facing initiatives. Key initiatives include (i) **the customer relationship management (“CRM”) programme, Bandhan**, and (ii) **Project Josh**, which seek to increase their market share in the FMEG segment in a targeted and organized manner. Bandhan, which was launched in April 2017, helps them better understand their end customers through the data collected from retailers and electricians. It allows them to allocate their resources more effectively and undertake targeted marketing. Through Bandhan, they are also able to more effectively develop and launch products.

Project Josh required them to make 5 key shifts in the way they manufacture and sell their products, that is to (i) place additional focus on pull marketing, (ii) be more customer oriented in terms of their products, (iii) anticipate changes and lead the industry, (iv) empower leadership among staff, and (v) undertake an approach of building lifetime relationships with their customers. **Since the implementation of Project Josh in 2015, Polycab has increased their number of retailers and distributors to, as at December 31, 2018, approximately 33,000 and 500, respectively, in the approximately 105 locations where Project Josh was implemented.**

- **Manufacturing facilities with backward integration**

Polycab manufactures their products within their manufacturing facilities, which were set up to address the specific needs of innovation, quality and availability. Their manufacturing facilities are accredited with quality management system certificates for compliance with ISO 9001, ISO 14001, OHSAS 18001 requirements. The central quality and test laboratory, located at Halol, is accredited by NABL and the central test laboratory, also located at Halol, for all



flexible cables and wires is approved by UL. Certain of their products are also certified to be compliant with various national and international quality standards including BIS, BASEC, UL, IEC and various specific approvals from other countries. The company makes use of technology and automation systems such as IoT, MES, ERP and MOST to enhance their workflows and manufacture quality and reliable products.

According to CRISIL Research, Polycab is the largest player in the wires and cables segment in India in terms of segment revenue. As at December 31, 2018, they have 24 manufacturing facilities, 4 of these 24 manufacturing facilities are for the production of FMEG, including a joint venture with Techno to manufacture LED products. In addition, they have 7 Catenary Continuous Vulcanization lines within their manufacturing facilities for producing different types of wires and cables to meet customers' demands and needs.

Polycab also has a strong focus on backward integration in their manufacturing process, where they seek to produce a substantial portion of their raw materials and source the remaining from third-party suppliers. **In 2016, they entered into a 50:50 joint venture with Trafigura to set up the Ryker Plant that will, once fully operational, fulfil a substantial part of their demand for copper wire rods.** Apart from the Ryker Plant, they also produce in their existing manufacturing facilities other key raw materials that they then use in the manufacturing of their wires and cables and FMEGs. These key raw materials include aluminium rods (for aluminium conductor), higher size of copper rods (for required size of copper conductors for manufacturing cables and wires), various grades of PVC, Rubber, XLPE compounds, GI wire and strip (for armouring). Producing their own raw materials reduces their reliance and risks of procuring raw materials from domestic and international markets by ensuring a consistent and reliable supply of quality raw materials. Such backward integration also helps them to maintain control of the supply chain, lower the costs of operations and sell the products at competitive prices.

The company own and operate 2 manufacturing facilities located in the states of Maharashtra and Uttarakhand for the production of switchgears and ceiling fans, respectively. The 2 facilities have a total production capacity of 8,400,000 (in numbers) as at December 31, 2018. In 2017, Polycab entered into a **50:50 joint venture with Techno, a Gujarat-based manufacturer of LED products.** Through this joint venture, they are able to secure a reliable supply of LED lighting and luminaire products and be better placed to take advantage of the growth opportunities they see in the LED industry. For all their other FMEG products, they enter into arrangements with third-party manufacturers who manufacture their products based on their requirements. These products include fans, lighting and luminaire products, switchgears and switches and pumps, for which they conduct regular inspection to ensure their quality meet their requirements.

- **Strong brand in the electrical industry**

Polycab is an established manufacturer of wires and cables and other electrical products, and they sell their products under their "POLYCAB" brand. According to CRISIL Research, they are the largest player in the wires and cables industry in India in terms of segment revenue. As of Fiscal 2018, Polycab has approximately 18% market share of the organized wires and cables industry, estimated at Rs.34,600 crore and approximately 12% market share of the total wires and cables industry, estimated at Rs.52,500 crore. In the FMEG segment, their external sales, as per their segment reporting under Ind AS 108, have grown at a CAGR of 57.95% from Fiscals 2016 to 2018 and by 41.38% for the 9 months period ended December 31, 2018 as compared to the 9 months period ended December 31, 2017.

Polycab also actively engage their distributors and dealers to ensure that they maintain good relationships and that they are incentivized to promote and sell their products. They do this through regular one on one interactions with them and their mobile application, Bandhan Star, which awards loyalty points to their channel partners for every product they purchase from the company.

From Fiscals 2016 to 2018, the advertising and sales promotion expenses increased from Rs.57.94 crore to Rs.93.69 crore and from Rs.72.67 crore for the 9 months period ended December 31, 2017 to Rs.75.73 crore for the 9 months period ended December 31, 2018.

- **Experienced and committed management team**

Company's management team has collectively many years of entrepreneurial and managerial experience in the electrical products industry and also possesses an extensive network of customer relationships and a deep understanding of the operations, pricing strategies, business development and industry trends. The experienced management team is led by Inder T. Jaisinghani, their Chairman and Managing Director, who has approximately 40 years of experience in the cable and wire industry. Other members of the senior management team such as Ramakrishnan Ramamurthi, Shyam Lal Bajaj, Shashi Amin and Manoj Verma, also have extensive industry experiences in their respective fields.

## KEY BUSINESS STRATEGIES

- **Enhance and strengthen the leadership position in wires and cables**

The Indian wires and cables market has grown at a CAGR of approximately 23% from Fiscals 2014 to 2018, in terms of production volume (*Source: CRISIL Research*). Accordingly, CRISIL Research expects the domestic cables and wires industry to expand at a CAGR of approximately 12% and reach an estimated 26.2 million kms by Fiscal 2023. In value terms, CRISIL Research expects the Indian wires and cables market to grow at a CAGR of approximately 15% to reach an estimated Rs.103,300 crore by Fiscal 2023, due largely to government initiatives in power and infrastructure such as increased infrastructure expenditure by the Government which will boost demand for wires and cables, growth in fire survival cables supported by metro, airport and commercial real estate projects and Smart Cities Missions' investment in underground cables, an increase in industrial investment, a rise in consumer spending and an increase in exports of wires and cables from India.

Polycab intends to expand their market share by targeting key growth sectors such as mining, oil and gas, shipping, power, renewables, infrastructure, construction, automotive, telecommunication and agriculture.

They will continue their efforts to increase revenue from their existing customers by expanding their suite of products and developing new quality products aligned with their needs. **In 2016, Polycab entered into a 50:50 joint venture with Trafigra to set up the Ryker Plant, a manufacturing facility in Waghodia, India for the production, trading and sale of copper wire rods.** Polycab expect the Ryker Plant to commence operations in Fiscal 2019 and once fully operational, the plant will have an annual capacity of 225,000 MT of copper wire rods.

Polycab intends to continue to focus on their existing international markets such as the United Kingdom, United States, European Union, United Arab Emirates and Australia.

- **Continue to expand the FMEG business**

Company's FMEG business has potential for future growth. CRISIL Research expects (i) the switches industry in India to grow at a CAGR of approximately 9% to Rs.6,200 crore by Fiscal 2023, driven by modular switches that have higher realizations, (ii) the lighting and luminaire industry in India to grow at a CAGR of approximately 7% to reach an estimated market size of Rs.30,100 crore by Fiscal 2023 largely due to a decline in LED chip prices, government policies to encourage LEDs and increasing consumer awareness for energy efficient technologies such as LED lighting, and (iii) the electric fans industry in India to grow at a CAGR of approximately 7% to Rs.11,100 crore by Fiscal 2023 largely due to government initiatives, the introduction of value added products by major fan manufacturers, replacement demand in urban areas, rise in rural penetration and improving economic factors.

- **Expand distribution reach**

Polycab will continue to enhance their **CRM programme - Bandhan**, with features such as GPS, enhanced incentive programmes for accumulation of loyalty points and KYC compliance to ensure the authenticity of their users. As the take up rate of Bandhan and accordingly, the amount of customer data collected through Bandhan increases, they will be able to better identify and understand their end customers as well as more effectively allocate resources.

Since Polycab implemented **Project Josh** in 2015, they have rolled it out in more than 250 towns and will continue to implement it in more towns to increase their distribution network, market share and sales in each location in India. Through Project Josh, Polycab has increased their number of retailers and distributors to, as at December 31, 2018, approximately 33,000 and 500, respectively, in the approximately 105 locations where Project Josh was implemented.

- **Continue to invest in technology to improve operational efficiencies and customer satisfaction**

The company intends to continue to invest in technology to improve their operational efficiencies, increase customer satisfaction and improve their sales and profitability. In addition, they will continue to expand their R&D capabilities to capitalize on emerging trends such as energy efficiency. In particular, they seek to capitalize on the trend towards home automation through their continuous **development of smart home electrical products such as fans, lights and curtains which feature apps-based operation and control in the switches and switchgear segment.**

- **Strengthen brand recognition**

The company intends to continue enhancing their brand awareness and customer loyalty through promotional and marketing efforts. They will seek to increase their visibility and brand recognition through increased advertising in print and social media and television campaigns and increased one-to-one interactions with their authorized distributors, authorized dealers and end-consumers.

They will also strengthen their influencer activities targeted at retailers, electricians, contractors, consultants, builders, industrial customers and government agencies. At the retail outlets, they intend to enhance their point of sale activities and increasing their visibility through signage and displays.

## INDUSTRY OVERVIEW

### Key Players in electrical products industry

Players	Year of Commencement of business	Key product Segments	Distributors network*		Export market	No of plant locations
			No. of Distributor dealers	No. of Retail outlets		
Apar Industries Ltd	1958	Cables, Conductors & lubricants	-	-	100 countries: focus on, Middle east, Africa, South America & South-East Asia	2
Bajaj Electricals Ltd	1938	ECD & EPC#	1,000	~1,60,000	Focus on Africa and ASEAN	2
Crompton Greaves Consumer Electricals Ltd	1947	ECD & Power Solutions	3,000+	1,50,000+	20 countries with focus on Indian sub-continent, Middle east and Africa	8
Finolex Cables Ltd	1945	Cables & ECD	3,500+	-	-	5
Gupta Power Infrastructure Ltd	1961	Cables	-	5,000	NA	3
Havells India Ltd	1983	Cables, ECD & Others	1,300	100,000+	Middle East, ASEAN, Africa	8
KEC International Ltd	1945	Cables & EPC	-	-	100 countries -- focus on Saudi Arabia, SAARC, MENA	7
KEI Industries Ltd	1968	Cables & EPC	~1,200	-	45 countries -- SAARC, Middle east & Africa	3
Orient Electric Ltd	1936	ECD	4,000+	100,000	35+ countries: US, EU and Africa	5
Philips Lighting India Ltd	1930	ECD	-	-	-	2
Polycab India Limited	1972	Cables, ECD and EPC	3,372	100,000+	Focus on European Union, UK, Africa	5
R R Kabel Ltd	1999	Cables	-	-	-	2
Schneider Electric India Pvt. Ltd	1963	ECD & others	-	-	-	-
Surya Roshni Ltd	1973	ECD	2,000	200,000	25 countries across Middle east, Europe, Africa and Asia	6
TTK Prestige Ltd	1955	ECD	-	-	-	6
Usha International Ltd	1934	ECD & Others	500	20,000	-	NA
V-Guard Industries Ltd	1977	Cables, ECD & others	564	25,000-30,000	-	9

EPC = Engineering Procurement & Contraction, ECD= Electric Consumer Durables

Source: Company Annual Reports and Investor Presentation, CRISIL Research

### Financials for Fiscal 2018 and 2014

Players	Revenue from Operations in FY 2018 (Rs Cr)	Revenue from Operations in FY 2014 (Rs Cr)	CAGR of Operating Revenue (FY14-FY18)	Operating Margins in FY2018 (%)
Apar Industries Ltd	5,830	4,630	5.9%	7.3%
Bajaj Electricals Ltd	4,760	4,030	4.3%	7.3%
Crompton Greaves Consumer Electricals Ltd	4,080	2,850	9.4%	13.0%
Finolex Cables Ltd	2,900	2,360	5.2%	18.0%
Gupta Power Infrastructure Ltd	3,110	1,810	19.8%	5.4%
Havells India Ltd	8,160	8,680	(1.5)%	13.2%
KEC International Ltd	10,060	7,900	6.3%	10.9%
KEI Industries Ltd	3,470	1,630	20.8%	10.0%
Orient Electric Ltd#	1,650	1,140	6.2%	8.5%

Players	Revenue from Operations in FY 2018 (Rs Cr)	Revenue from Operations in FY 2014 (Rs Cr)	CAGR of Operating Revenue (FY14-FY18)	Operating Margins in FY2018 (%)
Philips Lighting India Ltd	3,320	3,180	1.1%	8.8%
Polycab India Limited	6,780	3,990	14.2%	10.9%
R R Kabel Ltd	1,580	1,140	11.5%	11.4%
Schneider Electric India Pvt. Ltd	4,640	-	-	7.5%
Surya Roshni Ltd	4,930	3,030	13.0%	7.1%
TTK Prestige Ltd	1,980	1,300	11.2%	12.9%
Usha International Ltd	2,300	1,850	7.4%	1.4%
V-Guard Industries Ltd	2,330	1,520	11.3%	8.2%

Source: Company Annual Reports and CRISIL Research

Orient Electric Ltd was part of Orient Paper industries for fiscal 2014 and hence margins are unavailable.

Crompton Greaves Consumer Electricals Ltd was demerged in 2015, FY 2014 financials are as per segmental reporting of Crompton Greaves Ltd's consumer products segment. Philips Lighting India Ltd was demerged in fiscal 2016, financials from fiscals 2014 to 2015 are as per segmental reporting of Philips India Ltd's lighting segment. Financials for Schneider Electric India Pvt. Ltd and R R Kabel were available from FY2015-FY2017 on MCA portal

### Segmental Revenues for Fiscal 2018

Players	Revenue from Cables and Wires (Rs Cr)	Revenue from ECD <sup>^</sup>	Revenue from Cables and Wires (%)	Revenue from ECD <sup>^</sup> (%)	Revenue share from other segments (%)
Apar Industries Ltd	1,140	NA	19%	NA	81%
Bajaj Electricals Ltd	NA	2,230	NA	47%	53%
Crompton Greaves Consumer Electricals Ltd	NA	4,110	NA	100%	-
Finolex Cables Ltd	2,780	60	96%	2%	2%
Gupta Power Infrastructure Ltd*	3,110	NA	100%	NA	-
Havells India Ltd	2,680	4,170	32%	50%	18%
KEC International Ltd	850	NA	8%	NA	92%
KEI Industries Ltd	2,430	NA	69%	NA	31%
Orient Electric Ltd#	NA	1,630	NA	100%	-
Philips Lighting India Ltd	NA	3,210	NA	96%	4%
Polycab India Limited	6,240	490	89%	7%	4%
R R Kabel Ltd*	1,580	NA	100%	NA	-
Schneider Electric India Pvt. Ltd*	NA	NA	NA	NA	-
Surya Roshni Ltd <sup>^</sup>	NA	1,400	NA	28%	72%
TTK Prestige Ltd	NA	1,980	NA	100%	-
Usha International Ltd*	NA	1,910	NA	83%	17%
V-Guard Industries Ltd	680	570	29%	25%	51%

Source: Company Annual Reports, CRISIL Research \* Financials are for fiscal 2017, latest available with MCA

<sup>^</sup> Financials for fiscal 2018 are as per audited financials for quarter and year ended 31st March 2018 NA = Not Applicable

### Cables and wires offerings of Players:

Players	Power & Power Control Cables (LT/HT)	Power Cable (EHV)	Control and Instrumentation Cables	House Wires	Flexible and Industrial Cables incl. specialty cables
Apar Industries Ltd	✓		✓	✓	✓
Finolex Cables Ltd	✓	✓	✓	✓	✓
Gupta Power Infrastructure Ltd*	✓	✓	✓	✓	✓
Havells India Ltd	✓		✓	✓	✓
KEC International Ltd	✓	✓	✓	✓	✓
KEI Industries Ltd	✓	✓	✓	✓	✓
Polycab India Limited	✓	✓	✓	✓	✓
R R Kabel Ltd*	✓		✓	✓	✓
V-Guard Industries Ltd	✓			✓	✓

Note: Bajaj Electricals Ltd, Crompton Greaves Consumer Electricals Ltd, Orient Electric Ltd and Usha International Ltd do not have cables and wires in their product portfolio. Finolex Cables is present in control cables and not instrumentation cables

Source: Company Website and Annual Reports, CRISIL Research

**Consumer Electric Durables Product offerings of Players:**

Players	Fans	Lighting	Switches	Switchgears	Water Heater	Home App.	Kitchen App.
Bajaj Electricals Ltd	✓	✓			✓	✓	✓
Crompton Greaves Consumer Electricals	✓	✓			✓	✓	✓
Finolex Cables Ltd	✓	✓	✓	✓	✓		
Havells India Ltd	✓	✓	✓	✓	✓	✓	✓
Orient Electric Ltd	✓	✓		✓	✓	✓	✓
Philips India#	✓	✓				✓	✓
Polycab India Limited	✓	✓	✓	✓	✓		
Schneider Electric India Pvt. Ltd	✓	✓	✓	✓			
Surya Roshni Ltd	✓	✓			✓	✓	✓
TTK Prestige Ltd	✓					✓	✓
Usha International Ltd	✓				✓	✓	✓
V-Guard Industries Ltd	✓			✓	✓	✓	✓

Source: Company Website and Annual Reports, CRISIL Research

**COMPARISON WITH LISTED INDUSTRY PEERS**

Comparison with listed Industry Peers for the financial year ending March 31, 2018

Name of the company	Standalone/ Consolidated	Total Income Fiscal 2018 (Rs in Cr)~	Face Value	Closing Price (Rs)	EPS (Basic)	NAV	P/E	RoNW (%)
Polycab India Ltd*	Consolidated	6,986.14	10	[ • ]	26.23	166.39	[ • ]	15.76%
<b>Peers</b>								
Havells India Ltd	Consolidated	8,386.91	1	766.60	10.57	59.65	72.53	17.76%
Bajaj Electricals Ltd	Consolidated	4,769.58	2	503.05	8.23	91.78	61.42	8.93%
Crompton Greaves Consumer Electricals Ltd	Consolidated	4,135.87	2	225.20	5.17	12.60	43.73	41.01%
KEI Industries Ltd	Consolidated	3,512.42	2	418.90	18.54	77.17	23.00	23.94%
V-Guard Industries Ltd	Consolidated	2,346.30	1	220.10	3.16	17.61	70.89	17.91%

\* Based on the Restated Consolidated Financial Statement for the year ended March 31, 2018; ~Based on audited consolidated financials as disclosed in respective annual reports for Fiscal 2018. P/E Ratio calculated by dividing the closing market price (as available on website of NSE) of the shares of the companies as on 13<sup>th</sup> March, 2019)**OBJECTS OF THE ISSUE**

Objects	(Rs. In Cr) Amount
Scheduled repayment of all or a portion of certain borrowings availed by the company	80.00
To fund incremental working capital requirements of the Company	240.00
General Corporate Purposes	[ • ]
<b>Total</b>	<b>[ • ]</b>

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