



MSEARCH

IPO OFFERING



POLYCAB INDIA LTD

About Company

Recommendation: Invest for long term

Polycab India Ltd (Polycab) is a two decade old country's largest manufacturer of wires and cables in terms of revenue. The company is basically engaged in the business of manufacturing and selling of Wires and Cables & Fast Moving Electrical Goods (FMEG) under the "POLYCAB" brand. Polycab enjoys market share of approx. around 18% of the organized wires and cables industry and approximately 12% of the total wires and cables industry in India. In 2009, they diversified into the Engineering, Procurement and Construction (EPC) business. It has 24 manufacturing facilities, including 2 joint ventures located across the states of Gujarat, Maharashtra and Uttarakhand and in the union territory of Daman and Diu. Polycab's pan India distribution network comprises over 2,800 authorized dealers & distributors and 30 warehouses as at December 31, 2018.

Price Band	: Rs. 533 to 538 per share
Bid Lot size	: 27 Shares
Issue size	: Rs. 1,346 Cr
Issue Opens	: April 5th 2019, Friday
Issue Closes	: April 9th 2019, Tuesday
Min App Amount	: Rs. 14,526/- at upper band

Msearch View:

We believe Polycab has one of the most diversified product portfolios as compared to their peers and it is strongly placed in wires and cables space with healthy market share in the organised space. Cross selling is the strategy which works very well for a company like Polycab which gives them the opportunity to get maximum share in the home wallet. Polycab has also diversified into the FMEG business and transformed their company from a pure B2B to B2C Company and attempts to increase its retail market share. On valuation parse it is reasonably priced (Rs.533 – 538 per share) at the upper price band, Polycab commands Rs 7997 Cr market cap with P/E of 16x on its trailing FY19E earnings which is much lower than the industry average. Hence considering its wide PAN India distribution network helping to roll out new products more quickly and gives them a competitive advantage over their competitors and Strong brand recall with reasonable valuation proposes a great investment opportunity for medium to long term investors.

Kindly Contact Mehta Equities Ltd :
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