

PHOTOS: SANJAY BORADE

# A leap forward

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## Polycab India grows and transforms, always aiming higher

Amidst the ever-changing business landscape, Polycab India is recognised as one of the most versatile and dynamic companies in the fast-growing electrical goods (FMEG) space. It now has an extensive product portfolio and a distribution network that stretches far and wide.

Over the years, the company has made rapid strides in new lines as also existing lines of business. Under 'Project Leap', the company has set a five-year roadmap to achieve substantial improvement in its revenues by 2025-26, with its focus on brand positioning, new product development, scaling operations, customer-centricity, talent acquisition, go-to-market excellence and good governance.

"Our aim is to surpass ₹20,000 crore in sales by 2025-26 under Project Leap," says Inder T. Jaisinghani, CMD, Polycab India Ltd (PIL). "The target is underpinned by our plan to advance our market position through initiatives

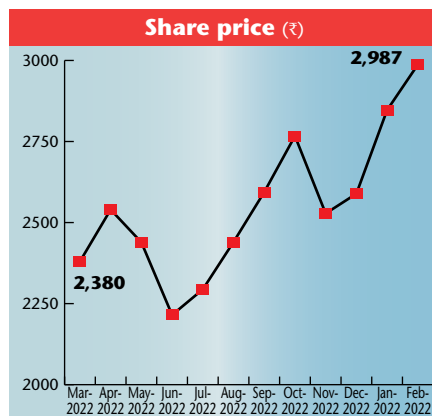
that sharpen our organisational, digital and functional excellence. We maintain deep connections, value creation and people-centricity at its core. In this day and age, it is important for budding entrepreneurs to bear courage, resilience and agility to stay relevant and simultaneously have a competitive edge in the market". Jaisinghani has been crafting the goal for 2026 over the

years. Meanwhile, the company closed 2021-22 with revenues of ₹12,200 crore and has achieved revenues of ₹9,784 crore for the first nine months of 2022-23.

### Raising the bar

Polycab has been doing well all along and has become an undisputed leader in the cables and wires segment and established a sizeable market presence in the fast-moving electrical goods space. The company has diversified its offerings, starting the EPC business in 2009, and later expanding into the FMEG segment in 2014.

Today, Polycab offers a wide range of products and services, including power cables, control cables, building wires, flexible cables, solar cables, electric fans, LED lighting, switches and switchgear, solar products, conduit and accessories, etc. The 'Polycab' brand is now highly regarded in the industry, known for its versatility and commitment to innovation. At the same time, it has been constantly raising the bar of growth too.



Polycab's early days has been christened Polycab 1.0, while the IPO milestone in 2019 has come to be seen as the beginning of Polycab 2.0. Now, in its 3.0 avatar, Polycab has laid out a plan under Project Leap, which will enable it to accelerate its growth over the next five years.

"We have decided to revisit our business mission every three years to keep pace with rapidly changing times," says Bharat Jaisinghani, ED, Polycab India. Going beyond, Polycab 3.0 will see an enhancement of digital quotient, more people-centricity and involvement to a new work order culture, he adds.

In line with this, the company has designed a new office in Mumbai's Ruby Towers, where it does not have cabins – with each employee, even a senior leader, operating in an open work space. Moreover, the year that went by witnessed the company roping in talent from the industry, including C-level executives from diverse backgrounds.

There are a few things on the industry front that will propel Polycab further in the years to come. First, the domestic economy seems to be set for a meteoric rise, fuelled by a booming manufacturing sector, cutting-edge technology-driven services and a thriving start-up ecosystem. India's growth is positive, led by both consumption-driven demand and capital expenditures.

Further, the government has announced a strong capital expenditure boost to the Indian economy in the recent budget. The government has envisaged spending about ₹13 lakh crore in the budget towards various capital expenditure programmes, including allocation to states, which should



Bharat and Nikhil: strategic plans to tap the opportunities

provide a thrust to the infrastructure sector. While this is good for the recovery of the investment cycle, they are also positive for Polycab, as it has a strong presence in both the spaces.

Besides, the company's strong presence with 25 state-of-the-art manufacturing units in Gujarat, Maharashtra, Uttarakhand, Tamil Nadu and the Union Territory of Daman & Diu, as also its pan-India presence will provide it the platform for its next leg of growth. In fact, Polycab's ambitious five-year plan is poised to drive the company to outpace the industry growth, with a focus on brand positioning, business expansion, operational optimisation and a strong emphasis on governance and sustainability.

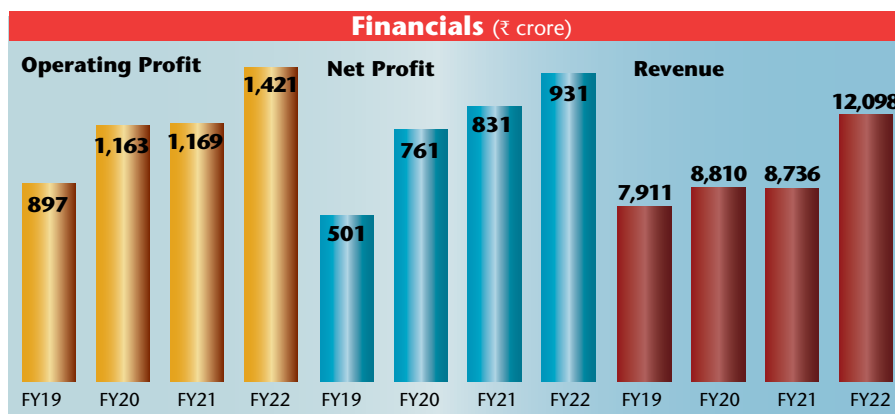
**Wired for the leap**

The wires & cables segment has seen impressive growth (15.2 per cent CAGR during 2017-18 to 2021-22); and

organised players are seeing an increase in their market share boding well for industry leaders like Polycab. Even during the first nine months of the year, the company has been showing signs of scaling up.

During the first nine months of 2022-23, the company's domestic distribution-driven business in the cables & wires segment has seen strong volume growth of more than 26 per cent year-on-year, boosted by government spend and recovering private capex cycle. Exports are set to be a major growth enabler for Polycab. Its revenue from exports grew by 32 per cent y-o-y in the first nine months of 2022-23 and the company sees great potential from its international business in the future as well.

Polycab is also looking to capitalise on the growing demand for extra high voltage (EHV) cables. With the demand for power rising in Tier I and Tier II cities and the rise of smart cities, the demand for EHV cables is set to soar. Polycab's technology tie-up with Swiss company Brugg Cables for up to 550 kV voltage products will enable it to tap into a market estimated to be worth ₹4,000-5,000 crore by 2025-26. Further, the business has been getting a boost from good orders from the government sector. The company was in news recently for being the wires and cables partner for the country's famed indigenously built warship, INS Vikrant. Another noteworthy development was the company's similar





partnership for the newly launched Goa International Airport.

“We have strategic plans to tap the opportunities offered by defence, railways, EV industry and data centres, as well as telecom domains,” adds Nikhil Jaisinghani, ED, Polycab. “Contrary to popular belief and the tendency to blindly pursue success, we would rather encourage an environment of learning”.

### FMEG push

Polycab is also vying for larger opportunities in the FMEG space. It has diversified its offering, as it seeks to replicate its dominant position in the wires & cables market. This move has elevated Polycab’s brand from a B2B connection to a B2C relevance. Indeed, the FMEG segment has grown at a staggering 26.8 per cent CAGR during 2017-18 to 2021-22. The company continues to bring out new products and innovate to cater to the growing needs of customers and bringing out a wide array of products.

Polycab is taking a multipronged approach to expand its FMEG business and drive growth. Firstly, it is fine-tuning its product mix in the FMEG category, with a focus on expanding its presence in high margin products, such as switchgear & switches. To this end, the company has established a new facility in Daman for switch production and expanding its existing switchgear facility in Nashik. Additionally, the company is conducting R&D and innovation activities in the home automation section to improve the company’s product portfolio and increase its competitiveness in the market.

Meanwhile, Polycab is investing in advertising and promotion efforts and enhancing product availability to drive revenue growth and improve profitability in the future. “We are making rapid strides in the FMEG space. We acquired Silvan Labs in 2021 to beef up our preparedness to serve the smart home segment. We have further complemented this with a slew of product launches, such as BLDC fans, smart lighting solutions, smart switches, green wires, fire survival cables, to mention a few. Overall, the endeavour is to redefine our value proposition to our customers and empower them to shift to an evolved modern day lifestyle conceptualised on the key aspects of safety



*Polycab is taking a multipronged approach to expand its FMEG business and drive growth*

and convenience,” comments Bharat Jaisinghani.

On its advertising & sales front, Polycab has also executed a complete transformation of its marketing outreach. The company has achieved a higher order of engagement with key stakeholder communities comprising consumers, electricians, architects, developers, etc. The company is also offering training to its value chain partners and has set up Polycab Arena shops for the same in key cities. “We have redefined ourselves to shed the conventional product-driven approach and instead offer a marketing-driven pull appeal with end-users,” says Nikhil.

Towards the end of 2022, the company launched a series of digital films to propagate its pioneering ‘Green Wire’ range of products and 3-in-1 LED lighting. Recently, Polycab announced its partnership with the International Cricket Council (ICC) as an official partner for all major men’s and women’s ICC global events scheduled until the end of 2023, including the ICC Women’s T20 World Cup in South Africa, the ICC World Test Championship Final in the UK and the ICC Men’s Cricket World Cup 2023, scheduled to take place in India.

### Strong finances

One of the most distinct aspects of Polycab is its net-debt-free structure with growth largely driven by internal accruals. On top of it, the company has a strong revenue playbook, which is why analysts are upbeat about its

prospects.

“Going forward, growth in B2C business, continued demand momentum in B2B segment, scaling up FMEG business and exports are the key growth catalysts. Its foray into EHV segment bodes well from long-term prospects. In the long term, Polycab is expected to benefit from government infrastructure investments, increase in housing demand and pick-up in private capex spending. We expect its operating performance to improve, given robust volume growth and backward integration. The company is well-poised for a healthy growth trajectory, given its widening distribution network and in-house manufacturing capabilities,” states an analyst report from Sharekhan.

The change is already reflected in Polycab’s market standing with the company making a slow and steady ascent on the bourses. Recently, the stock has run up to an all-time high of ₹3,088, way above its listing price of ₹643 in 2019. “Our market capitalisation has enhanced by over five times since our listing in 2019. We have resolved not to fall into any comfort zone and rather keep evolving,” says Bharat Jaisinghani.

Going by its rich history of high standards of execution, as it stands, Polycab is poised to emerge as a formidable force in the corporate landscape and is truly a company to watch and emulate in the years to come. ♦

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