

IPO Note of Polycab India Limited

Issue Highlights:

| | | | |
|-----------------------------------|--|---|---|
| Issue Details | Offer for sale of upto 17,582,000 Equity Shares | | |
| Issue Size | Rs.1,336.47 [~] Cr – Rs.1,345.26 [^] Cr | | |
| No. of shares | 25,022,067 – 25,091,896 Equity Shares | | |
| Issue Opens on | 05 th April, 2019* | | |
| Issue Closes on | 09 th April, 2019 | | |
| Bid Lot | 27 Equity Shares and multiple thereof | | |
| Face Value | Rs. 10 | | |
| Price Band | Rs.533 - 538 | | |
| Employee Reservation | 175,000 Equity Shares (Rs.8.40 [~] Cr – Rs.8.49 [^] Cr) | | |
| Employee Discount | Rs.53 per Equity Share | | |
| Mode of Payment | ASBA (Mandatory Application made using third party UPI or ASBA Bank A/c are liable to be rejected.) | | |
| Listing | BSE & NSE | | |
| Book Running Lead Managers | IIFL Holdings, Yes Securities | | |
| Registrar | Karvy Fintech Private Limited (formerly known as Karvy Computershare Pvt Limited) | | |
| Who can Apply | QIB | NIB | Retail |
| | 50% of the net offer (12,458,447 ⁻ - 12,423,532 [^] Shares) (Rs. 664.04 [~] Cr - Rs.668.39 [^] Cr) | 15% of the net offer (3,737,535 ⁻ - 3,727,061 [^] shares) (Rs.199.21 [~] Cr - Rs.200.52 [^] Cr) | 35% of the net offer (8,720,914 ⁻ - 8,696,474 [^] Shares) (Rs.464.82 [~] Cr - Rs.467.87 [^] Cr) |

*The Anchor Investor Bidding Date shall be on 4th April 2019, [~] Lower Price Band and [^]Upper Price Band,

Competitive Strengths:

- » Market leader in wires and cables in India
- » Diverse suite of electrical products with varied applications across a diverse customer base
- » Strong distribution network
- » Manufacturing facilities with high degree of backward integration
- » Strong brand in the electrical industry
- » Experienced and committed management team

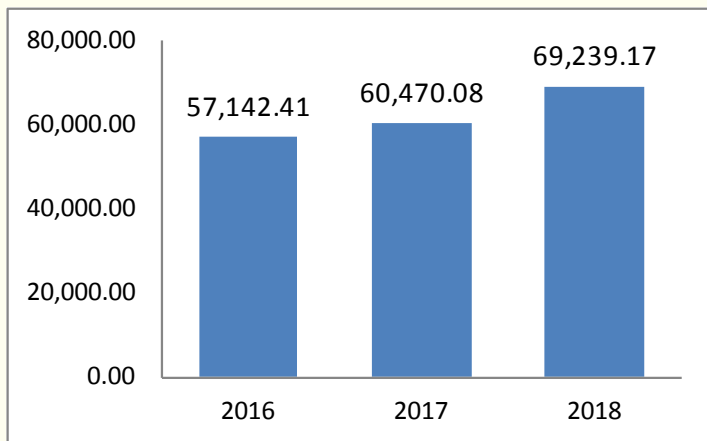
Competitive Strategies:

- » Enhance and strengthen its leadership position in wires and cables
- » Continue to expand its FMEG business
- » Expand distribution reach
- » Continue to invest in technology to improve operational efficiencies, customer satisfaction and sales
- » Strengthen brand recognition

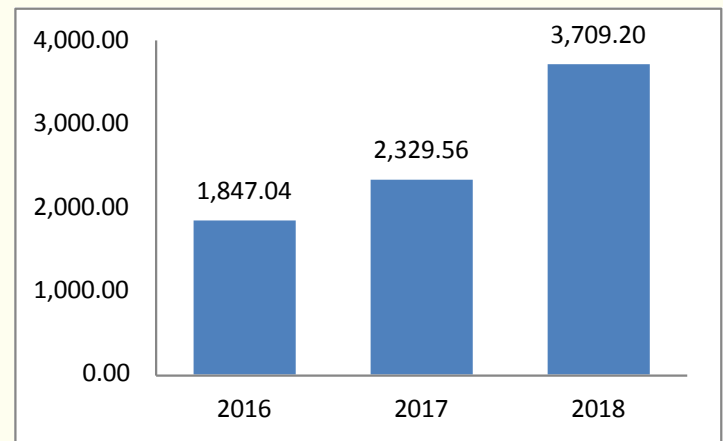
About the Issuer:

- » Polycab India Limited 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, company 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 range of wires and cables in India.
- » Company manufactures and sells a diverse range of wires and cables and its 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, Company 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, it diversified into the FMEG segment and its key FMEG are electric fans, LED lighting and luminaires, switches and switchgears, solar products and conduits and accessories.
- » Company has 24 manufacturing facilities, including its two 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. Four 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, company entered into a 50:50 joint venture with Trafigura, a commodity trading company, to set up a manufacturing facility in Waghodia, India to produce copper wire rods (the “Ryker Plant”). They expect 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 as they expect that it will meet a substantial part of their demand for copper wire rods for the manufacturing of wires and cables and FMEG.
- » Company has an established supply chain comprising its network of authorized dealers, distributors and retailers. This network supplies company’s products across India. Its distribution network in India comprised over 2,800 authorized dealers and distributors and 30 warehouses as at and for the nine months period ended December 31, 2018.
- » Company supplies its products directly to authorized dealers and distributors who in turn supply their products to over 100,000 retail outlets in India. Company manages its sales and marketing activities through its corporate office, three regional offices and 20 local offices in various parts of India as at December 31, 2018. In addition, in Fiscal 2018, company exported its products to over 40 countries. Company revenue from outside India contributed 3.41% of total segment revenue for the nine months period ended December 31, 2018.

Revenue from Operations (Rs. Million)



Net Profit After Tax (Rs. Million)



Restated Ind AS Consolidated Summary Statement of Profit & Loss

(Rs. in million)

| | 31 March 2018 | 31 March 2017 | 31 March 2016 |
|--|------------------|------------------|------------------|
| Revenue from operations | 69,239.17 | 60,470.08 | 57,142.41 |
| Other income | 622.21 | 755.32 | 331.08 |
| Total Income | 69,861.38 | 61,225.40 | 57,473.49 |
| Total Expenses | 64,097.28 | 57,608.93 | 54,819.33 |
| Profit before share of profit/(loss) of joint ventures | 5,764.10 | 3,613.18 | 2,654.16 |
| Profit before tax | 5,765.16 | 3,609.99 | 2,654.10 |
| Total tax expense | 2,055.96 | 1,283.62 | 807.12 |
| Profit for the year | 3,709.20 | 2,329.56 | 1,847.04 |
| Other comprehensive income for the period, net of tax | 23.84 | (4.02) | (17.62) |
| Total comprehensive income for the year | 3,733.04 | 2,325.53 | 1,829.42 |
| Earnings per share | | | |
| Basic and diluted earnings per share (₹) | 26.23 | 16.48 | 13.09 |

Source: RHP

Disclaimer

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