

POLY CAB

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STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Capital Goods

COMPANY DETAILS

Market cap:	Rs. 1,06,982 cr
52-week high/low:	Rs. 7,794/4,557
NSE volume:	6.09 lakh (No of shares)
BSE code:	542652
NSE code:	POLY CAB
Free float:	5.8 cr (No of shares)

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	61.5
FII	14.0
DII	11.7
Others	12.8

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-4.1	-7.1	3.0	5.2
Relative to Sensex	-2.5	-6.1	0.8	-3.9

Source: Mirae Asset Sharekhan Research, Bloomberg

Polycab India Ltd

Stunning volume growth impacted by higher commodity prices

Reco/View: **BUY**

CMP: **Rs. 7,131**

Price Target: **Rs. 8,800**

Quick Snapshot

- Revenue grew 46% y-o-y, beating our estimates. The revenue growth was backed by 40% volume growth and balance realization growth. The Stockpiling at retailers' end also drove revenues.
- OPM fell 124 bps to 12.7% far below our estimates of 15% on delayed pass-through of higher commodity prices. Ad expenses grew almost 3x y-o-y.
- FMEG segment grew 17% y-o-y on a 2x growth in solar category business, which was the leading growth contributor for the segment.
- Continued momentum in government and private capex, besides real estate sector's growth augurs well. We expect revenue/PAT to clock a CAGR of 23%/29%, respectively from FY25-28, with a good RoCE of 34%. Hence, we maintain a Buy rating with a PT of Rs 8,800.

Result overview

- Q3 numbers:** Revenues rose by 46% y-o-y, beating our estimates, led by robust performance across segments such as C&W (56%), FMEG (18%), but was offset by an 18% fall in the others segment. Operating profit rose 33% but margins declined 124 bps hit by higher commodity prices. Such a cycle was also seen in Q3 FY22 after which the margins recovered in coming quarter after passing on prices. PAT stood at Rs. 630 crore (34% up y-o-y).
- C&W:** Segment grew strongly on sustained demand momentum. Domestic business grew by 59% Y-o-y, with wires growth outpacing cables. Both channel and institutional businesses showed healthy traction. Exports also grew 24% led by a smaller base. Margins declined 145 bps to 12.1%. Delayed pass-through of high input costs protect demand aided market share gains, and a rise in volumes, wherein higher pre-buying due to expectations of high copper prices boded well. The company has already factored in 75-80% of commodity inflation in price hikes so far; balance to be taken in next quarter.
- FMEG:** Segment grew 17% y-o-y, led by broad-based growth except for fans, demand for which was hit by early rains in the summer season. Solar products were in the spotlight, growing ~2x y-o-y, becoming the largest category within the FMEG portfolio. Switchgears, conduit pipes & fittings and switches too delivered healthy growth on sustained demand from real estate sectors. Margins improved to 2.8% from losses in Q3FY25.

Our Call

Polycab has successfully consolidated its leading position in the C&W industry by performing consistently. Going forward, a strong focus on government and private capex, a comprehensive product portfolio, turnaround in FMEG business, and EPC are key growth drivers. We envisage a 23%~28% revenue/PAT CAGR over FY2025-FY2028E, with a good RoCE of 34%. Hence, we maintain a Buy rating with a PT of Rs 8,800.

Key Risks

- Fluctuating raw material prices
- Increasing competition in the C&W and FMEG segment.
- Continuing losses in FMEG segment.

Valuation

Particulars	FY24	FY25	FY26E	FY27E	FY28E	Rs cr
Revenue	18,039	22,408	28,168	34,378	41,326	
OPM (%)	13.8	13.2	14.0	14.2	14.3	
Adj. Net Profit	1,803	2,045	2,815	3,544	4,355	
Growth (Y-o-y) %	40.6	13.4	37.6	25.9	22.9	
Adjusted EPS (Rs)	120.5	136.7	188.1	236.8	291.0	
PER (x)	59.2	52.2	37.9	30.1	24.5	
P/B (x)	13.1	10.9	8.7	6.9	5.5	
EV/EBIDTA (x)	38.7	33.0	24.7	19.7	15.8	
RoCE (%)	32.8	31.5	34.7	34.6	33.6	
RoE (%)	24.3	22.7	25.5	25.6	25.0	

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Jan 16, 2026

Concall Highlights:

- Polycab is optimistic about resilient domestic demand, supported by infrastructure development, private capex pick up and real estate growth.
- EPC segment declined by 18% y-o-y, due to slow down in execution of RDSS order. The Bharat Net projects execution will ramp up in Q4
- Inventory level for wires at retailers' level increased to 60 days from average of 45 days due to estimates of copper price increase.
- Ad expenses were 3x of y-o-y for Q3FY26. Company looks to maintain the advertisement expenses in an ratio of 3.3-5% of total sales.
- Profits were hit by one-off gratuity expenses provision of Rs 22 crore as an impact of new employee rules.
- The total capex incurred was Rs 300-400 crore and for 9MFY26 spent around Rs 1000 crore.
- Management has highlighted that a 70-80% of increase in commodity prices have been already passed on and balance would be passed on through price hikes in the next quarter, post which margins are expected to normalize.
- Exports: US business have been impacted due to tariff issues, but seeing a lot of demand tractions in regions like Middle East, LaTAm, etc.
- Wires segment saw volume growth of 70% whereas cables volume grew by 50%. Overall cables and Wires volume grew by 40%.

Q3FY26 Result Snapshot:

Particulars	Q3FY26	Q3FY25	Y-o-y%	Q2FY26	Rs cr Q-o-q%
Net Sales	7,636	5,226	46.1	6,477	17.9
Operating profit	966	726	33.0	1,021	-5.4
Other Income	50	25	101.8	45	11.0
Interest	69	50	38.1	48	42.0
Depreciation	106	79	34.4	97	9.1
PBT	842	623	35.2	921	-8.6
Tax	212	152	39.3	228	-7.0
EO	-	-			
Reported PAT	630	471	33.9	693	-9.1
Adjusted PAT	630	471	33.9	693	-9.1
Adj. EPS (Rs.)	41.9	31.3	33.7	46.1	-9.2
Margin			BPS		BPS
GPM (%)	24.6	25.7	-112	27.1	-248
OPM (%)	12.7	13.9	-124	15.8	-311
NPM (%)	8.3	9.0	-75	10.7	-245
Tax rate (%)	25.2	24.4	74	24.8	42

Source: Company; Mirae Asset Sharekhan Research

Particulars	Q3FY26	Q3FY25	YoY%	Q2FY26	Q-o-q%	Rs cr
Wires & Cables (W&C)	6,852.6	4,384.6	56.3	5,691.1		20.4
FMEG	499.8	423.2	18.1	452.2		10.5
Others	406.9	498.5	-18.4	402.9		1.0
EBIT						
Wires & Cables (W&C)	832.59	590.37	41.0	859.25		-3.1
FMEG	13.86	-12.78	NA	2.19		532.9
Others	27.18	55.57	-51.1	72.997		-62.8
EBIT Margin						
Wires & Cables (W&C)	12.15	13.46	-131	15.10		-295
FMEG	2.77	-3.02	NA	0.48		229
Others	6.68	11.15	-447	18.12		-1144

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Motilal Oswal Asset Management Co	3.75
2	Vanguard Group Inc/The	1.41
3	Blackrock Inc	1.25
4	UTI Asset Management Co Ltd	1.01
5	Kotak Mahindra Asset Management Co	0.80
6	Norges Bank	0.79
7	DSP Investment Managers Pvt Ltd	0.70
8	ICICI Prudential Asset Management	0.61
9	JPMorgan Chase & Co	0.49
10	L&T Mutual Fund Trustee Ltd/India	0.47

Source: Bloomberg

Key management personnel

Name	Designation
Inder T. Jaisinghani	Chairman and Managing Director
Bharat A. Jaisinghani	Executive Director
Nikhil R. Jaisinghani	Executive Director
Niyant Maru	Chief Financial Officer

Source: Company Website

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