



## Message from Chairman and Managing Director

# Remaining focused on delivering excellence



### Dear Shareholders,

We are witnessing change at an unprecedented speed and scale as well as complexity all around us. As the push towards a more connected world gets stronger, new opportunities for growth and innovation are opening up, and bringing in their wake new challenges. We remain committed to staying on top of the emerging scenario by the dint of its ability to anticipate and respond positively to the future.

As it did for many other organisations, the COVID-19 pandemic occasioned a rethink at Polycab. Realising the immense potential of our brand, we reaffirmed our commitment to unlock greater value for our stakeholders. This led to the formulation of our growth strategy, a multi-year transformation drive under Project Leap, which is aimed at building resilience and fuelling Polycab's growth. Walking on this set roadmap, we will not only strengthen our leadership in the B2B space, but also transition to a leading B2C player and secure our place among the top three players in the Fast Moving Electrical Goods (FMEG) segment in the country.

Under Project Leap, we aim to surpass ₹200 billion in sales by FY26. The target is underpinned by our concerted plan to advance our market position through initiatives that sharpen our organisational, digital and functional excellence.

### The year under review

During the year, we achieved the milestone of ₹120 billion top line despite challenges from various fronts. Our Wires & Cable business witnessed robust growth that resulted from our strong emphasis on execution and on reinforcing our core strengths by investing in expanding the distribution network, R&D and digitalisation.

**We have put in considerable effort over the past two years in product development, getting requisite regulatory approvals and penetrating new geographies.**

The year saw surging input costs and supply side constraints. But we mitigated the situation through regulated pricing actions, improved product mix and cost optimisation initiatives. Our efforts at widening our distribution network are bringing tangible gains. So are our measures to improve the brand architecture and augmenting the influencer management programme.

During the year, we launched a new sub brand 'Etira', which will enhance our competitiveness in the economy range and facilitate greater geographic penetration. Our FMEG business saw strong traction during the year, which saw us acquire the home automation solutions provider, Silvan Innovation Labs. This acquisition, coupled with our organic brand, Hohm, ensures for us an enviable presence in the smart home automation space.

### Winning with people at the core

At Polycab, it is our people who give us the winning edge. We are proud to create for them an empathetic workplace, which

empowers them through an environment of constant learning and emphasis on developing their capabilities in the personal and professional spheres. This is what makes us an employer of choice for both experienced professionals and fresh graduates. In a competitive talent market, we have continued to differentiate ourselves with a people-focused, purpose-driven culture and cutting-edge career development opportunities for employees.

As part of our transformational journey, we are bolstering the organisation structure by retaining and recruiting best-in-class talent. We will champion our renewed purpose of innovating for a brighter living and be guided in our thoughts and actions by our 'i-POWER' values that will help us enrich the lives of everyone connected with Polycab.

### Winning with new products

We continue to map our portfolio against evolving customer needs and the dynamic market situation to craft a portfolio that acts as a lever to promote our growth ambitions. We have thus revised our product pipeline. We are governed by the New Product Development (NPD) council to ensure that innovation remains the fulcrum of our organisation's growth. Quality has always played an important role in our brand salience, and we will continue to strengthen this distinction.

### Winning in markets

We leverage our wide and deeply entrenched pan-India distribution network to drive growth in existing and new businesses. Our go-to-market initiatives have enabled us to establish direct presence in nearly twice as many towns as last year. The new Emerging India vertical will help us serve customers in semi-urban and rural areas where availability

of high-quality products is a challenge. We are also diversifying our channels with the shifting demand centres. Currently, over 600 Polycab products are available on major e-commerce portals. We took a bold structural step to merge Heavy Duty & Light Duty Cables verticals in order to unlock value through cross selling opportunities and operational proficiencies.

We also actively engage with influencers consisting of electricians, architects, interior designers and contractors. We scaled up our digital capabilities through the 'Experts' programme and increased direct coverage of tertiary sales. We aim to be the pioneers in the FMEG industry in building a deep connect with its key influencers, who will serve for us as a critical competitive barrier.

### Winning with technology

We have been at the forefront of technology adoption and intervention, which have helped us improve customer experience and convenience. The lockdowns tested the efficacy of our IT infrastructure as well as digital platforms. Digitalisation has been a core focus area for us and we recently successfully piloted the end-to-end digitalisation of front-end sales across businesses in key markets. Full-scale rollout of this measure is being currently executed on a war footing. Over the next few years, we intend to digitalise our entire distribution ecosystem which will help us reinvent our way of functioning.

The year also saw us implement Internet of Things, Artificial Intelligence-Machine Learning-led processes and advanced analytics to simplify and automate our processes. Our continued investments in building capacities, deploying state-of-the-art technologies, have supplemented our robust R&D and seamless backend integration, and strengthened our brand position, enabling us to stay ahead of the curve. We are striving to deliver on our brand promise of establishing a connect with the end consumer that lasts for generations, and technology is a powerful enabler in realising this vision.

### Outlook

Our concerted drive across several aspects, be it product innovation, supply chain integration, cost optimisation and others have strengthened our market position across businesses. Although the economic environment remains fraught, given the recent challenges caused by the pandemic, the long-term growth opportunities remain favourable for us. Rising incomes and changes in customer behaviour have resulted in growing customer preference for sustainable products and brands that guarantee quality. This has contributed to the expansion of organised players like us.

For us, growth has never been about numbers. As a responsible corporate leader, we have remained aware of our social responsibilities and have delivered on them by creating opportunities for the socially disadvantaged. We will continue to promote this social objective while endeavouring to deliver value to our other stakeholders by growing responsibly. A robust cash generation ability and a strong balance sheet have sustained us through the business cycles. I hope our growth strategy, encapsulated in Project Leap, will help us realise our long-term aspirations.

We continue to focus on Environment Social and Governance (ESG) priorities. The efficient use of water and energy from cleaner sources and zero tolerance for fatalities at our facilities continue to be our primary focus areas.

### Looking ahead

I would like to thank all our stakeholders, including customers, investors, business partners, and employees, for their continued trust and support. We look forward to another year of triumphant performance, supported by our unrelenting pursuit of excellence.

**Inder T. Jaisinghani**  
Chairman & Managing Director

₹120 billion  
Topline milestone achieved

600+  
Polycab products available on e-commerce portals