

HOLD
 TP: Rs 9,300 | ▲ 11%

POLYCAB INDIA

Consumer Durables

07 May 2026

Volume growth moderates, demand tailwinds intact

- Revenue/EBITDA grew 27%/13% YoY; W&C drove the top line, but margin contracted 160bps YoY to 13.1%, on an adverse mix
- W&C growth was largely price-led by ~18-19% price hikes; volume growth was in low-single digit, though market share rose to 30-31%
- Raise estimates upwards; assign 44x to Mar-28E EPS and arrive at TP of Rs 9,300. Maintain HOLD

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Ahead of estimates, volume growth moderates on a high base: POLYCAB reported Q4FY26 revenue of Rs 88.6bn (+27% YoY) - 5% ahead of our estimates led by a strong execution in W&C (+29% YoY) and FMEG (+39% YoY). EPC declined 15% YoY. EBITDA grew 13% YoY to Rs 11.6bn, but margin contracted 160bps to 13.1%, largely reflecting the adverse W&C mix from higher institutional sales, lower export contribution due to softer March trade sentiment amid the West-Asia disruptions. Adj. PAT at Rs 7.7bn grew 6% YoY, partly weighed down by higher finance cost. For FY26, revenue/EBITDA/adj. PAT grew 29%/35%/32% YoY.

Channel mix led to contraction in margins (-160bps YoY): W&C revenue grew 29% YoY to Rs 77.6bn, with cables outpacing wires and institutional sales growing faster than the channel. Volume growth was low-single-digit, as a high base, construction curbs and softer March demand weighed on offtake; cumulative Jan-Mar price hikes of ~18-19% imply growth was largely value-led. Domestic organised W&C market share expanded to 30-31% up ~300-400bps YoY.

Improving margin trajectory for FMEG; EPC execution lags: FMEG business revenue grew 39% YoY to Rs 6.6bn. This was supported by broad-based growth across categories, with solar now being the largest contributor. EBIT margin improved to 4.4% expanded 400bps YoY (5th consecutive quarter of profitable growth). Management guides for achieving 8-10% EBITDA margin target by FY30. EPC revenue declined 15% YoY to Rs 5.1bn, on execution timing; EBIT margin stood at 7.6%.

Exports soft; capex on track: International business contributed ~Rs 3.9bn in Q4, (4.4% of revenue), impacted by the disruptions in West Asia. FY26 exports stood at Rs 15.7bn, or 5.4% of revenue — still below the >10% target for FY30. Management has re-established US distribution, while FY26 capex of Rs 14.8bn was in line with Project Spring guidance. Polycab will continue to invest Rs 11-12bn annually till FY30, to expand the capacities.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	POLYCAB IN/Rs 8,416
Market cap	US\$ 13.3bn
Free float	37%
3M ADV	US\$ 40.0mn
52wk high/low	Rs 8,722/Rs 5,600
Promoter/FPI/DII	63%/12%/8%

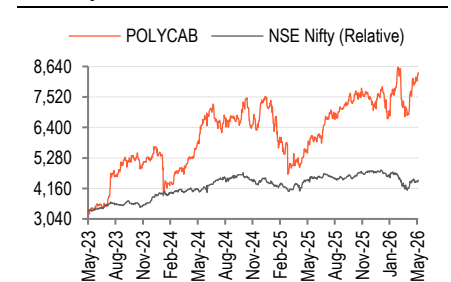
Source: NSE | Price as of 6 May 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	2,24,083	2,88,838	3,27,092
EBITDA (Rs mn)	29,603	40,057	43,666
Adj. net profit (Rs mn)	20,201	26,720	29,059
Adj. EPS (Rs)	134.6	177.5	193.6
Adj. ROAE (%)	22.4	24.5	22.4
Adj. P/E (x)	62.5	47.4	43.5
EV/EBITDA (x)	42.5	31.4	28.8
Adj. EPS growth (%)	13.2	31.9	9.1

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Raise estimates; maintain HOLD: We revise our FY27-28E estimates upwards to incorporate the improving value growth (upward copper trajectory) and improving FMEG profitability in FY28, partly offset by lower near-term margin assumptions given adverse mix and export disruption. We retain our 44x multiple and roll forward to Mar-28E EPS to arrive at TP of Rs 9,300. Considering the limited upside, we maintain HOLD

Fig 1 – Quarterly & FY26 financial snapshot

(Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)	Q4FY26E	Var (%)
Revenue	88,645	69,858	27	76,361	16	2,88,838	2,24,083	29	84,607	5
EBITDA	11,613	10,254	13	9,661	20	40,057	29,603	35	10,236	13
EBITDA Margin (%)	13.1	14.7	(160bps)	12.7	40	13.9	13.2	70bps	12.1	100bps
Depreciation	978	804		1,056		3,859	2,981		1,099	
Interest	746	325		687		2,430	1,689		716	
Other Income	604	481		505		309	526		422	
PBT	10,493	9,606	9	8,422	25	36,131	27,009	34	8,842	19
Tax	2,637	2,262		2,120		9,046	6,553		2,279	
Adjusted PAT	7,728	7,267	6	6,217	24	26,720	20,201	32	6,563	18
Exceptional item	-	-		-		-	-		-	
Reported PAT	7,728	7,267	6	6,217	24	26,720	20,201	32	6,563	18
Adj. PAT Margin (%)	8.7	10.4	(170bps)	8.1	60	9.3	9.0	20bps	7.8	96bps
EPS (Rs)	52.2	48.8	7	41.9	25	177.5	134.6	32	43.6	19.7

Source: Company, BOBCAPS Research

Fig 2 – Segmental performance

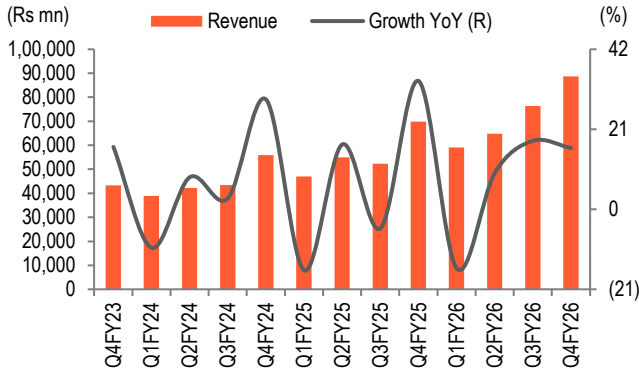
(Rs mn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Segment revenue								
Wires & Cables	77,620	60,191	29	68,526	13	2,55,344	1,92,366	33
FMEG	6,631	4,760	39	4,998	33	20,693	16,822	23
Others / EPC	5,098	6028	(15)	4069	25	16665	19192	(13)
EBIT								
Wires & Cables	10,180	9,090	12	8,326	22	34,781	26,203	33
EBIT margin (%)	13.1	15.1	(200bps)	12.2	100bps	13.6	13.6	0bps
FMEG	292	19	1426	139	111	548	(389)	NA
EBIT margin (%)	4.4	0.4	401bps	3	163bps	2.7	(2.3)	NA
Others / EPC	386	564	(31)	272	42	1,656	1,806	(8)
EBIT margin (%)	7.6	9.4	(180bps)	7	90bps	9.9	9.4	52bps

Source: Company, BOBCAPS Research

Earnings Call Highlights

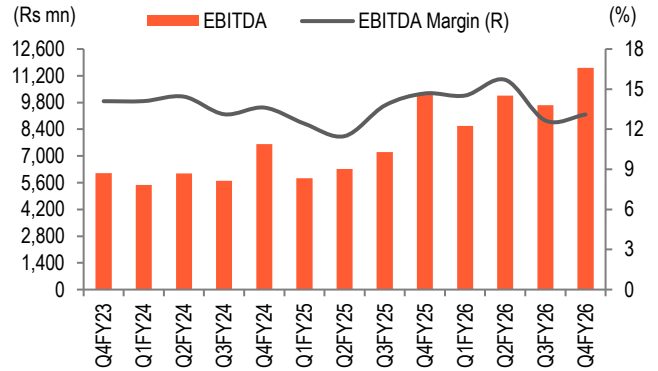
- Management attributed the Q4 volume softness specifically to March PVC prices that surged 60-80% in 1H of March, while private manufacturers using gas as feedstock had supply visibility of only 3-5 days due to government rationing. This dampened both primary lifting by distributors and secondary offtake.
- Price pass-through was fully implemented across copper, aluminium and PVC with no lag in Q4. Management stressed that unlike peers, Polycab does not book inventory gains it hedges both copper and aluminium and does not procure on spot. Margins are managed within a defined band.
- The channel-to-institutional mix, typically 90:10, shifted to roughly 87:13 in Q4. Management noted that the retail channel margins are 3-4pp higher than institutional, making this a meaningful margin headwind when institutional share rises.
- Capacity utilisation was mid-70s (~75-76%) for FY26. Management has historically reached low-90s at peak but considers 80-85% as practical operating range. There is no capacity constraint anticipated over the next 4-5 years, given the ongoing additions.
- EHV capacity is on track for commissioning by the end of CY26, with revenue contribution expected from FY28. ~50% of domestic EHV consumption is currently met via imports, indicating a ready addressable market.
- On exports geography, North America contributed ~40% of the FY26 exports revenue, South America ~20%, Middle East ~16% (vs higher had March been normal). The company re-established its US distribution network in Q4, the US alone represents 15-20% of the global export cable market. Tariff headwinds have largely got normalised.
- Management quantified the end-use demand split for cables: power T&D at 40-45%, private manufacturing/industries at 35-40%, mobility (rail, roads, ports, airports) at 10-12%, energy exploration at 5-6%. Emerging pockets — data centres, defense, EV charging are still at an early stage.
- India's power capacity additions doubled to ~55-56 GW in FY26 vs FY25; the transmissionline execution is expected to rise to ~21,000-22,000 circuit km annually (from ~15,000 circuit km historical average). Management noted that 15-20% of every Rs 100 invested in power T&D translates into cable/wire demand.
- Working capital cycle at 25 days in Q4 was artificially low due to a temporary surge in payable days from LC-based procurement. Normalised WC cycle expected to revert to 45-50 days, flagging that the Q4 number should not be extrapolated.
- Management restructuring has been approved: dedicated CEO appointments for B2C (Ishwinder Khurana), EPC (Hetal Shah) and Telecom (Ashish Jain), alongside a new COO role (Rakesh Talati). CFO Niyant Maru's tenure extended till April 2027.

Fig 3 – Revenue momentum improves in H2FY26



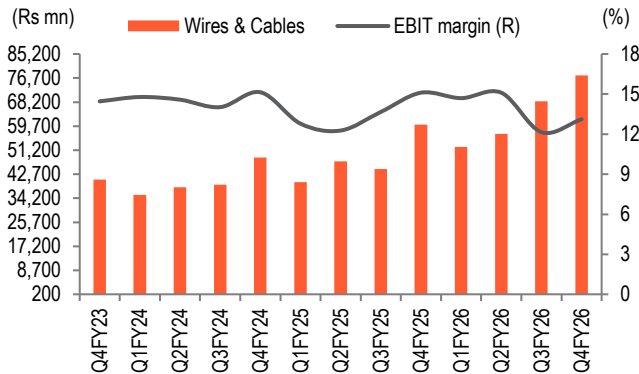
Source: Company, BOBCAPS Research

Fig 4 – EBITDA rises; margin below peak



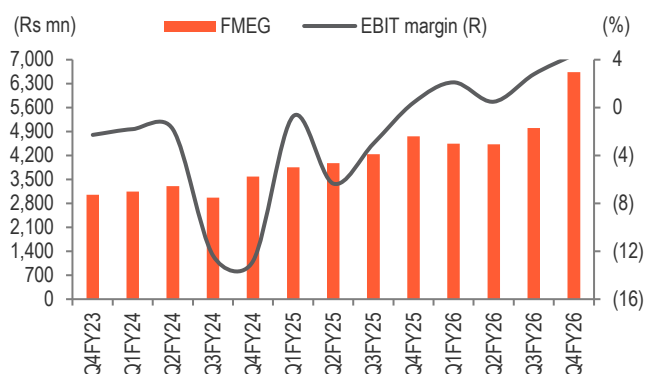
Source: Company, BOBCAPS Research

Fig 5 – Margins decline in W&C (-200bps YoY)



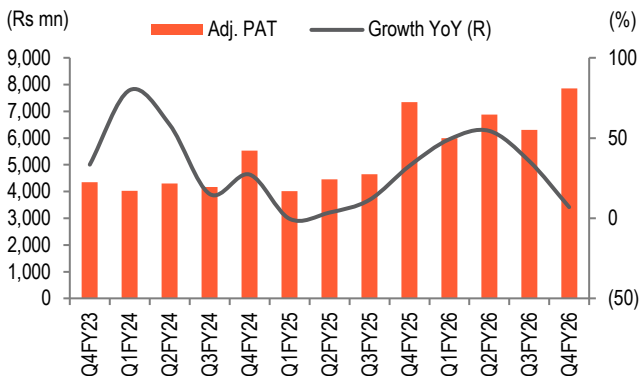
Source: Company, BOBCAPS Research

Fig 6 – FMEG margin at 4.4% vs 0.4% YoY



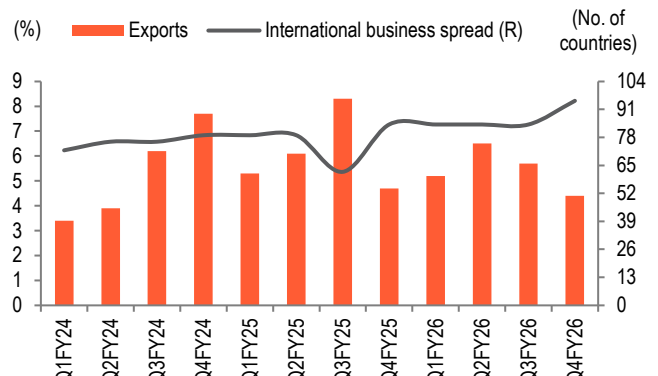
Source: Company, BOBCAPS Research

Fig 7 – PAT growth



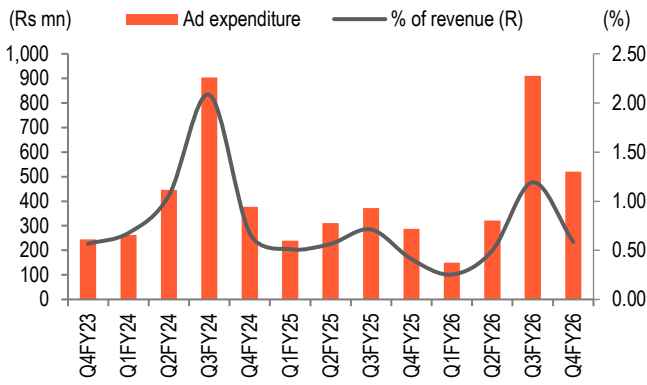
Source: Company, BOBCAPS Research

Fig 8 – Export trend



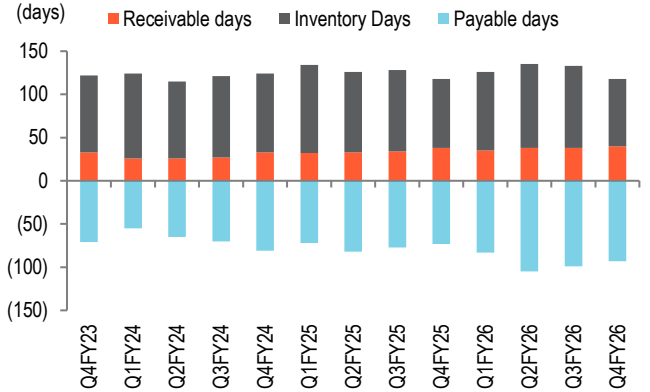
Source: Company, BOBCAPS Research

Fig 9 – Ad spends rise YoY; intensity eases QoQ



Source: Company, BOBCAPS Research

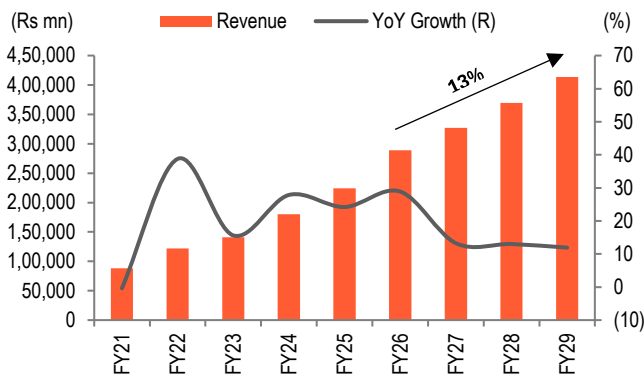
Fig 10 – Working capital improves on higher payables



Source: Company, BOBCAPS Research

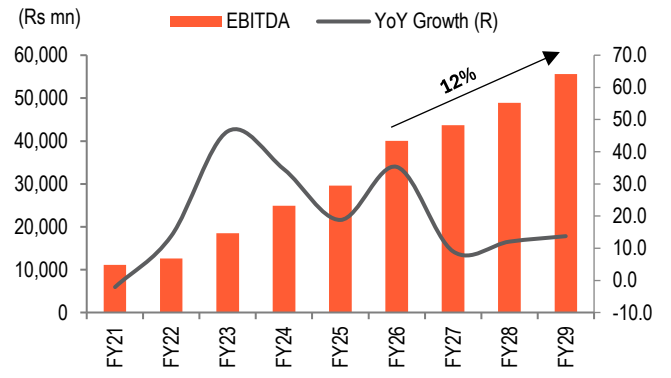
Annual Charts

Fig 11 – Revenue scale-up continues post the FY26 peak



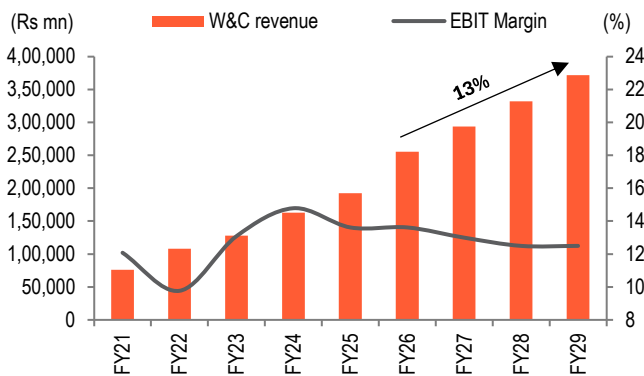
Source: Company, BOBCAPS Research

Fig 12 – EBITDA growth normalises as margins stabilise



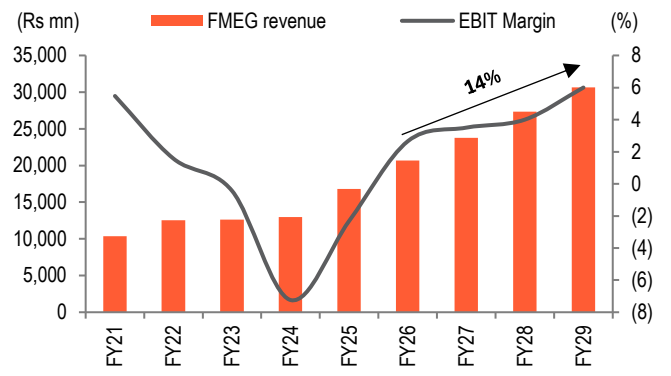
Source: Company, BOBCAPS Research

Fig 13 – W&C anchors growth; margins ease



Source: Company, BOBCAPS Research

Fig 14 – FMEG recovery gathers pace; margins improve



Source: Company, BOBCAPS Research

Valuation Methodology

We revise our FY27/FY28E PAT estimates upwards by 5%/2%; incorporating stronger domestic W&C growth and improving FMEG profitability in FY28, partly offset by lower FY27 margin assumptions as institutional mix remains elevated and exports recover gradually. We base TP on Mar-28E EPS, assigning an unchanged multiple of 44x to arrive at a revised Mar-27 TP of Rs 9,300 (vs Rs 9,100 earlier). We maintain HOLD.

Fig 15 – Polycab 1YF PE band chart



Source: Company, BOBCAPS Research

Fig 16 – Revised estimates

(Rs mn)	New			Old			Change (%)		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	3,27,092	3,69,590	4,13,582	3,14,427	3,53,371	NA	4	5	NA
EBITDA	43,666	48,927	55,652	47,037	45,373	NA	(7)	8	NA
EBITDA Margin (%)	13.3	13.2	13.5	15.0	12.8	NA	(161bps)	40bps	NA
PAT	29,059	31,785	36,100	27,588	31,082	NA	5	2	NA

Source: BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Total revenue	2,24,083	2,88,838	3,27,092	3,69,590	4,13,582
EBITDA	29,603	40,057	43,666	48,927	55,652
Depreciation	2,981	3,859	4,516	6,061	7,024
EBIT	26,622	36,199	39,151	42,866	48,628
Net interest inc./(exp.)	(1,689)	(2,430)	(2,552)	(2,679)	(2,813)
Other inc./(exp.)	2,076	2,363	2,457	2,555	2,658
Exceptional items	0	0	0	0	0
EBT	27,009	36,131	39,056	42,742	48,472
Income taxes	6,553	9,046	9,647	10,557	11,973
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	20,201	26,720	29,059	31,785	36,100
Adjustments	0	0	0	0	0
Adjusted net profit	20,201	26,720	29,059	31,785	36,100

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Accounts payables	27,358	17,988	26,884	30,377	33,993
Other current liabilities	7,073	60,732	68,775	77,711	86,961
Provisions	0	0	0	0	0
Debt funds	1,090	1,325	1,398	1,486	1,578
Other liabilities	3,957	4,631	4,631	4,631	4,631
Equity capital	1,504	1,506	1,506	1,506	1,506
Reserves & surplus	96,746	1,18,580	1,37,883	1,59,911	1,86,255
Shareholders' fund	98,250	1,20,086	1,39,388	1,61,417	1,87,760
Total liab. and equities	1,37,727	2,04,762	2,41,077	2,75,622	3,14,923
Cash and cash eq.	7,706	8,825	17,177	29,871	47,727
Accounts receivables	25,963	37,585	43,015	48,604	54,389
Inventories	36,613	55,596	67,211	75,943	84,983
Other current assets	5,418	10,525	11,919	13,467	15,070
Investments	17,490	34,048	34,048	34,048	34,048
Net fixed assets	27,913	35,051	44,576	50,556	55,573
CWIP	7,081	11,393	11,393	11,393	11,393
Intangible assets	98	41	41	41	41
Deferred tax assets, net	0	0	0	0	0
Other assets	9,444	11,699	11,699	11,699	11,699
Total assets	1,37,727	2,04,762	2,41,077	2,75,622	3,14,923

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26E	FY27E	FY28E	FY29E
Cash flow from operations	18,086	38,107	32,076	34,405	39,562
Capital expenditures	(9,583)	(14,799)	(14,041)	(12,041)	(12,041)
Change in investments	1,956	(14,342)	0	0	0
Other investing cash flows	(4,766)	644	0	0	0
Cash flow from investing	(12,393)	(28,497)	(14,041)	(12,041)	(12,041)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(1,845)	(2,570)	73	87	92
Interest expenses	0	0	0	0	0
Dividends paid	(4,438)	(5,420)	(9,756)	(9,756)	(9,756)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(6,283)	(7,990)	(9,683)	(9,669)	(9,664)
Chg in cash & cash eq.	(590)	1,619	8,352	12,694	17,856
Closing cash & cash eq.	7,706	8,825	17,177	29,871	47,727

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26E	FY27E	FY28E	FY29E
Reported EPS	134.6	177.5	193.6	211.8	240.5
Adjusted EPS	134.6	177.5	193.6	211.8	240.5
Dividend per share	35.0	47.0	65.0	65.0	65.0
Book value per share	654.6	797.6	928.6	1,075.4	1,250.9

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26E	FY27E	FY28E	FY29E
EV/Sales	5.6	4.4	3.8	3.4	3.0
EV/EBITDA	42.5	31.4	28.8	25.7	22.6
Adjusted P/E	62.5	47.4	43.5	39.7	35.0
P/BV	12.9	10.6	9.1	7.8	6.7

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26E	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	74.8	74.0	74.4	74.4	74.5
Interest burden (PBT/EBIT)	101.5	99.8	99.8	99.7	99.7
EBIT margin (EBIT/Revenue)	11.9	12.5	12.0	11.6	11.8
Asset turnover (Rev./Avg TA)	8.0	8.2	7.3	7.3	7.4
Leverage (Avg TA/Avg Equity)	0.3	0.3	0.3	0.3	0.3
Adjusted ROAE	22.4	24.5	22.4	21.1	20.7

Ratio Analysis

Y/E 31 Mar	FY25A	FY26E	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	24.2	28.9	13.2	13.0	11.9
EBITDA	18.8	35.3	9.0	12.0	13.7
Adjusted EPS	13.2	31.9	9.1	9.4	13.6
Profitability & Return ratios (%)					
EBITDA margin	13.2	13.9	13.3	13.2	13.5
EBIT margin	11.9	12.5	12.0	11.6	11.8
Adjusted profit margin	9.0	9.3	8.9	8.6	8.7
Adjusted ROAE	22.4	24.5	22.4	21.1	20.7
ROCE	25.0	27.7	24.2	22.1	21.6
Working capital days (days)					
Receivables	42	47	48	48	48
Inventory	60	70	75	75	75
Payables	45	23	30	30	30
Ratios (x)					
Gross asset turnover	5.6	5.8	5.2	4.9	4.7
Current ratio	2.7	1.8	1.8	1.8	1.9
Net interest coverage ratio	15.8	14.9	15.3	16.0	17.3
Adjusted debt/equity	0.0	0.0	0.0	0.0	0.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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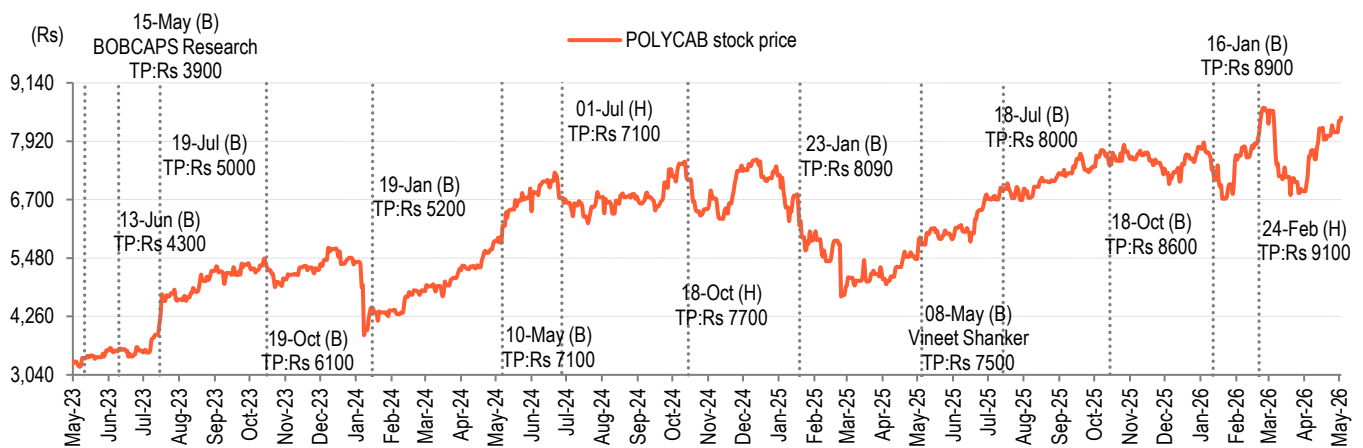
Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%
HOLD – Expected return from -6% to +15%
SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): POLYCAB INDIA (POLYCAB IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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