POLYCAB

INTEGRATED ANNUAL REPORT 2021–22

# ***Evolving*** through excellence

# ***Transforming*** with focus

Contents



https://www.polycab.com

# FY22 highlights

## Financial

₹1,22,038 million
Revenue
(YoY growth of 39%)

₹12,626 million
EBITDA
(YoY growth of 14%)

₹9,173 million
PAT
(YoY growth of 4%)

## Non-financial

67+ million litres
Total water recycled

₹192 million
CSR expenditure

17%
Electricity from renewable resources

## Operational

### Organisation enablers
Completed most of talent acquisition for critical roles across businesses and functions

### Market excellence
Built presence in emerging India (semi-urban and rural) and alternate channels

### Customer centricity
Redesigned operating model of B2B businesses

### New products
Launched 'Etira' to cater to economy price segments

# ***Evolving*** through excellence. ***Transforming*** with focus.

At Polycab India Limited (Polycab), product and process innovations have played a pivotal role in our journey of delivering excellence and staying ahead of the curve. An established player in the Indian electricals space, we have raised the bar higher by breaking new grounds with modern design, value for money and high-quality products that are in sync with the changing aspirations of customers and shifting market dynamics. To fully unlock potential and get closer to realising our purpose, we have embarked on a multi-year transformational journey aimed at taking our growth story to a higher trajectory while emphasising on governance and sustainability.

With a clear goal of surpassing ₹200 billion in sales by FY26, we are focusing on diversification-led growth and enhancing brand recall across product categories. We aim to increase our direct presence in lower tier towns as well as new countries globally, while providing a diverse range of world-class products to our channel partners, enabling them to achieve long-term sustainable growth.

Customer-centricity, digitalisation, and a sharper focus on environment, sustainability and governance aspects will continue to drive our strategic decisions over the long term.

## Report profile

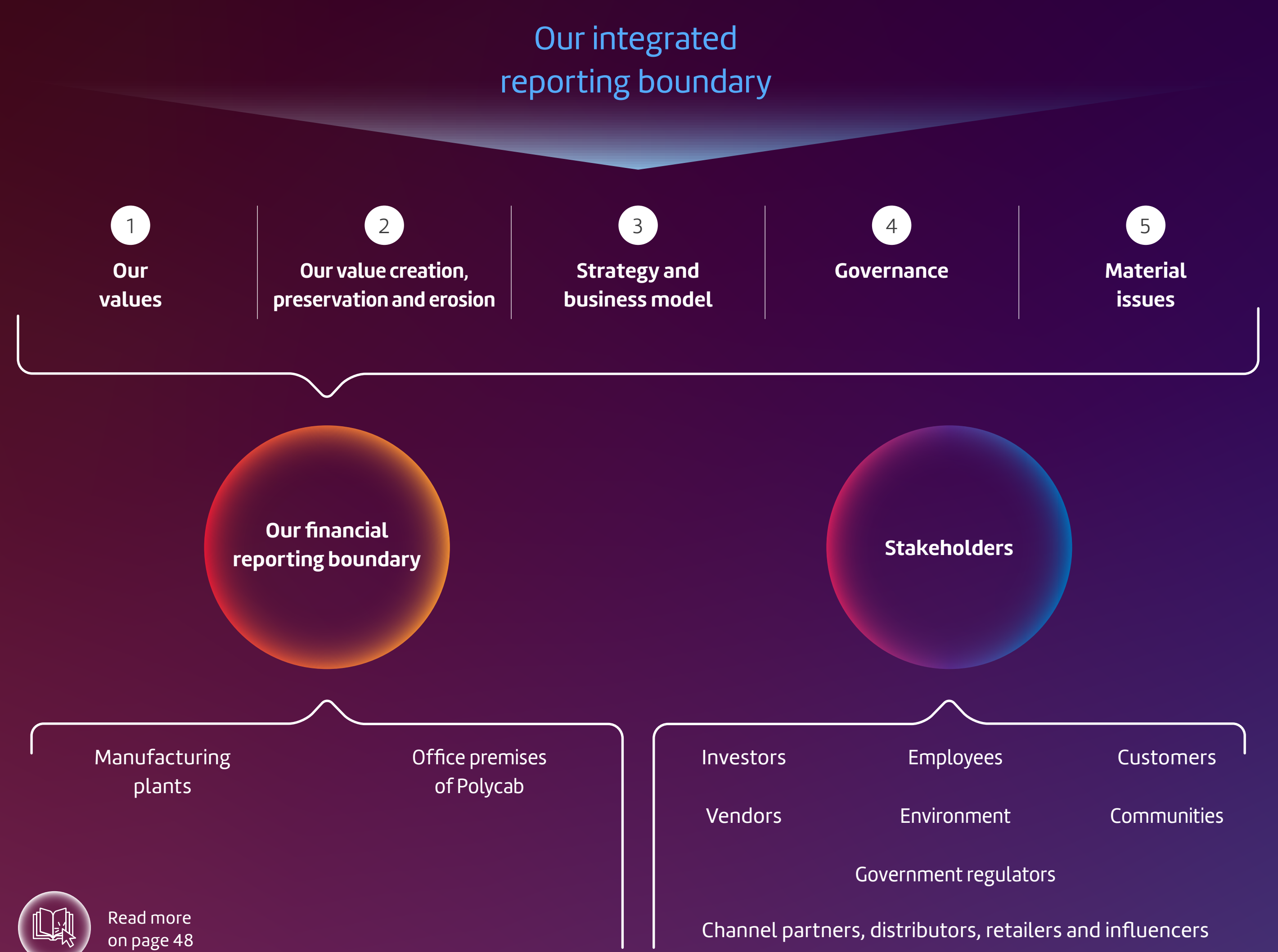
# About our integrated report

Our FY22 integrated report provides relevant information to our shareholders and other stakeholders of the performance, governance, material risks and opportunities, strategy and future prospects of Polycab.

## Scope of reporting

**Reporting period**
The report, published annually, provides material information relating to the Company's strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance, between 1 April 2021 and 31 March 2022.

**Reporting boundary**
This report covers information pertaining to, but not limited to, the manufacturing plants and the office premises of Polycab.




Read more on page 48

**Financial and non-financial reporting**
The report extends beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value.

**Materiality**
To integrate the expectations of stakeholders within the activities of the organisation and satisfy the requirements of stakeholders, Polycab launched a process during FY21 for materiality analysis to identify the most significant topics for the business. Our material topics are those that matter most to our key stakeholders and impact our ability to create value. Our material issues are informed by the economic, social and environmental context in which we operate.

**Our capitals**
All organisations depend on various forms of capital for their value creation. Our ability to create long-term value is interrelated and fundamentally dependent on various forms of capitals available to us (inputs), how we use them (value-accretive activities), our impact on them and the value we deliver (outputs and outcomes).

**Targeted readers**
This report is primarily intended to address the information requirements of all stakeholders including investors, employees, customers, regulators, and society. We have attempted to present information in a manner that is relevant to the way we create value for them.

**Frameworks, guidelines and standards**
This report has been prepared while referring to the GRI Standards. It also aligns with the principles and guidelines of the:

- International <IR> framework of the International Integrated Reporting Council (IIRC) (known as Value Reporting Foundation after merger with SASB)
- United Nations Sustainable Development Goals (UN SDGs)
- United Nations Global Compact Principles (UNGC)
- National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE)
- The Companies Act, 2013 (and the rules made thereunder)
- Indian Accounting Standards (Ind-AS)
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Secretarial Standards issued by the Institute of Company Secretaries of India

**Board responsibility statement**
The Board of Directors acknowledges its responsibilities to ensure the integrity of this integrated report. The Board has, accordingly, applied its collective mind and believes the report addresses all material issues, and presents the integrated performance of the Company and its impact in a fair and accurate manner.

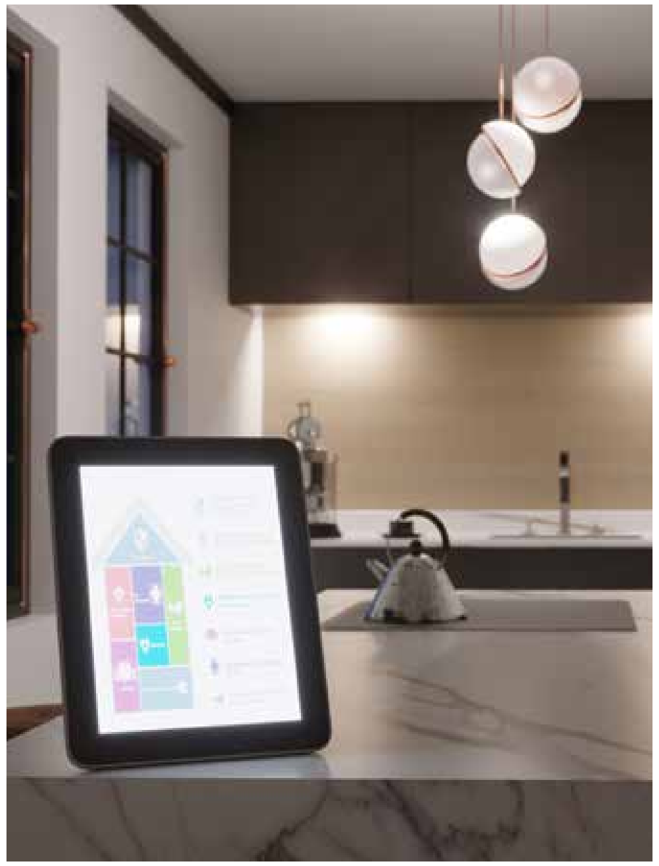
**Feedback**
We welcome feedback on our suite of reports to ensure that we continue to disclose information that is pertinent and conducive to stakeholder decision-making. Please refer queries or suggestions to investor.relations@polycab.com.

## Value created for stakeholders

# Staying committed for the long term

We aim to create value for a broad range of stakeholders in a sustainable way.

Our resilience and empathy are manifest in our ability to serve our customers without interruption, empower our employees to quickly adjust to remote working and provide much-needed relief to our communities in a time of crisis.



### Maximising shareholder value

39% Revenue growth

16% Return on equity

₹353 billion Market capitalisation (YoY growth of 72%)

Working capital maintained at optimum level through robust monitoring mechanism

PG 60

### People focus

40,000+ hours Training hours spend on training

10% Attrition rate

Zero fatalities

PG 68

### Caring for the planet

15,000+ tonnes Reduction in $CO_2$ footprint

100% Energy efficient LED lights in plants

~6,000 Trees planted

PG 80

### Robust client centricity

₹223 million Total R&D expenditure

- Deploying whole new gamut of digital tools for better consumer connect and technical assistance as well as enhanced consumer experience
- Automated order booking system through portal

144 Total registered IPRs

PG 64

### Supporting the communities

Community engagement initiatives like mobile medical units offering services like OPD, camps and counselling, three - year certification course in self-defence to train women in physical and mental preparedness among others

10 Villages getting benefitted by water harvesting

41 Villages getting benefitted by medical services rendered by mobile medical units

PG 74

### Channel partners

2,05,000+ Retail outlets connected

4,600+ Authorised dealers & distributors

PG 72

## Who we are

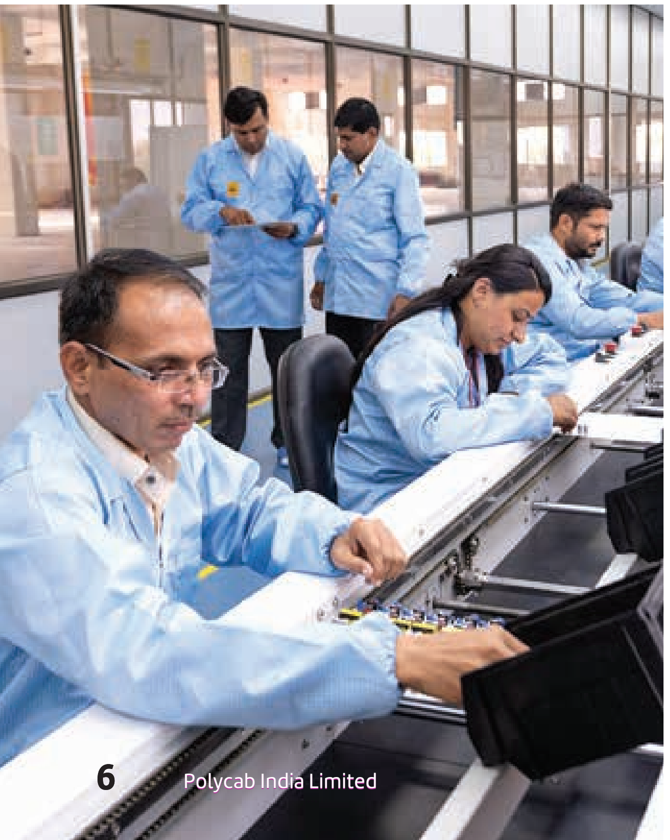
# Accelerating strong connection

Polycab India Limited is India's largest manufacturer and seller of an extensive range of Wires and Cables, and a prominent player in the Fast-Moving Electrical Goods (FMEG) industry with an established export presence.

Underpinning our leadership position are our solid business fundamentals, which include multi-location manufacturing with a high degree of backward integration, a comprehensive product portfolio, strong brand positioning, robust distribution network, and an experienced management.

23
Manufacturing facilities

60+
Countries we export our products



During the year, we came up with our new purpose and values that give meaning to our individual and collective efforts. In keeping with the theme of inclusivity, we drafted the themes and reached out to various stakeholders to debate and dialogue on what was appropriate before settling on the organisation's Purpose & Values. The purpose now serves as a point of reference for future decisions and reaffirms our commitment to our stakeholders. The values serve as the foundation for leadership behaviour, competencies, and overall culture.

### i-Power

Our i-Power values make the purpose come alive – they are essentially the "purpose in action".

### Our Purpose

"We innovate for a brighter living"

Our innovative, safe and energy efficient products and solutions delight our customers

Our vibrant and inclusive culture leads to deep connections, value creation and growth for our People, Partners and Stakeholders

Our focus on sustainable development reflects our commitment to be a caring and responsible enterprise.

## Values

### Innovative mindset

**Giving wings to novel ideas**

We encourage and support ideas from all levels in all formal and informal interactions

We challenge ourselves and ask "how can we do this better?"

We take calculated risks, embrace our mistakes and learn from them

We make efforts to have the first mover advantage in the market

### People at the core

**Caring about our people and their growth**

We treat our people like our family by caring for their well-being and growth

We are inclusive and respect people and their views regardless of their level, age, gender, background and so on

We are quick to spot and recognise people doing the right thing

We create a culture where feedback and resources are offered for development of our people

### Obsession for the customer

**Serving to create delightful experiences**

We respond quickly to any customer need or communication

We seek feedback and listen deeply to the internal and external customer's stated and unstated needs

We stretch ourselves and do whatever it takes to meet customer commitments

We constantly study and apply best practices around customer delight

### Winning together

**Collaborating and celebrating wins**

We speak openly and share information proactively

We hold each other accountable to find solutions

We are sensitive and supportive of other teams when they face challenges

We make efforts to be inclusive and make people feel included

We celebrate big and small wins

### Entrepreneurial drive

**Bringing new possibilities to life with passion**

We own new ideas/ challenges and build the business. Always wear the Polycab enterprise hat

We always display integrity, drive, 'can-do' attitude and energy

We inspire others with our ideas and stories of growth

We take calculated risks to explore new opportunities and handle uncertainties with confidence

### Renew

**Being courageous, resilient and agile**

We are quick to read situations and adapt to it

We bounce back quickly from setbacks

We upgrade our skills to be able to stay relevant for the future

We take decisions keeping long term sustainability in mind

## Segment-wise performance

# An integrated and value-accretive portfolio

Our differentiated offering across wires, cables and FMEG products meets the needs of diverse industries in both the public and private sector and cater to both the infrastructure and consumer electricals segment.

## Wires and cables

### FY22 highlights

**₹1,06,953 million**

Strong revenue growth of 41% YoY

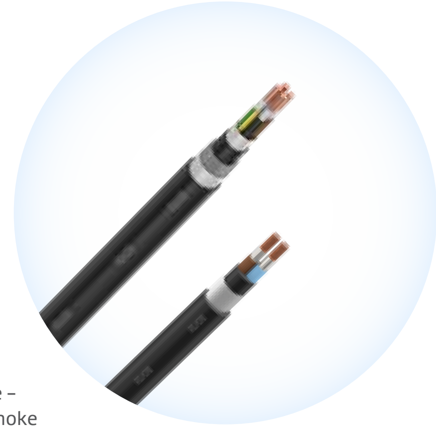
- Relaunched Polycab Green Wire with new product proposition that emphasises the use of 5-in-1 GreenShield technology
- Robust focus on execution and investment in distribution expansion, R&D and digitalisation resulted in a healthy double digit volume growth in wires and cables as well as market share gains
- Launched new sub brand "Etira" which will play pivotal role in economy price segments

## Wires and cables

We are India's dominant manufacturer and seller of a diverse range of wires and cables for retail and industrial use.

### Wires

- House wires
- Green wires – HR-FR-LSH-LH*
- Industrial flexible wires
- Speaker wires



* High Insulation Resistance – Flame Retardant – Low Smoke and Halogen – Lead Free

### Cables

- EHV cables
- Fire survival cables
- Optical Fibre Cables (OFC)
- Jelly filled telephone cables
- High voltage cables
- LAN cables
- Power and control cables
- Instrumentation cables
- Co-axial cables
- Thermosplastic High heat Resistant Nylon coated cable
- Underground Feeder and Branch circuit cable
- Non Metalic Sheathed Cable
- Solar cables
- Railway signalling cables
- Other cables such as CCTV, festoon, submersible cables


## Diverse sectoral presence

We have a diverse customer base across a wide range of industries

Chemicals | Energy | Metals | Technology | Consumer durables | Infrastructure

Oil & Gas | Telecom | Defence | Manufacturing | Real estate | Transport

# Segment-wise performance

## FMEG

### FY22 highlights

**21%**

YoY growth in sales led by strategic interventions, distribution expansion and healthy demand environment

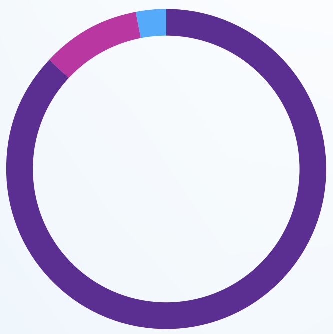
- Market share gains across most categories

**2x**

increase in premium products contribution

- Acquired Silvan Innovation Labs, which has significant presence in the niche home automation market. The acquisition adds to our IoT portfolio and aligns with our strategy to address evolving consumer needs and provide new-age innovative solutions for both homes and enterprises
- Launched 30+ new models of fans and appliances across premium, economy and other categories with a focus on covering the entire price spectrum

### FY22 Revenue mix
(%)

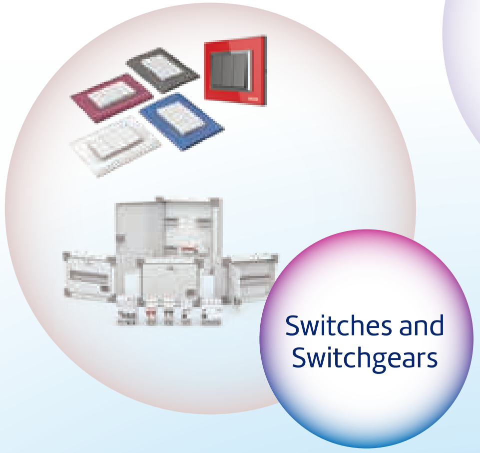


| | |
|---|---|
| Wires and cables | 87.0 |
| FMEG | 10.0 |
| Others (including EPC) | 3.0 |

# Fast Moving Electrical Goods (FMEG)

We have made inroads into the highly competitive FMEG market with an exhaustive range of products that cater to both home and institutional needs.






# Others

Our Engineering, Procurement and Construction (EPC) business provides electrical turnkey solutions comprising project management, onsite execution and resource management through specialised erectors and financial management. Our solutions are largely provided for the transmission and distribution sectors involving projects in extra high voltage and high voltage levels for various government utilities in India. These projects typically require a large supply of cables, wires and conductors, and we supply these components.

## Presence

# Our growing footprint

We strive to deliver customised and innovative products with speed and quality service across our areas of operation in India and in global markets. Our strategically located manufacturing facilities are accredited with quality management system and are compliant with global standards.

### Servicing global markets (60+ countries)

1 Abu Dhabi
2 Afghanistan
3 Angola
4 Armenia
5 Australia
6 Bahrain
7 Bamako
8 Bangladesh
9 Bhutan
10 Chile
11 China
12 Colombia
13 Congo
14 Costa Rica
15 Egypt
16 EL Salvador
17 Ethiopia
18 France
19 Germany
20 Ghana
21 Honduras
22 Indonesia
23 Iraq
24 Ireland
25 Italy
26 Jamaica
27 Jordan
28 Kenya
29 Kuwait
30 Liberia
31 Maldives
32 Mauritius
33 Morocco
34 Myanmar
35 Nepal
36 Netherlands
37 Nigeria
38 Oman
39 Panama
40 Philippines
41 Poland
42 Qatar
43 Russia
44 Saudi Arabia
45 Senegal
46 Sierra Leone
47 Singapore
48 South Africa
49 South Korea
50 Spain
51 Sri Lanka
52 Switzerland
53 Tanzania
54 Turkey
55 USA
56 Uganda
57 Ukraine
58 United Arab Emirates
59 United Kingdom
60 Vietnam
61 Yemen

### Experience centres

Ahmedabad
Cochin
Chandigarh
Hyderabad
Jaipur
Madurai
Mumbai
Patna
Surat
Thiruvananthapuram

### Corporate and manufacturing presence of Polycab

23 Manufacturing facilities in India

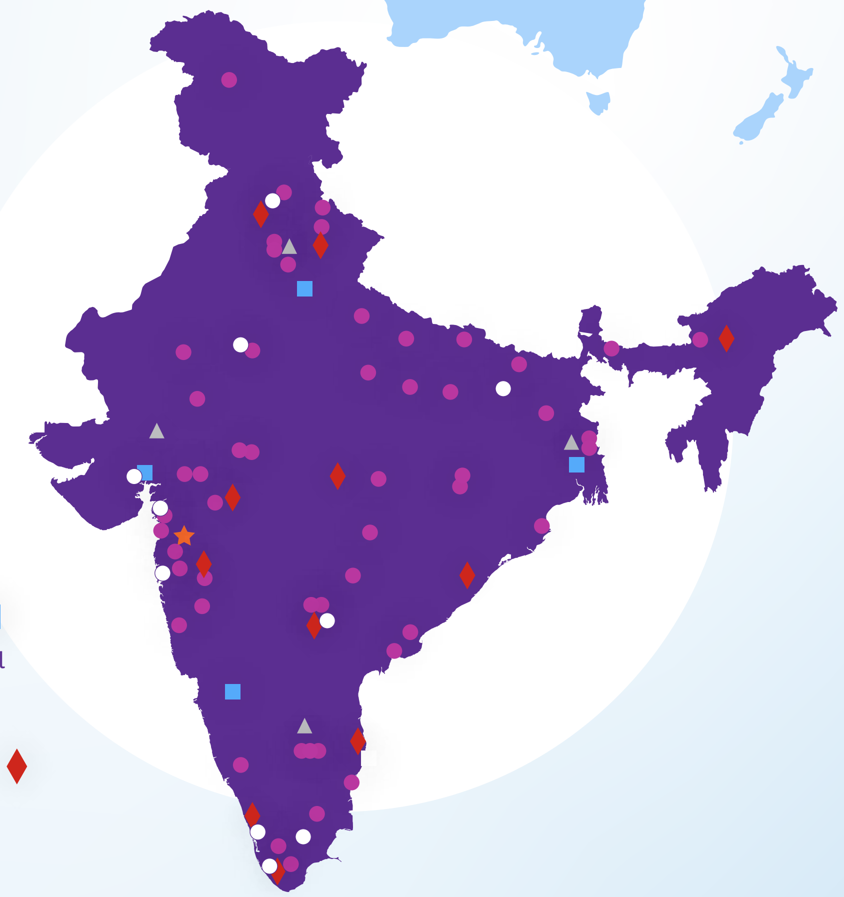
4 Manufacturing locations in India

4 Regional offices

1 Corporate office

28 Warehouses and depots

11 Local offices



## Key strengths

# Strong fundamentals paving stronger growth path

An attractive product portfolio, robust manufacturing capabilities supported by seamless backward integration for quality raw materials, strong R&D backbone and a clear growth strategy offer a strong investment case for Polycab.

### Market leader in wires and cables with an expansive product range in FMEG business

We are India's largest and most versatile manufacturer of wires and cables, with a presence across multiple product segments such as power cables, control cables, optic fibre cables, instrumentation cables and solar cables. Our extensive portfolio of quality products caters to the needs of our institutional and retail customers in different industries. Our products are either (i) made-to-stock or produced based on demand forecasts from customers and/or Company sales team, or (ii) made-to-order, where we work closely with our customers to develop customised products that are in line with their needs. Over the past five years, the FMEG business has clocked healthy market share gains across categories.

**22-24%**

**POLYCAB'S SHARE** in the organised wires and cable market

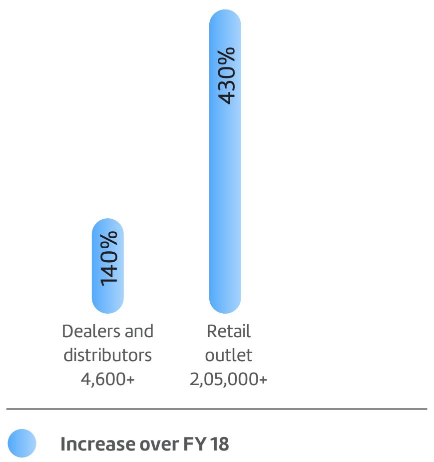
### In-house manufacturing with high degree of backward integration

Product innovation, quality and service capability are our defining traits. We produce our goods at our strategically located manufacturing facilities which enjoy a strong backward integration in processes and sourcing of quality raw materials. Our strong raw-material quality management supports our aggressive approach to backward integration. We also manufacture several critical inputs in-house, which enables us to guarantee quality, service and short-notice supply unlike our competitors.

### Expansive distribution reach

Our strong distribution network comprising 4,600+ dealers and distributors, together with our 2,05,000+ retail outlets, gives us a strong competitive advantage. About 21% of this network exclusively serves our wire and cable business; 54% is utilised by the FMEG segment whereas 25% of the network is common to both the segments. Many of dealers catering to various retail touchpoints, have been associated with the Company for multi generations.
Our distribution strength, long-standing relationships with our partners and customer stickiness have contributed to our market leadership for several decades.

**Expansion in distribution reach (FY22 vs FY18)**




# Key strengths

## Operational excellence and technology driving efficiency

We constantly strive to improve our operations through the adoption of the latest advanced technologies and digitalisation. We look at technology as an enabler and continue to invest in solutions aimed to improve efficiency, optimise inventory levels and streamline supply chain, thereby reducing dead stock with trade/company and improve receivables. We are leveraging digital to transform our business and using analytics to promote integrated business decision-making.

## Research and development strength

R&D remains one of our key strengths which enables it to achieve product differentiation and offer unique value proposition to our consumers, distribution, dealers as well as institutional customers. Our in-house R&D centre, located at Halol, Gujarat, is certified by Department of Science and Industrial Research (DSIR, Government of India), and is continuously working on new product development in the Wires & Cables space. A large team of R&D and technical professionals support the manufacturing function through their expertise in research process, design, performance and project management, and cater to evolving market requirements such as fire-retardant, fire survival, low smoke and multi-chemical resistant compounds. We also collaborate with various external technology consultants to develop many first-to-market technologies.

In our FMEG space, we have a dedicated R&D team focusing on conceptualising new designs to fill gaps in our product portfolio and reposition our offerings in Fans business given anticipated shift in technology. In FY22, we launched ~30 different models of fans and appliances across categories i.e. Premium, Economy, BLDC, etc. and various new models of lights and luminaries. Our focus while launching new products has been to provide a wide range of products across price variants. We have a vast manufacturing set-up with huge capacity and state-of-the-art facility which supports our growing market aspirations.

## Strong financial position and sound management

We maintain a strong balance sheet and have seen a steady improvement in profitability over the past few years. Even in FY22, despite the unprecedented inflation and pandemic, our EBITDA grew 14% YoY. The financial position remained strong with net cash position of over ₹11 billion and debt to equity mere 0.01x. Our experienced management team has a history of growing the business through a balance of organic growth and acquisitions. In an increasingly challenging environment, this has provided our business with stability and financial flexibility.

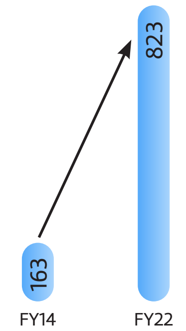
Proven Track Record

| EBITDA | REVENUE |
|---|---|
| 20% | 17% |
| **PAT** | |
| 31% | 5 year CAGR |


## Sustained investments in brand building

We enjoy a powerful legacy in the electrical industry owing to our wires business. Over the past few years, we have further fortified our brand positioning through sustained investments in marketing and brand promotional activities. The focus has been on increasing brand awareness and customer loyalty through creative promotions and new-age marketing, using both digital and traditional channels.

**Advertising and sales promotion expenditure (₹ million)**

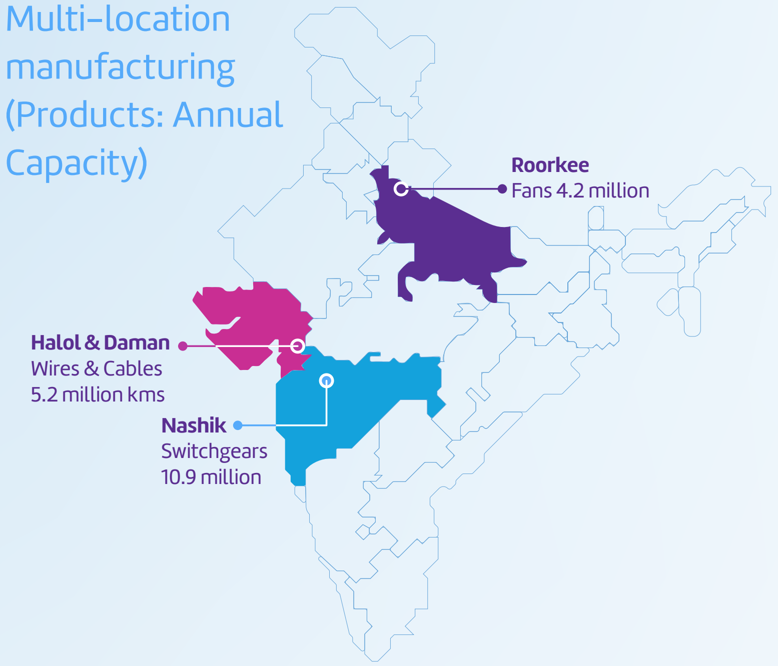


## Manufacturing capabilities

# Delivering quality at scale

Our 23 manufacturing facilities are spread over four locations across three states in India , namely Gujarat, Maharashtra and Uttarakhand and one Union Territory (Daman). All the units are equipped with advanced machinery and testing equipment as per national and international standards. We have established robust backward integration to ensure control on product quality, supply chain and reduction in operational costs.

### Multi-location manufacturing (Products: Annual Capacity)




### Products manufactured

**Wires and cables**
Halol, Gujarat & Daman

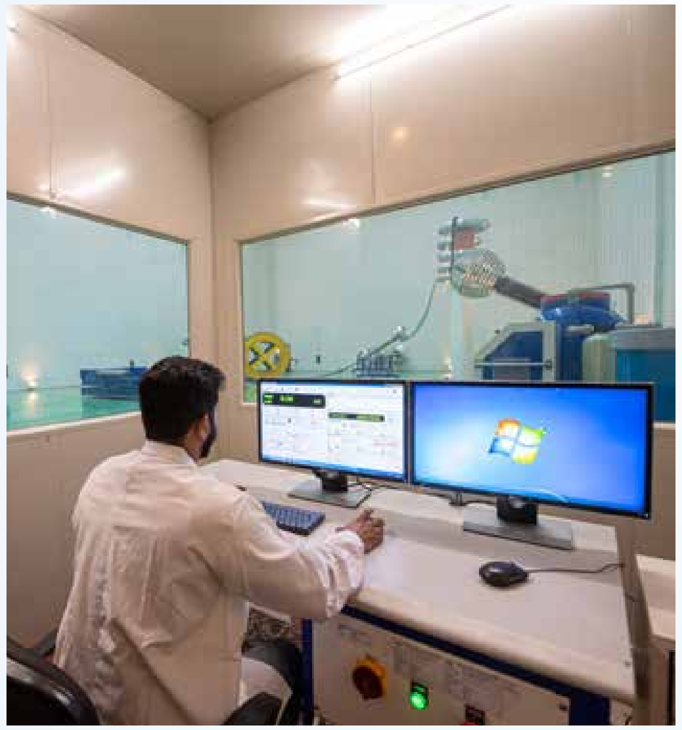
**Fans**
Roorkee, Uttarakhand

**Switchgears**
Nashik, Maharashtra

## Leveraging advanced technologies

We have always been at the forefront of leveraging technology to facilitate business growth. In FY22, we continued to invest in digital technologies, which have helped us improve operational efficiencies, aided better decision making and create immersive customer experiences.

To keep the organisation future ready with next-generation disruptive technologies, we have adopted a "**cloud first strategy**" for our critical business applications and created a robust strategy for the same. Accordingly, had migrated all instances of our ERP to cloud and are in the process for business critical applications. It brings scalability, agility, security, and lower cost of ownership. This is a stepping stone towards our journey of new edge technologies; AI/ML/IOT whenever and wherever required.



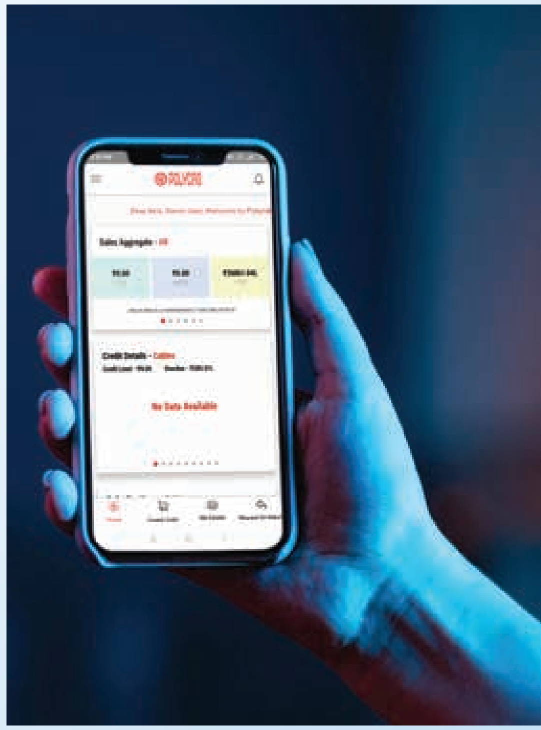
### Organisation wide process excellence

- Created a digital platform for costing of purchase and traded items. Giving an edge in negotiation, management and centralised availability of data removing individual dependencies.
- Document Management System (DMS) has been introduced to promote the paperless culture and contribute towards green environment. It helped us in many ways like; digitisation of old records, accessibility of documents from anywhere/anytime, releasing space at Head Office and less paper consumption thereby reducing our carbon footprint.
- Real time visibility of sales/work order and inventory at various manufacturing stages to sales and manufacturing functions
- New module for technical design and costing of cables to ensure quick turnaround by technical and costing team
- Weighbridge integration with ERP to capture the weight through sensors, enabling seamless vehicle movement with accurate data
- Organisation scattered email platforms merged and brought into O365 Cloud
- Phishing solution in place to detect and prevent fraud and phishing attacks

### Customer centric digital initiatives

- Real time visibility of customer order status at all the stages from order booking till dispatch
- Enablement of single click solution for follow-ups, customer ledger and digital balance confirmation, eliminate administrative work, brings efficient turnaround
- Automated digital new customer onboarding solution for faster registration process and avoid data redundancy
- Technology driven retail execution solution to enable field force and improvement of leading sales indicators for B2C business
- Digitisation of enquiry creation by dealers on portal and approval workflow by respective heads with seamless integration of order automation
- Mobile apps for customer service engineers to manage customer calls, visits, installation documents, call closure signatures and catalogue etc.

Order to dispatch process automation has significantly reduced the cycle time from days to few hours.



# Manufacturing capabilities

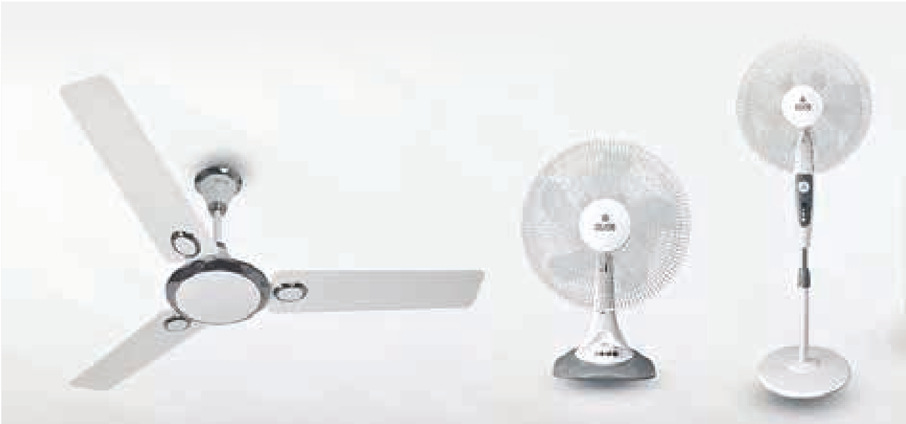
## In-house innovation capabilities

Our R&D centre at Halol has large number of engineers and technicians who are constantly working to upgrade the technology used in the production process and bring to the table customer-centric meaningful innovations. In order to keep pace with the emerging industry trends and consumer preferences, we intend to invest more in the development of energy-efficient and other specialised products. To ensure accessibility of quality wires to every Indian home at a competitive price we launched Etira, a new brand from the house of Polycab, with a tagline "Suraksha se Samjhauta Nahin". This new offering will also help us improve our competitiveness in economy range while enabling penetration into emerging markets with right product offering.

### a) Fans

In our constant endeavour to make our consumers life better, we brought many innovations this year in market, the first one being our Mosquito Repellent Heater based Pedestal Fan, a first-of-its-kind in the market which serves a critical consumer need.

In the move to save energy through Brushless Direct Current Motor (BLDC) fans, we launched both with and without Remote models which is one of the key platforms for future growth.



### b) Switchgear

Switchgear business has started in-house manufacturing of residual current circuit breaker at the Nashik Plant, the product has passed all necessary tests as per BIS certification.

### c) Lighting

We forayed into Central Control and Management System (CCMS) for connected lighting in streetlights and have also introduced hybrid technology in Driver on Board (DOB) lamps to bring about technological and cost advantage.

### d) Water Heater (WH) and Appliances

We introduced many new models in WH business along with bringing energy saving models and parallely forayed into small appliances through Room Heaters.

## What lends us the edge

- NABL ISO 17025 certified R&D centre to support own manufacturing
- Existing facilities for key raw materials with continuously improving R&D capabilities to capitalise on industry trends
- Environment-friendly power cables, rubber (elastomeric) cables and electron-beam irradiated cables

144

Registered IPRs

₹223 million

R&D expenditure

## Quality control

We have a robust system of monitoring quality in accordance with defined standards. The following are key features of our quality control system:

- Robust Customer Relationship Management (CRM) for timely response to customer calls/complaints
- First pass yield (FPY) improvement on a regular basis
- Layout inspection on a regular basis, inspection of components for critical to quality (CTQ) dimensions; layout inspection done on a yearly basis to cover 100% dimensions of components as per their consumption. This ensures that even the non-critical dimensions do not change beyond the specified tolerance in due course
- Test reports are generated through ERP
- Common complaints resolution videos prepared for convenience

7

BASEC certificates

6

ISO certifications

2

CE marking certification

10

BS Certificates

# Key performance indicators

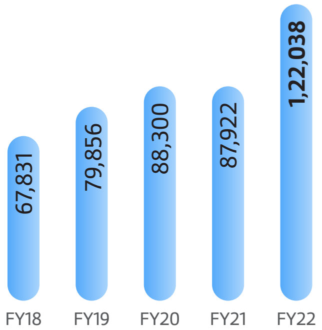
## Numbers that tell our growth story

We reported strong performance with growth led by strong demand in cables and wires segment. Project leap remains on track. We expect to outpace industry growth in both cables & wires and FMEG segment by market share gain through setting up of right organisation enablers, augmenting GTM strategy, and product portfolio optimisation.

### Profit and Loss indicators

#### Net Sales

(₹ million)



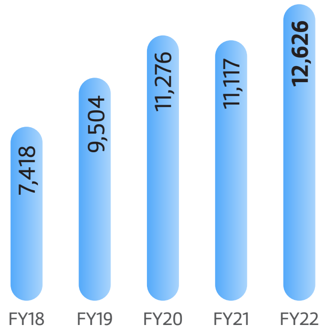

39%
YoY growth

17%
5-year CAGR

The top-line surpassed ₹120 billion milestone in FY22 clocking 17% CAGR in last 5 years. Revenue grew by 39% YoY despite the two waves of pandemic and unprecedent inflation.

#### EBITDA

(₹ million)



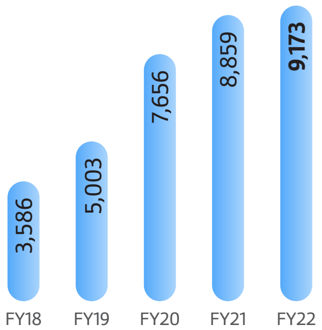

14%
YoY growth

20%
5-year CAGR

EBITDA grew 14% YoY with 10.3% margin combined with 20% CAGR in last 5 years. Cost inflation pressures were partly mitigated by price hikes, favourable operating leverage, and better mix.

#### PAT

(₹ million)



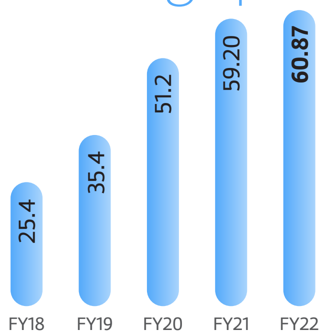

4%
YoY growth

31%
5-year CAGR

PAT stood at ₹ 9,173 million in FY22 showing an increase of 4% YoY. Prior and current year numbers have been restated due to divestment of Ryker base in November 2021 on account of which a one-off exceptional item amounting to ₹721 million has been recorded. The adjusted PAT of ₹ 8,452 million registered 14% YoY growth in FY22.

#### Earnings per share

(₹)




3%
YoY growth

30%
5-year CAGR

YoY increase in net income coupled with strong financial position, led to significant rise in earnings per share from ₹ 25.4 in FY18 to ₹ 60.87 in FY22. EPS has increased by 3% YoY having an effect of one-off exceptional item amounting to ₹ 721 million in FY22 due to Ryker divestment in November 2021.

### Balance Sheet indicators

#### Net worth

(₹ million)

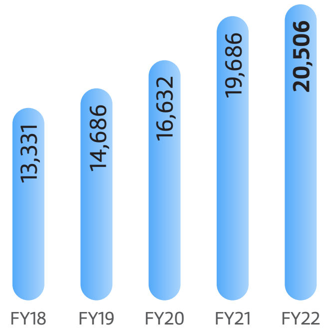

17%
YoY growth

23%
5-year CAGR

The YoY increase is clocked at 17% during FY22. It has increased from ₹ 47,539 million in FY21 to ₹ 55,438 million in FY22.

#### Net fixed assets

(₹ million)



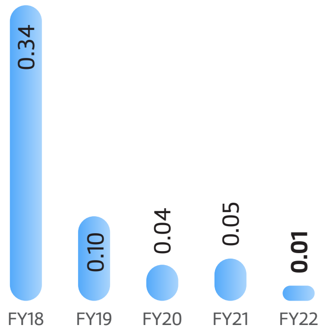

4%
YoY growth

10%
5-year CAGR

The additions to fixed assets in FY22 mainly include purchase of new office premises in Mumbai, building expansion at Halol, Silvan acquisition, plant and machinery expansion at Halol, Roorkee and Nashik locations for greenfield and brownfield projects.

#### Debt to equity ratio

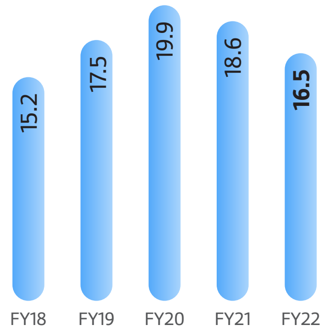
(times)




Debt to equity ratio has significantly reduced to 0.01x as on 31 March 2022.

#### Return on equity

(%)

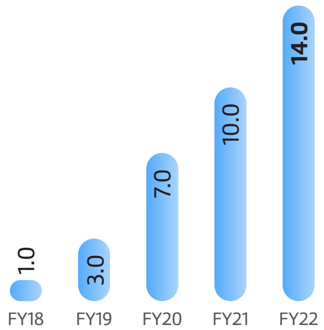



Return on equity achieved during FY22 is 16.5%.

### Shareholder indicators

#### Dividend per share

(₹)

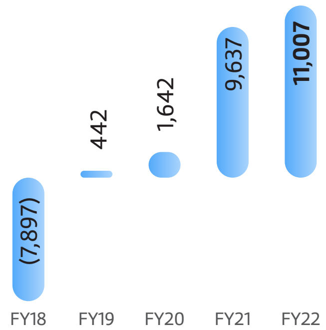



40%
YoY growth

The Company has proposed 140% dividend payout in FY22.

#### Net cash position*

(₹ million)




14%
YoY growth

* Net Cash Position: Cash + Bank balances + Investments – Debt

## 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.

**₹120 billion**
Topline milestone achieved

**600+**
Polycab products available on e-commerce portals

### 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

## Q&A with the CFO

# A tête-à-tête with Gandharv Tongia

We have an exhaustive medium-term road map which clearly defines our growth drivers, margin drivers, new product pipeline, geographic penetration plan etc.

**Project Leap** – a programme to not just unlock our latent growth potential but also reinforce organisational capabilities by leveraging data and technology, strengthening relationships with trade partners and influencers, and creating a tangible positive difference for communities and the environment among other things.

### What are your key learnings from the last two years of disruption due to the pandemic?

One key learning from our experiences in the recent past is that it is not enough to be agile and resilient if a corporate has to gain significant competitive advantage. These are now a given for any organisation trying to navigate its way through the dynamic and complex business environment of today. In fact, these attributes must be deeply etched in the corporate culture to enable it to be nimble and intuitive in its functioning. What is increasingly becoming evident in a world marked by disruptions is that organisations have to maintain a fine balance of self-reliance and dependence across its value chain. Another key learning is that organisations have to self-disrupt and make themselves future ready. This consideration of being proactive towards change is what made us design Project Leap – a programme to not just unlock our latent growth potential but also reinforce organisational capabilities by leveraging data and technology, strengthening relationships with trade partners and influencers, and creating a tangible positive difference for communities and the environment among other things. We have partnered with global management consulting firm Boston Consulting Group (BCG) who will help us to drive this Project. At Polycab, the pandemic has also prompted a rethink on how to create a wining work environment which prioritises work-life balance while fostering creativity and innovation.



### How is the business recovery shaping up post the third wave?

I think the vaccination drive, along with the government's calibrated approach to contain the spread of infection, has been successful in creating a positive economic environment. Despite the sharp rise in cases during the third wave, there was limited impact on business activity. Barring a few pockets like Institutional business, we saw steady, broad-based recovery across our businesses. The fact that volumes were up in all four quarters despite inflationary pressures suggested that the demand environment was healthy. The government's policy support and reforms have helped. Policy reforms targeting infra development, if implemented correctly, can kickstart a virtuous Capex cycle, which bodes well for our business. However, rising inflation can have ramifications on consumer demand. Hence it imperative for us to innovate, to have the right products at right price points. Regardless of the near-term challenges, our central focus remains on being a part of India's long-term growth story and riding its robust consumption narrative to achieve industry leading growth.

### Some M&A activity was visible during the year. Can you provide some rationale for it and how are you looking at it going forward?

We executed two transactions during the year. In June 2021, we acquired 100% stake in Bengaluru-based Silvan Innovation Labs Private Limited (Silvan). Silvan's IoT based automation products and solutions portfolio, coupled with our robust go-to-market capabilities, show great synergy. Furthermore, the two brands – Silvan and our organic smart home automation brand, Hohm – put together, give us a strong foothold in the IoT space. We have leveraged Silvan's technology to upgrade our existing FMEG portfolio with new features. Now, with most of the integration done, we are in the process of consolidating this subsidiary into Polycab.

We initiated a project to create our long-term ESG framework, which will be aligned with international ESG protocols and guidelines.

In November 2021, we executed one of the largest deals in Polycab's recent past by divesting 100% stake in Ryker Base Pvt. Ltd. (Ryker) for an enterprise value of about ₹3,230 million. Ryker played a strategic role by manufacturing and supplying copper wire rods, and thus providing a key input for the manufacture of wires and cables. However, considering the suboptimal utilisation of capacities and focus on our core business, we decided to exit this venture. Having said that, we simultaneously executed a multi-year tolling arrangement with Hindalco, which is also the buyer parent, by which Ryker will continue to process and supply high quality copper rods to us at mutually beneficial commercials. This ensure that our strategic agenda of having a robust visibility over a key input remains protected. The divestment was also a decisive step towards disciplined and optimal capital allocation.

As far as inorganic growth strategy is concerned, we still don't see any multinational or large acquisitions in the near term as Project Leap leaves us with enough organic growth opportunities to explore. However, we are keen on exploring partnerships or deals with technology driven and B2C companies which can help augment our portfolio.

### How do you look at ESG and what are the steps the Company is taking in this direction?

As I mentioned earlier, creating a tangible positive difference for our communities and the environment is one of our key priorities. While we have been passionately working on several sustainability initiatives, we realised that if we structure our initiatives effectively, we will not just improve the efficacy of our efforts but also push ourselves to do more. Accordingly, we have made ESG one of the four pillars of Project Leap. Subsequently, around December 2021, we initiated a project to create our long-term ESG framework, which will be aligned with international ESG protocols and guidelines. This framework will provide us a sustainable outlook towards the environment and society alongside our business goals. We have partnered with a reputed management consultant who is helping us assess the materiality of various factors, evaluate gaps, develop long-term targets, and integrate ESG-linked KRAs into the business strategy. While we have a long way to go, we are clear that we want to champion this cause and also achieve industry-leading ESG scores as a testament to it.

# Q&A with the CFO

We have created a strong centralised governance system which will ensure timely execution of all initiatives and the overall plan.

### How is Project Leap progressing?

FY22 was an exciting year and we made significant progress on Project Leap. While there was a multitude of initiatives implemented across businesses and functions, broadly it revolved around four key areas – setting up the right organisation enablers, improving customer centricity, augmenting go-to-market and re-energising the product portfolio. Details on each of these areas will be mentioned in another section of this report. Essentially, we have created a robust platform by putting the building blocks in place. For instance, we now have the right team structure and operating model for most businesses. We have an exhaustive medium-term road map which clearly defines our growth drivers, margin drivers, new product pipeline, geographic penetration plan etc. We have also acquired and deployed state-of-the-art technology and digital tools. Furthermore, we have created a strong centralised governance system which will ensure timely execution of all initiatives and the overall plan. Internally, we are seeing rapid changes in the way we think and operate, and I am sure the business will continue to deliver market-leading performance over the medium term.

### What are your Capex targets for the next few years?

We believe our annual business capex will likely continue to be in the vicinity of ₹3 billion-4 billion for the next few years. This will include maintenance as well as green and brownfield projects. Most of these investments are likely to go either into developing new products to expand our portfolio or expanding capacities wherever needed. A lot of our focus is on sweating our existing assets. All capital spends above a defined minimum threshold, are monitored and controlled to ensure they are value accretive to the Company. I believe this will encourage an efficient, scientific capital allocation which will result in higher asset turns as well as return ratios.

I would also like to highlight that towards the end of the year, we made a large one-off investment for buying office space in Mumbai. As we move forward, our teams are expanding, and the current Head Office building does not have the space to accommodate the growing team. At the same time, we are mindful of one other important element – the need to have adequate open spaces for cross-functional collaboration. Hence we have invested about ₹2 billion to acquire over 55,000 sq ft. of office space. A part of this cost will be compensated by monetisation of existing land and building. We are quite excited to move to our new Head Office, hopefully, by Q3 of the next fiscal.


### In the backdrop of unprecedented inflation, how do see your margin trajectory?

Inflationary pressures which began building up in FY21 have largely persisted through FY22. Prices of our key inputs such as copper and aluminium have touched all-time highs while displaying significant volatility in the interim. While most of the inflation was passed on to the end-user, we took a tactical call to face the inflation in select categories within the cables segment in order to increase our competitiveness and capture market share aggressively. This is largely reflected in the 230 bps dip in the operating margin during the year. However, I believe the worst is behind us. We saw a healthy sequential improvement in margins through the last three quarters. And we are working towards better profitability in FY23 with a favourable operating leverage, premiumisation and calibrated pricing hikes.

### What are your views on Corporate Governance practices at Polycab?

We have come a long way in building a robust corporate governance framework upon our cherished foundation principles of integrity, transparency, reliability and proactiveness. We have a well-defined risk management structure supported by detailed SOPs and policies. We have moved away from legacy controls by leveraging technology and implementing numerous automation initiatives. Our in-house designed compliance tool tracks over 4,400 activities, ensuring adherence to the highest industry standards in areas such as HR, manufacturing, taxation, secretarial and accounting etc. Our Board, comprising renowned Independent Directors, along with the executive management, is actively engaged in developing an effective business strategy and guiding the Company towards its vision. Project Leap is the result of this consistent drive. During the year, our technology efforts of implementation of several inhouse IT tools focused on strengthening governance, improving decision accountability and tracking business progress were acknowledged by Confederation of Indian Industry (CII) under CFO Excellence Award.

At Polycab, executive compensation is meticulously linked to individual and corporate goals through a robust performance management system. We are amongst the few companies globally which disclose condensed financial statements every quarter. We have won the prestigious ICAI Award for Excellence in Financial Reporting for FY21. Our credit rating was upgraded by Crisil as well as India Ratings in the past year and is just a notch below top now. All this recognition exemplifies our efforts to build our stakeholders' trust. I think given our relatively short history since listing, the general awareness about our activities are a bit low. But it is a journey, and we will continue to reinforce our values and stick to our principles.

Our credit rating was upgraded by Crisil as well as India Ratings in the past year and is just a notch below top now.

### Any parting message for readers?

We are on a mission to bring a positive change to communities, the environment, economy and everyone connected to Polycab. For that, we count on your unending trust and support. I would like to thank our Board, senior leadership, team members, trade partners and customers for their faith in our ability to create sustainable value.

## Business model

# Leveraging our strengths to create sustainable value

We operate in a competitive, highly regulated industry across multiple geographies. To thrive in this environment, we operate an integrated business model that is focused on creating value at every point and for every stakeholder.

## Inputs

**Financial capital**

Financial resources that the Company already has or obtains through financing

- Equity: ₹**1,495 million**
- Retained earnings: ₹**53,943 million**
- Net worth: ₹**55,438 million**
- Capital expenditure: ₹**5,200 million**

**Manufactured capital**

Tangible assets used by the Company to conduct its business initiatives

- No. of manufacturing units: **23**
- Warehouses and depots: **28**
- No. of offices: **16**

**Intellectual capital**

Intangible, knowledge-based assets

- Total R&D expenditure: ₹**223 million**
- Total registered IPRs: **144**

**Human capital**

Employee knowledge, skills, experience and motivation

- People employed on roll: **4,431**
- People employed on contract: **7,337**
- Total training hours: **40,000+**
- % of employees trained in safety: **55%**

**Social and relationship capital**

Ability to share, relate and collaborate with stakeholders, promoting community development and wellbeing

- Retail outlets connected: **2,05,000+**
- Registered dealers: **4,600+**
- CSR expenditure: ₹**192 million**

**Natural capital**

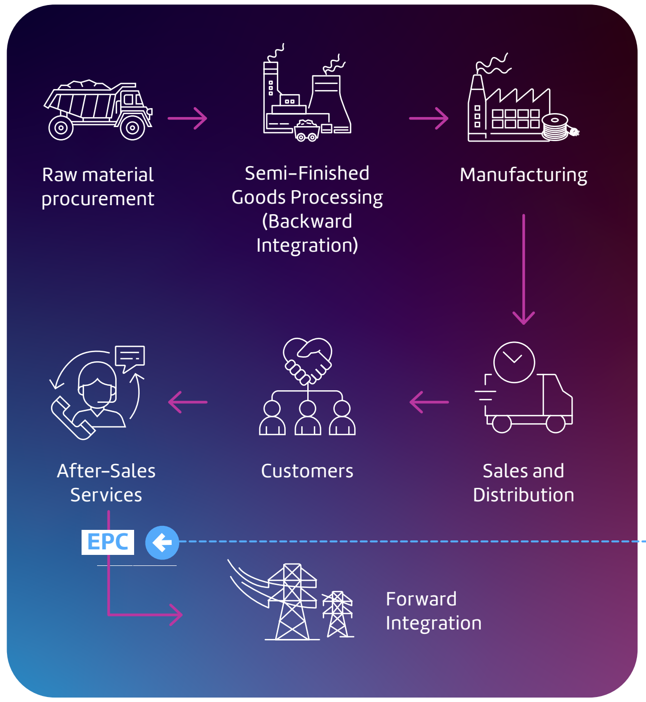
Natural resources impacted by the Company's activities

- Renewable energy installed: **14.20 MW** (including wind and solar)
- Environment expenditure: ₹**136 million**
- Water recycled/reused: **67+ million litres**
- Total electricity consumption: **155.94 million KWH**

## Processes

Governance → Performance

**Businesses**: Wires and Cables | FMEG




**Functions enabling value creation**

- Manufacturing
- Marketing
- CSR
- EXIM
- Human resources and administration
- Energy management
- Secretarial and legal
- Supply chain
- Finance and accounts
- IT & digital
- Environment management
- Research and innovation

Risk management → Strategy and resource allocation

## Value Generated

### For providers of financial capital

We deliver consistent, profitable and responsible growth

### For customers

Value to customers by providing high-quality and sustainable products

### For our people

We strive to provide equal opportunities to all our employees, ensure capacity building, training, and a safe work environment.

### For suppliers

We ensure an optimum supply chain with competent suppliers for seamless operations. We also engage and collaborate with our suppliers closely for knowledge enhancement, process improvements and product applications

### For communities around us

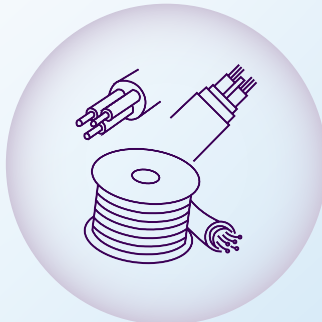
We contribute towards improving the living conditions of communities around us through our CSR activities and at the same time ensure that our production processes do not have any adverse impact on the environment around us

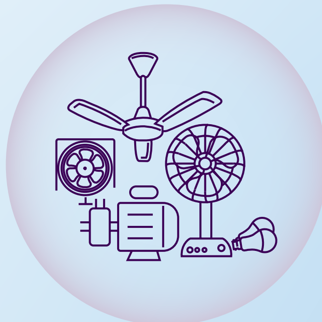
## Outputs

### Wires and cables

No. of SKUs: **11,000+**

Sales: ₹**1,06,953 million**





### FMEG

No. of SKUs: **6,000+**

Sales: ₹**12,544 million**

## Outcomes

**Financial capital**

- Revenue: ₹**1,22,038 million**
- EBITDA: ₹**12,626 million**
- Profit After Tax: ₹**9,173 million**
- EPS: ₹**60.9**
- Return on Capital Employed (RoCE): **20.4%**
- Proposed dividend for FY22: **140% per share**

**Manufactured capital**

- Range of wires and cables: **0.20 KV to 220 KV**
- Range of FMEG products: **10+ categories**
- Sales from products manufactured in India: **100%**

**Intellectual capital**

- No. of IPRs granted: **144**

**Human capital**

- New joinees during the year: **565**
- LTIFR: **0.15**
- Fatality: **Zero**

**Social and Relationship capital**

- Villages getting benefitted by medical services rendered by mobile medical units: **41**
- Customer satisfaction score: **100%**

**Natural capital**

- Reduction in $CO_2$ emissions: **15,000+ tonnes**
- Water recycled: **67+ million litres**
- Electricity from renewable sources: **17%**

## Operating context

# Broad trends shaping our business

Emerging economies such as India are pushing for a renewable energy ecosystem, building up smart infrastructure and modernising their communications facilities, leading to a massive build up in demand for quality wires and cables.

Meanwhile, the sectors that we serve, such as construction, consumer goods, utilities and telecommunications are being disrupted by Industry 4.0 technologies. As a major player in the wire & cables and FMEG industry, we are assessing the situation and devising our growth strategies accordingly.

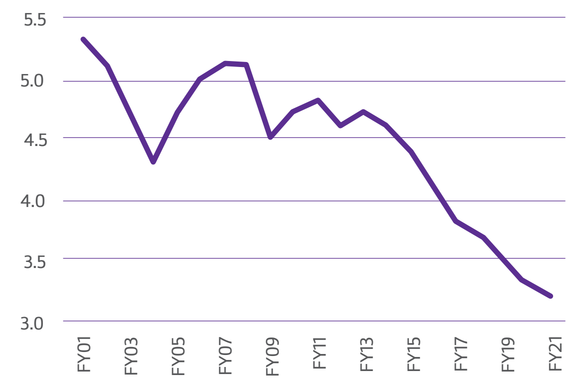
## Consumption trends

### India is rapidly urbanising

India lags significantly behind in terms of the share of urban population when compared with countries such as Japan, Brazil, the US, Russia, Indonesia and China, among others. However, prevailing trends and future projections indicate that in the next 15 years (i.e., by 2036), about 38.6% of Indians (600 million) will live in urban areas (Source: National Commission on Population). This is driving the need to strengthen urban infrastructure, including housing infrastructure, and thus generating greater demand for cables and wires.

### Housing affordability has improved making home ownership attractive

(unit)




Note: Housing affordability = Property value/annual income

Housing affordability in India has improved on the back of stable house prices for the past four to five years.

Source: HDFC Limited

### Increased participation of women in the workforce

The proportion of women in the workforce has been rising, especially in urban areas. This translates into increasing consumer demand and enhances the demand for more housing and associated needs.

### Favourable demographics

Favourable demographic indicators such as a young working population, increase in disposable incomes, rising aspirations and changing lifestyle, nuclear families etc. are increasing demand for consumer durables and electronic goods.

### Shift in customer preferences

Given the growing awareness around environment protection and sustainability, consumers want products that reduce emissions of hazardous gases and increase the use of natural and recycled/recyclable products.

#### Our response

- R&D capabilities allowing for rapid product innovation
- Focus on high-quality premium range to fulfil ambitions of young India
- Higher marketing expenditure to strengthen brand value
- Expansion of Polycab Galleria (knowledge/experience centres) to boost demand and awareness amongst various influencers
- Built presence in emerging India (semi-urban and rural) and alternate channels

# Operating context

## Infrastructure push

As India gradually reboots its economy, increasing demand for cables and wires will be generated from the infrastructure sector, which will see frenetic activity as new roads, airports, irrigation projects etc. take off. Infrastructure has received a big boost from the Government of India. The Union Budget 2022-23 increased capex for investments in various projects such as the National Infrastructure Pipeline, Bharatnet, Bharatmala, dedicated rail freight corridors, smart cities, airports, Metro Rail and industrial corridors. These projects are expected to create demand for electrical goods such as cables, switchgears and lighting. Demand is also likely to generate from the government's emphasis on electrification through schemes such as Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and 24x7 Power for All.

Our response
- Robust strategies in place to meet growing demand from the industry developments
- Partnering distinguished customers to participate in large-scale projects
- In-house manufacturing with backward integration to retain quality focus
- Pan-India market reach and accelerated efforts to make the brand more accessible
- Heavy Duty and Light Duty Cables verticals integration to unlock latent value

## Clean energy transition

Increasing the generation of renewable energy continues to be one of the key focus areas of governments across the world. India has set an ambitious goal of achieving 175 GW renewable energy generation capacity by 2022e and 450 GW by 2030e. Solar generation capacity has increased nearly six-fold over the last five years from 6.8 GW to 40.1 GW. Nearly 50% of the net capacity addition came from solar between FY18-21. Renewable capacity addition will continue to provide tailwinds to the Cables & Wire industry over the next decade.

Our response
- Green range and energy-efficient products in both wires and cables and FMEG segments
- Our ecologically responsible operations are utilising an increasing amount of renewable energy in their operations

## Focus on digitalisation

Digital technologies have emerged as a key growth enabler, providing increased convenience and transparency. Further, growing internet penetration, proliferation of smart devices mobile and the government's 'Digital India' initiative are driving innovation in the cables and wires space as well. The Indian government has launched programmes such as Bhartnet – the world's largest rural broadband connectivity programme.

Our response
- Digital, IoT and artificial intelligence technologies are enabling new processes of value creation and promoting product efficiencies that were not possible before
- These technologies also help us to create more energy-efficient product and thus reducing their impact on the environment
- Advantage of Optical Fibre Cable offerings and foray into Passive Networking Solutions

## Safer and environment-friendly wiring

Safety and environmental concerns are leading to a gradual shift away from wiring with normal Polyvinyl Chloride (PVC) insulation to flame retardant low smoke (FRLS), heat resistant flame retardant (HRFR), or halogen-free flame retardant (HFFR) compounds. These wires are eco-friendly, lead-free and RoHS (Restriction of Hazardous Substances Directive) & REACH compliant (Registration, Evaluation, Authorisation and Restriction of Chemicals). Although green wire may cost more at the time of purchase, their operating cost in long run is lesser than a normal wire and these are thus cost-efficient.

Our response
- We responsibly manufacture our products by taking into account environmental concerns and risk
- Our robust R&D team is constantly striving to develop sustainable products
- We have developed Green wires which are environment-friendly, lead free and low halogen to meet the growing demand for green products. The materials used are completely recyclable and biodegradable

## Strategy and capital allocation

# Framework for delivering on objectives

Our strategy aims to deliver strong returns to shareholders, best-in-class and sustainable products to customers and consistent value to all stakeholders.

Financial capital | Manufacturing capital | Social and Relationship capital | Human capital | Intellectual capital | Natural capital

### Growth led by diversification

**Progress made during the year**
- Launched new products and variants
- Increased authorised dealers and distributors from 4,100+ to 4,600+
- Increased retail outlet reach from 1.65+ lakh to 2.05+ lakh, nearly 25% YoY
- Created a focused vertical to penetrate emerging clusters in both semi-urban and rural India
- Built presence in alternate channels such as e-commerce, modern trade etc.
- Forayed into new several new geographies globally

**KPIs**
- Market share growth
- Number of SKUs
- Number of new products launched
- Number of dealers
- Number of retail stores
- Number of connected influencers

**Capitals impacted**

**Critical material issues**
- Innovation
- Business diversification

PG 8

### Improving profitability

**Progress made during the year**
- Launched several margin-accreditive products
- Calibrated price hikes
- Significant thrust on premiumisation
- Focus on project allocation for better RoCE
- Working capital optimisation

**KPIs**
- EBITDA margin
- Cost savings
- % share of premium products in total sales
- Return on capital employed (RoCE)
- Cash flow from operations

**Capitals impacted**

**Critical material issues**
- Material sourcing and efficiency

PG 60

### Enhancing brand recall

**Progress made during the year**
- Digital campaigns like Love@First Sight, HapHap Happy to reach out to vast target audience
- BTL marketing activities such as branding and merchandising, sales promotion, direct marketing

**KPIs**
- Marketing ROI
- Results from online engagements
- Click-through rate
- Number of impressions
- Increase in B2C sales

**Capitals impacted**

**Critical material issues**
- Strengthening brand recognition

PG 64

### Working capital optimisation

**Progress made during the year**
- Increased adoption of dealer portal
- Increase share of channel finance
- Optimising inventory levels across factories and warehouses

**KPIs**
- No. of dealers availing channel financing
- Volume of business generated through channel financing
- Inventory days
- Day Sales Outstanding (DSO)
- Working capital days

**Capitals impacted**

**Critical material issues**
- Distribution network
- Material sourcing and efficiency

PG 72

### Capability development and implementation

**Progress made during the year**
- Augmented team structure
- Re-designed business operating model
- Successfully piloted end-to-end digitalisation of front-end sales
- Skill training

**KPIs**
- Cost savings due to automation
- Manhours saved
- % reduction in turnaround time

**Capitals impacted**

**Critical material issues**
- Technology and digital transformation

PG 68

Project Leap

# A multi-year transformation journey

We aim to achieve industry leading growth rate in line with marquee value creators, cement market leadership in wires and cables and build a robust new age consumer electricals business.

Project Leap is a multi-year transformational programme aimed at having the right building blocks in place which will enable us to achieve ₹200 billion of the top line by FY26. It includes a range of strategic themes and initiatives focused on growth, profitability and long-term capacity building for the organisation across B2B and B2C businesses.

## Project Leap

Making significant strides towards achieving our vision

**Setup of right organisation enablers**

- Majority of talent acquisition for critical roles completed across businesses and functions
- Performance measures, Rewards & Recognition aligned to the growth strategy
- New transformation office to strengthen governance and implementation rigour

**Go-to-Market excellence**

- Built presence in Emerging India (Semi Urban & Rural) and Alternate channels
- Fast-tracked distribution expansion with ~ 2x increase in direct towns coverage
- Successfully piloted end-to-end digitisation of front-end sales

**Customer centricity: Foundational moves**

- Redesigned operating model of B2B businesses
- Heavy Duty & Light Duty Cables verticals merged to unlock significant value
- Structured approach to strategic key accounts
- Designed and piloted first in Industry, structured influencer management

**Winning with new products**

- Launched new sub brand "Etira" which will play pivotal role in economy price segments
- Portfolio roadmap in place for key businesses
- NPD council setup across businesses for structured review and governance

**Key themes and priorities for the coming year**

**Go-to-Market**
Digitise the entire distribution ecosystem
Scale up in emerging India and alternate channels

**Customer Centricity**
Enchace visibility and control of secoundary sales by significantly improving understanding end users

**Winning with New Products**
Execute the NPD roadmap to drive market share gains as well as premiumisation

**Governance**
Monitor progress of all building blocks towards clearly define growth and profitability drivers

## Capital allocation

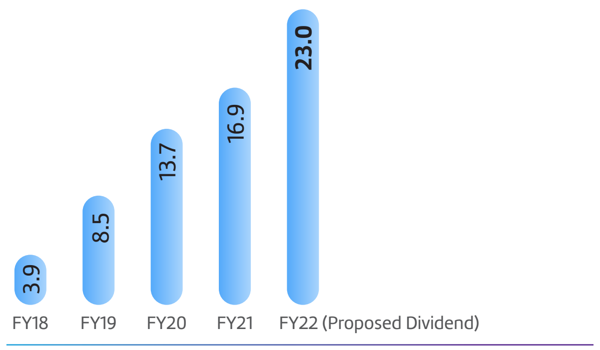
Our capital allocation decisions are integrated into our strategy and budget planning processes, driven by our overall objective of growing shareholder value sustainably. The Board provides oversight of capital and budget allocations, ensuring the most effective deployment of available capital resources.

**We have three main avenues to deploy additional funds:**

1) Capex – Over the next few years, our annual business capex will remain in the ₹3 billion to ₹4 billion range. This includes maintenance as well as green and brownfield projects. Majority of these investments will most likely go toward developing new products to add to our portfolio or expanding capacity where necessary.
2) Inorganic growth – We are actively looking for opportunities that will provide us with a competitive advantage through cutting-edge technology or strong regional distribution which will augment our portfolio.
3) Dividend – Dividend payout has consistently improved over the last few years, indicating our strong operational excellence and cash generation ability.

## Dividend payout*

(%)




* DPS/EPS

## Outlook

# Focused on comprehensive growth

During FY22, we delivered yet another strong and resilient performance across all the business segments, while maintaining safe and stable operations, as the business is catching up with a sharp recovery of the market, supported by improved macro-economic factors. The focus continues to be on driving profitable growth, market share gains, working capital optimisation and setting up right enablers to build a future ready organisation.

Volumes across most of our segments are growing and are higher than pre-pandemic levels despite high inflation, suggesting positive consumer sentiments. Hence, if the economic growth momentum sustains, we expect healthy top-line as well as bottom-line performance over the medium term.

The domestic wires and cables industry grew by 20-25% in FY22 primarily driven by inflation led higher realisations. Governments focus on infra-activities, strong real estate demand and good demand visibility across various end user industries led to an improving demand environment for the sector. There is also an ongoing structural shift in the real estate market where consumers seek amenities like gyms, gardens, smart home automation etc. This is increasing the potential market opportunity for wires and cables meaningfully. Sunrise segments like Electric vehicles, Renewable energy, Data centres, Digital connectivity, Defence amongst others will also provide new levers for growth in years to come.

20-25%

Domestic wires and cables industry growth in FY22

Given the structural drivers of demography, consumer behaviour, technology, urbanisation, and rising disposable incomes, we are quite optimistic about the FMEG sector's healthy long-term growth potential. The FMEG industry is expected to grow in the high single digits over the medium term, driven by rising disposable incomes, changing consumer preferences, technological advancement, and premiumization. Most of the industries in which we operate are expected to grow in the high single to low double digits over the next few years.

We are one of the fastest-growing consumer electrical brands, thanks to distribution expansion, portfolio augmentation across price points, improved brand architecture, and a more focused go-to-market strategy. We remain committed to our Project Leap growth strategy, which will allow us to grow disproportionately in comparison to the industry. Over the medium term, we hope to achieve 2x market growth with EBITDA margins of 12%.

## ESG roadmap

# Making responsible choices

As a socially and environmentally responsible business, Polycab is focused on growing sustainably to build long-term stakeholder value. By embracing sustainable development – and going beyond minimum information disclosure requirements and regulatory compliance – we aim to deliver value to our employees, customers, suppliers, partners, shareholders and society as a whole. We have commenced work on developing a robust ESG framework that will align us to the best global standards and serve as a guide for the implementation of sustainable business practices.


### Initiated ESG framework development project..

**Gap analysis and materiality**
- Benchmarking to understand ESG gaps
- Identify material issues for business and consult with various stakeholders
- Review the requirements of ESG rating programmes
- Scan the regulatory landscape of the countries in which Polycab operate

**Development of ESG framework, targets and programmes**
- Identify targets for first 12 months and subsequent years
- Institute ESG committee and its charter with adequate authorities and business oversight
- Develop framework aligned to regulatory, investor and consumer requirement
- Develop a maturity scorecard for internal rating of ESG performance

**Continual improvement and eminence**
- Formulate and disclose ESG performance data
- Do course correction as appropriate and prepare for ranking
- Build eminence and target to attain pole position over time

**Integration of ESG in business strategy and risk management**
- Update and introduce revised policies
- Build capacity of internal stakeholders and office bearers, introduce ownership for sustained ESG performance
- Revisit you corporate risk register and update it basis the identified ESG risks
- Run pilot before firm wide/business wide rollout

### ..made healthy progress over the last three months

ESG maturity and initial assessment

↓

Capacity building of key SPOCs

↓

Conducted a materiality assessment exercise

↓

Peer benchmarking and gap assessment

### Process overview

ESG maturity and initial assessment → Stakeholder engagement & materiality assessment → Development of ESG Framework and advice on policy amendments → Enabling leading practices on ESG operational handbook on data collection, collation, and reporting procedures → Roadmap for ESG eminence

### Focus areas

**Environment**
- Climate change and energy
- Water
- Product stewardship
- Waste management

**Social**
- CSR
- Diversity and inclusion
- Health and safety
- Employee training and development

**Governance**
- Data privacy and security
- Corporate governance
- Ethics and integrity

**Economic**
- Innovation
- Strengthening brand recognition
- Technology and digital transformation

### Progress made in FY22

| Plant based diagnostics | Capacity building initiatives | Materiality assessment exercise | Benchmarking and gap assessment |
|---|---|---|---|

## Stakeholder engagement

# Continuous dialogues that decide our priorities

Listening, connecting, and partnering with stakeholders help us understand stakeholders' concerns, assess our business impact and enhance outcomes for our people, customers, society and the environment.

We believe that communicating with our stakeholders transparently and connecting with them meaningfully is crucial to fostering and maintaining strong and long-term relationships with the entire stakeholder spectrum. It is our constant endeavour to find common, collaborative solutions for issues that concern our stakeholders. We consider our key stakeholders to be those who can create considerable business impact and are significantly impacted by our business. Our ongoing discussions with our stakeholders are essential to our business operations and our corporate responsibility process, which includes our process of materiality assessment.


### Process

#### Identifying our stakeholders

We identify our stakeholders based on materiality and inclusivity, and make active efforts in understanding their key priorities and concerns. We also verify these issues for their relevance to Polycab and benchmark against peers to arrive at the list of most relevant concerns.

#### Correlating our engagement approach to organisational benefits

The nature of our engagement with stakeholders depends on the stakeholder category, their expectations from us and the criticality of the relationship. We engage with them through various online and offline modes. These include surveys, conferences, face-to-face interactions, emails, webcasts, telephonic conversations, periodic reporting, among others.

#### Benefits of the engagements

We carefully analyse the information received in the form of suggestions, comments and recommendations from these engagements. The information thus derived enable us to align our strategies with stakeholder expectations. Successful execution of these strategies pave the way for the creation of sustainable value across stakeholder groups.

We engage with key stakeholders through various modes. Their prime concerns, which are also relevant for the Company, are illustrated here

### Employees (on-roll and contractual workforce)

**Relevance to Polycab**

Vital for continuity of the operations, design, production, research and development. Their support helps us move towards realising our corporate vision

**Stakeholder priorities**

- Health and safety
- Performance evaluation and recognition
- Learning and development
- Work-life balance and career progression
- Transparency and employee involvement in the Company's growth strategies

**Engagement Initiatives**

- Digitalised performance management system, reporting and review mechanisms
- General and job-specific, specialised trainings
- Safety committees and toolbox talks
- Quality management and productivity boosting through regular skill upgradation programmes
- Cultural events and programmes

**Engagement platform/ Frequency**

- Town-hall meetings
- Webcasts
- Intranet portal
- Newsletters

**Outcomes**

₹4,066 million
Consolidated employee benefit expense

An open, inclusive and encouraging workplace

Zero fatalities

Zero sexual harassment incidents

### Shareholders and investors

**Relevance to Polycab**

Provide financial capital needed to fund the operations. Their faith is important for the continued growth of the Company

**Stakeholder priorities**

- Information on the Company's performance
- Company's business growth agenda
- Transparent disclosures
- Good governance practices

**Engagement Initiatives**

- Stakeholders' Relationship Committee to address grievances of investors and shareholders
- Dedicated investor relations department for regular engagement with shareholders

**Engagement platform/ Frequency**

- General meetings
- Investor Relations Web Page
- Quarterly condensed financial statements
- Detailed quarterly presentations and Annual Report
- Quarterly investor conference calls
- Broker conferences
- Media briefings conducted quarterly/annually and on need basis

**Outcomes**

140%
Proposed dividend

Market capitalisation up by 72% over the previous year

# Stakeholder engagement

## Channel partners, distributors, retailers and influencers

### Relevance to Polycab

Enable strong brand connect, act as our ambassadors, enhance goodwill and drive profitable growth. Provide critical support in getting us direct feedback from the market

### Stakeholder priorities

- Regular product innovation to enhance sales
- Sales promotion support
- Service support and timely deliveries
- Better profitability and higher returns on investments

### Engagement Initiatives

- Efficient sales and after-sales services
- Relationship building activities
- Surveys and feedback sessions

### Engagement platform/ Frequency

- Dealer/influencer meets
- Events
- Engagement sessions conducted regularly, annually

### Outcomes

~500
Number of dealers and distributors

Over 40,000 new retailers added during the year

## End consumers

### Relevance to Polycab

End consumers are one of the most important stakeholders, since their satisfaction and delight form a critical element of our success strategy

### Stakeholder priorities

- Consistent quality at competitive prices
- New and innovative products as per latest market trends and evolving requirements
- Easy access to products and services

### Engagement Initiatives

- Innovative and quality products and services
- Technical after-sales service
- Exhibition & Trade Events
- Prompt response to complaints, queries and grievances


### Engagement platform/ Frequency

- Collation and analysis of customer feedback
- Engagement through website, social media, in-store promotions
- In-house and third-party market research surveys, meetings
- Brand campaigns conducted regularly, during festive seasons and sales promotions

### Outcomes

~100%
customer complaints redressal

Focus on delivering superior customer experiences, consistently

## Government agencies, regulatory bodies and local authorities

### Relevance to Polycab

The government agencies and regulatory bodies provide requisite regulatory framework and registrations essential to conduct the businesses smoothly

### Stakeholder priorities

- Compliance with rules and regulations
- Timely reporting through various compliance-based forms

### Engagement Initiatives

- Disclosures and filings for compliance reporting
- Meeting authorities for permissions/ approvals

### Engagement platform/ Frequency

- Reports
- Results
- Forms and formats
- Audits conducted periodically/ monthly/quarterly/annually and on need basis

### Outcomes

₹13,064 million
Total tax & duties contribution

Timely tax payment

High compliances with regulations

Support government initiatives

## Communities and environment

### Relevance to Polycab

Responsible corporate citizenship

### Stakeholder priorities

- Local infrastructure development
- Employment generation
- Health and sanitation
- Environment care
- Access to quality education
- Safe and sustainable manufacturing methods
- Assurance on sustainable manufacturing and energy management
- Clean energy management
- Water management

### Engagement Initiatives

- CSR initiatives
- Volunteering initiatives

### Engagement platform/ Frequency

- Community events and functions conducted on regular basis

### Outcomes

₹192 million
CSR expenditure

## Vendors

### Relevance to Polycab

Quality raw material availability from registered suppliers enable us to produce quality products on time

### Stakeholder priorities

- Registration as approved vendor
- Exact product specifications
- Pricing and favourable terms of payment
- Timely clearance of payment
- Supporting the MSME ecosystem

### Engagement Initiatives

- Capacity building and sustainability for suppliers

### Engagement platform/ Frequency

- Surveys by calls, virtual meets, email or in person
- Supplier meets conducted on continuous basis

### Outcomes

576
Number of new MSME vendors added in FY22

Engagement with suppliers to inculcate responsible business practices in the entire supplier life cycle

Undisputed payments made to MSME's vendor within the time-frame prescribed

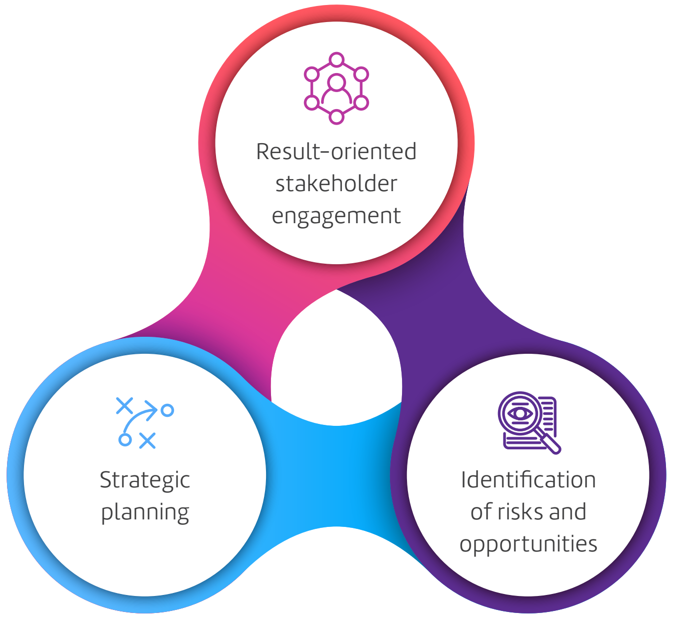
## Materiality

# Matters critical to value creation

At Polycab, we regularly engage with our stakeholders to identify topics that are material to our value creation process. These assessments help us gain a comprehensive understanding of the material issues, the risks and opportunities to our business and prepare for future challenges to the long-term performance of the business.

Our materiality assessment exercise is a clearly defined, closed-loop interaction that involves taking feedback from external and internal stakeholders, and using the insight for identification of the material topics.

### Why is materiality important?




### Boundaries

The material topics identified are limited to direct operational control from our end and not through any of our subsidiaries. In terms of the nature of business, there were no significant changes.

### Material topics under the four pillars of sustainability

#### Economic

- Innovation
- Strengthening brand recognition
- Technology and digital transformation
- Business diversification
- Leadership in wires and cables
- Material sourcing and efficiency
- Distribution network
- Strengthening FMEG market position
- Responsible supply chain

#### Social

- Corporate social responsibility
- Diversity and inclusion
- Health and safety
- Employee training and development
- Labour management
- Customer centricity
- Influencer training and engagement

#### Environmental

- Climate change and energy
- Water
- Product stewardship
- Waste management

#### Governance

- Corporate governance
- Ethics and integrity
- Data privacy and cyber security

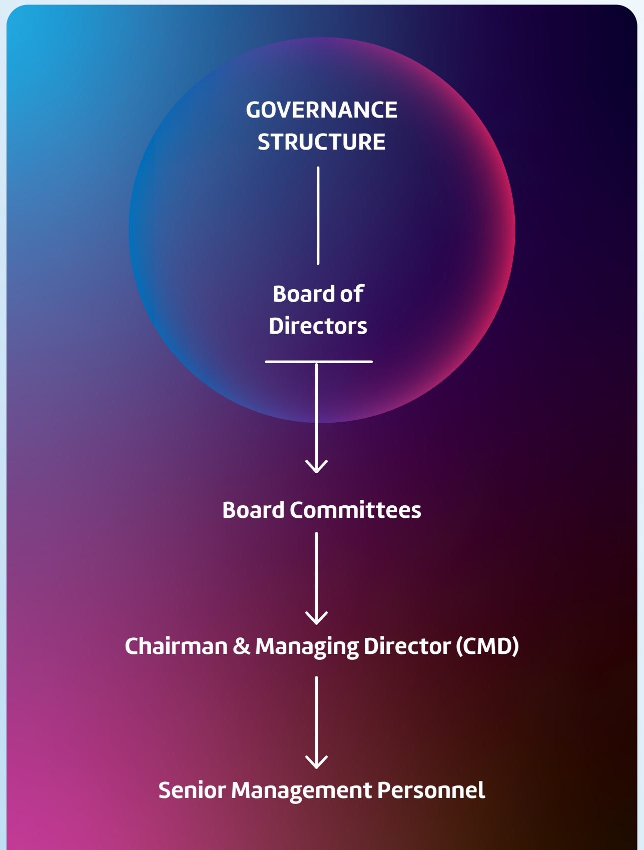
## Corporate governance

# Cultivating a culture of integrity

At Polycab, we abide by strong corporate governance practices that promote responsible and ethical business conduct. We are respected as a trustworthy company, and we uphold this reputation through an organisational culture of transparency and accountability that is driven from the top.

### Governance structure

The Governance systems and processes are executed through a multi-tiered governance structure with defined roles and responsibilities. The Governance structure of the Company is based on an effective and independent Board, which oversees the implementation through the senior management team. The Board functions either as a full Board or through various committees constituted to oversee specific functions. The senior management informs the Board about the Company's performance in a periodic manner.




Read more on page 133

### Board composition

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors to have a balanced Board Structure. The Chairman of the Board of Directors of the Company is an Executive Director and a Promoter. The Board has 8 (Eight) Directors, out of which 4 (Four) are Executive Directors and 4 (Four) are Non-Executive Independent Directors (including one Woman Director) of the Company.

### Role of the Board

In essence, Board of Directors act as stewards of providing guidance and direction for the future. The Board of Directors has the overall responsibility to guide the organisation and oversee administration. The Board of Directors is the apex body constituted by the shareholders and is responsible for strategic supervision, and oversight on the Management performance and governance of the Company on behalf of our stakeholders.

### Experience

2
10-30 years

6
> 30 years

### Age profile

2
30-50 years

5
50-70 years

1
> 70 years

50%
Independent Directors on the Board

100%
Average attendance rate in Board meetings

64 years
Median Director age

### Expertise

Our diverse and determined leadership continues to steer the Company towards profit and exceptional quality and service despite the challenges.

| | Strategy and Planning | Administration and Management | Sales and Marketing | Governance | Operations | Finance, production and overall support services | IT |
|---|---|---|---|---|---|---|---|
| Mr. Inder T. Jaisinghani | √ | √ | √ | √ | √ | √ | |
| Mr. Bharat A. Jaisinghani | | | √ | | | √ | √ |
| Mr. Nikhil R. Jaisinghani | | | √ | | | √ | √ |
| Mr. Rakesh Talati | | √ | | | √ | | |
| Mr. R. S. Sharma | √ | √ | | √ | | √ | |
| Mr. T. P. Ostwal | | | | √ | | √ | |
| Mr. Pradeep Poddar | √ | √ | √ | √ | √ | √ | |
| Ms. Sutapa Banerjee | √ | √ | √ | √ | | √ | |

The Board of Directors has access to all relevant information, employees and the subsidiaries of the Company in order to take an informed and independent decision. The Board of Directors is responsible for the strategic supervision, overseeing performance and governance of the Company on behalf of the Stakeholders. The Board exercises independent judgement and plays a major role in monitoring the Company's affairs. The Board also ensures the Company's adherence to the standards of corporate governance and transparency.

### Board's commitment to ESG

We have integrated ESG considerations into our business operations. These include:

- Robust governance systems
- Strong risk management
- Stringent internal controls
- Unwavering customer-centricity
- Operational transparency
- Employee-first initiatives with an open and dynamic work environment
- Strengthening the communities within our influence
- Imbuing sustainability within our operations

### Compliance

The Company has set protocols to track and address non-compliance and they form an essential part of our compliance risk management. Our Enterprise Risk Management and internal audit approach verify compliance with the regulatory, operational and system related procedures and controls. We comply with all the regulatory/statutory compliances and best practices relevant to the financial service sector.

### Codes and policies

The Company is committed to acting with transparency, ethics and integrity in all our business activities as it is vital to build trust with stakeholders as well as sustaining our growth and expansion. The Company had also adopted mandatory policies in line with the requirement of the Listing Regulations and the Act, for the effective and defined functioning of the respective Committees of the Board.

### Vigil mechanism

The Company has adopted a comprehensive Whistle Blower Policy in compliance with the provisions of Section 177 (9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy is available on our website and is accessible on this weblink: https://polycab.com/investors/corporate-governance/

### Prevention of Sexual Harassment (POSH)

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has complied with provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. We have laid out a comprehensive POSH policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. We have 'Zero Tolerance' towards any misconduct. During the year under review, no POSH related complaints were received.

# Corporate governance

## Board of Directors

**Left to Right**

**Bharat A Jaisinghani**
Executive Director

Mr. Bharat A. Jaisinghani joined the Company in 2012 and thereafter in 2021was appointed as Executive Director. He holds a Master's degree in Operations Management (University of Manchester) and has completed Program for Leadership Development from Harvard Business School and Executive Program from Singularity University.

S CSR R

**R.S. Sharma**
Independent Director

Mr. R. S. Sharma has completed Cost & Works Accounts certificate examination from ICWA and Associate examination from Indian Institute of Bankers. He has served as Chairman and Managing Director at ONGC Limited besides being on Board of various other companies.

N A

**Pradeep Poddar**
Independent Director

Mr. Pradeep Poddar is a Chemical Engineer (UDCT) and an MBA (IIMA). A fast tracker in Glaxo - Young Global Leader, Heinz - Youngest MD & CEO at 41 and Tatas - Global President Water, built profitable high growth businesses through brands like Complan, Heinz and Himalayan. Awarded the Udyog Ratna by Karnataka Govt. Provides strategic direction on the Boards of Welspun, Uflex, Sresta and as Chairman of United Way Mumbai.

S A N

**T.P. Ostwal**
Independent Director

Mr. T. P. Ostwal is a qualified Chartered Accountant ('CA') since 1978. He is a Practicing CA and Senior Partner with T. P. Ostwal and Associates LLP. He served as a member of the advisory group for establishing transfer pricing regulations in India and is also a member of the sub-committee on Transfer Pricing for Developing Countries of United Nations. He is also professor at Vienna University teaching International Tax for LLM studies. He is ranked 11th out of top 50 tax professionals of the world by the UK Business Magazine.

A R N

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

Mr. Inder T. Jaisinghani has been working with the Company since inception. Under his leadership and guidance the Company has completed over 25 glorious years of success.

CSR A N R

**Rakesh Talati**
Executive Director

Mr. Rakesh Talati has been associated with the Company since 2014 and thereafter in 2021 was appointed as Executive Director. He heads the Wires and Cables segment. He holds a Diploma in Civil Engineering and Interior Design Course from the Maharaja Sayajirao University of Baroda.

CSR

**Sutapa Banerjee**
Independent Director

Mrs. Sutapa Banerjee has over 30 years of professional experience and has spent 24 years in the financial services industry across 2 large multinational banks (ANZ Grindlays and ABN AMRO). She is a gold medallist in Economics from XLRI school of Management, an Advanced Leadership Fellow (2015) at Harvard University and was visiting faculty with IIM-Ahmedabad. Mrs. Banerjee also serves as Independent Director on the Board of Zomato, Godrej Properties, JSW Cement and others.

S CSR N

**Nikhil R Jaisinghani**
Executive Director

Mr. Nikhil R. Jaisinghani joined the Company in 2012 and thereafter in 2021 was appointed as Executive Director and is working as a change agent for the Company. He holds a Master's in Business Administration (MBA) from Kellogg School of Management, Northwestern University, Illinois, USA.

S CSR R

Chairman
Member
N Nomination and Remuneration Committee
S Stakeholders' Relationship Committee
CSR Corporate Social Responsibility Committee
R Risk Management Committee
A Audit Committee

## Leadership team

# Leading with efficiency

### Key Management Personnel

**Gandharv Tongia**
Chief Financial Officer

**Manita Carmen A. Gonsalves**
Company Secretary and Compliance Officer

### Senior Management Personnel

**Anil Hariani**
Director – Commodities (Non-Board Member)

**Anil Shipley**
Executive President and Chief Supply Chain Officer

**Anurag Agarwal**
Executive President – Strategic Initiatives and International Businesses

**Ashish D. Jain**
Executive President & Chief Operating Officer – Telecom Business

**Bhushan Sawhney**
Executive President and Chief Business Officer – High & Low Duty Cables

**Diwaker Bharadwaj**
President – Packaging Development

**Kunal Jaisinghani**
Head – Agri Products

**Rishikesh Rajurkar**
President – Projects

**Rajesh Nair**
Executive President and Chief HR Officer

**Sandeep Bhargava**
Executive President and Chief Procurement Officer

**Sanjeev Chhabra**
Executive President and Chief Treasury Officer

**SL Bajaj**
Director (Non – Board Member)

**Vivek Khanna**
Executive President and Chief Information Officer

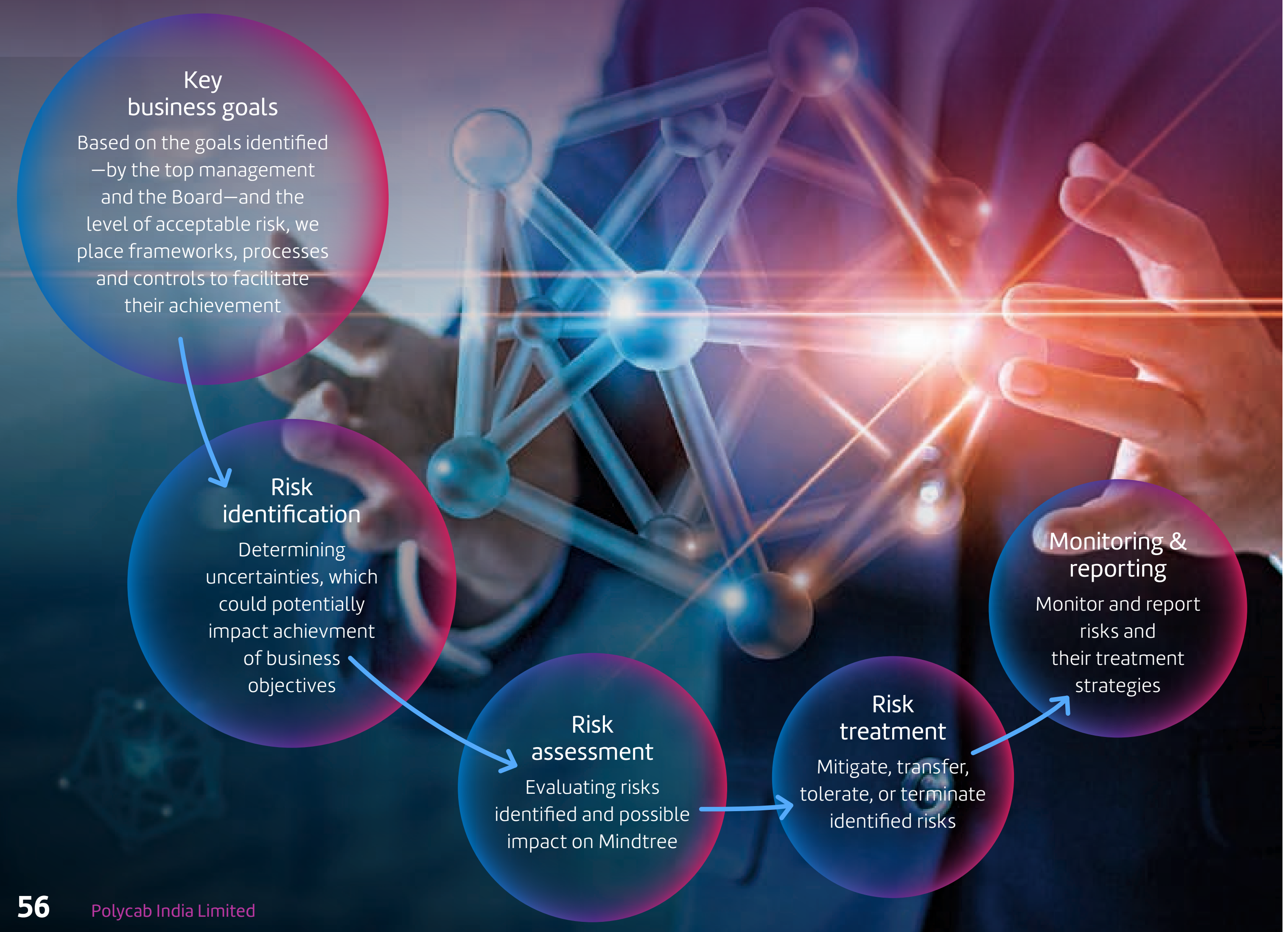
**Vivek Sharma**
Deputy Managing Director (Non – Board Member)

# Future proofing the business

We are responsive to the operating environment and its intrinsic risks and opportunities. Our strategy is to minimise risks to the extent possible and make the best use of emerging opportunities.

We constantly identify, manage and mitigate risks and assess our opportunities to ensure that our business strategy is aligned to the internal and external environment. We have put in place a strong risk management structure that enables meticulous examination of business activities for identification, evaluation and mitigation of potential internal or external risks. We have established processes and guidelines, along with a strong overview and monitoring system at the Board and senior management levels. As an organisation, we encourage ethical values and integrity which considerably mitigate risk.

## Risk management process








## Brief overview of our principal risks and treatment strategies

### Operational risks

**Distribution network**
Risk of inability to grow/sustain distribution network may affect our ability to meet targets - **Material**

Mitigation measures
- Project Leap initiatives
- Comprehensive market assessment
- Regular feedbacks collected from dealers by sales coordinators
- Offering competitive ROIs
- Dealer portal application (P connect) launched where dealers can independently book the sales order, view their outstanding status, relevant price list applicable to them, catalogue, balance confirmation etc.

Capitals impacted

Stakeholders impacted
Investors, Customers, People, Channel partners

Risk Movement

**Threats to information security**
Arising due to unauthorised breach of our information network, causing interruption to normal functioning of the systems – Material

Mitigation measures
- Robust IT security system
- State-of-the-art IT assets
- Effective software system & servers
- Cloud-based applications

Capitals impacted

Stakeholders impacted
Investors, Customers, People, Channel partners

Risk Movement

**COVID-19 disruptions**
Risks stemming from the outbreak and the subsequent halt in business continuity – **Critical**

Mitigation measures
- 100% compliance with guidelines issued by government authorities
- Business continuity measures operationalised

Capitals impacted

Stakeholders impacted
Investors, Customers, People, Channel partners, Communities

Risk Movement

**Customer service and after-sales management**
Risks related to poor customer service and/or after-sales service, including non-availability of spares (FMEG segment) may affect the brand negatively – **Material**

Mitigation measures
- Investment in customer service platform and call centre tool
- Training the customer service teams to ensure prompt grievance redressals and spares availability

Capitals impacted

Stakeholders impacted
Investors, Customers, People, Channel partners

Risk Movement

**Supply chain interruptions**
Risks related to discontinuation at the end of key suppliers, leading to disruptions in regular production process - **Material**

Mitigation measures
- Setting up reliable network of alternative suppliers through effective diversification of supply chain and reducing over-dependence, enabling us to continue smooth functioning of the production process
- Advance supply chain management system, integrated with ERP to minimise stockouts at depots
- Mobile supply chain application to track movement of goods from source till finished goods/scrap

Capitals impacted

Stakeholders impacted
Investors, Customers, People, Channel partners

Risk Movement

# Risk management

## Operational risks

**Quality assurance threats**
Risk related to products/services of sub-standard quality reaching customers – **Material**

Mitigation measures
- Robust quality control processes
- NABL-certified, world-class, in-house lab
- International certifications
- Dedicated QA team

Capitals impacted

Stakeholders impacted
Investors, Customers, People, Channel partners

Risk Movement

**Environment, climate, as well as employee health and safety**
Risks related to climate change, including natural calamities, other environmental disruptions and employee health and safety – **Material**

Mitigation measures
- Various product and site certifications ensure the highest levels of health and safety, such as
  - ISO 9001:2015
  - 14001:2015
  - OHSAS 45001:2018
  - UL
  - BASEC
  - IEC
- Increased use of renewable energy, better water and waste management

Capitals impacted

Stakeholders impacted
Investors, Customers, People, Channel partners, Environment

Risk Movement

## Strategic Risks

**Geopolitical and social instability**
Risks stemming from political and social situations, leading to disturbances within the business environment - **Critical**

Mitigation measures
- Geographic diversification of manufacturing, supply chain and market. This ensures that location-specific issues do not bear extensive impact on operations
- Insurance

Capitals impacted

Stakeholders impacted
Investors, Customers, Channel partners

Risk Movement

**Changing customer preferences**
Risk of changing customer preferences and existing technologies becoming obsolete – **Material**

Mitigation measures
- Market assessments and surveys to understand consumer pulse, corroboration with influencers
- NABL ISO 17025 certified R&D centre with over 100 engineers and technicians employed
- Centre of Excellence for R&D on polymers and other raw materials to stay ahead of the curve

Capitals impacted

Stakeholders impacted
Investors, Customers, People, Channel partners

Risk Movement

**Succession planning**
Inadequacy in succession planning may adversely affect achievement of business targets - **Material**

Mitigation measures
- Well-defined and documented policy for all key personnel
- Skill-set assessment and training of middle and senior management

Capitals impacted

Stakeholders impacted
Investors, People

Risk Movement

## Financial risks

**Foreign exchange rate and commodity price fluctuations**
Risk related to fluctuating foreign exchange rates and volatility in pricing of input commodities, including metals such as copper and aluminium – **Material**

Mitigation measures
- Risk Management Committee has been established to review compliance with Board approved currency and commodity hedging strategy. The committee also reviews hedging plans and performance
- Documented commodity and foreign exchange risk management policy
- Robust hedging framework which encompasses usage of contracts with embedded derivatives as well as forward contracts to offset commodity fluctuations
- Automatic pricing module integrated with ERP to calculate policy discounts and accurate pricing
- Metal advance pricing module for procurement team to settle pricing issues in a scientific and appropriate manner

Capitals impacted

Stakeholders impacted
Investors, Customers, Channel partners

Risk Movement

## Compliance Risks

**Statutory compliance failures**
Risk related to non-compliance with statutory guidelines, including various rules and regulations under different statutes – **Material**

Mitigation measures
- Compliance tool and tracker implemented with compliance owner mapped
- Respective departments are given timely alerts to ensure adherence to regulations

Capitals impacted

Stakeholders impacted
Investors

Risk Movement

**Protection of Intellectual Property Rights (IPRs)**
Risk related to breach of IPRs or infringement of copyrights or unfair usage of our IPRs – **Material**

Mitigation measures
- Safeguarded brands, trademarks, licences and other IPRs
- Appropriate legal action is undertaken for illegal usage of our IPRs
- External consultant onboarded for market surveys

Capitals impacted

Stakeholders impacted
Investors, People

Risk Movement

**Contractual liability**
Risk of being liable due to non-fulfilment of contractual obligation – **Material**

Mitigation measures
- All contractual obligations closely monitored and fulfilled with due diligence

Capitals impacted

Stakeholders impacted
Investors, Customers, People, Channel partners

Risk Movement

Financial capital | Manufacturing capital | Social and Relationship capital | Human capital | Intellectual capital | Natural capital | Increase | Decrease | Stable

# Investors

# Creating shared value

We regularly engage with our investors so that they are aware of decisions taken by the Company to protect shareholder returns as well as those that concern our long-term strategy, risk management and how we are building our capabilities for sustained and profitable growth through responsible management and good governance.

## Material issues addressed

- Innovation
- Strengthening brand recognition
- Technology and digital transformation
- Climate change and energy
- Product stewardship
- Corporate social responsibility
- Health and safety
- Employee training and development
- Data privacy and cyber security

## Key risks considered

- Operational risks
- Strategic risks
- Financial risks
- Compliance risks

SDGs impacted

8 DECENT WORK AND ECONOMIC GROWTH

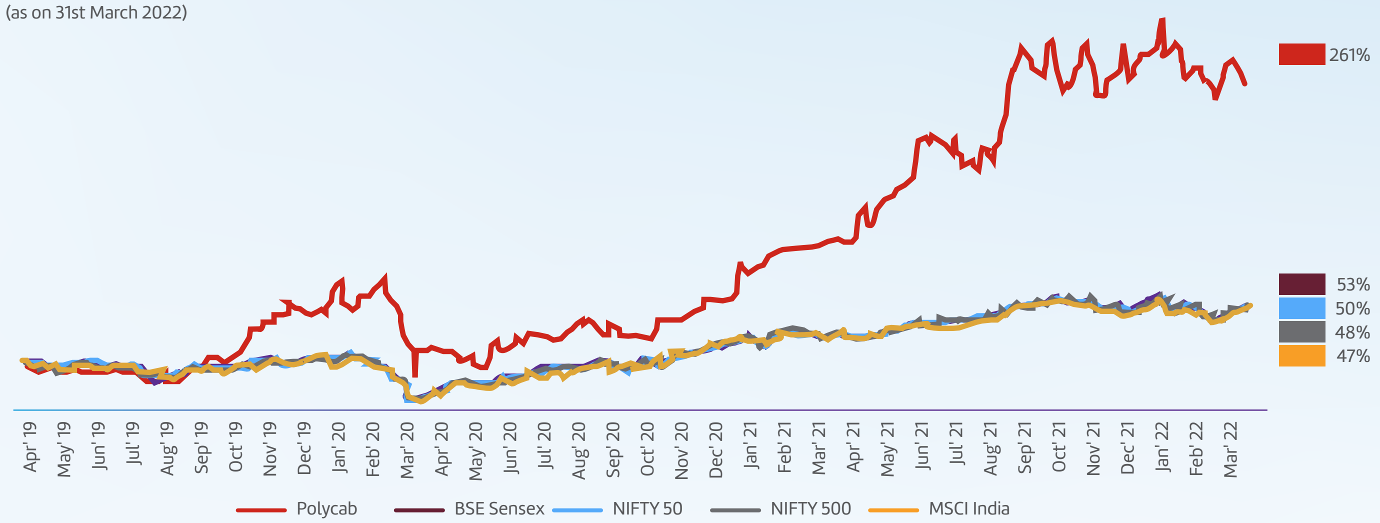
## Market capitalisation

The market capitalisation of the Company has grown at a robust CAGR of 64% since April 2019 from ₹80 billion to ₹353 billion as on March 2022. We have always believed in the support and trust provided by our shareholders, committing their wealth and supporting our growth story. We are committed to doing business the right way, by adopting best practices and continuously assessing our performance on financial as well as non-financial parameters.

**₹353 billion**
market capitalisation

# Enhancing shareholder value

Market Cap
₹353 billion (USD 4.6 billion)
(as on 31st March 2022)




Market Cap in USD calculated using USD INR spot rate of 75.8

# Investors

We have always zealously guarded shareholders' interests. During the year, rigorous cost management initiatives helped us navigate the uncertainty and strengthened our ability to innovate and tide over the disruptions with enterprising spirit and agility.

Given the strengthening economic fundamentals, we see a massive opportunity to spread our wings across B2B as well as B2C categories by leveraging our strong brand equity and increased consumer affinity for our products. Structural reforms focused on infrastructure development augurs well for most of our product categories. Overall, demand in B2C category for wires and FMEG products remains healthy and in line with improving consumer sentiment.

On the balance sheet side, our fundamental continues to remain strong. Net cash position has increased substantially to ₹11 billion. Debt to equity ratio is comfortable at 0.01x. Working capital days have improved due to increase in channel financing and better inventory management. We will continue to calibrate this going forward.

## Tax transparency

Tax disclosures form a critical part of our compliance commitment and best-in-class corporate practices, and this goes beyond statutory requirements. We understand that tax compliance is essential to strengthen the economy, particularly in areas where we operate, and thus in elevating the socio-economic conditions of communities. Our tax affairs are being handled responsibly.

## Tax principles

### Corporate governance

- The tax function of the Company is overseen by the CFO
- Regular updates on all material tax topics and their current and future impact on Polycab Group's financials are provided by the Tax leads to the CFO via regular meetings

### Relationship with authorities

- Follow transparent communication with tax administration
- Actively participate in the tax authority's formal consultation processes on matters having material impact on the Group

### Compliance

- We comply with the tax legislation of the countries in which we operate and pay the right amount of tax at the right time.

### Supportive effective tax systems

- Engage positively in national dialogue with various forums, business groups and civil society to support the development of effective tax systems, legislation and administration

## Credit ratings

| Rating agency | Long-term rating | Short-term rating |
|---|---|---|
| CRISIL | CRISIL **AA+/Stable** (upgraded from CRISIL AA/Positive) | CRISIL A1+ (Reaffirmed) |
| India Ratings and Research | IND **AA+/Stable** (upgraded from IND AA/Stable) | IND A1+ (Reaffirmed) |

# Customers

# Prioritising customer satisfaction

We are developing product innovations to stay on top of market trends and the evolving aspirations of our customers. Our focus is to deliver better products and amplify our value proposition each year. We stay engaged with our customers, undertake regular surveys to gauge if we are delivering on our promises and use latest technologies to simply and enhance customer experience.

## Material issues addressed

- Strengthening brand recognition
- Innovation
- Technology and digital transformation
- Leadership in wires and cables
- Product stewardship
- Customer centricity

## Key risks considered

- COVID-19 disruptions
- Customer service and after-sales management
- Environment, climate as well as employee health and safety
- Geopolitical and social instability
- Changing customer preferences

SDGs impacted

We have set ourselves apart from our peers in terms of focusing on customer satisfaction and loyalty and feel proud to have touched the lives of millions across the world with our products.

Digital campaigns were launched with the objective of increasing brand connect among millennials, while our Masterbrand campaign helped strengthen our brand visibility.

Despite the ongoing pandemic, we have delivered best-in-class service to our customers and have been applauded for our continuous efforts to be responsible and accountable for our dealings with our customers. The agility and responsiveness of our team were welcomed by our stakeholders.

We have developed different formats to engage diverse customer groups

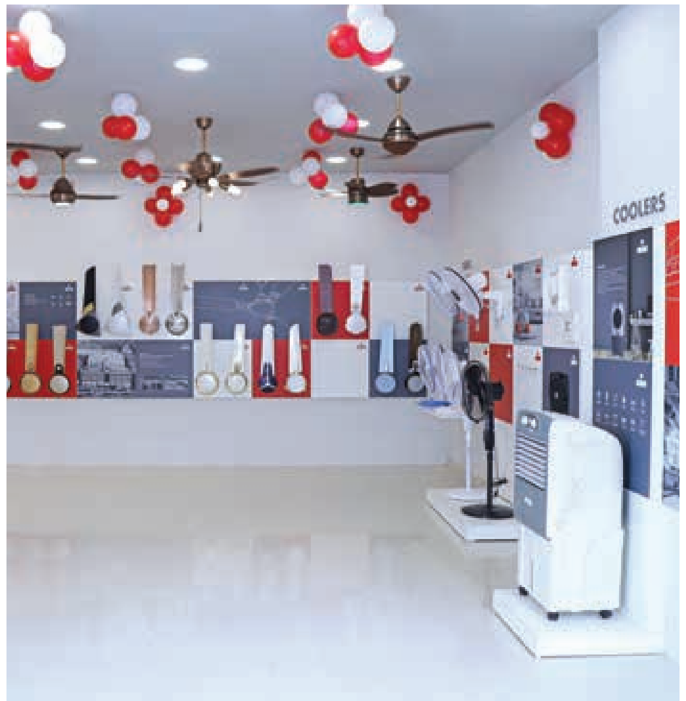
## Total revenue contribution in FY22

| | |
|---|---|
| Top Customer | 5% |
| Top 5 Customers | 12% |
| Top 10 Customers | 20% |
| Rest of the Customers | 80% |

(% of revenue from operations)

## Multi format retail approach: PolycabGalleria, Arena and Shoppee

- Redesigned experience centres as Polycab Galleria to engage more meaningfully with customers and influencers and strengthen our presence in the consumer electricals segment
- We are at iconic electrical hubs, which are also an important feeder market for western and southern India
- Centres equipped with audio-visual facilities for training electricians and retailers on safety, soft skills, basics in English and computers
- Deepening connect with direct customers in the FMEG market as well as retailers from upcountry
- Aiming to expand such experimental stores across key cities




10

Polycab Experience Centres in major cities across India

# Customers

## New products launched

Super-Efficient ceiling fan in various wattages i.e 28W, 32W & 35W with BLDC technology (with and without remote) which saves 60% energy compared with conventional induction motor

Etira wires for the economy segment

Decorative fans with metallic colours

Intelligent decorative fans with smart IoT function in HOHM brand


## Switchgear

RCCB up to 63A

Customised current products to meet requirement of international market customers.

## Water heater

Launched ‘**Emerald**’ 06 L storage water heater

Completed development of ‘**Hohm Zuerst**’ IoT enabled smart water heater range 10L to 25L

**Etira 3 L** Instant Water-heater for the economy segment

## Others

Bulbs, 36W battens, frameless panels, chip on board (COB), strip lights, streetlights, floodlights

New portfolio of portable accessories including multi-plugs, adapters, power strips with USB ports, flex box and others

## Participation in ACETECH

ACETECH is Asia’s leading trade fare that is solely dedicated to the construction industry. The fair serves as the perfect platform for us to display our brand and our ever-increasing range of products to the crème de la crème of the influencer community.

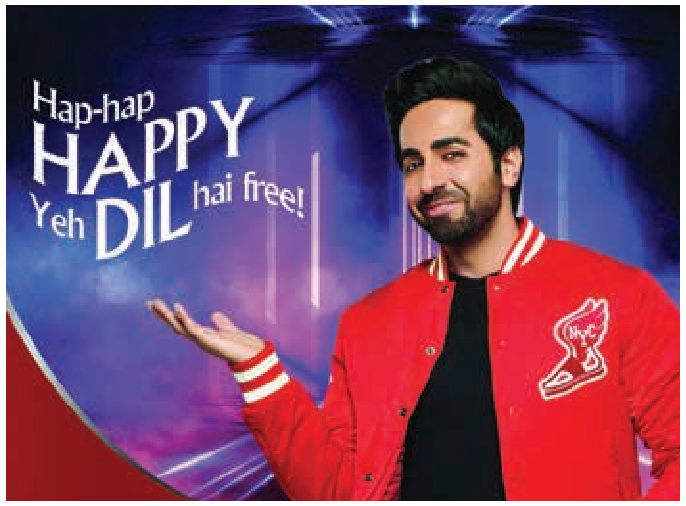
At ACETECH 2021, which was held at Pragati Maidan in New Delhi, we showcased our innovate range of smart home automation from HOHM. As the fastest growing FMEG company in India, we showcased home automation solutions such as smart lighting, smart fans, smart door locks, ID cameras, touch panels and customisable switch boards, to name a few.

## Love@First Light

During the year, we came up with a unique first-of-its-kind Love@First Light campaign themed around a love story of two characters – Roshan and Roshani. The campaign aimed to convey the benefits of our LED product offerings around the core propositions of less energy consumption, longer life, and more brightness in an innovative way. The success of the campaign inspired us to expand it beyond the video format and reach out directly to our vast target audience through other engagement channels.

## Hap-Hap-Happy, Yeh dil hai free

We have Bollywood star Ayushmann Khurrana perform the ‘Dance of Joy’ as part of our new masterbrand. The TVC kept viewers engrossed and upbeat with our campaign song, ‘Hap-Hap-Happy, Yeh dil hai free’, which communicates to them the feeling of being liberated and blissful upon using complaint-free Polycab products. The campaign took viewers through an appealing creative sequence of frames from indoor to large outdoor spaces, showcasing the Polycab range of customer-centric products such as LED lights, fans, smart home-automation, green wires and cables, reflecting the ecstatic influence of Polycab FMEG products in the lives of consumers.




https://www.youtube.com/watch?v=LPXvY2lZNso

## People

# Building a culture of excellence

Our people are the greatest contributors to our unstinted growth and success over the years. We strive to create for them a great workplace and inspire them continuously to innovate and bring greater value to our customers and the environment.

### Material issues addressed

- Leadership in wires and cables
- Diversity and inclusion
- Health and safety
- Employee training and development
- Labour management
- Corporate Governance
- Ethics and integrity

### Key risks considered

- COVID-19 disruptions
- Customer service and after-sales management
- Distribution network
- Quality assurance threats
- Succession planning
- Contractual liability

SDGs impacted

Our goal is to create a meritocratic organisation that empowers employees to take the right business decisions. We provide our employees an open, safe and motivating work environment. We commit to encouraging them learn and grow, thus enabling us to build a next-generation organisation focused on promoting innovation, delivering business value and driving thought leadership.

**Our ambition is to create a work environment that:**

- Values and cares for its people, with safety and well-being our priority
- Has inspirational leaders who inspire others to emulate them
- A workplace that is team-oriented, inclusive and diverse
- Fosters a unique culture that balances innovation, knowledge sharing and risk management

To support these ambitions, our people strategy has focused on developing leadership excellence, sharing knowledge globally, creating a consistently positive employee experience, and developing and deploying our talent globally.

**Employee (break-up by age-group, gender and type)**

| Category | Age group | | | | Gender | | Grand Total |
|---|---|---|---|---|---|---|---|
| | <=30 | 31-40 | 41-50 | >50 | Female | Male | |
| Senior Management | 1 | 7 | 34 | 57 | 8 | 91 | 99 |
| Middle Management | 6 | 128 | 195 | 78 | 28 | 379 | 407 |
| Junior Management | 519 | 957 | 400 | 99 | 133 | 1,842 | 1,975 |
| Factory employees | 95 | 1,121 | 612 | 122 | 1 | 1,949 | 1,950 |
| **Grand Total** | **621** | **2,213** | **1,241** | **356** | **170** | **4,261** | **4,431** |

Out of total on roll employees ~4% are female employees.

## Bettering employee experience

Listening to our people helps us create an environment and experiences that enrich and encourage our employees. At Polycab, we recognise the efforts of our people, and reward them for living our values and reinforcing the organisation culture of honesty and integrity.

We continuously communicate and engage with our people in designing and evolving the way we work to foster enterprise-wide collaboration, continuous learning and open and transparent dialogue.

### Your Voice Matters

As we change gears to accelerate growth and transform into a great organisation, we encourage our employees to give their feedback that will enable us to change and become a partner of choice for our customers and our people. 'Your Voice' is the foundation on which we nurture a culture of caring, sharing and growing together. We support an open office culture, promote work-life balance, mental and physical well-being, complete transparency in rewards and recognition, and ensure capability building. These, in fact, are our unceasing endeavour.

## Talent management

Our philosophy of building leaders from within continues to guide our actions towards identifying, developing, and nurturing talent. With greater emphasis on futuristic thinking, digital mindset and customer-first approach, we have made some major shifts towards developing our people for the future.

### Xplore internship programme

We established a structured and engaging internship programme to attract young minds from reputed B Schools. This will help us gain fresh and diverse perspectives and solutions to real-time business problems/opportunities and position the Polycab brand more robustly through campus engagement. It will also provide opportunities and learnings for young professionals.

# People

## Investing in skills and development

Our success and market leadership can be attributed largely to the skills and capacity of our talented workforce. The leadership consistently provides effective skill development opportunities for employees through various training and development programmes.

### Leadership Development Programme

We are deeply committed to investing in our leaders by providing them developmental inputs critical for their growth. As part of this effort, we have crafted a Leadership Development Programme relevant to our context. The key objectives of this programme are to:

- Receive an outside-in perspective
- Challenge assumptions on how business is done
- Appreciate and leverage innate strengths
- Recognise what new strategic capabilities are required
- Identify and avail of relevant development opportunities

**The programme includes the following:**

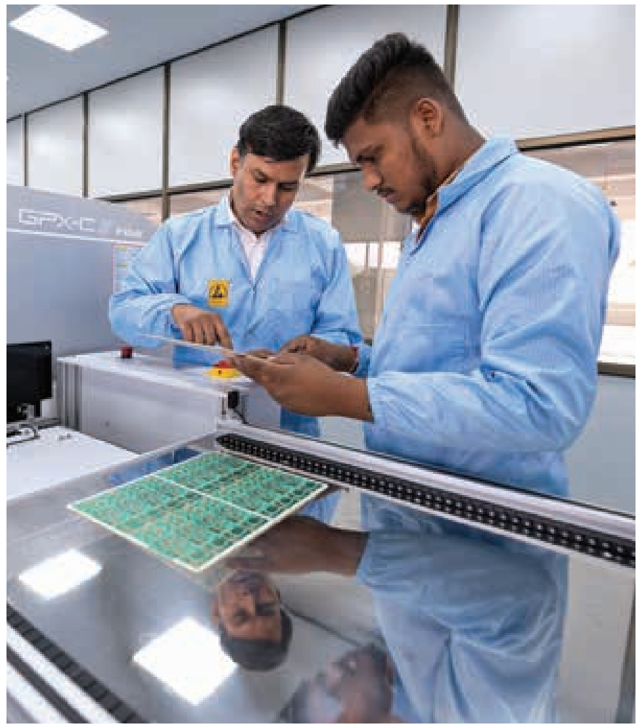
- Span$^{TM}$ questionnaires; a set of online personality questionnaires designed to enhance the understanding of the employee's approach to work and leadership style
- Reference exercise (qualitative 1:1 dialogue with manager, reportee and peer)
- Panel interaction with an industry expert and leadership specialist

The programme outcomes will be aligned to our leadership behaviours and will result in the creation of an individual development plan facilitated by the external partner supported by the manager and the Company.

We successfully concluded a pilot with one of our leaders and basis the encouraging feedback, we have decided to extend the programme to all Business Unit and Function Unit heads who have completed at least one year in the organisation.

### Quality Management System

We partnered with the Quality Management System (QMS) team to conduct an awareness session and training on 'IMS-QMS Awareness'. This was a hybrid session (virtual + in person) for all Mumbai-based employees. The session also included assessment of the participants. On the basis of this, qualified employees were identified as the leads for QMS activities for their respective departments.



## Health and safety

Safety is at the core of facilitating enhanced workforce productivity, which culminates in improved operational efficiencies. We are dedicated towards building a zero harm mindset in our workforce given that the success of our management systems and capacity building programmes hinges on our employees translating this mindset into action in their daily operational activities.

### Safety Week

During the year, we observed the 51st Annual National Safety Week under the theme 'Nurture Young Minds – Develop Safety Culture'. The week from March 4-10 was observed across our factories, which organised various activities to raise awareness and reaffirm our commitment to ensure workplace safety. This was followed by the setting up of a firefighting training workshop for employees, a session on health, focusing on their overall well-being, and poster-making competitions to spark creativity. Other fun activities included fun photo opportunities and shop floor quizzes where winners were awarded a special prize.

### Key highlights

| ZERO | 0.15 |
|---|---|
| Fatalities | Lost Time Injury Frequency Rate (LTIFR) |


## Human rights

We are committed to protecting the fundamental rights of all individuals across our global operations. As stated in our Code of Business Conduct and Ethics, we practice zero tolerance regarding illegal and immoral practices such as child labour, forced labour and modern slavery, including human trafficking.

We believe it is important to explicitly identify human rights as a part of our policies, procedures, and ethics training to help us keep the topic top-of-mind and make sure it does not become an issue in the future.

During the year, we recorded zero incidents of discrimination and did not receive any complaints pertaining to child labour, forced labour and involuntary labour.

## Channel partners

# Building strong relationships of trust

Our business is accelerated by partnering with a vast network of dealers and distributors who make up part of our trade network. We also work with influencers, including electricians, architects, interior designers and contractors. Both networks are of vital importance to us, as the former serve as the actual point of sale and the latter as enablers of sales.

### Material issues addressed

- Distribution network
- Product stewardship

### Key risks considered

- COVID-19 disruptions
- Customer service and after-sales management
- Distribution network
- Supply chain disruptions
- Geopolitical and social instability
- Changing customer preferences

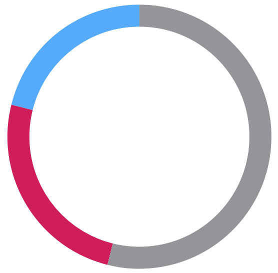
SDGs impacted



We enjoy competitive advantage over our peers thanks to our strong distribution network. We have implemented the Automatic Storage and Retrieval System (ASRS), a computer-controlled warehouse management system, in two of our warehouses in Halol (Gujarat) to automate placing and retrieving load. We are also implementing this technology at our other warehouses. Our vast distribution network of 4,500+ dealers and distributors and 2,05,000+ retailers enable us to provide distinguished services to our customers.

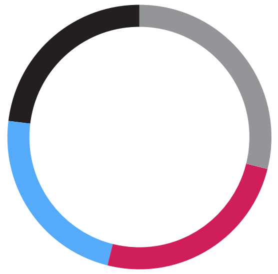
## Our reach

### By product (%)



| | |
|---|---|
| FMEG | 54 |
| Common | 25 |
| Wires and Cables | 21 |

### By geography (%)



| | |
|---|---|
| South | 29 |
| North | 25 |
| West | 23 |
| East | 23 |

## Supply chain management

At Polycab, we are building a customer-centric, agile and cost-conscious supply chain by embedding technology, digitisation and facilitating simplification of processes. We are integrating real time market signals and customer requirements into all supply chain activities, right from procurement of raw materials, production till delivery to our customer and after sales service.

### Polycab Experts Programme

Targeted at influencers, our Experts programme emphasises on inclusive growth by imparting personal and professional skills to participants along with monetary incentives.

**Programme features**

- A 360-degree influencer management initiative promoting inclusive growth
- Loyalty-based monetary incentives, along with training and 'Experts' certification
- Certifications from government recognised institutes
- Develop soft skills like people, social, communication skills and time management

We are working on:

- Digitising complete order to delivery cycle
- Faster return management for unlocking working capital for customers
- Control tower for complete visibility of supply chain
- Replenishment driven planning to capture real time market signals

Freight management systems have been implemented over the last 18 months, which is helping leverage data insights for productivity and customer service. The warehouse management system implementation is also in progress, which will speed up customer order fulfilment as well as bring operational efficiency in system.

A productivity funnel has been built and we have made it part of our regular process to be ahead of inflation. We continuously work with our Sales team and build dynamic network to bring cost efficiencies and faster service to market.

We have worked upon minimising wastages by reducing non-value-added inventories in the system as well as keeping tight inventory control. We are keeping a sharp focus on building world-class infrastructure and supply chain ahead of the demand and at same time working on making the supply chain sustainable through alternate fuel usage, network realignment and optimal usage of natural resources.

# Communities

# Living up to our social responsibility

For us, acting responsibly and giving back to society are an inalienable part of our business conduct. We believe promoting inclusive development and supporting our communities will go a long way in ensuring our efficacy to create shared value.

## Material issues addressed

- Corporate social responsibility

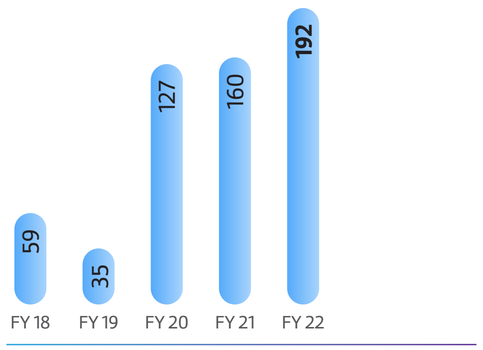
## Key risks considered

- COVID-19 disruptions
- Geopolitical and social instability
- Environment, climate as well as employee health and safety

SDGs impacted

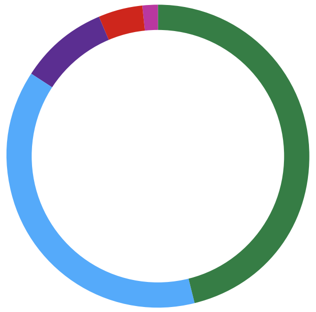

## CSR spend

(₹ in million)




## Activity-wise CSR expenditure

(₹ in million)



| | |
|---|---|
| Health care | 89 |
| Education & skill development | 73 |
| Environment | 18 |
| Rural Development | 9 |
| Other CSR expenditure | 3 |
| **Total CSR expenditure** | **192** |

## Education

We work to develop academic institutions, which include renovating or building schools, development of Anganwadis, science and computer laboratories among others to ensure that India's children and youth are capable and empowered.

### School infrastructure

We have renovated and constructed new classes in Narukot Javahar Ashram School, Narukot Utarbuniyadi Ashram School, Chatardivav Ashram School, Navakuva High School, Kara School –Jambughoda and Tuwa Ashram School – located in Panchmahal, Gujarat.

### LEAAD programme

The Leadership Enrichment for Adolescence through Assessment & Development (LEAAD) program was organised to help build leadership qualities among students. The positive outcome of this program is evident from a noticeable change in their behaviour, growing self-confidence and readiness to take on challenges and learning new things.

# Communities

### STEM labs in schools

Often government schools lack laboratories, or the set-up is inadequate, and teachers cannot undertake practical demonstration of the theory taught in class. We have set up science laboratories in schools, enabling students to gain practical knowledge and improve thus improve their academic performance. Students are increasingly showing more interest in STEM subjects.

### Computer Labs

Given the increasing dominance of digital, children need to gain knowledge in computers and digital application. We are working on developing 11 computer laboratories over three years to help students become more tech-savvy.

25

Anganwadis built and
14 renovated during FY22

## Skill development

### Women empowerment

The financial independence of women helps them contribute to the prosperity and progress of the entire society. To empower women, we undertake various skill development initiatives in the following ways:

### Martial arts

We offer a three-year certification course in self-defence to train women in physical and mental preparedness.

### Skills training

During a needs survey in villages, we found that many young girls and women wanted to undertake training in beauty and cosmetics. In village Chhachariya , we organised a 3 month-long beauty course. This has enabled four girls to start their beauty parlous. Several others undertake orders in Mehendi and bridal make-up.

We have also organised sewing classes to make women self-employed and are planning to tie-up with Indian Technology Institutes to offer certifications in tech-training.

## Environmental preservation

We contribute to preserving the environment around our areas of operation.

### Sanitation

We have constructed toilets and provided clean drinking water in Gadhmahuda, Chachariya and Govindpuri villages in Gujarat.

### Check dam

In many villages, people face acute shortage of water in their bore wells during summer, which prevents them from growing a second crop in addition to the crop they growing during monsoon. We have constructed four new check dams and renovated four in Rayankhand, Vavdi village in and Pandol village in Gujarat.

### Cattle sheds

We have undertaken the revival of three cattle sheds around our adjoining communities.

### Cattle camps

We have organised pre-monsoon camps in villages for the training of farmers dependent on dairy farming for their livelihood and undertaken vaccination of cattle to improve their immunity.

3,300+

Cattles benefited in
17 villages of Halol

### Seedling distribution

Good quality seedlings were distributed in 21 villages to help residents create their own gardens to source nutritious food.

~6,000

Trees planted

### Environmental sustainability

Our partnership with the Airport Authority of India (AAI) and Green Saviours, an environmentally aware NGO from Belagavi, gave us the perfect opportunity to extend our focus towards our core theme of environmental sustainability. Over and above this, we have also planted trees in Halol location.

# Communities

## Health care

Enabling access to affordable healthcare is a prime intervention undertaken by us for communities around our facilities and operating sites

### Malnutrition check-up

Our Mobile Medical Unit (MMUs) offer services such outdoor consultation, medicine supply, health counselling and so on. On an average, 90-100 patients take advantages of these services each day. We have appointed a Health Mobiliser in villages who regularly visits families and guides parents on giving a healthy diet to their children.

### iBreast Check-up camp

We jointly conducted a breast tumour detection camp with Shree Halol Stree Samaj and held health camps in rural areas, hospitals, industries, institutes, public healthcare centres, government offices, with a coverage. In FY22, 1450+ Women have benefited from health camps

**8,000+**

Women have benefited from health camps focused on promoting breast cancer awareness

### Health cards

From our experience in conducting regular outdoor health consultations at remote health facilities, we found that villagers were unaware of basic health information related to their blood group and health status. We have thus undertaken an initiative to prepare health cards for the entire population of 20 villages around our facilities

### Healthcare for the specially abled

On the basis of our OPD findings, we found that the specially abled had limited access to healthcare. We have organised special health camps for 63 physically challenged people and undertook their full health check. We also distributed walkers, wheelchairs, tricycles, sensor sticks and hearing aids for them in Panchmahal, Gujarat.

## Rural development

### Agriculture

In villages close to our facilities, we found farmers encounter a host of problems related to scarcity of water, good quality seeds, insect control, information of crop pattern, fertilisers and other knowledge related to farming. We held a session to create awareness on best farming practices, crop planning and care, mushroom farming, post-harvest management, product sales and marketing.

**14**

Farmers have started to grow mushroom in their homes

### Access to government schemes

To facilitate villagers' access to various government schemes that have been instituted for their welfare, we have been assisting them to get enrolled for schemes such as Widow Pension, Pradhan Mantri Suraksha Yojana, Pradhan Mantri Jivan Jyoti Bima Yojana, Pradhan Mantri Awas Yojana, Pradhan Mantri Kisan Samman Nidhi Yojana, opening of bank accounts etc.

**166**

Beneficiaries of new bank accounts

**241**

Beneficiaries of Pradhan Mantri Kisan Samman Nidhi Yojana

### Other CSR activities

- Support provided to Dr. Hedgewar Hospital, Aurangabad in setting up two General Wards of 25 beds each and mammography machine in the Radiology department
- Contributed in the setting up of solar panels, computer, maths and science laboratories to cater to the educational needs of tribal boys
- Created a Blood Bank with Shree Halol Arogya Mandal
- Partnered with the Rotary Club, Calicut East, to jointly provide medical equipment to the newly opened paediatric ICU ward of the Government Hospital at Beach Road, Calicut

# Environment

## Preparing for a low-carbon future

We have championed environmental preservation since our inception and take its stewardship seriously. We actively review the impact of our operations and make choices to reduce our environmental footprint. We believe our commitment to environmental sustainability promotes the health of our business, the quality of service we provide and value creation for our diverse groups of stakeholders.

### Material issues addressed

- Material sourcing and efficiency
- Climate change and energy
- Water
- Product stewardship
- Product end of life disposal
- Responsible supply chain
- Customer centricity

### Key risks considered

- Environment, climate as well as employee health and safety
- Changing customer preferences
- Financial risks

SDGs impacted

As our business develops, environmental considerations remain a priority, and we are committed to reducing any adverse impact of our operations. We continuously work on programs to conserve natural resources and reduce our emissions. We aim to not just meet environmental regulations, laws, and codes of practice but achieve more than what is required as a matter of compliance. We not only ensure responsible manufacturing but are also bringing to customers sustainable products such as Green wires, which are safe and eco-friendly. In addition to its operational benefits, green wires also have an insulation which is completely recyclable, thus ensuring circularity of the product.

At Polycab, we are prioritising recycling and reuse of resources. We are committed to prevent pollution, conserve resources, and improve our environmental performance.

### Climate change and energy

We strive to minimise resource wastage and maintain ecological balance. These efforts also extend to re-using and recycling resources to the extent possible. Our products reflect a genuine sense of eco-consciousness and are produced using environment-friendly materials and processes that conserve energy and natural resources.

#### Key measures

- Replaced 100% conventional lighting with LED lighting
- Implemented ISO 50001 Energy Management system
- Installation of Variable Frequency Drive (VFD) in compressors and pumps, resulting in 20% energy saving
- Implemented industry 4.0 IIoT in three plants to capture real time data

### Water management

Water is a necessary component of our operations and an essential resource for our communities. We manage our water use carefully so as not to affect our communities and operations and to ensure the rights of future generations to a critical natural resource.

We are treating wastewater and using the recycled water for gardening and sanitation. During FY22, we recycled over 67 million litres of water. We also constructed rainwater harvesting structures at the 42 Anganwadis repaired by us, as a part of our social intervention. Our units are equipped with Sewage Treatment Plant (STP)/Effluent Treatment Plant (ETP) to promote recovery, reuse and recycling of water. During FY22, we have consumed ~800 million litres water in total at all our locations.

### Waste management

We make focused efforts within the boundary of our operations to facilitate proper waste segregation and resource conservation by minimising waste generation. Great care is taken to segregate the waste generated at source and manage it. We also practice efficient and environment-friendly end-of-life disposal methods to ensure the impact of the waste generated is minimum and that they do not enter landfills. In FY22, we have responsibility disposed 492 MT of hazardous waste and 24 KL of used oils.

#### Key facts

- Wastewater generated by Polycab is treated and reused further in the gardens and cooling towers
- Identified all environmental risks, and all aspects/impact have been incorporated in HIRA register for further corrective/ preventive action
- No show cause/legal notice issued or received from the Pollution Control Board or any government authorities in FY22
- Identified all hazardous waste being generated by the manufacturing process and have arranged its disposal by a government authorised agency as per the regulation

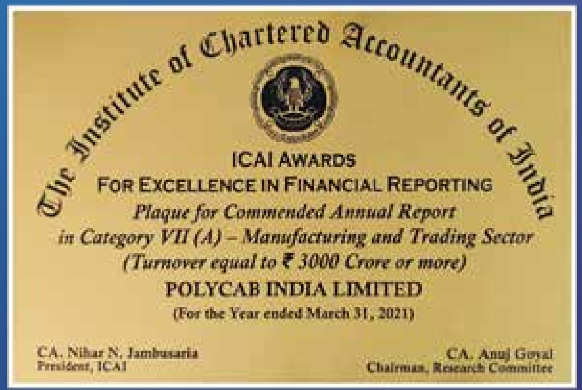
**67+ million litres**

Wastewater recycled

#### Helping locals undertake their own waste management

We have undertaken a robust waste management project in Baska village, Panchmahal District, Taluka Halol, Gujarat. This project involves door-to-door collection of solid waste, transporting it to the nominated site and recycling the same to produce goods that are marketed by the Gram Panchayat. This is a public-private partnership project, involving locals, the Gram Panchayat of the village, subject matter experts and the funding and monitoring agency – Polycab Social Welfare Foundation (PSWF).

# Awards




Award by the Institute of Chartered Accountants of India for Excellence in Financial Reporting in January, 2022


Awarded Digital Terminal's Most Comprehensive Passive Networking Brand


Won the Asia's Best Integrated Annual Report (First Time) Bronze and Asia's Best Integrated Annual Report (Design) Gold by Asia Integrated Reporting Awards Organisation


'**e4m Pride of India – The Best of Bharat**' Awards 2022 – The awards is a recognition and celebration of the best brands built by Indian business houses over the years and honour the indomitable spirit of these businesses during the challenging times.


Polycab's work has been rewarded at the CII CFO Digital Excellence Awards 2021 organised by CII Southern Region in partnership with Protiviti India


The Asset Triple A Award for '**Best Liquidity and Investment Solution**' - These awards are industry excellence recognitions awarded annually to companies and financial institutions that have launched or helped implement initiatives in corporate treasury management, trade finance, supply chain and/or risk management.

Polycab was given Best Innovative Project of the Year Award at the 19th edition of the Asian Leadership Awards, for laying 3,300 kms of OFCs to connect 1,100 Gram Panchayats in Bihar, in the stipulated timeframe, under Package 3 (B3) for Phase-II of BharatNet and creating a scalable digital platform for rural population in Bihar.

# Supporting our strategy with UN Sustainable Development Goals (UN SDGs)

The United Nations (UN) sustainable development goals (SDGs) provide an ambitious and urgent call-to-action and a practical framework for businesses to chart their sustainability journey. Our sustainability strategy is closely aligned with the SDGs to contribute toward meaningful change around the world. The goals that we have selected to own and work upon directly include climate action, reduced inequalities, industry innovation and infrastructure, good health and well-being, responsible consumption and production, decent work and economic growth, affordable and clean energy, quality education, sustainable cities and communities, and gender equality.


Support marginalised and vulnerable people to escape from poverty and improve their access to basic services

Food and nutrition security and resilience to climate change a priority area

Support preventive healthcare and sanitation

Promotion of education and employment enhancing vocation skills

Achieve gender equality and empower women and girls

Ensure safe drinking water

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Build resilient infrastructure, promote sustainable industrialisation and foster innovation

Provide customer experience to people with limited accessibility

Make cities inclusive, safe, resilient and sustainable

Embedding sustainability into product design and sourcing

Make urgent action to combat climate change and its impacts / Contributing to a low-carbon resource efficient world

Strengthen the means of implementation and revitalise the Global Partnership for sustainable development

SDGs with significant contributions (highlighted in the above diagram): SDG 1, SDG 2, SDG 3, SDG 4, SDG 5, SDG 6, SDG 8, SDG 9, SDG 10, SDG 11, SDG 12, SDG 13, and SDG 17

# Independent Assurance Statement to Polycab India Limited on Non-financial Sustainability Performance Data in the Integrated Report for the Financial Year 2021-22

To
The Members of Polycab India Limited
Polycab House
Mahim, Mumbai - 400016

## Introduction

We ('KPMG Assurance and Consulting Services LLP', or 'KPMG') have been engaged by Polycab India Limited ('Polycab' or 'the Company') for the purpose of providing an independent assurance on the non-financial sustainability performance data presented in the Integrated Report ('the Report') of the Company for the period covering 1st April 2021 to 31st March 2022 ('the Year' or 'the Reporting Period'). Our responsibility was to provide a limited assurance on the non-financial sustainability performance data presented in the Report as described in the 'scope, boundary, and limitations' below.

## Reporting Criteria

The Company has derived its reporting criteria referring to the following:

- The International Integrated Reporting Council's <IR> Framework
- Global Reporting Initiative (GRI) Standards.

## Assurance Standards Used

We conducted our assurance in accordance with the

- Limited Assurance requirements of International Federation of Accountants' (IFAC) 'International Standard on Assurance Engagement (ISAE) 3000 (revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information'.
  - Under this standard, we have reviewed the information presented in the Report against the characteristics of relevance, completeness, reliability, neutrality, and understandability.
  - Limited assurance consists primarily of enquiries and analytical procedures. The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement.

## Scope, Boundary and Limitations

- The scope of assurance covers the non-financial sustainability performance data related to the disclosures based on GRI Standards, as mentioned in the following table:
- The boundary of the assurance covers the following operations:
  - Polycab India Limited's manufacturing facilities at Halol, Daman, Nashik and Roorkee as well as their Corporate office located at Mahim, Mumbai.

## GRI Standards: Topic Specific Standards

| Environmental[1] | Social |
|---|---|
| • Energy (2016): 302-1 | • Employment (2016): 401-12 |
| • Water and Effluents (2018): 303-44, 303-5 | • Occupational Health and Safety (2018): 403-91 |
| • Emissions (2016): 305-5 | • Training and Education (2016): 404-12 |
| • Effluents and Waste (2016):306-2 | • Diversity and Equal Opportunity (2016): 405-1 |
| | • Local communities (2016): 413-13 |

1 Environmental, Health and Safety data is restricted to the manufacturing sites and HO Mumbai only
2 Includes data from manufacturing sites, HO Mumbai and regional offices
3 Only details about programmes and beneficiaries presented
4 Wastewater recycled

## Limitations

The assurance scope excludes following:

- Data related to Company's financial performance.
- Data and information outside the defined Reporting Period
- Data outside the operations mentioned in the Assurance Boundary above unless and otherwise specifically mentioned in this statement.
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in reporting criteria above.
- Aspects of the Report other than those mentioned under the scope and boundary above.
- Review of legal compliances.

## Assurance Procedures

Our assurance process involves performing procedures to obtain evidence about the reliability of specified disclosures. The nature, timing and extent of procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the selected sustainability disclosures whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the preparation of the Report to design assurance procedures that are appropriate in the circumstances.

Our assurance procedures also included:

- Assessment of Polycab India Limited's reporting procedures regarding their consistency with respect to the reporting criteria.
- Evaluating the reliability and appropriateness of the quantification methods used to arrive at the non-financial sustainability performance data presented in the Report.
- Review of systems and procedures, from the perspective of completeness, used for quantification, collation, and analysis of non-financial sustainability performance data included in the Report.
- Understanding the appropriateness of various assumptions, estimations and materiality thresholds used by the Company for data analysis.
- Discussions with the personnel at the corporate and business unit level responsible for the non-financial sustainability performance data presented in the Report.
- Assessment of reliability and accuracy of the sustainability data reported.

Review of sustainability performance data was carried out through visit to the operations at Halol and remotely for Daman, Nashik, Roorkee and Corporate office. Appropriate documentary evidences were obtained from the relevant authority at respective sites and at corporate office to support our conclusions on the information and data reviewed.

## Conclusions

We have reviewed the non-financial sustainability performance data in the Integrated Report of Polycab India Limited as mentioned in the scope above, for the reporting period from 01st April 2021 to 31st March 2022.

Based on our limited review and procedures performed, nothing has come to our attention that causes us not to believe that the sustainability performance data, as per the scope of assurance, mentioned above presented in the Report are materially misstated.

We have provided our observations to the Company in a separate management letter. These, do not, however, affect our conclusions regarding the Report.

## Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in as per requirements of ISAE 3000 (Revised).

Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies ISQC-1 and the practitioner complies with the applicable independence and other ethical requirements of the IESBA code.

## Responsibilities

Polycab India Limited is responsible for developing the Report contents. The Company is also responsible for identification of material sustainability topics, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported. This statement is made solely to the Management of Polycab India Limited in accordance with the terms of our engagement and as per scope of assurance. Our work has been undertaken so that we might state to the Company those matters for which we have been engaged to state in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our work, for this report, or for the conclusions expressed in this independent assurance statement. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement. Our report is released to Polycab India Limited on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

**Anand S Kulkarni**
Technical Director
KPMG Assurance and Consulting Services LLP
Date: 06-Jun-2022

# Management Discussion and Analysis


## Economy review

### Global economy

The global economy witnessed erratic trends during the past one year. Economic activity bounced back sharply in 2021, post the first COVID-19 wave, supported by pent-up demand and unprecedented policy support. However, two successive waves of COVID-19, persistent labour market challenges and continuing bottlenecks in global supply chains that have led to inflationary pressures, have subdued the prospects of a broad-based economic recovery. The latter part of the financial year also witnessed significant rise in geopolitical tensions followed by sweeping sanctions and logistical challenges.

The International Monetary Fund (IMF) has slashed its global growth outlook for the calendar year 2022 to 3.6% from 4.4% considering the commodity price volatility and disruption of supply chains which the war in Ukraine has worsened. The threat from new COVID-19 variants, supply side pressures, rising inflation and the geopolitical situation will continue to weigh on economic recovery in the near term. However, given that a large part of the world population is now vaccinated, and societies have learnt to deal with the new normal with safety protocols in place, it is unlikely that the global economy will face the setback it saw in 2020. Concerted efforts across countries to deal with the fallout of the pandemic, ease supply chain bottlenecks, promote equitable growth and tackle the climate emergency could pave the way for greater economic stability.

### Global growth forecast (%)

| Particulars | Actual | Projections | |
|---|---|---|---|
| | 2021 | 2022 | 2023 |
| World Output | 6.1 | 3.6 | 3.6 |
| Advanced Economies | 5.2 | 3.3 | 2.4 |
| United States | 5.7 | 3.7 | 2.3 |
| Eurozone | 5.3 | 2.8 | 2.3 |
| Japan | 1.6 | 2.4 | 2.3 |
| United Kingdom | 7.4 | 3.7 | 1.2 |
| Other Advanced Economies | 5.0 | 3.1 | 3.0 |
| Emerging Market and Developing Economies | 6.8 | 3.8 | 4.4 |
| China | 8.1 | 4.4 | 5.1 |
| India | 8.9 | 8.2 | 6.9 |

Source: International Monetary Fund (IMF)

### Commodities

The financial year saw inflationary raw material prices, with the prices of key commodities used in the manufacture of wires, cables and electrical goods going up by as much as 20-70% on an average. This was largely led by supply chain disruptions, recovering demand following the pandemic, various government policies and the growth of the clean energy ecosystem.

Copper prices were elevated on account of lower production and supply from key copper mining countries, particularly in South America. This, coupled with the global push towards electric vehicles, renewable energy infrastructure and investments in the grid, boosted copper demand and led to critically low levels of refined copper inventories globally. Copper prices increased from ~$9,000/MT in March 2021 to ~$10,200/MT in March 2022, with high interim volatility.

Aluminium prices reached a 13-year high, crossing $3,200/MT in January 2022 and moving closer to $4,000/MT within a short span of time. This was largely caused by a demand-supply mismatch as demand soared across sectors and geographies, supply chain hiccups led by geopolitical tensions and policy actions in China. Aluminium prices increased from ~$2,200/MT in March 2021 to ~$3,500/MT in March 2022, clocking a near 60% inflation on an annual basis.

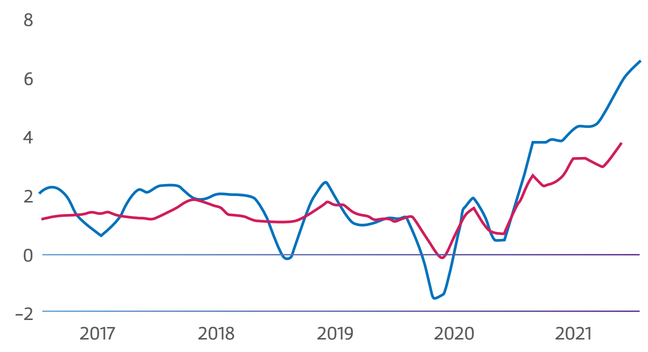
PVC compounds, used as an insulating material for wires and cables, also witnessed over 35% inflation led by rising crude oil prices, while steel prices were range bound but volatile in FY22. Depreciation of the Indian rupee as against the US dollar also contributed to domestic inflation.

While the metal prices are likely to remain elevated in the near term, the company is proactively passing on the inflation to customers through calibrated price hikes. During the year we also set up an augmented hedging back office which adds more layers to our risk mitigation framework.

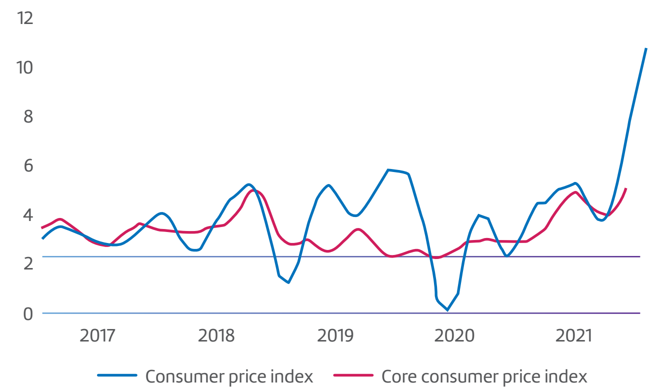
### Inflation Trend

Three-month moving average; annualised percent change

#### Advanced Economies

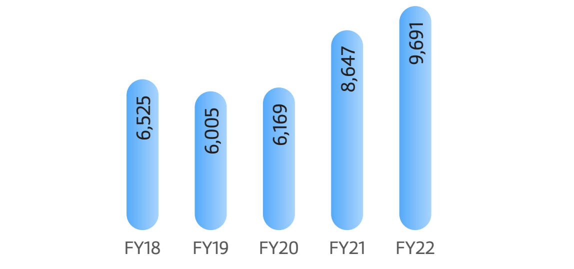



#### Emerging Market and Developing Economies



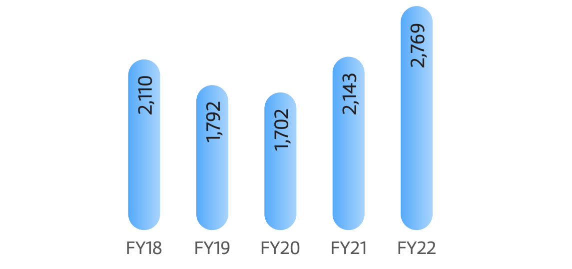

Source: Haver Analytics and IMF staff calculation

**Average LME Copper** ($/mt)




Source: https://www.westmetall.com/ (simple average of monthly prices)]

**Average LME Aluminium** ($/mt)




Source: https://www.westmetall.com/ (simple average of monthly prices)]

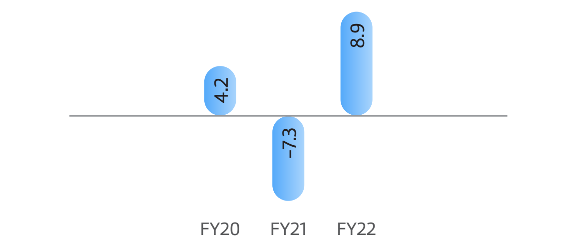
### Indian economy

In India, FY22 began with the second wave of COVID-19 leading to limited lockdowns and restricted mobility. However, the impact on the economy was not as severe as during the first wave. Construction activities continued for the better part of Q1 and industrial activity picked up as cases subsided. Consumer sentiment remained positive and the economy saw a steady uptick from Q2FY22 onwards. Macro indicators such as GST collections, E-way bills and Index for Industrial Production (IIP) remained buoyant. The Core Industries Index data stood at 170 in March 2022 vs 151 in March 2021. A healthy demand environment led to higher capacity utilisation across most sectors. This, coupled with improved profitability and stronger balance sheet for most companies, led to an uptick in private capex investments.

Furthermore, supply-side reforms, simplification of processes, removal of legacy issues like retrospective taxation, and policies such as the Production-linked Incentive (PLI) scheme have created the right investment climate. Boosted by government incentives, the real estate sector has seen strong revival. The year also saw a strong push across the sunrise sectors such as digital finance, electronics manufacturing, electric vehicles, renewable energy, data centres, digital connectivity amongst others. The RBI's accommodative policy stance during the year helped the economic recovery. The government's strong emphasis on domestic manufacturing through the mission of Aatmanirbhar Bharat and the infrastructure push through a massive 35% higher Capex outlay, announced in the FY23 Union Budget, are expected to drive economic growth in the near to medium term. We believe India's immense consumption potential, underlined by its favourable demographics, rising incomes, urbanisation, and technological advancements ensure long-term structural growth.

While the Indian economy has remained relatively insulated from the direct repercussions of the recent geopolitical tensions, rising inflationary pressures remain a key risk to broader growth in the coming year. The IMF has projected a "fairly robust" growth of 8.2% for India in 2022, making it the fastest-growing major economy in the world. We continue to believe that companies with strong values and purpose, solid fundamentals, robust governance practices and innovation capabilities can leverage the favourable economic environment to create long-term competitive advantages as well as greater value for all stakeholders.

**National Statistical Office's Second Advance Estimates (% change of Indian GDP over fiscal years)**




Source: Ministry of Statistics and Programme Implementation (MOSPI)

## Industry review

### Wires & Cables Industry

The domestic wires & cables market, estimated at about ₹600-650 billion, makes up approximately 40-45% of the Indian electrical industry. Generally, wires consist of a single conductor while cables involve one or more conductors that are used for the transmission of electricity, data or signals.

Power cables are used for the transmission and distribution of electricity from power generating plants to sub-stations and then on to end-user segments, such as residential, commercial and industrial units. Control and instrumentation cables are used in electrical power systems or any associated process control systems, telecom cables are used for the transmission of voice and data, optical fibre cables used to for high-speed data connection, and a host of other types of cables are used for consumer appliances, and in automotive, railways, mining, etc. Major users of power cables are the power sector (central, state and private electricity utilities) and sectors such as petrochemicals, mining, steel, non-ferrous, shipbuilding, cement, railway, and defence.

Building wires are used for electrical wiring of residential and commercial buildings and typically categorised into Flame Retardant, Fire Retardant (FR), Flame Retardant Low Smoke (FRLS), and Halogen Free Flame Retardant (HFFR) categories.

The domestic wires & cables industry is estimated to have grown by 20-25% in FY22, primarily driven by inflation-led higher realisations. Infrastructure and construction activities were slow in Q1FY22 but saw a sequential increase as the second wave subsided. Governments' focus on infrastructure, revival of the real estate sector, good demand visibility across various end user industries led to an improved demand environment for the sector. The IIP Index for infrastructure stood at 153 in February 2022 vis à vis 140 in February 2021. However, sharp inflation and volatility in key raw materials proved to be major headwinds for the sector during the year. Organised players continued to gain disproportionately due to increased consumer awareness and pandemic-led disruptions faced by smaller players.

## Performance review

### Wires & Cables segment

Wires & Cables revenue grew strongly by 41% YoY to ₹107 billion, accounting for 88% of the total sales in FY22. Improving demand visibility for various end usage sectors such as real estate, infrastructure, renewable energy and manufacturing coupled with government's stimulus packages and structural reforms led to progressive improvement in the demand scenario. Although unprecedented volatility in key input costs and disruptions caused by two successive waves of COVID-19 created headwinds, Polycab's strong focus on execution and reinforcement of its core strengths through investments in distribution expansion, R&D, digitalisation among others, resulted in a healthy double digit volume growth in the Wires & Cables segment as well as gains in market share. The Company made significant strides towards improving the availability of its products and decreasing go-to-market time through systematic production planning based on data-driven forecasting and increasing adoption of dealer portal, which also enhanced customer experience. Sharp surge in input costs was mitigated by calibrated pricing actions, improved product mix and cost optimisation initiatives. Segmental operating profit at ₹10,405 million was up by 15% YoY, while segmental operating margin at 9.7% was lower by 222 bps YoY.

**Domestic cables**

Overall, the Domestic Cables business witnessed healthy growth, barring a few segments where the demand is driven by government spends. Well-calibrated lockdowns in the second and third waves of pandemic limited the impact on infra-activities, which augured well for business as well as trade sentiment. Private sector-driven demand remained buoyant throughout the year as most of the industries continued with their Capex and procurement plans on account of the good demand visibility and improving utilisation rates. This led to faster growth for institutional business than the distribution business, especially in the second half of the year as large projects picked up pace.

However, profitability in this segment remained subdued as the Company made a tactical shift in near-term strategy by becoming more competitive, which helped it capture market share aggressively in select lines of this business. As the business environment continues to improve, Polycab aims to significantly outpace the industry by building a deeper connect with end users and customers. This will be done by augmenting demand generation initiatives such as building a specialised KAM and business development arm, improving service through data analytics and the CRM platform, and increasing visibility and control of secondary sales.

**Cable exports**

The Company's exports business grew 24% YoY. Excluding a large customer from the base and current period, Polycab's normalised exports portfolio grew by ~54% YoY, contributing 6.9% to the overall revenue as against 6.2% in FY21. Growth in exports was broad-based across most geographies with the Americas, Asia and the CIS region seeing strong traction. Despite the significant logistics challenges and raw material inflation, the export momentum improved in the latter half of the year as restrictions eased.

Oil & Gas and renewables are two key sectors which have seen strong uptick in new project activity globally. While the former is on the rise primarily driven by the sharp increase in crude oil prices, renewable projects are increasing as many countries are aggressively focusing on transitioning to clean energy and taking up solar and green hydrogen projects. The global trend of supply chain diversification has also favourably helped the Company. Polycab's initiatives to obtain global quality certifications, customer approvals, strengthening its distribution network, geographical expansion and shortening the go-to-market time have helped it become the largest exporter of wires and cables in India.

24%

y-o-y growth in the export business

**Special purpose cables**

The Special Purpose Cables business offers technically superior Electron Beam Cross-Linked Cables (EBXL), which are predominantly used in applications that are critical for the safety of installations and human life. These cables can operate in extreme environmental conditions and their design life expectancy is 25+ years. The e-Beam curing process is eco-friendly, causing zero environmental pollution. Leveraging in-house R&D and its cutting-edge manufacturing capabilities, Polycab has made significant inroads into sectors such as defence, railways and electric vehicles, which have led to over 2.4x sales in FY22 compared to last year.

Polycab is the proud supplier of cables to INS Vikramaditya (India's biggest war ship), INS Vikrant (India's first Indigenously built aircraft carrier), diving support vessels, frigates, cargo ships among others. The Company is also a leading supplier to public as well as private defence equipment manufacturers.

During the year, business in the Rail division also saw good traction. Polycab is the first company in India to obtain International Railway Industry Standard (IRIS) certification for the Halol Plant. After obtaining the Automotive Research Association of India (ARAI) test certificates for ISO 19642 cables for electric vehicle (EV) applications, Polycab received several orders and commenced supply. During the year, the Company also became the first in India to obtain the TUV Certification for Charging Cables for use in the EV charging stations as per the latest international standards. The Automotive division witnessed some sluggishness due to the global semiconductor chip shortage faced by the sector. However, Polycab has developed several new products for both passenger and commercial vehicles.

Polycab is the first company in India to obtain International Railway Industry Standard (IRIS) certification for the Halol Plant.

**Telecom business (Optical fibre cables & accessories)**

Polycab's telecom business revenue has doubled during the year, although on a softer base. While FY22 was challenging on account of the lingering stress in the Indian telecom sector and delays in government projects due to the pandemic, the Company is witnessing promising signs of demand revival. Rising number of mobile devices, increasing adoption of Fibre-to-the-Home (FTTH) connectivity and a surge in data centres along with the impending 5G transition are poised to propel demand for optical fibre cables and other equipment in India over the coming years.

During the year, the Company extended its end-to-end passive networking solutions and accessories, marking its foray into the ₹25 billion market. Towards the year end, the Company was on-boarded by Tamil Nadu FibreNet Corporation Ltd. (TANFINET) as a Master System Integrator to implement the BharatNet Phase-II project. As part of the project, Polycab will be providing end-to-end connectivity with high-speed bandwidth using optical fibre cables in 3,095 Gram Panchayats in 75 blocks across 9 districts of the state, at a cost of ₹5.09 billion under the Master Service Agreement. The revenue of this project will be accrued as per execution timelines over the next few years.

**Domestic wires**

The Wires business achieved nearly 50% growth in FY22 and made up about half the overall Wires & Cables segment. While flexibles (low duty cables) grew faster than housing wires in FY22, on a two-year basis, the growth was broad-based across these subcategories. Flexibles, which have applications in machines, consumer appliances, data centres amongst other things, saw good demand from various end user industries. The government's Emergency Credit Guarantee Scheme for MSME sector, which is aimed at alleviating their financial stress and facilitate business expansion, also led to healthy traction for flexibles. Reorganisation of the sales team to optimise service levels across geographies together with leveraging of data through the CRM platform augured well for this business.

Demand for housing wires was supported by the strong real estate demand, though repeated lockdowns, and sharp inflation partly impacted consumer sentiment. Trade sentiment and primary sales were also temporarily affected by high volatility in copper prices during the year. Despite these challenges, focus on distribution and portfolio expansion, premiumisation, building robust visibility on secondary and tertiary performance helped the Company to significantly outpace the industry.

During the year, the Company fortified its housing wires product portfolio to play across price brackets and address consumer needs more effectively. On the top of the pyramid, the Company relaunched Polycab Green Wire with a new product proposition which highlights the benefit of 5-in-1 GreenShield Technology. New collateral and in-shop material were developed and deployed in the market, which led to multi-fold sales growth during the year. The core Polycab Lead Free range of premium wires, which are lead-free and RoHS certified, continues to do well.

To ensure accessibility of quality wires to every Indian home at a competitive price, Polycab launched Etira, a new brand with the tagline, 'Suraksha se Samjhauta Nahin'. This new offering will also help the Company improve its competitiveness in the economy range while enabling penetration into emerging markets with the right product offering. On an average, house wires constitute ~40% of the expense incurred on electrical goods. As the cost of house wires increases, consumers' cost awareness is rapidly increasing. The Company's internal market studies suggest that nearly 50% consumers actively participate in the purchase journey compared to about 20-25%, five years back. The Company also notes that despite the sharp rise in the cost of wires, most developers, contractors and other stakeholders continue to prefer branded products, suggesting higher levels of consumer awareness. Consistent and sustainable marketing investments to improve brand recognition and recall are thus paramount. Polycab has thus adopted a multipronged approach to build consumer awareness by conducting product education drives, webinars and meets for influencers, builders, and trade partners. Fresh campaigns were launched during key sporting events on OTT platforms as well as television and other mass media. These initiatives are intended to enable decision-makers to have a better understanding of the importance of purchasing higher quality and safer wires.


- **More than every fourth counters in India sell Polycab products as per 3rd party research agencies**
- **Nearly 50% consumers actively participate in the purchase journey compared to ~20-25%, five years back**

## Other Wires & Cables update

As a part of Project Leap, the Company aims to build an agile organisation with the right structure, right team and right capabilities. Taking this initiative further, the Company undertook a significant step to unlock synergies in the wires & cables segment. During the year, two key verticals – Heavy Duty Cables and Low Duty Cables (or B2B wires) – were integrated to unlock latent value through cross selling opportunities and operational efficiencies. Given the significant distribution and geographical overlap, this initiative will materially improve customer servicing as most of their B2B wires and cables requirements will henceforth be addressed by a single point of contact. Combined portfolio selling will drive faster business growth. Optimisation of team structure and joint back-office operations will enable faster roll out of go-to-market initiatives while establishing a leaner cost base. The Company will streamline the marketing and influencer management platforms to increase efficacy.

Polycab Power Cable Test Laboratory at Halol was accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL). It is perhaps the only private laboratory in India with the capability of 4,000+ tests covering a multitude of national and international standards. It is also the first laboratory capable of testing a single cable length from 50 metre to a maximum up to 4 km. The test certificate issued by this lab would be accepted worldwide as per agreement with NABL.

### Wires & Cables: Business outlook

The Company remains optimistic of the medium to long-term potential of the Wires & Cables industry, given its diverse utility and a conducive economic environment. Structural reforms implemented in the past such as GST, the Insolvency and Bankruptcy Code (IBC), labour laws, Corporate Tax rate, Real Estate Regulatory Authority (RERA) among other such measures have helped build an attractive investment case for India. With pressure created by the pandemic now dissipating, infrastructure spend is likely to pick following the 35% increase in Capex outlay, which is expected to create a virtuous investment cycle.

The manufacturing sector, which is one of Polycab's key demand centres, serviced through authorised dealers and distributors, is witnessing healthy traction on the back of rising capacity utilisation, the PLI scheme as well as the push for 'Make in India'.

The housing sector, another key demand centre, is upbeat with lower financing rates coupled with increased income and improving affordability. There is also an ongoing structural shift in the real estate market, where consumers are seeking amenities such as gyms, gardens, smart home automation etc. This is increasing the potential market opportunity for wires and cables meaningfully.

Sunrise segments such as EVs, renewable energy, data centres, digital connectivity, defence among others will also provide new levers for growth in the years to come.

Global trends of diversification and derisking of supply chains coupled with geopolitical tensions and evolving tariffs are also opening up new business opportunities. Our initiatives to invest in cutting-edge manufacturing and R&D capabilities will enable the Company to compete with the largest players globally and augment its exports business significantly. Polycab aims to be among the top 10 wires & cables companies globally over the medium term.

With the right product portfolio, strong inherent capabilities, and robust reach, Polycab is well-positioned to leverage all the tailwinds and reinforce its market position further. Its multi-year transformation program, Project Leap, is helping it create long-term sustainable advantages for its business while enhancing the potential for profitable growth (See Project Leap section for more details).

While the Company understands that the growing inflation could potentially impact demand, it is convinced that evolving consumer preferences towards high quality, safe and innovative products give it unique advantage. The tightening regulatory environment along with growing consumer consciousness about environmental well-being will also create new growth avenues, even in the hinterlands.

## Fast-Moving Electrical Goods (FMEG) industry

FMEG are consumer electrical goods sold through various channels such as retail outlets and e-commerce platforms and include products such as fans, lights, luminaires, switches, switchgears, pumps, conduits, fittings and so on. Structural drivers such as demography, consumer behaviour, technology and rising disposable incomes have catapulted the growth of the organised FMEG sector in India. Meanwhile, the unorganised market, which makes up 10-40% across categories, has been on a steady decline.

FMEG industry witnessed decent price-driven growth in FY22. Trade momentum in Q1 was affected by the closure of retail shops in many large states but improved progressively with the waning of the second wave of the pandemic. Most product categories reflected mid-single digit to double digit growth, helped by pent-up demand and strong momentum in the real estate sector. However, sharp inflation in key inputs, which was partly passed on to end consumers through price hikes, shifted the price brackets in many categories, thereby hindering the improved consumer sentiment and limiting volume growth. Large, organised players continued to outpace smaller players on account of branding and greater ability to tackle disruptions effectively. Premiumisation trends sustained on the back of innovations and growing consumer aspirations.

### FMEG segment

FMEG revenue stood at ₹12,544 million, as against ₹10,341 million in FY21, posting a 21% YoY growth in sales led by strategic interventions, distribution expansion as well as an improving demand environment. Over the past five years, the business has clocked 30% CAGR and accrued healthy market share gains across most categories, while enduring stiff competition all through and pandemic-led disruptions in the past two years. The business contributed 10% to the consolidated Company top-line. Segmental operating profit decreased to ₹196 million, with a 1.6% margin largely on account of the adverse operating leverage and input cost pressures, which have been partly offset by pricing actions, cost-saving initiatives and premiumisation. The Company is committed to achieving 12% annualised EBITDA margin in this business by FY26.


**₹ 12,544 million**

FMEG revenue

#### Fans and Appliances

The Fans and Appliances market, at about ₹131 billion, grew by 9% YoY in FY22, largely led by inflation-driven higher realisations. The year was particularly challenging for the domestic fan industry as the pandemic continued to disrupt established growth patterns and tested the robustness and agility of the Company's response to adverse business conditions. The economic slowdown induced by the second wave of the pandemic severely impacted the peak season of fan sales in April-June, which usually accounts for 50-60% of the annual business.

The share of unorganised players continued to decline steadily as consumers move towards products that guarantee quality and reliability. Rising levels of disposable income and the willingness to spend are also driving this shift.

Another notable trend is the increasing consumer preference for energy-efficient products. Led by the government, awareness drives by companies and trade groups, the demand for energy-saving Brushless Direct Current (BLDC) motor fans. This segment is expected to comprise ~30% of the total market over the medium term.

The Company's Appliances business, which largely includes water heaters, saw strong growth during the year led by product portfolio revamp coupled with strengthening of dealer networks. Multiple new product launches are being planned by Polycab for the coming year and are at various stages of development.

During FY22, the Company launched over 30 new models of fans and appliances across the Premium, Economy, BLDC, and other categories, with a focus on covering the entire price spectrum. Going forward, the market for premium fans is likely to outpace economy fans, with the former's share growing by ~3x over the medium term. Accordingly, the Company aims to pivot its portfolio towards higher margin products while supporting with substantial investments in brand building activities.

The Company is implementing sales automation initiatives to increase the productivity of the sales force. Field sales operations are being fully automated along with the automation and streamlining of distributor operations. Polycab aims to create an integrated ecosystem capable of analytics-based suggestions.

**During FY22, the Company launched over 30 new models of fans and appliances across the Premium, Economy, BLDC, and other categories, with a focus on covering the entire price spectrum.**

#### Lighting and Luminaires

The Lighting and Luminaires industry is estimated to have grown in high single digits in FY22, largely led by price hikes. Post the initial hiccups due to the pandemic, the industry recovered gradually showing strong growth prospects for the near to medium term. The unorganised market continues to shrink as large players scale up distribution, improve service levels and increase market presence through cross-category portfolio expansion. The trend is likely to continue as disposable incomes increase and customer preference shifts towards high quality, reliable products.

The Company's Lighting and Luminaires business grew much ahead of the industry, led by its expanding reach in newer towns, enhanced penetration in existing major cities, premiumisation initiatives and the leveraging of cross-selling opportunities through product expansion. The Company also added several new super distributors, which contributed to growth. Polycab's strategic focus on high value categories like panels has led to over 60% YoY growth in this portfolio.

In FY22, the Company launched a unique Hybrid Technology LED Bulb, which results in lower cost and better quality, thereby reducing consumer rejections. Going forward, the Company will be leveraging this technology for the other lighting products as well. Polycab also enhanced its panels and Chip-On-Board (COB) lights portfolio to address the growing home lighting requirements in the premium segment. The business is in process of augmenting the distributor management system and implementing salesforce automation to enhance market execution.

#### Switches and Switchgears

The Switchgear business continued the healthy growth trajectory post the strategic interventions of the previous year. This business registered over 50% YoY growth compared to ~30% YoY industry growth. Higher focus on distribution expansion, with the doubling of retail reach, along with new product launches like RCCB, MCB etc. were key drivers of growth. Product availability also improved significantly with the implementation of localised manufacturing initiatives. Going ahead, the Company intends to expand aggressively in the industrial segment as well as emerging India clusters.

The Switches business posted a decline in FY22 due to internal supply issues. The Company has taken definitive steps to overcome these challenges by initiating the process of manufacturing switches in-house. The new state-of-the-art,

substantially automated, facility in Daman will help it improve product availability, drive innovation and reduce go-to-market time, and thus improve the Company's market presence significantly. Following the successful strategic intervention in switchgears last year, the Company's intends to integrate the Switches business with Lighting in the current year. This will enable aggressive distribution expansion, enhance customer experience and optimise the sales force. Th accessories portfolio also saw strong growth during the year.

### Conduits & Fittings

Conduits & Fittings are products used to route and protect electrical wiring in houses and other building structures. Made from the highest grade of waterproof and fire-resistant polymers, these products are crucial for protecting electrical wires and ensuring greater safety for every electrical circuit. These products are low-ticket items and are generally installed inside the wall. Hence quality consciousness amongst customers is relatively low. This, along with low barriers to entry, makes Conduits & Fittings a highly fragmented market, with nearly 30-40% of it being unorganised. The Company's Conduits & Fittings business posted strong growth during the year led by cross-selling, expansion in reach and quality awareness campaigns. The business contributed in double digits to the overall FMEG portfolio. Considering the large potential addressable market as well as consolidation opportunity, the Company will continue to invest in distribution and improve the availability of its products across India.

### Other FMEG categories

Polycab's Other FMEG business primarily comprises pumps and solar products, and is in a relatively nascent stage.

The Solar business, which offers on-grid inverters, solar panels and solar DC cables, saw strong traction during the year, posting over 50% YoY growth led by product portfolio expansion which, in turn, also increased the target addressable market. The Company remains upbeat about the strong potential for this business, given the increased push towards renewable energy. This business also offers an opportunity to cross-sell other products like solar wires & cables.

Growth in the pumps business was subdued in FY22 on account of lockdowns, aggressive price competition and inflation. The eastern and the southern markets continued the healthy momentum led by new product launches in the domestic, domestic open well and V4 segments. The pricing strategy was finetuned to improve profitability. During the year, the business team was further augmented with senior as well as junior level hirings.

### FMEG: Business outlook

The FMEG industry is likely to grow in high single digits over the medium term led by rising disposable incomes, evolving consumer preferences, technology progression and premiumisation. Within the broader market, large, organised players are likely to grow at a much faster pace on the back of increased consumer awareness, product availability, government regulations and the volatile business environment.

**Looking ahead, the Company has set itself an aggressive target of being among the top 5 players in select large categories in FMEG over the medium term. Its growth strategy is built on four key pillars**

1. Right product portfolio: Build comprehensive product portfolio across price points and functionalities
2. Right go-to-market: Target aggressive market expansion with increased retail outlet reach, dealer incentivising programs and digital led sales execution
3. Right brand architecture: Build a suite of sharply positioned brands and invest to occupy premium segments
4. Right influencer program: Create a structured influencer management program which empowers the influencers while building long-term deep relationships.

Post successful pilot projects in select rural markets, the Company took several initiatives to build the right infrastructure, portfolio and team to leverage the immense demand potential of semi-urban and rural India. It created a focused business vertical called 'Emerging India', with the aim of building presence in towns with up to 2 lakh population. The distribution architecture has been designed following detailed mapping and evaluation of these high potential geographies. The product portfolio is being calibrated to address specific needs of consumers while offering innovative products at relevant price points. The Company's new sub brand, Etira, will play a pivotal role in capturing share in these markets.

The Company has also stepped on the pedal when it comes to building presence in new age emerging channels such as e-commerce, modern trade, canteen department stores, among others. Over 600 Polycab products are available on all leading e-commerce portals such as Amazon, Flipkart, JioMart and Moglix. The Company expects these online channels to contribute about 10% of sales in specific large categories in FMEG in the coming years.

Polycab remains committed to its growth strategy under Project Leap, which will enable it to grow disproportionately vis à vis the industry. Its aim is to clock 2x market growth with 12% EBITDA margins over the medium term.

### Copper

During the year, the Company divested its 100% stake in Ryker Base Pvt. Ltd. Consequent to this transaction, the Copper segment was withdrawn in line with Indian Accounting Standards. All Ryker business income has been reported as income from discontinued operations in P&L.

### Other Categories

The Other segment, which largely represents the Company's EPC business and subsidiaries, clocked ₹2,943 million in revenue, growing by 20% YoY with construction activities picking pace. Segment EBIT stood at ₹438 million, registering a 12% YoY growth and 15% margin. The segment accounted for 2.5% of total sales for the year under review.

### Other: Outlook

Engineering-Procurement-Construction (EPC) is a strategic business, which aims to leverage the Company's wire & cables manufacturing ability, improve its management and execution skills to tap emerging opportunities in the power and digital infrastructure space. Having said that, the Company remains watchful of the inherent challenges of this business and aims to maintain a prudent approach in choosing projects with greater emphasis on a higher component of wires & cables supply in project value, optimal return of capital and acceptable risk levels. The annual sustainable operating margin in this business is expected to be in high single digit over the middle to long term.

## Internal Control Systems and Adequacy

The Company maintains a robust framework of internal controls that are in accordance with the nature and size of the business. This framework addresses the evolving risk complexities and underpins the Company's strong corporate culture and good governance. The Internal Audit plan is approved by Audit Committee at the beginning of every year. The conduct of internal audit is oriented towards the review of internal controls and risks in the Company's operations and covers factories, warehouses and centrally controlled businesses and functions.

While these controls are aligned with the requirements of the Companies Act, 2013, and the globally accepted framework issued by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission, they are also regularly tested by statutory and internal auditors for their effectiveness. The framework is a combination of entity-level controls, which include enterprise risk management, legal compliance framework, internal audit and anti-fraud mechanisms such as the Ethics Framework, Code of Conduct, Vigil Mechanism & Whistle Blower Policy and so on, process level controls, information technology-based controls, period-end financial reporting and closing controls. The Company has clearly defined policies, Standard Operating Procedures (SOP), Financial & Operation RAPID (Delegation of Authority) and organisational structure for its business functions to ensure a smooth conduct of its business. Technologies are leveraged in processes standardisation, automation and their controls. An extensive risk-based process of internal audits and management reviews provides assurance to the Board with respect to the adequacy and efficacy of internal controls.

Internal audit reports are reviewed by the Audit Committee every quarter. Furthermore, the Audit Committee also monitors management actions stemming from internal audit reviews. The Company is mindful of the fact that all internal control frameworks have inherent limitations. Therefore, it conducts regular audits and review processes to ensure that such systems are strengthened on an ongoing basis with improved effectiveness. The Company's management has evaluated the operative effectiveness of these controls and noted no significant deficiencies or material weaknesses that might impact the financial statements as of March 31, 2022.

## Financial Review: FY22 vs FY21

### Consolidated Balance Sheet

**1 Property, plant and equipment (PPE) and intangible assets**

(i) Total additions to PPE and Intangibles were ₹2,673 million mainly on account of

(a) Acquisition of Silvan (₹217 million)

(b) Plant and machinery – debottlenecking and expansion at Halol, Roorkee and Nashik plant (₹1,358 million)

(c) Building expansion at Halol (₹631 million)

(d) Freehold land, Electrical installation, and office equipment's (₹71 million, ₹2,140 million, and ₹122 million respectively).

(ii) Capital work in progress (CWIP) stood at ₹3,754 million as at 31 March 2022 of which main projects are largely attributed to expansion of Cable and Wire and FMEG manufacturing capacities. Further, other projects include new office premise acquired in Mumbai.

(iii) Right of Use assets: Addition during the year was ₹194 million on account of application of Ind AS 116 w.e.f. January 1, 2020. Under Ind AS 116, the Group capitalises the operating leases with corresponding lease liability. The said capitalised right-of-use asset is amortised.

(iv) The Company has provided adequate depreciation and amortisation in accordance with the useful lives of the assets determined in compliance with the requirements of the Companies Act, 2013. In certain class of assets, the group uses different useful life than those prescribed in schedule II of Companies Act, 2013.

**2 Investments in Joint Ventures**

**(i) Techno Electromech Private Limited**

In 2017, the Company entered into a 50:50 strategic joint venture with Techno Electromech Private Limited and invested ₹118.2 million. TEPL, a manufacturer based in Vadodara, Gujarat, for manufacturing LED lighting and luminaires. During the year, the Company did not infuse any additional capital.

**(ii) Ryker Base Private Ltd**

During the year, the Group entered into agreement with Renuka Investments and Finance Limited (a wholly-owned subsidiary of Hindalco Industries Limited) for divesting 100% stake of Ryker Base Private Limited at a consideration of ₹1,778.92 million (including TDS of ₹1.78 million).

**Investments – Current**

The Group has invested surplus funds of ₹7,641 million in liquid mutual funds as on 31 Mar 2022.

**3 Other financial assets**

Total other financial assets (non-current and current) decreased by ₹284 million to ₹590 as on 31 March 2022 on account of reduction in investment in fixed deposits having original maturity more than 12 months by ₹453 million. This is partly offset by increase in fair value of Embedded derivative amounting to ₹205 million.

**4 Other assets:**

Total other assets increased by ₹2,870 million to ₹4,853 million as on 31 March 2022 mainly due increase in advances given to vendors.

**5 Inventories**

Inventory as at 31 March 2022 was ₹21,996 million compared to ₹19,879 million as at 31 March 2021. Our inventory days derived from consolidated financial statements was 85 days in FY22 against 111 days in FY21.

**6 Trade receivables:**

Trade receivables (non-current and current) as at 31 March 2022 stood at ₹13,763 million against ₹15,641 million as at 31 March 2021, decrease by ₹1,878 million.

**(i) Non-current trade receivables**

Non-current trade receivables stood at ₹799 million as at 31 March 2022 largely comprising of retention money held by government customers pertaining to ongoing EPC projects.

**(ii) Current trade receivables**

Current trade receivables decreased by ₹1,394 million to ₹12,964 million as at 31 March 2022. Our receivable days derived from consolidated financial statements was 39 days in FY22 against 60 days in FY21, benefited on account of higher channel finance sales.

**7 Cash and cash equivalent and other bank balances**

Cash and cash equivalents and other bank balance aggregated to ₹4,071 million as at 31 March 2022. The surplus funds are parked in fixed deposits.



**8 Share capital**

The paid-up share capital of the Company as at 31 March 2022 was ₹1,494 million (31 March 2021 – ₹1,491 million) comprising 14,94,43,040 Equity shares of face value ₹10 each. During the year, the Company has further issued 3,24,226 shares to employees under ESOP.

**9 Other Equity**

Other equity comprises of reserves and surplus and other comprehensive income. Total other equity increased by ₹7,895 million in FY22 and stood at ₹53,943 million.

Reserves and surplus included in the other equity includes retained earnings, securities premium, general reserve and other reserves comprising ESOP outstanding account, share application money pending allotment and foreign currency translation reserve.

(i) The Securities premium balance increased by ₹237 million due to fresh issue of equity shares employees under ESOP scheme.

(ii) The general reserve balance increased by ₹1 million and stood at ₹614 million. This is due to transfer from ESOP outstanding to general reserve giving effect to forfeiture of vested shares.

(iii) ESOP outstanding increased by ₹57 million due to Company recorded ₹168 million of stock based compensation in relation to its ESOP plans and the adjustment for exercise of stock options ₹110 million.

(iv) Retained earnings balance increased by ₹8,857 million due to Profit for the year of ₹9,098 million and cash dividend payout of ₹1,492 million.

(v) Foreign currency translation reserve decreased by ₹12.2 million on account of conversion of foreign subsidiary financials from their functional currency to reporting currency of the Company.

**10 Borrowings**

(₹ million)

| | Non-Current | | Current | | Total | | % Change |
|---|---|---|---|---|---|---|---|
| | FY22 | FY21 | FY22 | FY21 | FY22 | FY21 | |
| Borrowing | 30 | 1,037 | 802 | 1,450 | 831 | 2,487 | -67% |

(i) Decrease in non-current and current borrowing is mainly due to Ryker divestment.

**11 Other financial liability**

Other financial liabilities (non-current and current) decreased by ₹621 million to ₹686 million as on 31 March 2022, mainly on account of decrease in derivative liability by ₹838 million, partially set off against increase in creditors for capital expenditure of ₹202 million

**12 Other Liability**

Other liability primarily consists of advance from customer, other statutory dues, deferred liability, contract liability, refund liability and deferred government grant.

Total other liabilities (non-current and current) decreased by ₹180 million mainly on account of

(i) Decrease in deferred government grant liability by ₹98 million mainly on account of Ryker divestment.

(ii) Increase in other Statutory dues by ₹172 million mainly on account of higher GST liability due to better revenue.

(iii) Decrease in contract liability by ₹370 million on account of recognition of contract revenue and increase in refund liability by ₹142 million.

**13 Trade payables**

Total balance as at 31 March 2022 was ₹12,175 million as compared to balance of ₹13,480 million as at 31 March 2021, decrease by ₹1,305 million, mainly due to lower creditors other than acceptance.

**14 Provisions:**

Total balance as at 31 March 2022 was ₹518 million as compared to balance of ₹487 million as at 31 March 2021, was increased by ₹31 million mainly due to increased in compensated absences by ₹41 million and decrease in Gratuity provision by ₹11 million. The Parent Company in India provides gratuity benefits for its employees wherein the plan is funded with the fund balance kept with Life Insurance Corporation of India. The liability for gratuity and compensated absences is based on the valuation from the independent actuary.

**15 Deferred tax liability**

Deferred tax liability decreased to ₹272 million from ₹418 million, decrease by ₹146 million mainly due to Ryker divestment.

## Consolidated Results (P&L)

### 1 Revenue from operations

Revenue from operations increased by 39% to ₹1,22,038 million in FY 22 from ₹87,922 million in FY 21. Our segment wise growth is as below:

(in ₹ million)

| Segment Revenue* | Revenue | | Growth |
|---|---|---|---|
| | FY22 | FY21 | |
| Wires & Cables | 1,06,302 | 74,570 | 43% |
| Fast Moving Electrical Goods (FMEG) | 12,502 | 10,335 | 21% |
| Revenue from construction contracts | 1,888 | 1,890 | 0% |
| Others | 1,128 | 542 | 108% |
| Export incentive and government grant | 218 | 585 | -63% |
| **Total** | **1,22,038** | **87,922** | **39%** |

### 2 Other Income:

Our other income primarily comprises of interest income, income from investment in mutual funds, fair valuation of financial instruments, exchange difference and others. Our other income decreased by ₹294 million to ₹899 million mainly attributed due to:

(a) Decrease in Exchange gain by ₹252

(b) Decrease in Interest income by ₹88 million

(c) Increase in gain on mutual fund by ₹61 million.

(d) Decrease in fair valuation of financial instruments by ₹25 million, in FY 22 there was a loss reported in other expenses.

### 3 Raw material cost of goods sold

Our raw materials costs of goods sold (COGS) including packing material, consists following line items in the financials

(a) Cost of materials consumed

(b) Purchases of traded goods.

(c) Changes in inventories of finished goods, traded goods and work-in-progress

(d) Project bought outs and other costs

Raw materials costs of goods sold increased by 3.4% to ₹94,657 million in FY22. COGS as a percentage of sales increased from 74.1% in FY 21 to 77.6% in FY 22 mainly due to raw material inflation

### 4 Employee Benefit Expenses

The employment expenses increased by ₹529 million to ₹4,066 million from ₹3,537 million, an increased of 15%. As a percentage to revenue, employee cost was 3.33% in FY 22 as compared to 4.02% in FY 21.

The Company instituted ESOP Plan 2018, ESOP Performance Scheme, and ESOP Privilege Scheme for issuance of stock options to eligible employees of the Company in 2018. The compensation cost recognized for these ESOP schemes was ₹161 million for FY 2022 and ₹110 million for FY 2021 which was included in the employee benefit expenses.

### 5 Finance cost:

Finance cost largely includes interest cost, bank charges and foreign exchange gains/(losses) on borrowings.

Our finance costs decreased by ₹75 million to ₹352 million in FY 2022 primarily due to lower borrowings."

### 6 Depreciation and amortization expense

Depreciation and amortization expense increased to ₹2,015 million in FY 2022 compared to ₹1,762 million in FY 2021, increase of ₹254 million largely due to additions on account of additions in plant and machinery.

### 7 Other expenses

Other expenses increased by ₹2,560 million to ₹10,663 million in FY 2022 from ₹8,102 million in FY 2021. As a percentage to revenue, other expenses were 8.74% in FY 2022 as compared to 9.22% in FY 2021.

Increase was largely on account of :

(a) Increased in sub-contracting expenses by ₹451 million due to Ryker divestment where by tolling cost increased which was earlier eliminated in consolidation.

(b) Increase in power and fuel by ₹279 million; freight and forwarding expense by ₹783 million in line with increased in revenue

(c) Increase in advertising and sales promotion spends by ₹140 million due to reorganisation of marketing strategy .

(d) Increase in consultancy expense and travel expenses by ₹388 million

## Consolidated Cash Flow

| | FY22 | FY21 | Change |
|---|---|---|---|
| Net Cash inflow from operations | 5,116 | 12,524 | (7,408) |
| Net Cash used in investing activities | (4,270) | (10,121) | 5,851 |
| Net cash used in financing activities | (2,007) | (1,748) | (259) |
| Net increase / (decrease) in cash and cash equivalents | (1,160) | 656 | (1,816) |

### 1 Net Cash inflow from operations

Decrease in net cash inflow from operations is mainly on account of:

a) Increase in inventory

b) Advance given to creditors for material sourcing

c) Ryker divestment

### 2 Net Cash used in investing activities

Net Cash used in investing activities in FY 22 was ₹4,270 million mainly due to procurement of office building, surplus funds are parked in mutual funds and fixed deposit, and Ryker divestment inflow.

### 3 Net cash used in financing activities

Net cash used in financing activities in FY21 was ₹2,007 million, mainly on account of :

a) Reduction in borrowing due to Ryker divestment.

b) Payment of dividend of ₹1,492 million

## Details of significant changes in key financial ratios

| | FY22 | FY21 | Change | Remark |
|---|---|---|---|---|
| Debtors Turnover | 9.4 | 6.1 | 53.7% | Higher channel finance revenue improved trade receivables turnover ratio |
| Inventory Turnover | 5.5 | 4.4 | 25.4% | Growth in revenue and inventory optimisation improved inventory turnover ratio |
| Interest Coverage Ratio | 39.4 | 26.2 | 50.4% | Improvement largely on account of gain on sale of Ryker |
| Current Ratio | 3.0 | 2.4 | 24.6% | Improvement largely on account of gain on sale of Ryker |
| Debt Equity Ratio | 0.01 | 0.05 | -71.3% | Improvement largely on account of gain on sale of Ryker |
| Operating margin (EBITDA / Net Sales) | 10.3% | 12.6% | -2.3% | No Significant Changes |
| Net Profit margin (PAT / Net Sales) | 6.9% | 9.6% | -2.6% | Net Profit ratio was lower on account of input cost pressure partly mitigated by calibrated price hikes |
| Return on Equity | 15.2% | 17.6% | -2.5% | No Significant Changes |

# Business Responsibility Report ('BRR')

for the year ended March 31, 2022

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

| Sr. No. | Particulars | Details |
|---|---|---|
| 1 | Corporate Identity Number (CIN) of the Company | L31300GJ1996PLC114183 |
| 2 | Name of the Company | Polycab India Limited (the Company) |
| 3 | Registered address | Unit No.4, Plot No.105, Halol Vadodara Road,<br>Village Nurpura, Taluka Halol, Panchamahal, Gujarat – 389350 |
| 4 | Website | www.polycab.com |
| 5 | E-mail id | shares@polycab.com |
| 6 | Financial Year reported | 2021-22 |
| 7 | Sector(s) that the Company is engaged in (industrial activity code wise) | See table below |
| 8 | List three key products/services that the Company manufactures/provides (as in balance sheet) | Wires<br>Cables<br>Fast moving electrical goods (FMEG)<br>Fans, Lightings and Luminaires,<br>Solar Pumps, Switchgear and<br>Small Domestic Appliances |
| 9 | Total number of locations where business activity is undertaken by the Company | |
| | A. Number of National Locations | 23 – Manufacturing Facilities<br>1 – Corporate Office<br>4 – Regional Offices<br>11 – Local Offices<br>28– Warehouses and Depots |
| | B. Number of International Locations | 2 |
| 10 | Markets served by the Company – Local/State/ National/International | The Company's products are available nationally and several products are exported.<br>The Company is having sales presence in 60+ Countries. |

Sector(s) (item 7):

| Group | NIC Code / Class | Description | Main Description |
|---|---|---|---|
| 273 | 2732 | Manufacture of other electronic and electric wires and cables | Cables |
| 271 | 2710 | Manufacture of electric motors, generators, transformers, electricity distribution and control apparatus | Switchgears |
| 274 | 2740 | Manufacturing of lighting equipment | Lighting & Fixtures |
| 275 | 2750 | Manufacture of domestic appliances | Electronic Consumer Durables |

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

| Sr.No. | Particulars | Response |
|---|---|---|
| 1 | Paid up Capital (₹) | ₹1,494.43 million |
| 2 | Total Turnover (₹) | ₹120,979.09 million |
| 3 | Total profit after taxes (₹) | ₹9,312.72 million |
| 4 | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | ₹191.89 million (2.06%) for the year ended March 31, 2022. |
| 5 | List of activities in which expenditure in 4 above has been incurred: | Refer **Annexure C** of Board's Report |

## SECTION C: OTHER DETAILS

| Sr.No. | Particulars | Response |
|---|---|---|
| 1 | Does the Company have any Subsidiary Company / Companies? | Yes, the Company has following 9 (Nine) Subsidiary Companies:<br>1. Tirupati Reels Private Limited<br>2. Dowells Cables Accessories Private Limited<br>3. Silvan Innovations Labs Private Limited<br>4. Polycab Australia Pty Limited<br>5. Polycab Support Force Private Limited<br>6. Uniglobus Electricals and Electronics Private Limited<br>7. Polycab USA LLC;<br>8. Polycab Electricals and Electronics Private Limited<br>9. Steel Matrix Private Limited |
| 2 | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s) | Yes, the subsidiaries of the Company are aligned with the Company's BR Initiatives |
| 3 | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | The Company encourages participation of its stakeholders in the BR initiatives of the Company. |

## SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

### 1. Details of Director /Directors responsible for BR, implementation of the BR policy / policies and BR Head

| Sr. No. | Particulars | Details |
|---|---|---|
| 1. | DIN (If applicable) | 00309108 |
| 2. | Name | Inder T. Jaisinghani |
| 3. | Designation | Chairman and Managing Director (CMD) |
| 4. | Telephone number | 022-673511400 |
| 5. | E-mail id | shares@polycab.com |

### 2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

| Principle Nos. | Principle | Policies |
|---|---|---|
| 1 | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability | Anti-Bribery Policy,<br>Conflict of Interest Policy<br>Policy for Prevention of Fraud |
| 2 | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle | Quality Policy |
| 3 | Businesses should promote the well-being of all employees. | Code of Conduct<br>OHSE Policy |
| 4 | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. | POSH Policy<br>CSR Policy |
| 5 | Businesses should respect and promote human rights | Human Rights Policy |
| 6 | Businesses should respect, protect, and make efforts to restore the environment | OHSE Policy<br>Supplier Code of Conduct |
| 7 | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner. | - |
| 8 | Businesses should support inclusive growth and equitable development. | Equal Opportunity Policy |
| 9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner | Polycab Code of Conduct<br>Quality Policy<br>Data Protection & Privacy Policy |

# Business Responsibility Report ('BRR')

## 3. Details of Compliance (Reply in Y/N)

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Do you have a Policy/Policies for... | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2 | Has the policy been formulated in consultation with the relevant stakeholders? | Yes | | | | | | | | |
| 3 | Does the policy conform to any national/international standards? If yes, specify? (50 words) | Yes. The policies has been formulated in accordance with applicable SEBI Regulations. | | | | | | | | |
| 4 | Has the policy been approved by the Board? If yes, has it been signed by MD/ Owner/CEO/ appropriate Board Director? | Yes.<br>The policies has been approved by the Board of Directors and signed by the Chairman & Managing Director. | | | | | | | | |
| 5 | Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the policy? | Yes | | | | | | | | |
| 6 | Indicate the link for the policy to be viewed online? | Policies are available on the website of the Company i.e. www.polycab.com. Policies which are internal to the Company are available on the intranet of the Company.<br>Link of the policies hosted on the website are given above. | | | | | | | | |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes | | | | | | | | |
| 8 | Does the Company have in-house structure to implement the policy/policies? | Yes | | | | | | | | |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies? | Yes | | | | | | | | |
| 10 | Has the Company carried out Independent Audit / evaluation of the working of this policy by an internal or external agency | The policies have been evaluated internally | | | | | | | | |

If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | The Company has not understood the principles | - | - | - | - | - | - | - | - | - |
| 2 | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified Principles | - | - | - | - | - | - | - | - | - |
| 3 | The Company does not have financial or manpower resources available for the task | - | - | - | - | - | - | - | - | - |
| 4 | It is planned to be done within next six months | - | - | - | - | - | - | - | - | - |
| 5 | It is planned to be done within next one year | - | - | - | - | - | - | - | - | - |
| 6 | Any other reason (please specify) | - | - | - | - | - | - | - | - | - |

## 4. Governance related to BR

| Sr. No. | Particulars | Details |
|---|---|---|
| 1 | Indicate the frequency with which the Board of Directors, Committee of the Board to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year? | Annually |
| 2 | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? | Yes, the BRR forms part of the Annual Report for FY 2022, which is available on the website of the Company at: www.polycab.com and is published annually. |

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

**1. Does the Company have Policies relating to ethics, bribery and corruption cover only the Company?**

**Response:** The Company has following policies relating to ethics, bribery and corruption which are also applicable to other stakeholders.

a) Anti Bribery Policy

b) Conflict of Interest Policy

c) Policy for prevention of Fraud.

**2. Does it extend to Group/ Joint Ventures/ Suppliers/ Contractors/NGOs/Others?**

**Response:** Yes, the policies are applicable and binding on all employees (temporary or permanent), directors, officers of the Company and its subsidiaries, Joint venture Partner(s) and Associate Companies, the Policy is also applicable to all third parties including but not limited to vendors, distributors, resellers, business partners, suppliers, contractors, subcontractors, or agents working on its behalf to abstain from engaging in any form of bribery or corruption.

**3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

**Response:** During the year under review, 95 shareholder grievances were received and none of the complaints are pending as on March 31, 2022. For more details refer Corporate Governance Report page no 141.

### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

**1. List upto 3 of your products or services whose design has incorporated social or environmental concerns risk and/ or opportunities.**

**Response:** The Company manufactures a wide range of Cables, Wires and Fast-Moving Electrical Goods (FMEG). The Company is continuously emphasizing on creating products that do not have any detrimental effect on the individuals, communities and environment. The Company makes a wide contribution to sustainable development through innovative process and R&D activity as well as focused into other attributes like product carbon footprint, recycled content and energy efficiency. The eco-friendly product green wire is manufactured adhering to National and International standards and 3rd party certification. The Company is always contributing sustainable design practices in safety areas and produced IGNIS, the fire safety cable for working in high fire situation continuously for 3 hours without evolution of toxic gases.

i. LED bulbs are made with eco-friendly mercury-free energy efficient LED technology that have an 80 percent higher efficiency than GLS lights.

ii. Our brushless direct current motor (BLDC) fans are far more energy efficient (only consume 42 W at maximum speed), produce less noise, and have a longer life period without compromising air delivery criteria.

iii. The Company makes halogen free cable with energy efficient E-Beam technology facilitates high energy saving and reduces carbon foot print. The wires & cables produced from E-Beam technology are having excellent electrical, mechanical and fire properties with low production of waste and causing no harm to the environment.

**2. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

**Response:** Suppliers are invaluable stakeholders in our business. Our Quality Policy specifies the degree of excellence as "all activities of the organization to be carried out in a systematic manner as per best standards. The Company engages with suppliers to inculcate responsible business practices in the entire supplier life cycle embodied in Supplier Code of Conduct. All suppliers are required to adhre to Supplier Code of Conduct which includes a mandate to comply with local laws and regulations. We expect our suppliers to support and respect internationally proclaimed human rights guidelines.

**3. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

**Response:** Many products like galvanized wires, various tapes, fillers, maintenance repair and operational parts are sourced from Micro Small Medium Enterprises (MSMEs) located in the vicinity of our factories. With rising demand from the Company, these suppliers are increasing their capacities and capabilities to meet with the requirements of the Company. The Company ensures that undisputed payments are made to MSMEs within the timeframe prescribed under the Micro, Small and Medium Enterprises Development Act, 2006.

**4. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

**Response:** The Company recycles select raw materials in collaboration with local agencies while collecting in an uncontaminated form. The recycle process is highly environment friendly and cost effective with lower transaction cost. Special recycling process are adopted for low evolution of Green House Gas.

# Business Responsibility Report ('BRR')

## Principle 3: Businesses should promote employee well-being

| Sr. No. | No. of Employees as on March 31, 2022 | Details |
|---|---|---|
| 1 | On-roll | 4431 |
| 2 | Employees hired on temporary/contractual/casual basis | 7337 |
| 3 | Permanent women employees | 170 |
| 4 | Permanent employees with disabilities | 6 |
| 5 | Do you have an employee association that is recognized by Management | Nil |
| 6 | What percentage of your permanent employees is members of this recognized employee association | Not applicable |
| 7 | Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment, discriminatory employment in the last financial year and pending as on the end of the financial year | Nil |
| 8 | What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? | |
| | (i) Permanent Employees | 85.35% |
| | (ii) Permanent Women Employees | 97.65% |
| | (iii) Casual / Temporary / contractual employees | 92.30% |
| | (iv) Employees with Disabilities | 50.00% |

## Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

**1. Has the Company mapped its internal and external stakeholders?**

**Response:** Yes

**2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders.**

**Response:** Yes

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

**Response:** Yes, CSR activities of the Company are undertaken to target the disadvantaged, vulnerable and marginalized stakeholders such as:

Education & Skill Development, Construction, renovation and support of schools and anganwadis, Science and Computer Labs, Educational Programs and skill development classes.

Environment- Animal welfare, Tree Plantation and Swacch Bharat Abhiyan

Health care and sanitation, COVID, Health Camps, Sanitation Facilities, Hospital Equipment

Rural development – Farming Sessions, construction of community hall and library, support to orphanage and old homes.

## Principle 5: Businesses should respect and promote human rights

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

**Response:** Yes, the Human Rights Policy is applicable and binding on all employees, Directors, officers of the Company and its subsidiaries, Joint Venture Partner(s) and Associate Companies who in turn shall ensure that financial consultants, corporate agents, brokers, distributors, vendors, consultants, advisors, suppliers, contractors or other third parties engaged with the Company and its subsidiaries or affiliate companies, are aware of and abide by the policies, across all locations.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

**Response:** NIL

## Principle 6: Businesses should respect, protect, and make efforts to restore the environment

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

**Response:** Yes, the company has adopted an Occupational Health Safety and Environmental (OHSE) policy which covers the Company and other stakeholders.

**2. Does the Company have strategies / initiatives to address global environmental issues, such as climate change, global warming, and others? If yes, please give hyperlink for webpage etc.**

**Response:** The Company is committed to minimize resource wastage and maintain ecological balance. These efforts also extend to re-using and recycling the resources to the extent possible. Our products reflect a genuine sense of eco-consciousness and are produced using the most environment-friendly materials and processes, with the highest efforts to conserve energy and other key resources.

- Conventional lighting are 100% replaced with LED lighting
- Completed two years – ISO 50001 Energy Management system
- Installation of Variable Frequency Drive (VFD) in compressor and pumps, resulting in energy saving of 20%
- Implemented industry 4.0 – IoT in three plants to capture real time date of machines

**3. Does the Company identify and assess potential environmental risks? Y/N**

**Response:** Yes.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

**Response:** The Company has undertaken Bundled wind power project – Enking International under Clean Development Mechanism.

**5. Has the Company undertaken any other initiatives on clean technology, energy, efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

**Response:** Yes, the Company has undertaken following measures in attaining energy efficiency such as:

- Commissioned Solar Roof Top Plant – 4.375 MW
- Increase in renewable energy consumption in the form of captive, wind and solar energy by 6.12 mn KWH.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported.**

**Response:** Emission/waste generated by Company are within the permissible limits and complied all the norms stipulated by CPCB/SPCB.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

**Response:** As on March 31, 2022, no show cause / legal notice issued or received from CPCB / SPCB.

## Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

**1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

**Response:**

a. The Federation of Indian Chambers of Commerce and Industry
b. The Associated Chambers of Commerce and Industry of India
c. Confederation of Indian Industry
d. Electrical & Electronics Manufacturing Association
e. Federation of Indian Export Organizations
f. Bombay Chamber of Commerce and Industry
g. ASMECHEM Chamber of Commerce and Industry of India
h. Indian Fan Manufacturers Association

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

**Response:** No.

## Principle 8: Businesses should support inclusive growth and equitable development.

**1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

**Response:** Yes, the Company has specific programmes/ initiatives/ projects in pursuance of its CSR policy

Brief Summary on CSR Initiative of the Company are as follows:

**a. Health care & Sanitation**

Mobile Medical units offering free services such as OPD (OutPatient Department), health cards, consultation to an average of 90 to 100 patients a day. Health Checkup & Blood Donation camp, Distribution of Medical equipment and setting up of Blood Donation Centre. Covid Support such as sponsoring Oxygen Concentrator. Support to Cancer Treatment hospital. Building of Toilet Blocks in orphanage, Schools and Villages. Distribution of Medicine in old age homes. Support to Dr Hedgewar Hospital in setting up of 2 General wards of 25 bed each and providing Mammography Machines in Radiology Department. Partnered with the Rotary Club, Calicut East, in providing medical equipment to the Pediatric ICU Ward of the Government Hospital at Beach Road, Calicut.

**b. Education & Skill Development**

Education program and facilities: LEAAD Program (Leadership Enrichment for Adolescence through Assessment & Development) was organized which help students exposed to leadership building qualities. Study Science, Technology, Engineering & Mathematics (STEM) and Computer Laboratory set up for students to learn practical aspects of education and become more tech savvy. Built new Anganwadis and renovated schools and Support to Netaji SCB Military Academy in construction of School in Daman.

Skill development initiatives for women empowerment include martial arts – offering 3 years certification course in self-defence, sewing classes aimed at self-employment of women and dance classes offering 5 years 'Visharad' Course in traditional dance.

**c. Environment**

Tree Plantation, construction and renovation of Check Dams, Animal Welfare such as construction of cattle shed & organizing cattle camps and carried out Swacch Bharat Abhiyan.

**d. Rural Development**

Agriculture: Sessions on best practices of farming, crop planning and care, mushroom farming, post harvest management product sales and marketing. Expansion of public library in Godhra.

Creating awareness of government schemes & helping on documentation / registration in villages for enabling them to take benefit of the Schemes

**2. Are the programmes /projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

**Response:** The Company undertakes the programme / projects through its own foundation and external NGOs.

**3. Have you done any impact assessment of your initiative?**

**Response:** No

**4. What is your Company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken.**

**Response:** The Company spent an amount of ₹191.89 million on community Development projects. Please refer 'Annexure C' 'Annual Report on CSR activities forming part of the Board's Report

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

**Response:** Yes

## Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

**Response*:** 0.20% complaints were pending as on March 31, 2022.

*Note: Subsequently these pending customer calls were resolved satisfactorily.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws?**

**Response:** The Company displays products information on the product label as mandated by law

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

**Response:** Nil

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

**Response:** Yes, the Company collects Customer feedback form and outbound calls.

For and on behalf of Board of Directors of
**Polycab India Limited**

**Inder T. Jaisinghani**
Chairman & Managing Director
DIN: 00309108

Place: Mumbai
Date: May 10, 2022



# Board's Report

To
The Members of Polycab India Limited

Your Directors take pleasure in submitting the 26th Annual Report of the business and operations of your Company ('the Company' or 'PIL') and the Audited Financial Statements for the financial year ended March 31, 2022.

## 1. Financial & Operations Highlights of the Company

(₹ in million)

| Sr. No. | Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|---|
| | | Current Year March 31, 2022 | Previous Year March 31, 2021 | Current Year March 31, 2022 | Previous Year March 31, 2021 |
| 1 | **Revenue from Operation** | 1,20,979.09 | 87,363.62 | 1,22,037.61 | 87,922.34 |
| | Other Income | 905.03 | 1,197.21 | 899.23 | 1,192.83 |
| | **Total income** | **1,21,884.12** | **88,560.83** | **1,22,936.84** | **89,115.17** |
| 2 | **Earnings before Interest & Depreciation** | **14,548.13** | **12,105.91** | **14,478.92** | **12,838.19** |
| | Finance Cost | 334.20 | 411.23 | 351.90 | 426.87 |
| | Depreciation | 1,965.58 | 1,740.09 | 2,015.19 | 1,761.66 |
| 3 | **Profit before Tax** | **12,248.35** | **9,954.59** | **12,111.83** | **10,649.66** |
| | Income tax expenses | 2,935.63 | 1,641.29 | 2,938.99 | 1,790.53 |
| 4 | **Profit after Tax** | **9,312.72** | **8,313.30** | **9,172.84** | **8,859.13** |
| 5 | Earnings Per Share (In ₹) | | | | |
| | Basic | 62.39 | 55.79 | 60.87 | 59.20 |
| | Diluted | 62.12 | 55.57 | 60.60 | 58.96 |

The standalone as well as the consolidated financial statement have been prepared in accordance with the Indian Accounting Standards (Ind AS).

During the year PIL posted a consolidated turnover of ₹ 1,22,038 million rising by ₹ 34,116 million YoY from ₹ 87,922 million in the previous year. The consolidated EBITDA (excluding other income) and profit after tax stood at ₹ 12,626 million and ₹ 9,173 million as against ₹ 11,117 million and ₹ 8,859 million in the previous year. FY22 was a year full of challenges, but the Company achieved several significant milestones. Overall top-line surpassed ₹ 120 billion clocking 17% CAGR in last 5 years. Exports became a sustainable ₹ 9 billion business making Polycab, the largest exporter of cables and wires in India. FMEG is now a ₹ 12 billion franchise. The business also churned out record cash with negligible debt levels.

Although the year started with the second wave marked by sharp rise in Covid-19 cases, however the impact on day-to-day life as well business was relatively lesser than the first wave on account of well calibrated lockdown and successful vaccination drive. The economy saw a steady uptick from Q2 FY22 onwards. Macro indicators such as GST collections, E-way bills, Index for Industrial Production (IIP), Core industries index amongst others continued to scale new highs. Real GDP growth in Q3 FY22 stood at 5.4% YoY on a positive base. Such favorable macro-economic factors coupled with an accommodative stance adopted by the Reserve Bank of India (RBI) resulted in highest amount of fresh investment announcements seen in last 15 years. Furthermore, policy reforms like National Infrastructure Pipeline, Gati Shakti – National Master Plan, Production-Linked Incentive (PLI) scheme, amongst others, is likely to provide a strong impetus to public capital investments as well as domestic manufacturing. Moreover, we believe India's immense consumption potential underlined by favourable demographics, rising incomes, urbanisation and technological advancements forms the bedrock of long-term structural growth

Wires and Cables revenue grew strongly by 41% YoY to ₹ 1,06,953 million, accounting for 87% of total sales in FY22. A combination of internal and external factors including strong focus on execution, proactive investment in key areas like distribution expansion, pricing actions, digitalization coupled with governments strong focus on driving economic growth and structural reforms have resulted in a healthy double-digit volume as well as market share gains for Polycab in the wires and cables segment. Unprecedented volatility in key input costs and disruptions led by two waves of COVID pandemic posed as key headwinds during the year. FMEG business revenue stood at ₹ 12,544 million, as against ₹ 10,341 million in FY21, posting a 21% YoY growth in sales led by strategic interventions, distribution expansion as well as improving demand environment. Over the past five years this business has clocked 30% CAGR and healthy market share gains across most categories, all the while enduring stiff competition and pandemic led disruptions. The business contributed 10% to consolidated top-line. The Company is committed to achieving 2x of industry growth and 12% annualized EBITDA margin in this business by FY26.

The Company has seen significant inflation in almost all of the raw materials used to manufacture wires, cables and FMEG. Prices of key inputs swelled by 20% to 70%, on an average, during the year. This was largely led by supply chain disruptions, recovering demand following the pandemic, various government policies and rise of clean energy ecosystem. Copper prices were elevated on account of lower production and supply from key copper mining countries, more particularly in South America. This coupled with global push towards green energy for production of electric vehicles along with renewable infrastructure and investments in the grid boosted copper demand and led to critically low levels of refined copper inventories globally. Copper prices increased from ~$9,000/mt in March 2021 to ~$10,200/mt in March 2022 with high interim volatility. Aluminium prices increased to a thirteen-year high crossing $3,200/ MT in January 2022 and moving closer to $4,000/MT in short span of time. This was largely led by demand supply mismatch on account of improved demand across sectors and geographies, supply chain hiccups led by geopolitical tensions and policy actions in China. PVC compounds, used as an insulating material, for wires and cables also remained elevated due to rising crude oil prices. While the commodity prices are likely to remain elevated in the near term, the Company is proactively passing on the inflation to customers through calibrated price hikes.

The world is changing faster than ever, and we must be at the cutting edge of business to thrive. The business environment has evolved in the last few years, and we have been working at aligning our business by integrating new technology, new talent, strong channel network and providing innovative products and solutions to customers. Project Leap is our multiyear program that includes a range of strategic teams and initiatives focused on growth, profitability and long-term capability building for the organization across B2B and B2C businesses with a goal of achieving greater than ₹200 billion sales by FY 2026. During the year the Company made significant progress primarily in focusing on four key areas i.e. Setup of right organization enablers, Customer centricity, Go – To – Market and Product portfolio optimization (Refer to Project Leap section for more details).

Polycab family has grown during the year. Authorized dealers and distributors increased from 4,100 to 4,600 while retail outlets increased from 1,65,000 to 2,05,000 registering nearly 25% YoY growth. The company remains very optimistic of medium to long term potential of wires and cables industry given its diverse utility and a conducive economic environment. Structural reforms implemented in the past like Goods and Service Tax (GST), Insolvency and Bankruptcy Code (IBC), Labour laws, Corporate Tax rate, Real Estate Regulatory Authority (RERA) amongst other created a robust platform which builds an attractive investment case for India. Manufacturing sector which is one of our key demand centres, serviced through authorised dealers and distributors, is witnessing healthy traction on the back of rising capacity utilisation, Production Linked Incentive (PLI) Scheme as well "Make in India". With a right product portfolio, strong inherent capabilities and robust reach, Polycab is very well positioned to leverage all of these favorable tailwinds and reinforce its market position further. FMEG industry is likely to grow in high single digits over the medium term led by rising disposable incomes, evolving consumer preferences, technology progression and premiumisation. Within the broader market, large, organised players are likely to grow at a much faster pace with increased consumer awareness, product availability, government regulations and volatile business environment. With project Leap in action, our growth strategy is built up four key pillars 1) Right Product portfolio 2) Right Go-to-market 3) Right brand architecture 4) Right Influencer program. The Company remains committed to growth strategy under Project Leap which will enable it to grow disproportionately as against the industry.

On standalone basis, we have recorded a growth in turnover of 38% YoY from ₹ 1,20,979 million to ₹ 87,364 million in FY 22. The EBITDA is ₹ 12,400 million as against ₹ 10,909 million for the previous year. Standalone Profit after tax is ₹ 9,313 million as compared to ₹ 8,313 million of the preceding year.

## 2. Transfer to Reserve

The Company does not propose to transfer any amount to Reserves.

## 3. Dividend

The Board of Directors at their meeting held on May 10, 2022, have recommended a Dividend @ ₹ 14/- (140%) per equity share of the face value of ₹10/- each for the financial year March 31, 2022 subject to approval of the Member of the Company at the ensuing Annual General Meeting. The total cash out flow on account of payment of Dividend would be approximately ₹ 2,092.20 million. The Members whose names appear as Beneficial Owners as at the end of the business hours on Wednesday, June 22, 2022 (Record date) will be eligible for receipt of Dividend.

The Dividend, if approved by the Members will be paid on or before 30 days from the date of Annual General Meeting.

The Dividend recommendation is in accordance with the Dividend Distribution Policy ("Policy") of the Company. The Policy is available on Company's website and is accessible through weblink.

## 4. Change in Share Capital

| Particulars | No. of Equity shares | Face Value (₹) | Paid-up share capital (₹) |
|---|---|---|---|
| Paid up Capital of the Company as on April 01, 2021 | 14,91,18,814 | 10/- | 1,49,11,88,140 |
| Equity Shares allotted under ESOP during the year under review | 3,24,226 | 10/- | 32,42,260 |
| Paid up Capital of the Company as on March 31, 2022 | 14,94,43,040 | 10/- | 1,49,44,30,400 |

During the financial year 2021-22, there was no change in the authorised share capital of the Company.

## 5. Subsidiaries, Joint Ventures & Associates:

**Subsidiaries**

### 5.1. Details of Subsidiaries

As on March 31, 2022, your Company had 9 (Nine) Subsidiaries as detailed below:

| Sr. No. | Name of the Subsidiary | Date of creation of Interest | Nature of interest / percentage of shareholding | Location |
|---|---|---|---|---|
| (i) | Tirupati Reels Private Limited ('TRPL') | January 21, 2015 | Subsidiary (55%) | India |
| (ii) | Dowells Cable Accessories Private Limited ('Dowells') | December 01, 2015 | Subsidiary (60%) | India |
| (iii) | Silvan Innovations Labs Private Limited ('Silvan') | June 18, 2021 | WOS[1] | India |
| (iv) | Polycab Australia Pty Limited ('PAPL') | July 01, 2020 | WOS[1] | Australia |
| (v) | Polycab Support Force Private Limited ('PSFPL') | March 13, 2021 | WOS[1] | India |
| (vi) | Uniglobus Electricals and Electronics Private Limited ('Uniglobus') | March 24, 2021 | WOS[1] | India |
| (vii) | Polycab USA LLC ('PULLC')* | January 27, 2020 | WOS[1] | USA |
| (viii) | Polycab Electricals and Electronics Private Limited ('PEEPL')* | March 19, 2020 | WOS[1] | India |
| (ix) | Steel Matrix Private Limited ('Steel Matrix')* | November 11, 2021 | Subsidiary (75%) | India |

Note: * Yet to commence business operations

WOS[1] - Wholly-owned Subsidiary

None of the subsidiaries mentioned above is a material subsidiary as per the thresholds laid down under the Listing Regulations as amended from time to time.

### 5.2. Financial Performance of Subsidiaries

Pursuant to Section 129(3) of the Act, a statement containing salient features of the Financial Statements of each of the subsidiaries and Joint Venture Company in the prescribed Form AOC-1 is set out in **Annexure [A]** to this report. The financial statements of the subsidiaries are available for inspection by the Members at the Registered Office of the Company pursuant to the provisions of Section 136 of the Act and also available on the website of the Company and can be accessed at www.polycab.com.

The financial performance of the subsidiaries of the Company are detailed below:

#### (i) Tirupati Reels Private Limited ('TRPL')

TRPL was incorporated as a Private Limited Company on January 21, 2015 under the Companies Act, 2013, having its registered office in New Delhi, India. TRPL is engaged, inter-alia, in the business of manufacturing, exporting, importing, dealing and distributing the reels, drums, pallets, packaging material made of wood, steel or any articles and its by-products. TRPL supplies cables packing drums to PIL. The Company holds 55% equity shares in TRPL.

During the year under review, the financial performance of TRPL is as follows:

(₹ in million)

| Sr. No. | Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|---|
| a. | Income from operations | 1,015.49 | 678.54 |
| b. | Profit/(Loss) before tax | 87.35 | 59.86 |
| c. | Profit/(Loss) after tax | 62.30 | 20.19 |

#### (ii) Dowells Cable Accessories Private Limited ('Dowells')

Dowells was incorporated as a Private Limited Company on December 01, 2015 under the Companies Act, 2013, having its registered office in Maharashtra, India. Dowells is engaged, inter-alia, in the business of manufacturing, designing, importing, exporting, of soldering or other types of cable sockets for electrical wires, connectors and accessories. During the year under review, the Company with a view strengthen its control, had acquired additional 8,10,000 equity shares (constituting 9% of the total shareholding) from the promoters of Dowells on 30th December, 2021, as a result of which, the aggregate shareholding of the Company had increased from 51% to 60%.

Dowells is market leader in terminal technology with accumulated experience in the line of manufacturing of cable terminals, connectors, cable glands, crimping system and accessories since 1961.

During the year under review, the financial performance of Dowells is as follows:

(₹ in million)

| Sr. No. | Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|---|
| a. | Income from operations | 896.41 | 424.54 |
| b. | Profit/(Loss) before tax | 174.98 | 80.17 |
| c. | Profit/(Loss) after tax | 130.82 | 59.40 |

#### (iii) Silvan Innovations Labs Private Limited ('Silvan')

On June 18, 2021, the Company acquired 100% shareholding of Silvan at a consideration of ₹ 102 Million with an objective to augment the Company's Internet of Things (IoT) based home automation and office automation solutions for expanding the potential addressable market in FMEG space in line with strategy to address evolving consumer needs through innovative solutions.

Silvan is a technology company focused on providing cutting edge automation offerings for homes, offices, banks, retail outlets, hotel and other spaces. Its portfolio includes IoT based automation products and solutions such as lighting management system, room automation, temperature control devices, contactless controls, curtain control, security devices amongst others. The Company was founded in 2008 in Karnataka, India and has business presence across many states in India.

During the year under review, the financial performance of Silvan is as follows:

(₹ in million)

| Sr. No. | Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|---|
| a. | Income from operations | 22.23 | 14.86 |
| b. | Profit/(Loss) before tax | (80.81) | (63.07) |
| c. | Profit/(Loss) after tax | (80.81) | (63.07) |

**(iv) Polycab Australia Pty Limited ('PAPL')**

PAPL was incorporated as a wholly-owned Subsidiary on July 1, 2020 having its registered office in Australia. PAPL is involved in a business of trading of electrical cables and wires, optical fibre cables and consumer electrical goods. The Company holds 100% equity shares in PAPL.

During the year under review, the financial performance of PAPL is as follows.

(₹ in million)

| Sr. No. | Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|---|
| a. | Income from operations | 749.39 | 558.31 |
| b. | Profit/(Loss) before tax | 28.27 | 22.29 |
| c. | Profit/(Loss) after tax | 19.47 | 15.65 |

**(v) Polycab Support Force Private Limited ('PSFPL')**

Polycab Support Force Private Limited was incorporated as a wholly-owned Subsidiary on March 13, 2021 having its registered office in Gujarat, India. PSFPL is engaged in the business of staffing solution. The objective of incorporating PSFPL is to provide manpower support to the Company and other group companies. The Company holds 100% equity shares in PSFPL.

During the year under review, the financial performance of PSFPL is as follows:

(₹ in million)

| Sr. No. | Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|---|
| a. | Income from operations | – | – |
| b. | Profit/(Loss) before tax | (1.70) | – |
| c. | Profit/(Loss) after tax | (1.70) | – |

**(vi) Uniglobus Electricals and Electronics Private Limited ('Uniglobus')**

Uniglobus was incorporated as a wholly-owned Subsidiary on March 24, 2021 having its registered office in Gujarat, India. Uniglobus is engaged in the business of trading and manufacturing of, among others, cables, wires, fast moving electricals and electronics goods. The Company holds 100% equity shares in Uniglobus.

During the year under review, the financial performance of Uniglobus is as follows:

(₹ in million)

| Sr. No. | Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|---|
| a. | Income from operations | 0.25 | – |
| b. | Profit/(Loss) before tax | (28.38) | – |
| c. | Profit/(Loss) after tax | (23.51) | – |

**(vii) Polycab USA LLC ('PULLC')**

PULLC was incorporated on January 27, 2020, as a Limited Liability Company having its registered office in USA. PULLC was incorporated with an objective of manufacturing and trading of wires & cables and electricals consumer products. PULLC is yet to commence its business operation. The Company holds 100% equity shares in PULLC.

**(viii) Polycab Electricals and Electronics Private Limited ('PEEPL')**

PEEPL was incorporated as a Private Limited Company on March 19, 2020 under the Companies Act, 2013, having its registered office in Maharashtra, India. PEEPL was incorporated with an objective of manufacturing and trading of wires & cables and Electricals and Electronics consumer products. PEEPL is yet to commence its business operation. The Company holds 100% equity shares in PEEPL.

**(ix) Steel Matrix Private Limited ('Steel Matrix')**

Steel Matrix was incorporated as a Private Limited Company on November 11, 2021 under the Companies Act, 2013, having its registered office in Gujarat, India. Steel Matrix was incorporated with an objective of securing dependable supply of quality packing materials, improving control over the supply chain and increase the overall operating efficiencies. Steel Matrix will also help to strengthen the backward integration of the Company's manufacturing process. Steel Matrix is yet to commence its business operations. The Company holds 75% equity shares in Steel Matrix.

### 5.3 Change in subsidiaries:

**Disinvestment of Ryker Base Private Limited (Wholly owned Subsidiary):**

During the year under review, the Company had executed Share Purchase Agreement ('SPA') with Renuka Investments & Finance Limited, (a wholly owned subsidiary of Hindalco Industries Limited) for divesting the entire equity shareholding of 5,20,20,000 equity shares of ₹ 10 each of Ryker Base Private Limited at a consideration of ₹1778.92 million. Consequent to the said disinvestment, Ryker Base Private Limited ceased to be a wholly owned subsidiary of the Company on November 18, 2021.

### 5.4 Joint Venture: Techno Electromech Private Limited (Techno)

In 2017, the Company entered into a 50:50 strategic joint venture with Techno and invested ₹ 118.2 million (Net). Techno, a manufacturer based in Vadodara, Gujarat, to manufacture LED lighting and luminaires. Techno is engaged, inter alia, in the business of manufacturing of light emitting diodes, OEM & LED Luminaries such as LED batten, bulb down lighters, flood lights. The Company holds 50% equity shares in Techno.

During the year under review, the financial performance of Techno is as follows:

(₹ in million)

| Sr. No. | Particulars | March 31, 2022 | March 31, 2021 |
|---|---|---|---|
| a. | Income from operations | 2,178.57 | 1,940.53 |
| b. | Profit/(Loss) before tax | (71.03) | 11.14 |
| c. | Profit/(Loss) after tax | (51.73) | 11.35 |

### 5.5 Associate

The Company does not have any Associate Company.

## 6. Directors and Key Managerial Personnel ('KMPs'):

### 6.1 Directors retiring by rotation

In accordance with the provisions of the Companies Act, 2013 ('Act'), Mr. Rakesh Talati, Executive Director of the Company will retire by rotation in the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Item seeking approval of Members for the same is included in the Notice convening the 26th Annual General Meeting. The necessary resolution recommending his re-appointment forms part of the AGM Notice.

### 6.2 Appointments / Cessation of Directors / KMP during Financial Year 2021-22

Mr. Ajay T. Jaisinghani, Mr. Ramesh T. Jaisinghani, Mr. Shyam Lal Bajaj and Ms. Hiroo Mirchandani ceased to be Directors with effect from closing business hour of May 12, 2021.

Mr. Bharat A. Jaisinghani, Mr. Nikhil R. Jaisinghani and Mr. Rakesh Talati were appointed as Executive Directors and Mrs. Sutapa Banerjee was appointed as Independent Directors for a period of 5 years with effect from May 13, 2021, which was duly approved by the Members at the 25th Annual General Meeting of the Company held on July 21, 2021.

### 6.3 Meetings of the Board of Directors

The Meetings of the Board and its Committees are held at regular intervals to discuss, deliberate and decide on various business policies, strategies, governance, financial matters and other businesses. The schedule of the Board / Committee Meetings to be held in the forthcoming financial year is circulated to the Directors in advance to enable them to plan their schedule for ensuring attendance and effective participation in the meetings. During the year, 7 (Seven) Board Meetings were held, the details of which are given in the Report on Corporate Governance, which forms part of the Annual Report. The gap between two Board Meetings did not exceed 120 days as per Section 173 of the Act. The Directors had attended all the Meetings of the Board and its Committees held during the financial year 2021-22.

The composition of the Board and other details relating to the Meetings of the Board & its Committee(s) have been provided in the Corporate Governance Report.

### 6.4 Declaration by Independent Directors

The Independent Directors had submitted their disclosures to the Board that they fulfil the requirements as stipulated under Section 149(6) of the Act and Regulation 25(8) of Listing Regulations. There had been no change in the circumstances affecting their status as Independent Directors of the Company to qualify themselves to be appointed as Independent Directors under the provisions of the Act and the relevant regulations. The Independent Directors have given the declaration under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014 confirming compliance with Rule 6(1) and (2) of the said Rules that their names are registered in the databank as maintained by the Indian Institute of Corporate Affairs ("IICA").

### 6.5 Familiarization Programme

In compliance with the requirements of Listing Regulations, the Company has put in place a framework for Directors' Familiarization Programme to familiarize the Independent Directors with their roles, rights and responsibilities, strategy planning, manufacturing process, nature of the industry in which the Company operates and business model.

The details of the familiarization programme conducted during the financial year under review are explained in the Corporate Governance Report. The same is available on the Company's website and are accessible through weblink.

# Board's Report

### 6.6 Separate Meeting of Independent Directors

In terms of requirements of Schedule IV of the Act, the Independent Directors of the Company met separately on January 15, 2022, inter alia to review the performance of Non-Independent Directors (including the Chairman), the entire Board and the quality, quantity and timeliness of the flow of information between the Management and the Board.

### 6.7 Board Evaluation

Pursuant to the provisions of the Act and Listing Regulations, the Board at its meeting held on May 10, 2022, had conducted annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The details of performance evaluation have been mentioned in the Corporate Governance Report.

### 6.8 Committees of the Board

The Company has duly constituted the following mandatory Committees in terms of the provisions of the Act & Listing Regulations read with rules framed thereunder viz.

a. Audit Committee:

b. Nomination and Remuneration Committee;

c. Stakeholders' Relationship Committee;

d. Corporate Social Responsibility Committee; and

e. Risk Management Committee.

The Composition of all above Committees, number of Meetings held during the year under review, brief terms of reference and other details have been provided in the Corporate Governance Report which forms part of this Annual Report. All the recommendations made by the Committees were accepted by the Board.

**Audit Committee**

As of March 31, 2022, the Audit committee of the Board of Directors of the Company comprises of 4 (Four) Members namely:

| Sr. No. | Name of the Director | Category | Designation |
|---|---|---|---|
| i. | Mr. T. P. Ostwal | Independent Director | Chairman & Member |
| ii. | Mr. R. S. Sharma | Independent Director | Member |
| iii. | Mr. Pradeep Poddar | Independent Director | Member |
| iv. | Mr. Inder T. Jaisinghani | Managing Director (Non- Independent) | Member |

The Committee comprises of majority of Independent Directors.

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

### 6.9 Directors' Responsibility Statement ('DRS')

In addition to the certificate received under Regulation 17(8) of the Listing Regulations, the Director Responsibility Statement was also placed before the Audit Committee. The Audit Committee reviewed and confirmed the said Certificate and DRS.

Thereafter the DRS was placed before the Board of Directors. Accordingly, the Board of Directors hereby state that:

a. in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards had been followed and there were no material departures.

b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2022 and of the profit of the Company for the year ended as on that date;

c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d. the Directors have prepared the annual accounts on a going concern basis.

e. the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 7 Auditors and their Report

### 7.1 Statutory Auditors

B S R & Co. LLP, Chartered Accountants, (Firm Registration No: 101248W/W-100022), were appointed as the Statutory Auditors of the Company at the 23rd Annual General Meeting of the Company held on June 26, 2019, for a term of 5 consecutive years commencing from the conclusion of 23rd Annual General Meeting till the conclusion of 28th Annual General Meeting to be held for financial year 2023-2024. Further, they have confirmed their eligibility under Section 141 of the Act and the Rules framed thereunder. As required under Listing Regulations, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Auditors' Report on Standalone and Consolidated Financial Statements for the financial year 2021-22 issued by B S R & Co. LLP Chartered Accountants, does not contain any qualification, observation, disclaimer, reservation, or adverse remark. Further, the Company has obtained a certificate on Corporate Governance from B S R & Co. LLP, Chartered Accountants, certifying the compliances with the conditions of Corporate Governance as stipulated under Listing Regulations.

### 7.2 Cost Auditors

The Company is maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Act and have appointed V. J. Talati & Co., Cost Accountants, as Cost Auditors, to issue Cost Audit Report for the Financial year 2022-23 at a professional fee of ₹ 5,50,000/- (Rupees Five Lakhs Fifty Thousand only) plus applicable taxes and out of pocket expenses at actual.

The remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, a resolution seeking Members' ratification for the remuneration payable to the Cost Auditor forms part of the Notice convening the ensuing Annual General Meeting.

### 7.3 Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Dilip Bharadiya & Associates were appointed as the Secretarial Auditors of the Company to conduct the Secretarial Audit for the year ended March 31, 2022.

The Secretarial Audit Report (MR-3) for the Financial Year ended March 31, 2022, is set out in **Annexure [B]** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

### 7.4 Corporate Social Responsibility (CSR)

Your Company believes that CSR activities are not mere charity or donations, they reflect the manner in which the business is conducted by directly focusing on the needs of the Society at large. Your Company as a Socially responsible entity not limiting the usage of resources to engage in activities that increase only their profits, but rather it evolves appropriate business processes and strategies to reflect its Commitment to the Societal Enhancement. As per the requirements of Section 135 of the Act pertaining to Corporate Social Responsibility ("CSR") the Company has duly constituted a Corporate Social Responsibility Committee ("CSR Committee").

The CSR Obligation for the financial year 2021-22 was ₹ 185.48 million and the Company had spent ₹ 191.89 million for carrying out the CSR projects. Further, during the year under review, the Company had spent ₹ 54.06 million out of ₹ 90.27 million on On-going CSR projects for FY 2020-21.

The On-going CSR projects for FY 2020 -21 and CSR Projects / activities undertaken for FY 2021-22 along with the composition of CSR Committee is set out in **Annexure [C]** - Annual Report on CSR to this Report. The CSR Policy is available on the Company's website and are accessible through weblink.

## 8. Risk Management

The Company has in place a mechanism to identify, assess, monitor, and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Company' internal control encompasses various managements systems, structures of organization, standard and code of conduct which all put together help in managing the risks associated with the Company. With a view to ensure the internal controls systems are meeting the required standards, the same are reviewed at periodical intervals. If any weaknesses are identified in the process of review the same are addressed to strengthen the internal controls which are also revised at frequent intervals.

The Company, through its risk management process, aims to contain the risks within its risk appetite. There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report.

The Risk Management Policy is available on the Company's website and are accessible through weblink.

## 9. Particulars of Loan Given, Investments made, Guarantee Given and Securities provided under Section 186 of the Act.

Particulars of the loans given, investments made or guarantees given covered under the provisions of Section 186 of the Act, are provided in the Note No. 36 (D) & (E) of the Standalone Financial Statements.

## 10. Particulars of Contracts or Arrangements with Related Parties

Your Company has formulated a Policy on Related party transactions which is also available on the website of the Company and accessible through weblink. This policy deals with the review and approval of related party transactions. The Board of Directors of the Company has approved the criteria to grant omnibus approval by the Audit Committee within the overall framework of the policy on related party transactions. All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for related party transactions which are of repetitive nature. The related party transactions for the financial year are insignificant Commensurate with the turnover of the Company.

Further, all transactions with related parties during the year were on arm's length basis and in the ordinary course of business. The disclosure of Related Party Transactions have been reported in Form no. AOC-2 is set out in **Annexure [D]** to this report.

# Board's Report

## 11. Annual Return

The Annual Return of the Company as on March 31, 2022, in form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014 is available on Company's website and is accessible through weblink.

## 12. Particulars of Employees

Disclosure pertaining to remuneration and other details as required under Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in **Annexure [E]** Statement of Disclosure of Remuneration to this Report.

In accordance with the provisions of Sections 197(12) & 136(1) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the list pertaining to the names and other particulars of employees drawing remuneration in excess of the limits as prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is available on Company's website and is accessible through weblink.

## 13. Company's Policy on Appointment and Remuneration of Directors

The Company has in place a Nomination and Remuneration Policy with respect to appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The appointment of Directors on the Board is subject to the recommendation of the Nomination and Remuneration Committee (NRC). Based on the recommendation of the NRC, the remuneration of Executive Director is proposed in accordance with the provisions of the Act which comprises of basic salary, perquisites, allowances and commission for approval of the Members. Further, based on the recommendation of the Board the remuneration of Non-Executive Directors comprising of sitting fees and commission in accordance with the provisions of Act is proposed for the approval of the Members.

The salient features of the Nomination and Remuneration Policy of the Company are outlined in the Corporate Governance Report which forms part of this Annual Report. The Nomination and Remuneration Policy including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided u/s 178(3) of the Act is available on the Company's website and are accessible through weblink.

## 14. Employees Stock Option Schemes (ESOP)

The Company has following ESOP Schemes:

a) Polycab Employee Stock Option Performance Scheme 2018; and

b) Polycab Employee Stock Option Privilege Scheme 2018.

During financial year 2021-22, there had been no change in the Employee Stock Option Schemes of the Company except as approved by the Members at the Annual General Meeting held on July 21, 2021 for alteration of clause 7.3 of Polycab Employee Stock Option Performance Scheme 2018 empowering the Board / NRC to decide on vesting of options. The ESOP Scheme(s) is in compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('the SBEB Regulations').

Further, the Company has obtained a certificate from Dilip Bharadiya & Associates, Secretarial Auditors under Regulation 13 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 ('SBEB Regulations) stating that the scheme(s) has been implemented in accordance with the SBEB Regulations. The disclosure under Regulation 14 of the SBEB Regulations is available on the Company's website and is accessible through weblink.

## 15. Credit Ratings

During the year under review, the credit ratings of the Company had been upgraded for Bank Facilities as follows:

| | | CRISIL | India Rating |
|---|---|---|---|
| a. | Total Bank Facilities Rated | ₹3,503 crore | 3,501.5 crore |
| b. | Long Term Ratings | CRISIL AA+/Stable | IND AA+ Stable |
| c. | Short term Ratings | CRISIL A1+ (Reaffirmed) | IND A1+ (Reaffirmed) |
| d. | Date of rating | 12 May 2021 | 29 June 2021 |

## 16. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As stipulated under Section 134(3)(M) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is set out in **Annexure [F] - Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo** to this Report.

## 17. Research and Development

During the year under review, the Research & Development activities carried out by the Company is set out in **Annexure [G] - Research & Development** to this Report

## 18. Details of Establishment of Vigil Mechanism for Directors and Employees

Your Company is committed to highest standards of ethical, moral, compliance and legal conduct of its business. In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standard of responsibility, professionalism, honesty and integrity, the Company upgrades Whistle Blower Policy in compliance with the provisions of Section 177 (9) and (10) of the Act and Regulation 22 of the Listing Regulations, and encourages complaints / grievances to be registered at designated e-mail id: speakup@polycab.com.

The Audit Committee of the Company oversees vigil mechanism process of the Company pursuant to the provisions of the Act. The Chairman of the Audit Committee has direct access to the designated e-mail id: speakup@polycab.com for receiving the Complaints under Whistle Blower Policy.

The Whistle Blower Policy is available on the Company's website and are accessible through weblink

## 19. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has in place a Policy on Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has complied with provisions relating to the constitution of Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. This policy applies to all employees full-time, part-time, trainees and those on contractual employment of the Company at their workplace and to the employees of its business associates ("associated parties") who visit workplace for official duties. During the year under review, no complaints were received.

## 20. Investor Education and Protection Fund

During the year under review, there is no amount which is required to be transferred to the Investors Education and Protection Fund as per the provisions of Section 125(2) of the Act.

However, pursuant to Section 124 (5) of the Act, the unpaid Dividends that will be due for transfer to the Investor Education and Protection Fund are as follows:

| Type and year of Dividend declared / Paid | Date of Declaration of Dividend | % of Dividend Declared to face value | Unclaimed Dividend Amount as on March 31, 2022 (Amount in ₹) | Due for transfer to IEPF |
|---|---|---|---|---|
| Final Dividend 2018-19 | June 26, 2019 | 30% | 1,49,577 | August 01, 2026 |
| Interim Dividend 2019-20 | March 03, 2020 | 70% | 7,11,284 | April 09, 2027 |
| Dividend 2020-21 | July 21, 2021 | 100% | 20,05,585 | August 26, 2028 |

The details of the unclaimed / unpaid dividend as required under the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") for all the unclaimed/ unpaid dividend accounts outstanding (drawn up to the Twenty Fifth Annual General Meeting held on July 21, 2021) have been uploaded on the Company website: https://polycab.com/investors/#corporate_governance. The members of the Company, who have not yet encashed their dividend warrant(s) or those who have not claimed their dividend amounts, may write to the Company's Registrar and Share Transfer Agent i.e. Kfin Technologies Limited at einward.ris@kfintech.com.

## 21. Corporate Governance & Business Responsibility Report

A Report on Corporate Governance along with a certificate from the Statutory Auditors of the Company confirming corporate governance requirements as stipulated under Regulation 27 of Listing Regulations forms part of this Annual Report.

Business Responsibility Report for the financial year under review, as stipulated under Regulation 34(2)(f) of Listing Regulations is presented in a separate section forming part of the Annual Report.

## 22. Management Discussion and Analysis Report

Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34(2)(e) of Listing Regulations is presented in a separate section forming part of the Integrated Annual Report.

## 23. Material Changes and Commitments, if any, post Balance Sheet date

No material changes and commitments have occurred between end of the financial year of the Company to which the financial statements relate and the date of this report which may affect the financial position of the Company.

## 24. Adequacy of Internal Financial Controls

The policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

## 25. Secretarial Standards Issued by the Institute of Company Secretaries of India (ICSI)

The Directors state that applicable Secretarial Standards were followed during the financial year 2021-22.

## 26. General

During the year, there were no transaction requiring disclosure or reporting in respect of matters relating to:

(a) details relating to deposits covered under Chapter V of the Act;

(b) issue of equity shares with differential rights as to Dividend, voting or otherwise;

(c) issue of shares (including sweat equity shares) to employees of the Company under any scheme, save and except Employee Stock Options Schemes referred to in this Report;

(d) raising of funds through preferential allotment or qualified institutions placement;

(e) significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;

(f) pendency of any proceeding against the Company under the Insolvency and Bankruptcy Code, 2016;

(g) instance of one-time settlement with any bank or financial institution;

(h) fraud reported by Statutory Auditors; and

(i) change of nature of business.

## 27. Cautionary Statement

Statements in the Annual Report, including those which relate to Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

## 28. Acknowledgments

The Directors would like to place on record their sincere appreciation to its customers, vendors, dealers, suppliers, investors, business associates, bankers, Government Authorities for their continued support during the year.

The Directors truly appreciates the contribution made by employees at all levels for their hard work, solidarity, co-operation and support.

For and on behalf of Board of Directors of
**Polycab India Limited**

**Inder T. Jaisinghani**
Chairman & Managing Director
DIN: 00309108

Place: Mumbai
Date: May 10, 2022

## Annexure (A) to Board's Report

### Form AOC-1

Statement containing salient features of the Financial Statement of Subsidiaries/Associate companies/Joint ventures

Pursuant to first proviso to sub-section (3) of section 129 read with Companies (Accounts) Rules, 2014)

### (a) Summary financial information of Subsidiary Companies

₹ in million

| Particulars | TRPL | | Dowells | | Ryker# | | PEEPL | | PAPL | |
|---|---|---|---|---|---|---|---|---|---|---|
| Reporting Currency | INR | | INR | | INR | | INR | | AUD | |
| Exchange Rate | NA | NA | NA | NA | NA | NA | NA | NA | 55.08 | 55.70 |
| Financial year | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Share Capital | 60.00 | 60.00 | 90.00 | 90.00 | - | 520.20 | 1.00 | 1.00 | 11.66 | 11.66 |
| Reserves & surplus | 197.11 | 134.91 | 242.35 | 111.54 | - | 162.20 | -0.01 | - | 36.64 | 15.60 |
| Total Assets | 714.07 | 610.06 | 429.82 | 276.25 | - | 3,315.69 | 1.00 | 1.00 | 432.09 | 583.30 |
| Total Liabilities | 456.85 | 415.42 | 97.47 | 74.72 | - | 2,633.29 | 0.01 | - | 383.79 | 556.31 |
| Investments | - | - | - | - | - | - | - | - | - | - |
| Turnover | 1,015.49 | 678.54 | 896.41 | 424.54 | - | 5,473.52 | - | - | 749.39 | 558.31 |
| Profit before tax | 87.35 | 59.86 | 174.97 | 80.17 | - | 440.43 | -0.01 | - | 28.27 | 22.29 |
| Provision for taxation | 25.05 | 39.68 | 44.16 | 20.78 | - | 82.51 | | - | 8.80 | 6.64 |
| Profit after taxation | 62.30 | 20.19 | 130.81 | 59.40 | - | 357.92 | -0.01 | - | 19.47 | 15.65 |
| Proposed Dividend | - | - | - | - | - | - | - | - | - | - |
| % of shareholding | 55% | 55% | 60% | 51% | 0% | 100% | 100% | 100% | 100% | 100% |

₹ in million

| Particulars | Uniglobus | | Steel Matrix | | PSFPL | | Silvan | |
|---|---|---|---|---|---|---|---|---|
| Reporting Currency | INR | | INR | | INR | | INR | |
| Exchange Rate | NA | NA | NA | NA | NA | NA | NA | NA |
| Financial year | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Share Capital | 90.00 | NA | 1.00 | NA | 2.60 | NA | 10.20 | NA |
| Reserves & surplus | -23.64 | NA | -0.01 | NA | -1.70 | NA | 28.29 | NA |
| Total Assets | 99.16 | NA | 1.00 | NA | 1.69 | NA | 108.26 | NA |
| Total Liabilities | 27.74 | NA | 0.01 | NA | 0.79 | NA | 67.45 | NA |
| Investments | - | NA | - | NA | - | NA | - | NA |
| Turnover | 0.25 | NA | - | NA | - | NA | 22.23 | NA |
| Profit before tax | -28.38 | NA | -0.01 | NA | -1.7 | NA | -80.81 | NA |
| Provision for taxation | -4.87 | NA | - | NA | - | NA | - | NA |
| Profit after taxation | -23.51 | NA | -0.01 | NA | -1.7 | NA | -80.81 | NA |
| Proposed Dividend | - | NA | - | NA | - | NA | - | NA |
| % of shareholding | 100% | NA | 75% | NA | 100% | NA | 100% | NA |

# On November 17, 2021, the Group had entered into agreement with Renuka Investments and Finance Limited (a wholly-owned subsidiary of Hindalco Industries Limited) for divesting 100% stake of Ryker Base Private Limited at a consideration of ₹ 1,778.92 million (including advance tax of ₹1.78 million).

**Subsidiaries which are yet to commence operations:**

Polycab Electricals & Electronics Private Limited (PEEPL)

Steel Matrix Private limited

Polycab USA LLC

## (b) Joint Ventures

| Name of Joint Ventures | | TEPL |
|---|---|---|
| Latest audited Balance Sheet Date | | 31-03-2022 |
| **Shares of Joint Ventures held by the company on the year end** | | |
| Number of shares | Number | 40,40,000 |
| Amount of Investment in Joint Ventures | ₹ in million | 105.20 |
| Extend of Holding % | % | 50% |
| **Description of how there is significant influence** | | Through shareholding |
| **Networth attributable to Shareholding as per latest audited Balance Sheet** | | Not applicable as the financials of this entity is consolidated in the Company's Consolidated Financials using Equity method |
| **Networth attributable to Shareholding as per latest audited Balance Sheet** | ₹ in million | 192.88 |
| **Profit / Loss for the year*** | ₹ in million | -51.10 |
| Considered in Consolidation | ₹ in million | -25.55 |
| Not Considered in Consolidation | ₹ in million | -25.55 |

*Includes others comprehensive

For and on behalf of Board of Directors of
**Polycab India Limited**

**Inder T. Jaisinghani**
Chairman & Managing Director
DIN: 00309108

Place: Mumbai
Date: May 10, 2022

## Annexure (B) to Board's Report

### Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31STMARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
**POLYCAB INDIA LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Polycab India Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, to the extent the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure I**, for the financial year ended on March 31, 2022, according to the provisions of:

i. The Companies Act, 2013 ("the Act") and the Companies Amendment Act, 2017 as amended from time to time and the rules made thereunder; (to the extent applicable)

ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder; (to the extent applicable)

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (to the extent applicable)

iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, (to the extent applicable)

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share based Employee Benefits) Regulations, 2021;

We have relied on the representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company which are stated above very specifically.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the financial year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- The Company has complied with the clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India. Adequate notice is given to all the Directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. The decisions of the Board and Committee were unanimous and thus there were no dissenting views which needed to be recorded

# Board's Report

We further report that based on review of compliance mechanism established by the Company and on basis of the representations made by the Company and its Officers, presentation of the Internal and Auditors and Compliance Certificate(s) issued by the Company Secretary & other Senior Management Personnel and taken on record by the Board at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines to the Company.

**We further report that**

During the year under review, the Company has:

i. granted 256,200 options to the eligible employees of the Company, pursuant to the exercise of stock options granted to them under the Polycab Employee Stock Option Performance Scheme.

ii. allotted 3,19,726 equity shares of ₹ 10/- each to the eligible employees of the Company, pursuant to the exercise of stock options granted to them under the Polycab Employee Stock Option Performance Scheme.

iii. completed the disinvestment of Ryker Base Private Limited (Wholly-owned subsidiary) on 18.11.2021, for a consideration of ₹ 1,779 million.

iv. acquired 100% stake in Silvan Innovation Labs Private Limited by way of entering into an Agreement on 18.06.2021. The cost of acquisition is around ₹ 102 million for shares and for discharging outstanding liabilities

This report is to be read with our letter of even date, which is annexed as **Annexure - II** to this report.

For **Dilip Bharadiya & Associates**

**Dilip Bharadiya**
Proprietor
FCS No.: 7956, C P No.: 6740
UDIN: F007956D000298312

Place: Mumbai
Date: May 10, 2022

## Annexure - I

**Documents verified during the course of audit includes:**

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the Financial Year ended March 31, 2021.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee held during the financial year under review, alongwith the Attendance Registers;
4. Proof of circulation & Delivery of notice for Board meetings and Committee Meetings.
5. Proof of circulation of draft as well as certified signed Board & Committee meetings minutes as per Secretarial Standards
6. Minutes of General Body Meeting held during the financial year under review;
7. Statutory Registers viz.
   - Register of Directors & KMP & Directors Shareholding
   - Register of loans, guarantees and security and acquisition made by the Company
   - Register of Charges
   - Register of Related Party Transaction- Transactions are in the Ordinary Course of Business at Arm's Length Basis.
   - Register of Members;
8. Agenda papers submitted to all the Directors/ Members for the Board and Committee Meetings;
9. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2), Section 149(3) and Section 149(7) of the Companies Act, 2013;
10. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956, if any and Companies Act, 2013, as amended from time to time alongwith the attachments thereof, during the financial year under review.
11. Policies formed by the Company

## Annexure - II

To,
The Members,
**POLYCAB INDIA LIMITED**

Our report of even date is to be read along with this letter,

1) Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3) I have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6) The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Dilip Bharadiya & Associates**

**Dilip Bharadiya**
Proprietor
FCS No.: 7956, C P No.: 6740
UDIN: F007956D000298312

Place: Mumbai
Date: May 10, 2022

## Annexure (C) to Board's Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 134(3)(o) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

**1. Brief outline on CSR Policy of the Company:**

Polycab's core philosophy to be a "Safe & Sustainable Company" finds its reflection in its CSR Policy. Polycab's CSR activities are not mere charity or donations, they reflect the manner in which the business is conducted by directly focusing on the needs of the Society at large. Polycab as a Socially responsible entity not limiting the usage of resources to engage in activities that increase only their profits, but rather it evolves appropriate business processes and strategies to reflect its Commitment to the Societal Enhancement. Polycab believes that profit is a by-product that will surely follow when CSR is integrated into the economic, environmental and social objectives of the Company's operations and growth.

Polycab, through its various CSR initiatives and programs continues to invest in addressing the most pressing needs of the community. The primary focus areas are health care & sanitation, Education & Skill Development, Rural Development and Environment. During the year, the Company had amended the Corporate Social Responsibility (CSR) Policy at the Board Meeting held on May 13, 2021 to include inter-alia additional responsibilities of the Board of Directors & CSR Committee, Guiding Principles for Annual Action Plan, Funding, Selection, Implementation and Monitoring and their guiding Principles, and Restrictions while undertaking any CSR projects and Disclosures – Website & Board Report.

**2. Composition of CSR Committee:**

| Sr. No | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| a. | Inder T. Jaisinghani | Chairman & Managing Director | 2 | 2 |
| b. | Bharat Jaisinghani* | Executive Director – Member | 2 | 1[#] |
| c. | Nikhil Jaisinghani* | Executive Director – Member | 2 | 1[#] |
| d. | Rakesh Talati* | Executive Director – Member | 2 | 1[#] |
| e. | Sutapa Banerjee* | Independent Director – Member | 2 | 1[#] |

Note:

*Inducted as member w.e.f. May 13, 2021.

[#] Attended all the Committee meetings held since their appointment.[Ref. 2(b) to 2(e)].

**3.** Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.:

Composition of CSR Committee is available on Company's Website and is accessible through Weblink

CSR Policy is accessible through weblink

CSR Projects is accessible through weblink

**4.** Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).: Not Applicable

**5.** Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹ in million) | Amount required to be set- off for the financial year, if any(in ₹ in million) |
|---|---|---|---|
| Not Applicable | | | |

**6.** Average net profit of the Company as per section 135(5). ₹9,273.77 million

**7.** (a) Two percent of average net profit of the company as per section 135(5) = ₹185.48 million

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b–7c): ₹185.48 million

**8.** (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (₹ in million) | Amount Unspent (₹ in million) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 191.89 | NA | NA | NA | NA | NA |

(b) Details of CSR amount spent against ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Project Duration | Amount allocated for the project (₹ in million) | Amount spent in the current financial year (₹ in million) | Amount Transferred to unspent CSR Account for the project as per Section 135 96) (₹ in million) | Mode of Implementaion – Direct Yes/No | Mode of Implementation through implementing Agency | |
| | | | | State | District | | | | | | Name | CSR Registration Number |
| Not Applicable | | | | | | | | | | | | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year.

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local area (Yes/ No) | Location of the project. | | Amount spent for the project (₹ in million) | Mode of implementation Direct (Yes/No). | Mode of implementation – Through implementing agency | |
| | | | | State | District | | | Name. | CSR registration number |
| Annexure C1 | | | | | | | | | |

(d) Amount spent in Administrative Overheads: ₹2.48 million

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹191.89 million

(g) Excess amount for set off, if any:

| Sl. No. | Particular | Amount (in ₹ in million) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | 185.48 |
| (ii) | Total amount spent for the Financial Year | 191.89 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 6.41 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | – |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 6.41 |

**9.** (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial years (in ₹) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in ₹) | Date of transfer | |
| Not Applicable | | | | | | | |

# Board's Report

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | 11 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Project duration | Amount allocated for the project (in ₹) | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation – Direct (Yes/No) | Mode of Implementation – Through Implementing Agency | |
| | | | | State | District | | | | | | Name | CSR Registration number |
| Annexure – C2 | | | | | | | | | | | | |

**10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). **Nil**

(b) Amount of CSR spent for creation or acquisition of capital asset. **Nil**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. **Nil**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). **Nil**

**11.** Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – **Not Applicble**

On behalf of the Board of Directors
of **Polycab India Limited**

**Inder T. Jaisinghani**
Chairman and Managing Director
(DIN: 00309108)
Chairman of CSR Committee

Place: Mumbai
Date: May 10, 2022

## Annexure C (1): Details of CSR amount spent against ongoing projects for the financial year 2021-22

| Sr. No | Project Nos. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local Area (Yes / No) | Location of the project State and District | Actual spent for the projects (₹ In million) | Mode of Implementation –Direct (Yes/No) | Mode of Implementation through implementing Agency (Name and Reg. number) |
|---|---|---|---|---|---|---|---|---|
| 1 | 2101–2108<br>2110–2117<br>2148 (c) & (h)<br>2149, 2150<br>2152 | Health Care & Sanitation<br>Covid, health camps, sanitation facilities, hospital equipment and expansion support | (i) | Yes | Gujarat – Panchmahals<br>West Bengal – Kolkata<br>Madhya Pradesh – Indore<br>Uttarakhand – Roorkee<br>Kerala – Calicut, Ernaculam,Manappuram, Chrathala<br>Jharkhand – Ranchi<br>Maharashtra – Aurangabad<br>Tamil Nadu – Coimbatore | 89.09 | No | Polycab Social Welfare Foundation (Registration no.CSR00005819 ) |
| 2 | 2120–2123<br>2125<br>2148 (e), (f), (g)<br>2153 (b) (d) | Education & Skill development, Construction, renovation and support of schools and anganwadis, science and computer labs, educational programs and skill development classes<br>Village adoption and leadership programs | (ii) | | Gujarat – Panchmahals<br>Daman – Daman<br>Maharashtra – Mumbai<br>Jharkhand – Ranchi<br>Uttarakhand – Roorkee | 73.43 | | |
| 3 | 2128<br>2130<br>2132 – 2140<br>2148 (a), (b)& (d)<br>2151<br>2153 (c) | Rural Development, Farming sessions, construction of community hall and library, support to orphanages and old age homes | (x) | | Gujarat – Panchmahals, Vadodara<br>West Bengal – Kolkata<br>Maharashtra – Mumbai<br>Uttarakhand – Haridwar<br>Daman – Daman<br>Jharkhand – Ranchi | 9.38 | | |
| 4 | 2129<br>2141 – 2146<br>2148(i)<br>2153 (a) | Environment, Tree plantation, cattle shed, animal Welfare and Swacch Bharat Abhiyan | (iv) | | Gujarat – Panchmahals<br>Daman – Daman<br>Madhya Pradesh – Indore<br>Tamil Nadu – Chennai<br>Andhra Pradesh – Vijaywada<br>Telangana – Hyderabad | 17.51 | | |
| 5 | 2147 | Administration Expense | | | | 2.48 | | |
| **Grand Total** | | | | | | **191.89** | | |

Note: The detailed CSR projects along with CSR Spent for FY 2021-22 has been uploaded on website and accessible through weblink

## Annexure C-2. Details of CSR amount spent in the financial year for ongoing projects of the Preceding Financial Year(s)

| Area | Project ID | Name of the Project | Financial year in which the project was commenced | Project Duration | Total Amount allocated for the project (₹ In Million) | Amount spent on the project in the reporting Financial Year (₹ In Million) | Cumulative amount spent at the end of reporting Financial Year (₹ In Million) | Status of the project – Completed /Ongoing |
|---|---|---|---|---|---|---|---|---|
| Education | 2001 | School renovations | 2021 | 2021 to 2023 | 54.55 | 31.11 | 31.11 | ongoing |
| | 2002 | Anganwadis new | 2021 | 2021 to 2023 | 2.21 | 2.20 | 2.20 | ongoing |
| | 2003 | Anganwadis R&M | 2021 | 2021 to 2023 | 0.42 | 0.42 | 0.42 | ongoing |
| | 2004 | Science Lab | 2021 | 2021 to 2023 | 1.20 | 0.60 | 0.60 | ongoing |
| | 2005 | Computer Lab | 2021 | 2021 to 2023 | 4.50 | 2.50 | 2.50 | ongoing |
| | 2006 | Dance Classes | 2021 | 2021 to 2023 | 0.44 | 0.22 | 0.22 | ongoing |
| | 2007 | Martial art | 2021 | 2021 to 2023 | 0.53 | 0.26 | 0.26 | ongoing |
| | 2008 | sewing classes | 2021 | 2021 to 2023 | 0.35 | 0.18 | 0.18 | ongoing |
| | **Total** | | | **A** | **64.2** | **37.49** | **37.49** | |
| Health Care | 2010 | Halol Mobile Medical Unit (MMU) | 2021 | 2021 to 2023 | 3.80 | 1.90 | 1.90 | ongoing |
| | 2011 | Ghoghamba MMU | 2021 | 2021 to 2023 | 3.78 | 1.88 | 1.88 | ongoing |
| | 2012 | Health cards | 2021 | 2021 to 2023 | 0.60 | 0.60 | 0.60 | ongoing |
| | **Total** | | | **B** | **8.18** | **4.38** | **4.38** | |
| Environment | 2009 | Cattle shed | 2021 | 2021 to 2023 | 5.99 | 5.99 | 5.99 | ongoing |
| | 2013 | Water harvesting | 2021 | 2021 to 2023 | 8.30 | 4.40 | 4.40 | ongoing |
| | 2014 | Waste management | 2021 | 2021 to 2023 | 3.60 | 1.80 | 1.80 | ongoing |
| | | | | **C** | **17.89** | **12.19** | **12.19** | |
| **TOTAL** | | | | **(A+B+C)** | **90.27** | **54.06** | **54.06** | |

Note:Bank Interest received from earmarked fund for on going projects were significantly utilized during the year and balance portion will be utilized in FY 2022-23



## Annexure (D) to Board's Report

### Form AOC-2

(Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto:**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

| | | |
|---|---|---|
| (a) | Name(s) of the related party and nature of relationship | NA |
| (b) | Nature of contracts/arrangements/transactions | |
| (c) | Duration of the contracts/arrangements/transactions | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | |
| (e) | Justification for entering into such contracts or arrangements or transactions | |
| (f) | Date(s) of approval by the Board | |
| (g) | Amount paid as advances, if any | |
| (h) | Date on which (a) the requisite resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013 | |

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

(*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction means a transaction with a related party if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company.)

During the year under review, the Company has not entered into any material Contracts or arrangements, hence the below disclosure is not applicable.

| | | |
|---|---|---|
| (a) | Name(s) of the related party and nature of relationship | NIL |
| (b) | Nature of contracts/arrangements/transactions | |
| (c) | Duration of the contracts/arrangements/transactions | |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | |
| (e) | Date(s) of approval by the Board, if any | |
| (f) | Amount paid as advances, if any | |

All related party transactions are in the ordinary course of business and on arm's length basis and are approved by Audit Committee of the Company.

On behalf of the Board of Directors
of **Polycab India Limited**

**Inder T. Jaisinghani**
Chairman and Managing Director
(DIN: 00309108)

Place: Mumbai
Date: May 10, 2022

## Annexure (E) to Board's Report

### Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in their remuneration in the financial year:

| Name of Director | Designation | Ratio to median remuneration of the employees* | %increase in remuneration in the financial year |
|---|---|---|---|
| Inder T. Jaisinghani | Chairman & Managing Director | 433.45 | 1.17 |
| Bharat A. Jaisinghani | Executive Director | 61.56 | 1.45 |
| Nikhil R Jaisinghani | Executive Director | 61.56 | 1.45 |
| Rakesh Talati | Executive Director | 71.00 | 1.02 |
| T. P. Ostwal | Independent Director | 12.60 | 1.21 |
| R.S. Sharma | Independent Director | 12.10 | 1.19 |
| Pradeep Poddar | Independent Director | 12.60 | 1.27 |
| Sutapa Banerjee | Independent Director | 11.09 | NA ^ |

Percentage increase in the remuneration of Chief Financial Officer and Company Secretary in the financial year:

| Name of KMP | Designation | %increase in remuneration in the financial year |
|---|---|---|
| Gandharv Tongia | Chief Financial Officer | 1.27 |
| Manita Carmen A. Gonsalves | Company Secretary & Compliance Officer | 1.09 |

* Employees for the above purpose includes all employees excluding employees governed under collective bargaining.

^ Mrs. Sutapa Banerjee joined the Board in fiscal year 2021-2022, therefore % increase in remuneration with % increase in remuneration of median employee is not comparable.

ii. The Percentage increase in the median remuneration of employees in the financial year 2021-22 is 14.75%.

iii. The number of permanent employees on the rolls of the Company are 4,431

iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average percentile increase in the salaries of the employees other than KMP's is 14.47% as compared to FY 2020-21, which is in line with the industrial practice and Company's policy whereas there is an aggregate decrease of 8.73% in the remuneration of KMPs in FY 2021-22 as compared to previous year, on account of reconstitution of the Board as per succession planning of the Company during FY 2021-22.

v. It is hereby affirmed that the remuneration is as per the Nomination and Remuneration Policy of the Company.

On behalf of the Board of Directors
of **Polycab India Limited**

**Inder T. Jaisinghani**
Chairman and Managing Director
(DIN: 00309108)

Place: Mumbai
Date: May 10, 2022

## Annexure (F) to Board's Report

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are as follows:

**A) Conservation of Energy:**

**(i) Steps taken or impact on Conservation of Energy;**

The Company continues to focus on continual improvement for optimum utilization of resources, minimize consumption of energy, water and natural resources, reduce CO2 emission while maximizing production volumes in an eco-friendly manner.

The Company is committed to sustainable business practices by contributing to environment protection & considers energy conservation as one of the strong pillars of preserving natural resources. Our consciousness towards the environment inspire us not to over utilize the resources and exploit them. The manufacturing units of the Company are continuing their efforts to reduce energy consumption.

Various steps taken by the Company in this regard are given below:

1. 26.3 million KWH electricity has been generated from renewable energy sources against 155.9 million KWH of total electricity consumption in FY22.
2. Increasing the generation of renewable energy continues to be one of the key focus area, in FY22 we have consumed 17% electricity generated through renewable sources as compared to 10% of FY21.
3. This led to 15,000+ tonnes reduction in CO2 emission thereby lowering our carbon footprint.
4. Replaced 100% conventional lighting with energy efficient LED lighting
5. Installed 16 numbers of of Variable Frequency Drive (VFD) in compressors and pumps, resulting in 20% energy saving.
6. Plants & streetlights are equipped with timer resulting in 20% power saving.
7. VRF system have been set up for auto-control air conditioning to save energy

**(ii) Additional investment made by the Company in FY 2021-22**

1. Solar rooftop plant of 4.20 MW commissioned.
2. Implemented ISO 50001 Energy Management system
3. Implemented industry 4.0 IIoT in three plants to capture real time data
4. Installed Hybrid Power Factor Correction (PFC) panels to improve power quality and reduce harmonic distortion.
5. Reject water handling and treatment to recycle and dispose.
6. Implemented Supervisory Control and Data Acquisition (SCADA) system for better monitoring of solar plant.

Impact of the measures undertaken above for reduction of energy consumption and consequent impact on the cost of production of goods. There are continuous efforts towards improving the operational efficiencies, minimising consumption of energy and water. As a result, we

have reduced energy consumption per ton over the period.

**(iii) The steps taken by the Company for utilising alternate energy sources.**

The Company had installed a Windmill with 8.1 MW capacity and a solar plant with 6.097 MW capacity. The energy generated by the windmills and solar plant are set off against energy consumed in manufacturing units. By this we are consuming 17% of the energy through renewable sources as against 10% of usage of energy through renewable sources in financial year 2020-21.

**(iv) The capital investment in energy conservation equipment is detailed below:**

An amount of ₹ 136 million was invested on energy conservation equipment during financial year 2021-22.

**B) Technology Absorption**

We have always been at the forefront of leveraging technology to facilitate business growth. In FY22, we continued to invest in digital technologies, which have helped us improve operational efficiencies, aided better decision making and create immersive customer experiences. We are constantly working to upgrade the technology used in the production process and bring to the table customer-centric meaningful innovations. Efforts made towards technology absorption are:-

The Company, further with a view to ensure consistency of components have initiated:

1. Production of Aluminum covers at the new facility at Asoj using the best in class 180 Tonnes and 250 Tonnes High Pressure Die casting machines.
2. Manufacture of sheet metal Covers and Blades using automated Press Machines ranging from 10 Tonnes to 150 Tonnes.
3. Installed multi-spindle drilling and taping machines for machining of covers and rotors automatic Computerized Numerical Control (CNC) machines.
4. Used Enameled Cu for Motor winding in house ensuring great conductivity and reduction heat & Power losses.
5. In addition to the above the Company has also set up Automatic Pre-treatment lines with double transporter system to clean the painting surface as well as to keep product rust free using nanotechnology.
6. Automation of Liquid Painting and Powder Coating Applications ensuring human safety, consistent product quality and cost saving by optimizing paint.

**C) Foreign Exchange Earnings And Outgo:**

| Sr. No. | Particulars | (₹ in million) |
|---|---|---|
| 1. | Earnings in Foreign Exchange | 8,381.64 |
| 2. | CIF Value of Import | 34,261.99 |
| 3. | Expenditure in Foreign Currency | 84.51 |

On behalf of the Board of Directors
of **Polycab India Limited**

**Inder T. Jaisinghani**
Chairman and Managing Director
DIN:00309108

Place: Mumbai
Date: May 10, 2022

## Annexure (G) to Board's Report

### Research & Development (R&D)

The Company is constantly developing innovative compounds and materials to provide superior performance while ensuring compliance with all local and international standards and striving to create new benchmarks in safety and sustainability. The R&D centre works in line with sales and market requirement to support all aspects of the research process and offer expertise in design, performance and project management.

The Company has designed and implemented a stringent quality assurance system, which ensures that every step, right from the purchase of the basic raw materials to final output, is well planned, quality controlled, and checked. Further ongoing random testing mechanisms based on regular client feedback ensured that our products not just meet but exceeds expectations.

The Company has launched a dedicated Polymer R&D centre, which is approved and certified by the Department of Science and Industrial Research (DSIR, Government of India). Company's R&D vision has always been to ensure that everything it does, do add value to all our stakeholders, especially the clients we serve and the community that we are a part of.

**I. New Development Completed During 2021-22**

**A) Wires & Cables:**

1. 2000V Single core flexible (class 5) ATC conductor, Heavy Duty XLPO insulated, ATC braided and EBXL-CPE outer sheathed Mud and Hydrocarbon-Oil Resistant cable as per IEEE 1580 intended to be installed aboard marine vessels, fixed and floating offshore facilities.
2. Single conductor thermoplastic PVC insulated wires for voltage up to 600V suitable to use conductor temperature 90°C Dry/Wet for power and lighting in accordance with relevant UL standard.
3. Thermoplastic PE Insulated multiple paired PVC jacketed cables for voltage up to 300V suitable to use conductor temperature 75°C for telephone and other communication circuits such as Voice, Data and Audio confirming to relevant UL standard.
4. Multi-core thermoplastic PVC insulated and PVC sheathed low voltage up to 300/500V flexible cables suitable to use conductor temperature 70°C intended for the connection of domestic appliances to the fixed supply confirming to BS EN 50525 (Part 2-11).
5. 0.6/1.0 (1.2) KV Single core (Class-2) Al-Conductor XLPE insulated and FR-PE sheathed UV resistant Rodent and Termite repellent cable suitable for power transmission as per IEC 60502

**B) Fast Moving Electrical Goods (FMEG)**

a) *Fans:*

In our constant endeavour to make our consumers life better, the Company has brought many innovations this year in market, the first one being our Mosquito Repellent Heater based Pedestal Fan, a first of its kind in the market which serves a critical consumer need.

The Company, in the move to save energy through BLDC fans launched both with and without Remote models which is one of the key platforms for future growth.

b) *Switchgear:*

Switchgear business has started in-house manufacturing of Residual current Circuit Breaker at the Company's Nashik Plant, the product has passed all necessary tests as per BIS certification.

c) *Lighting:*

The Company forayed into Central Control and Management System (CCMS) for connected lighting in street lights, and has also introduced hybrid technology in Driver on Board (DOB) lamps to bring about technological and cost advantage.

d) *Water Heater (WH) and Appliances:*

The Company has introduced many new models in WH business along with bringing energy saving models, parallely and forayed into small appliances through Room Heaters.

**II. Specific key qualification inter-alia- includes:**

1. Cables as per different UL standard to serve North American markets.
2. A wide range of cables for vehicle application for automotive markets.
3. Marine and Ship wiring cables as per Defence standard.
4. Thin wall cables for 3-phase electric railway locomotives.
5. Approval of Saudi Aramco on Cathodic protection cables.
6. Approval from European organization for Nuclear Research (CERN) on control cables.
7. Construction Product Regulation (CPR) and Product Certification Requirement (PCR) from Basec against different British Standards.

The expenditure incurred on Research and Development during 2021-22: ₹223 million.

The Company is presently focusing on developing product and process innovations to stay on top of shifting market demands and aspirations of the customer

### III. Future Developments

a) Within wires and cables, the Company is developing several new products with distinct properties which have vast applications in segments like power, lighting, building, photovoltaic application, telecom, communication circuits such as Voice, Data and Audio, irrigation machines and domestic appliances amongst others. These products also adhere to national and International standards like UL, IEC, BS etc.

b) Within FMEG, we are designing and developing smart products under the Hohm brand. These are super premium products with IoT capabilities. PIL's competence in automation spans across products like Fans, Lighting, Switches, Water Heaters, and other evolving solutions. Using state-of-the-art mobile app and voice control, the Company aims to make consumers life more comfortable, efficient, and secure. We are also developing various FMEG products across price points with new features, in-line with market trends.

On behalf of the Board of Directors
of **Polycab India Limited**

**Inder T. Jaisinghani**
Chairman and Managing Director
(DIN: 00309108)

Place: Mumbai
Date: May 10, 2022





# Corporate Governance Report

Pursuant to Regulation 34(3) read with Section C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended, a Report on Corporate Governance for the financial year ended March 31, 2022 is presented below:

## 1. Corporate Governance at Polycab

### 1.1 Philosophy

Corporate Governance Report includes the details of Corporate Governance systems and processes at Polycab India Limited (PIL / the Company). It continues to be a reflection of our value system encompassing our culture, policies and relationship with our stakeholders. The essence of Corporate Governance lies in raising the competence and capability levels and maintaining integrity, transparency and accountability in the Company. The guiding principles of governance require managing the Company and its resources effectively with the highest standards of ethics and best practices. The Company has strengthened its governance practices over the years.

**Purpose Statement**

**"We innovate for a brighter living"**

Our innovative, safe and energy efficient products and solutions **delight our customers**,

Our vibrant and inclusive culture leads to **deep connections, value creation and growth** for our People, Partners & Members and

Our focus on sustainable development reflects our commitment to be a **caring and responsible** Enterprise.

**Values**

The values of the Company are based on "**i – P O W E R**" i.e.

**i** – Innovative mindset

**P** – People at the core

**O** – Obsession for customer

**W** – Winning together

**E** – Entrepreneurial drive

**R** – Renewed, courage, resilience and agility

The values serve as foundation for leadership behaviour, competencies, and overall culture.

The values of the Company has been elaborated in Integrated Reporting on page no. 07 of the Annual Report.

### 1.2 Governance Structure

The Governance systems and processes are executed through a multi-tiered governance structure with defined roles and responsibilities.

**Board of Directors ('The Board'):**

The Board of Directors is responsible for the strategic supervision, overseeing performance and governance of the Company on behalf of the Stakeholders. The Board exercises independent judgement and plays a major role in monitoring the Company's affairs. The Board also ensures the Company's adherence to the standards of corporate governance and transparency. The Board of Directors consists of eminent individuals having expertise and experience in various fields which enables it to ensure highest standards of Corporate Governance.

**Board Committees:**

The Board has constituted Board Committees for effectively discharging its responsibilities and to comply with the statutory requirements. All the Committees have a clearly laid down terms of reference and are responsible for discharging their roles and responsibilities as per terms of reference as approved by the Board. The details about these committees have been particularly discussed in subsequent sections of this report.

**Chairman & Managing Director ('CMD')**

CMD acts as the leader of the Board and presides over the meetings of the Board and shareholders. The CMD is supported by the Executive Directors who takes a lead role in executing the strategic Affairs and ensuing long term value creation for all its stakeholders. The CMD maintains strong oversight of various business divisions like Sales, Marketing, Production and support services, amongst others and provides strategic direction and actively involved in achieving the Company's aspirations.

**Senior Management Personnel ('SMP')**

SMP comprises of all functional heads of the organization who are responsible for operationalisation of strategic plans, monitor key initiatives that are in line with approved corporate strategy and business objectives and to ensure long-term value creation. Under the guidance of the Board, the Management team has a clear view on the financial roadmap, future investments and Project Leap. Further, the Board has defined key performance indicators for each business.

## 2. Board of Directors

### 2.1 Board structure and profile of the Directors

The Composition and Category of Directors, Attendance of each Director of the Board Meetings and the last Annual General Meeting, Number of other Board of Directors or Committees in which a Director is a Member or Chairperson, name of the other listed companies, where such Director is a Director and Category of Directorship, Key Skills / Attributes/ Competencies and shareholding.

### 2.1.1 Board Structure

The above information as on March 31, 2022 is tabulated hereunder:

| Name of the Director | Category | No. of other Directorship held | No. of Membership / Chairpersonship in other Board Committees | | Category of Directorship and name of the other Listed Companies as on March 31, 2022 | Membership / Chairmanship in Board Committees of PIL[5] | Key Skills/ Attributes/ Competencies | Number of Shares held & % of shareholding |
|---|---|---|---|---|---|---|---|---|
| | | | M[1] | C[1] | | | | |
| Mr. Inder T. Jaisinghani | P, E, NI[4] | 1 | – | – | – | M: AC, NRC, RMC<br>C&M: CSR | S&P, A&M, S&M, Governance, Operations and overall support services. | 1,93,83,976<br>(12.97%) |
| Mr. Bharat A. Jaisinghani | E, NI[2] | – | – | – | – | M: RMC, SRC, CSR | S&M, IT, Production and other support services | 54,72,572<br>(3.66%) |
| Mr. Nikhil R. Jaisinghani | E, NI[2] | – | – | – | – | M: RMC, SRC, CSR | S&M, IT Production and other support services. | 54,52,622<br>(3.65%) |
| Mr. Rakesh Talati | E, NI[2] | – | – | – | – | M: CSR | A&M | 21,205<br>(0.00%) |
| Mr. T. P. Ostwal | NE, I [2] | 5 | 5 | 3 | Oberoi Realty Limited (NE, I [2]) | C&M: Audit, RMC<br>M: NRC | Governance, F &L. | NIL |
| Mr. R. S. Sharma | NE, I [2] | 5 | 9 | 2 | Jubilant Industries Limited (NE, I [2]) | C&M: NRC<br>M: Audit | S&P, A&M, Governance, F&L. | NIL |
| Mr. Pradeep Poddar | NE, I [2] | 4 | 6 | 2 | Welspun India Limited (NE, I [2])<br>Uflex Limited (NE, I [2]) | C&M: SRC<br>M: Audit and NRC | S&P, A&M, S&M Governance, F&L and Operations. | NIL |
| Mrs. Sutapa Banerjee | NE, I [2] | 7 | 8 | 1 | Godrej Properties Limited (NE, I [2])<br>Manappuram Finance Limited (NE, I [2])<br>JSW Holdings Limited (NE, I [2])<br>Camlin Fine Sciences Limited (NE, I [2])<br>Zomato Limited (NE, I [2]) | M: CSR, NRC, SRC | S&P, A&M, S&M, Governance and Finance | NIL |

1. Legends: "M" – Member, "C" – Chairperson,' C&M – Chairman & Member.
2. Legends: "P" – Promoter, "E" – Executive, "NI" – Non-Independent, "I" – Independent, "NE" – Non-executive Director
3. Legends: "AC" – Audit Committee, "NRC" – Nomination and Remuneration Committee,, "RMC" – Risk Management Committee, "CSR" – Corporate Social Responsibility Committee, "ID" – Independent Director
4. Legends: "S&P" – Strategy & Planning, "A&M" – Administration and Management, "S&M": Sales and Marketing, "F&L": Finance & Law
5. In addition, Mr. Gandharv Tongia, Chief Financial Officer of the Company is a Member of the RMC.

### 2.1.2 Brief Profile

The profiles of the Board of Directors are given below:

**Mr. Inder T. Jaisinghani**

Mr. Inder T. Jaisinghani, Chairman and Managing Director of the Company, has been working with the Company since its inception. He was appointed as a Chairman and Director of the Company on December 20, 1997 and was subsequently reappointed as Chairman and Managing Director of the Company with effect from August 28, 2019. He has played a vital role in different areas of Strategy & Planning, Administration & Management, Sales & Marketing, Governance, Operations, Finance and overall support services and under his leadership and guidance the Company has completed over 25 glorious years of success.

**Mr. Bharat A. Jaisinghani**

Mr. Bharat A. Jaisinghani joined the Company in 2012 and thereafter in 2021 was appointed as Executive Director. He holds a Master's degree in Operations management from the University of Manchester. He has also completed his Executive Education Programme called Programme for Leadership Development from Harvard Business School and an Executive Programme from Singularity University. He has worked in different areas of sales, marketing, IT, production and other support services and currently working on growth initiatives.

**Mr. Nikhil R. Jaisinghani**

Mr. Nikhil R. Jaisinghani joined the Company in 2012 and thereafter in 2021was appointed as Executive Director. He holds a Master's in Business Administration (MBA) from Kellogg School of Management, Northwestern University, Illinois, USA. He has worked in different areas of sales, marketing, IT, production and other support services and currently heads the wires & special cable business along with working as change agent for the Company.

**Mr. Rakesh Talati**

Mr. Rakesh Talati has been associated with the Company since 2014 and thereafter in 2021 was appointed as Executive Director. He heads the Wires and Cables segment and also responsible for Administration, Industrial Relations (IR), Greenfield and Brownfield Projects at Country level for all the business segments. He holds a Diploma in Civil Engineering and Interior Design Course from the Maharaja Sayajirao University of Baroda.

**Mr. T. P. Ostwal**

Mr. T. P. Ostwal, joined the Company as an Independent Director with effect from September 20, 2018. He is a qualified Chartered Accountant from the Institute of Chartered Accountants of India since 1978. He is a Practicing Chartered Accountant and is a Senior Partner with T. P. Ostwal and Associates LLP. He is also a partner at DTS & Associates, Chartered Accountants. He has served as a member of the advisory group for advising and establishing transfer pricing regulations in India, set up by the Central Board of Direct Taxes, Ministry of Finance, Government of India. He is a member of all sub-committee on Transfer Pricing for Developing Countries of United Nations. He is also professor at Vienna University teaching International Tax for LLM studies. He is ranked 11th out of top 50 tax professionals of the world by the UK Business Magazine.

**Mr. R. S. Sharma**

Mr. R. S. Sharma joined the Company as an Independent Director with effect from September 20, 2018. He holds a Bachelor of Arts' degree from University of Delhi. He has passed the final certificate examination from the Institute of Cost and Works Accountants of India and the Associate examination from the Indian Institute of Bankers. Prior to joining the Board, he has served as Chairman and Managing Director at Oil and Natural Gas Corporation Limited, besides being on Board of various other companies.

**Mr. Pradeep Poddar**

Mr. Pradeep Poddar, joined the Company as an Independent Director with effect from September 20, 2018. He is a Chemical Engineer from UDCT Mumbai, 1976 and an MBA from IIM, Ahmedabad, 1978. A veteran of the consumer goods industry, he groomed himself as a fast track executive in Glaxo Foods, Heinz and Tata. He became the first Managing Director of Heinz for India and South Asia in January 1996 at the age 41 and successfully built a 'high growth profitable' business with a portfolio of Power Brands-Complan, Glucon D, Nycil, Farex and Heinz Tomato Ketchup. In 2000, he was ranked in the top 5 percentile of North American Executives by Personnel Decisions International, New York. He was awarded the prestigious Udyog Ratna award by the Karnataka Government and Wisitex Foundation in 2001 for his distinguished contribution to the food industry. He led the Tata Group's Global foray into healthy beverages across the world, representing the Tatas on the Boards of Nourishco, the JV with Pepsico and the Rising Beverage Company (Activate Beverages led by Michael Eisner) in Los Angeles (USA). He crafted the Himalayan Natural Mineral Water brand and had seven Global patents on innovative 'do-good' beverages. He has played a strategic role on the Boards of Welspun, Uflex and as Chairman of United Way Mumbai. He has in the past led the American Chamber of Commerce Bombay Chapter and help further the Trade relations with the US. He has been appointed as Chairman of Sresta Natural Bio Products Limited with effect from December 15, 2021.

**Mrs. Sutapa Banerjee**

Mrs. Sutapa Banerjee joined the Company as an Independent Director with effect from May 13, 2021. Mrs. Banerjee has over 30 years of professional experience and has spent 24 years in the financial services industry across 2 large multinational banks (ANZ Grindlays and ABN AMRO), and a boutique Indian Investment bank (Ambit) where she built and headed several businesses. Mrs. Banerjee is a gold medallist in Economics from the XLRI school of Management in India and an Economics major from Presidency College Kolkata. she is an Advanced Leadership Fellow (2015) at Harvard University and was a Visiting Faculty with IIM – Ahmedabad. Mrs. Banerjee is also an adjunct faculty with Indian Institute of Corporate Affairs –the Government of India think tank under the Ministry of Corporate Affairs. Mrs. Banerjee also serves as Independent Director on the Board of Zomato, Godrej Properties, JSW Cement and others.

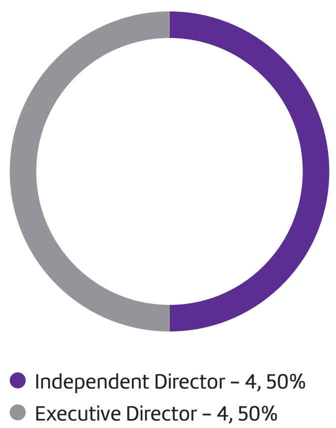
### 2.1.3 Role of Board of Directors:

In essence, Board of Directors act as stewards of providing guidance and direction for the future. The Board of Directors is the apex body constituted by the shareholders and is responsible for strategic supervision, and oversight on the Management performance and governance of the Company on behalf of our stakeholders. The Board of Directors has access to all relevant information, the employees and the subsidiaries of the Company in order to take an informed and independent decision. Driven by the principles of CG Philosophy, CG Framework and CG Structure, the Board strives to work in the best interests of the Company and its stakeholders.

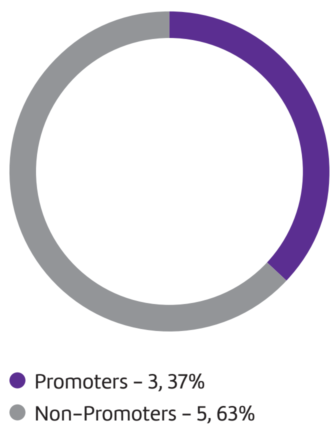
### 2.1.4 Board Composition:

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors to have a balanced Board Structure. The Chairman of the Board of Directors of the Company is an Executive Director and a Promoter. The Board has 8 (Eight) Directors, out of which 4 (Four) are Executive Directors and 4 (Four) are Non-Executive Independent Directors (including one Woman Director) of the Company.

**Composition of the Board#**




**Composition of Board#**




# (Count of the Directors,%)

### 2.1.5 Directorships / Memberships / Chairmanships:

Number of other Directorship held does not include Directorships of private limited companies, foreign companies and companies registered under Section 8 of the Companies Act 2013 (Act). Further, in accordance with Regulation 26 of Listing Regulations, Memberships / Chairmanships of only Audit Committee and Stakeholders Relationship Committee in all public Companies have been considered. The number of Committee Memberships / Chairmanships of all Directors are within the respective limits prescribed under Act and Listing Regulations.

### 2.1.6 Director Relationships

None of the Directors are related to each other except the following:

Mr. Inder Jaisinghani is Uncle of Mr. Bharat Jaisinghani and Mr. Nikhil Jaisinghani;

Mr. Bharat Jaisinghani is Nephew of Mr. Inder Jaisinghani and Cousin Brother of Mr. Nikhil Jaisinghani;

Mr. Nikhil Jaisinghani is Nephew of Mr. Inder Jaisinghani and Cousin Brother of Mr. Bharat Jaisinghani.

### 2.1.7 Independence of Directors

Independent Directors (ID's) are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management. None of the Independent Directors serves as an Independent Director on more than seven listed entities. The terms and conditions for appointment of Independent Directors are uploaded on the website and are accessible through Weblink.

None of the Directors serve as Chairman in any other Company.

### 2.1.8 Meetings Calendar 2021-22 and Attendance:

Details of Board, Committee(s) Meetings and Annual General Meeting held during financial year 2021-22

| Day and Date | Meetings | Attendance |
|---|---|---|
| Thursday, May 13, 2021 | NRC, CSR, AC, Board | All the Directors and respective Committee Members had attended all the Board Meetings, Committee Meetings and Annual General Meeting held during the financial year 2021-22. |
| Tuesday, July 20, 2021 | SRC, AC* | |
| Wednesday, July 21, 2021 | AGM, AC*, Board | |
| Tuesday, September 13, 2021 | Board | |
| Monday, October 04, 2021 | NRC, Board | |
| Tuesday, October 19, 2021 | RMC, CSR | |
| Friday, October 22, 2021 | AC, Board | |
| Wednesday, November 03, 2021 | Board | |
| Saturday, January 15, 2022 | AC, ID | |
| Friday, January 21, 2022 | AC, Board | |
| Monday, March 21, 2022 | RMC | |

*Note: The Audit Committee Meeting held on July 20, 2021 was adjourned and reconvened on July 21, 2021.

The Company Secretary acts as Secretary to the Committee. The representatives of the Statutory Auditors and Internal Auditors are invitees to the Audit Committee Meetings. The Committee also invites such executives as it considers appropriate to attend the Audit Committee Meetings. During the year under review, all the recommendations made by the Audit Committee were accepted by the Board of Directors. The Statutory Auditors had attended the Annual General Meeting held during the financial year 2021-22. Appointments and Cessation of Directors during financial year 2021-22 is provided in the Boards' Report.

## 2.2 Number of Shares and Convertible instruments held by Non- Executive Directors:

As on March 31, 2022, none of the Non-Executive Directors hold any share in the Company. The Company has not issued any convertible instruments.

## 2.3 Familiarization Programme for IDs:

Pursuant to the provision of Regulation 25(7) of the Listing Regulations, the Company has in place Familiarization Programme for Independent Directors to familiarize them about the Company and their role, rights and responsibilities in the Company. The details of Familiarization Programme imparted during the financial year 2021-22, has been uploaded on the website of the Company and can be accessed through weblink

## 2.4 Performance Evaluation of the Board

**Criteria for performance evaluation**

Pursuant to the provisions of the Act and Listing Regulations and in order to ensure that the Board and board committees are functioning effectively, the Nomination and Remuneration Committee approved the framework in the form of questionnaire for annual evaluation of the Board, Committees and Individual Directors.

The criteria for performance evaluation includes the following:

Board of Directors: Structure, composition, board meeting schedule, agenda, governance, progress towards strategic goals and assessment of operational performance and overall effectiveness of the Board.

Board Committee(s): Composition, terms of reference compliance, role and responsibilities, information flow, effectiveness of the meetings and feedback to the management.

Individual Directors – Attendance, deliberations, preparedness for discussion, quality of contribution, engagement with fellow board members, KMPs and senior management, knowledge sharing and approachability and responsiveness to the need of Company, effective participation of all board members in the decision-making process.

Independent Directors: Independence from the Management, exercising independent judgement in decision-making and fulfillment of independence criteria under applicable law.

# Corporate Governance Report

**Performance Evaluation Process**

As per Company's Policy on Evaluation of Performances of Board of Directors, Committees or Individual Directors, the Company Secretary & Compliance Officer had circulated the questionnaire to all the Directors of the Company for carrying out the evaluation of performance of Board, its Committees and Individual Directors for the financial year 2021-22. All the Directors had provided their feedback about the performance evaluation of the Board, its Committees and Individual Directors for the financial year 2021-22.

**Outcome of Performance Evaluation**

On the basis of feedback received on the questionnaires, the Chairman had briefed the Board of Directors at the Board Meeting held on May 10, 2022, and the Board discussed the evaluation report and various suggestions received in the board evaluation process and agreed on the necessary action.

The Board and Board Committees expressed their satisfaction with the Board's effectiveness and acknowledged that the Board and Committees had spent sufficient time on (i) review of financial and operational performance related matters, (ii) future strategies and short term & long-term growth plans and (iii) compliances, governance and controls.

## 2.5 Remuneration to Non-Executive Directors for the financial Year 2021-22

The Non-Executive Directors of the Company are paid remuneration by way of sitting fees and Commission. The Company pays sitting fees of ₹ 1,00,000/- (Rupees One Lakh only) per Board Meeting and ₹ 80,000/- (Rupees Eighty Thousand only) per Committee Meeting including Independent Directors' Meeting. Commission to Independent Directors are paid as recommended by the Board of Directors and approved by the Members. The travel expenses for attending Meetings of the Board of Directors or a Committee thereof, for site visits and other related expenses incurred by the Independent Directors from time to time are borne by the Company. The criteria of making payment to Non-Executive Directors is displayed on the website of the Company and are accessible through Weblink.

In accordance with the provisions of Section 197 of the Companies Act 2013 and Regulation 17(6) (a) of the Listing Regulations, the Members of the Company, at the 23rd Annual General Meeting held on June 26, 2019, had approved payment of commission not exceeding ₹ 20,00,000/- (Rupees Twenty lakhs) per annum to each Independent Director of the Company.

Given the increasing size and complexity of the Company and considering a corresponding increase in time devoted, level of expertise, market trend, performance and contributions made by the Independent Directors, the Board proposed to obtain the Members' consent for the payment of commission to Independent Directors not exceeding ₹ 25,00,000/- (Rupees Twenty-five Lakhs only) per annum individually to each Independent Director effective from financial year 2021-22 onwards. The Commission payable to the Independent Directors shall be in accordance with the Nomination and Remuneration Policy and within the limit of 1% of the net profit of the Company computed in accordance with Section 198 of the Companies Act 2013.

## 2.6 Details of remuneration paid / payable to the Non-Executive Directors for the financial year 2021-22 are as follows:

(₹ in million)

| Name of Director | Designation | Sitting Fees | Commission Payable | Total |
|---|---|---|---|---|
| Mr. T. P. Ostwal | Non-Executive, Independent | 1.50 | 2.50 | 4.00 |
| Mr. R. S. Sharma | Non-Executive, Independent | 1.34 | 2.50 | 3.84 |
| Mr. Pradeep Poddar | Non-Executive, Independent | 1.50 | 2.50 | 4.00 |
| Mrs. Sutapa Banerjee | Non-Executive, Independent | 1.02 | 2.50 | 3.52 |

**Notes:**

The remuneration paid to Non-Executive Directors includes Commission payable for financial year 2021-22 and Sitting Fees paid towards attending the Board Meeting, Audit Committee Meeting, Nomination and Remuneration Committee Meeting, Corporate Social Responsibility, Stakeholders Relationship Committee Meeting, Risk Management Committee Meeting and Independent Directors Meeting held during the financial year 2021-22.

None of the Non-Executive Independent Directors hold any equity share of the Company. Further, there are no material pecuniary relationships or transactions of the Non-Executive Directors with the Company, except those disclosed in the Annual Report, if any. Further, the Company had not granted any Employee Stock Option to its Non-Executive Independent Directors. Hence, the disclosure of the same is not applicable.

## 2.7 Remuneration paid / payable to Executive Directors

The remuneration paid / payable to Executive Directors for the financial year 2021-22 are in accordance with the approval of the Board and Members and is subject to the limits prescribed under the Act and Nomination and Remuneration Policy of the Company:

(₹ in million)

| Name of Executive Directors | Salary & Perquisites | Commission* | Variable Pay | ESOP | Total |
|---|---|---|---|---|---|
| Mr. Inder T. Jaisinghani | 45.50 | 91.86 | - | - | 137.61 |
| Mr. Bharat A. Jaisinghani | 16.21 | - | 3.33 | - | 19.54 |
| Mr. Nikhil R. Jaisinghani | 16.21 | - | 3.33 | - | 19.54 |
| Mr. Rakesh Talati | 14.20 | - | 3.82 | 2.51 | 20.53 |

*Note: On the basis of overall performance of the Company, Mr. Inder T. Jaisinghani is eligible for a commission @ 1% of net profit of the Company for the financial year 2021-22 as earlier approved by the Members of the Company at the AGM held on June 26, 2019, however, taking into consideration the best interest of the Company, Mr. Jaisinghani has expressed his intention to restrict the Commission to 0.75% of the net profit for financial year 2021-22 which was appreciated and approved by the Board of Directors at its Meeting held on May 10, 2022.

## 2.8 Service Contracts, Severance Fees and Notice Period

The tenure of the office of Managing Director and Executive Directors is 5 (Five) years from respective dates of their appointment and the notice period for terminating the service contract of Managing Director and Executive Director is based on Company's Human Resource (HR) Policy. Further, there is no separate provision for payment of severance fees.

## 2.9 Employee Stock Option Details (ESOP)

During the year under review, none of the Executive Directors (EDs) had been granted Employee Stock Options under the respective ESOP Schemes of the Company.

The details of ESOP granted, vested and exercised by Mr. Rakesh Talati are mentioned below:

| | |
|---|---|
| Name of the Scheme | Polycab Employee Stock Option Performance Scheme |
| Vesting period | Five years in the ratio of 15:15:20:20:30 |
| Exercise Price | ₹405 per equity share of ₹10/- |
| No. of Options granted on August 30, 2018 under the scheme (A) | 45,000 options |
| Options vested (B) | |
| (15% of 45,000) for F.Y 19-20 | 6,750 |
| (15% of 45,000) for F.Y 20-21 | 6,750 |
| (20% of 45,000) for F.Y 21-22 | 9,000 |
| Total: | 22,500 |
| Options exercised (C) | 21,205 |
| Balance Available (A-B) Pending Vesting | 22,500 |

## 2.10 Committees of the Board

The Board of Directors of the Company had constituted the following Committees to comply the requirements under the Act and the Listing Regulations viz.:

(i) Audit Committee;
(ii) Nomination and Remuneration Committee;
(iii) Stakeholders' Relationship Committee;
(iv) Corporate Social Responsibility Committee; and
(v) Risk Management Committee.

The Chairman of the Board, in consultation with the Company Secretary & Compliance Officer and the respective Chairman of these Committees, determines the frequency of the Meetings of these Committees.

The recommendations of the Committees are submitted to the Board for its approval.

## 2.11 Terms of Reference of the Committees of the Board

The terms of reference of the Committees of the Board as detailed below are uploaded on the website of the Company and are accessible through Weblink.

**Audit Committee**

(i) Oversight of financial reporting process.
(ii) Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.
(iii) Evaluation of internal financial controls and risk management systems.
(iv) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
(v) Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.
(vi) To consider matters with respect to the Code of Conduct and vigil mechanism.
(vii) Recommending to the Board the appointment / remuneration of the Cost Auditors.
(viii) Approving the payments of Cost Auditors towards other services rendered by them.
(ix) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**Nomination and Remuneration Committee**

(i) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the

# Corporate Governance Report

remuneration of the directors, key managerial personnel and other employees;

(ii) Formulating of criteria for evaluation of the performance of the independent directors and the Board;

(iii) Devising a policy on Board diversity;

(iv) Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down,

(v) Recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;

(vi) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(vii) Analysing, monitoring and reviewing various human resource and compensation matters;

(viii) Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(ix) Determining compensation levels payable to the senior management personnel (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component

(x) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws.

**Stakeholders' Relationship Committee**

(i) Consider and resolve grievances of security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends to the satisfaction of the security holders.

(ii) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(iii) Issue of duplicate certificates and new certificates on split / consolidation / renewal.

(iv) Review of adherence to the service standards adopted by the Company in respect of the working and rendering of various services by the Registrar and Transfer Agents of the Company

(v) Review of measures taken for effective exercise of voting rights by shareholders

(vi) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend.

**Corporate Social Responsibility (CSR)Committee**

(i) To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken as specified in Schedule VII of the Act

(ii) To recommend the amount of expenditure to be incurred on the CSR activities;

(iii) To monitor the CSR Policy and its implementation by the Company from time to time

(iv) To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Act and the rules framed thereunder.

**Risk Management Committee**

(i) Managing and monitoring the implementation of action plans developed to address material

(ii) Business risks within the Company and its business units, and regularly reviewing the progress of action plans;

(iii) Setting up internal processes and systems to control the implementation of action plans;

(iv) Regularly monitoring and evaluating the performance of management in managing risk;

(v) Providing management and employees with the necessary tools and resources to identify and manage risks;

(vi) Regularly reviewing and updating the current list of material business risks;

(vii) Regularly reporting to the Board on the status of material business risks;

(viii) Ensuring compliance with regulatory requirements and best practices with respect to risk management.

(ix) Evaluate risks related to cyber security and ensure appropriate procedures are placed to mitigate these risks in a timely manner.

(x) Coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).

(xi) Access to any internal information necessary to fulfil its oversight role.

(xii) Authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

(xiii) Periodically review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

(xiv) Formulating a detailed risk management policy which shall include:

a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

b. Measures for risk mitigation including systems and processes for internal control of identified risks.

c. Business continuity plan.

(xv) Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(xvi) Monitoring and overseeing the implementation of the risk management policy including evaluating adequacy of risk management systems;

(xvii) Periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(xviii) Regularly reporting to the Board about the nature and content of its discussions, recommendations and actions to be taken;

(xix) Authority to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary

(xx) Coordinate its activities with the other Committees in instances where there is any overlap with activities of such other committee, as per the framework laid down by the Board.

## 3. SEBI Complaints Redressal System (SCORES)

The investor complaints are processed in a centralized web-based complaints redressal system formulated by SEBI. The salient features of this system are centralized database for all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

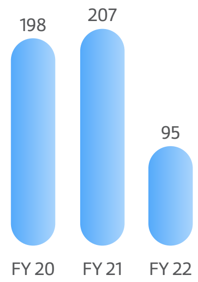
The Company had registered itself on the SCORES and every effort is made to resolve investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint. No Shares are lying in Demat Suspense Account / Unclaimed Suspense Account. Hence, the disclosure of the same is not required to be provided.

Status report on number of shareholder complaints / requests received and replied by the Company during the financial year 2021-2022 are as follows:

| Nature of Complaint | Received | Replied | Pending |
|---|---|---|---|
| Non-Receipt of Annual Report | 20 | 20 | 0 |
| Non-Receipt of Dividend Warrant | 74 | 74 | 0 |
| SEBI (SCORES) / Stock Exchanges | 01 | 01 | 0 |
| **TOTAL** | **95** | **95** | **0** |

The shareholders may write to the Company's exclusive e-mail id for their grievances shares@polycab.com.

### Complaints Redressal Graph




## 4. General Body Meetings:

### 4.1 Location and time, where last three Annual General Meetings (AGMs) were held:

| Year | Venue | Date | Time | Special Resolutions passed |
|---|---|---|---|---|
| 2020-21 | OAVM* | July 21, 2021 | 9:00 a.m. | Amendment(s) under Clause 7.3 of Polycab Employee Stock Option Performance Scheme 2018 (Performance Scheme) |
| 2019-20 | OAVM* | July 21, 2020 | 9:00 a.m. | Nil |
| 2018-19 | Air force Auditorium, Subroto Park, New Delhi - 110010 | June 26, 2019 | 9.00 a.m. | Retention of rights to appoint Director by International Finance Corporation |

*Video Conferencing and Other Audio Visual Means (OAVM)

### 4.2 Details of Special Resolution passed last year through postal ballot:

Details of voting pattern and procedure thereof - Nil

Person who conducted the postal ballot exercise - Not Applicable

Special Resolution proposed to be conducted through postal ballot - No Resolution requiring Postal Ballot as required by the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, has been placed for Shareholder's approval at this Annual General Meeting.

## 5. Policies

### 5.1 Nomination and Remuneration Policy

The Company had formed a Nomination and Remuneration policy in accordance with the provisions of the Act and the Listing Regulations to ensurereasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

**Salient features of the Nomination and Remuneration Policy:**

This Policy reflects the remuneration philosophy and principles of the Company and considers the pay and employment conditions with peers / competitive market to ensure that pay structures are appropriately aligned.

Remuneration of non-executive and Independent Directors: Non-Executive and Independent Directors ("NEDs") will be paid remuneration by way of sitting fees and commission. The upper limit of sitting fees and commission payable to the NEDs is proposed by the Board and recommended to the Members for their approval. Based on the approval of the Members at the Members' Meeting, the commission will be paid to the NEDs at a rate not exceeding statutory limits in accordance with Section 197 of the Act. The commission to be paid will be restricted to a fixed sum within the above limit annually on the basis of their tenor in office during the financial year.

Remuneration of Executive Director: The compensation paid to the Executive Directors (including Managing Director) will be within the scale approved by the shareholders. The elements of the total compensation, approved by the Nomination and Remuneration committee will be within the overall limits specified under the Act. The Nomination and Remuneration Committee will determine the annual variable pay compensation in the form of annual incentive and annual increment for the executive director based on Company's and individual's performance as against the pre-agreed objectives for the year

Remuneration to Key Managerial Personnel / Other Employees: The Company's total compensation for Key Managerial Personnel as defined under the Act / other employees will consist of:

- fixed compensation
- variable compensation in the form of annual incentive
- benefits
- work related facilities and perquisites

In addition, select senior executives will be eligible for long-term incentive plan in the form of ESOPs, as per the ESOP scheme in force from time to time. Grants under the ESOP scheme will be approved by the Nomination and Remuneration committee.

**Accessibility:**

Nomination and Remuneration Policy is available on the Company's website and can be accessed through weblink.

## 5.2 Related Party Transactions Policy

The details of all significant transactions with related parties are periodically placed before the Audit Committee. The Company had entered into related party transactions as set out in Notes to Accounts, which do not have potential conflict with the interests of the Company at large.

**Salient features of the RPT Policy**

This Related Party Transaction policy deals with the review and approval of related party transactions and prescribes the process for dealing with related party transactions as follows:

(i) a list of all the related parties in relation to the Company received from the Board is updated from time to time.

(ii) Basis the above mentioned list of related parties, every department, prior to entering in to any contract or arrangement with a related party, ascertains whether the proposed contract or arrangement satisfies the approval mechanism prescribed under this Policy.

(iii) The contract/arrangement is not entered into without the necessary approval from the Audit Committee/ Board/shareholders, as the case may be. Compliance to this condition is strictly adhered to by the concerned department proposing the underlying contract or arrangement.

(iv) All Related Party contracts/arrangements require approval of the Audit committee of the Board of Directors or the shareholders of the company as the case may be, as required under and subject to the Act and the Listing Regulations.

**Accessibility:**

The Related Party Transaction Policy is available on the website of the Company and can be accessed through Weblink.

## 5.3 Whistle Blower Policy

In line with the Act and Listing Regulations, the Company has formulated a Whistle Blower Policy to report concerns about unethical behaviour, actual or suspected incidents of fraud or violation of Code of Conduct that could adversely impact the Company's operations, business performance and / or reputation, in a secure and confidential manner.

**Salient features of the Whistle Blower Policy:**

Whistle Blower Policy aims to provide secured environment and requires all employees to act responsibly to defend the reputation of the Company and maintain public confidence. This Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business.

The Audit Committee of the Company oversees vigil mechanism process of the Company pursuant to the provisions of the Act. The Chairman of the Audit Committee has direct access to the designated e-mail id: speakup@polycab.com for receiving the Complaints under Whistle Blower Policy. The Company with a view to achieve good corporate governance encourages reporting of incidents relating to amongst others malpractices and events which have taken place/suspected to take place involving inter alia Financial irregularities, including fraud, any unlawful act whilst providing anonymity and confidentiality. A report on the functioning of the mechanism, including the complaints received and actions taken, is presented to the Audit Committee on a quarterly basis.

No complaints were received during the financial year 2021-22.

The Company confirms that no personnel was denied access to the Audit Committee.

**Accessibility**

The Whistle Blower Policy is available on the website of the Company and can be accessed through Weblink.

## 5.4 Dividend Distribution Policy

The Company has in place a Dividend Distribution Policy in accordance with Regulation 43A of the Listing Regulations.

**Salient features of the Dividend Distribution Policy:**

The Dividend is determined on the basis of various parameters such as profits earned during the financial year, retained earnings, earnings outlook for next three to five years, fund requirements for future investments for growth and expected future capital / liquidity requirements.

**Accessibility:**

The Dividend Distribution Policy is available on the website of the Company and can be accessed through Weblink.

## 5.5 Risk Management Policy

The Company has in place Risk Management System which takes care of risk identification, assessment and mitigation. The mechanism helps to identify, assess, monitor, and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

**Salient features of Risk Management Policy**

The Company' internal control encompasses various managements systems, structures of organization, standard and code of conduct which all put together help in managing the risks associated with the Company. With a view to ensure the inter controls systems are meeting the required standards, the same are reviewed at periodical intervals. If any weaknesses are identified in the process of review the same are addressed to strengthen the internal controls which are also revised at frequent intervals.

The Company, through its risk management process, aims to contain the risks within its risk appetite. There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report.

**Accessibility**

The Risk Management Policy is available on the Company's website and can be accessed through weblink.

## 5.6 Policy for determining material Subsidiary

The Company had disclosed the "Policy for determining material subsidiaries" as per the requirement of Regulation 46(2)(h)of the Listing Regulations on its website and can be accessed through Weblink.

## 5.7 Code for Prevention of Insider Trading

The Company had adopted a Code of Conduct to regulate, monitor and report trading by Insiders for Prevention of Insider Trading in the shares of the Company. The code, inter-alia, prohibits purchase / sale of shares of the Company by Directors and Designated Persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed.

**Accessibility**

The Code for Prevention of Insider Trading is available on the website of the Company and can be accessed through weblink.

## 5.8 ESG Roadmap

As a socially and environmentally responsible business, Polycab is focused on growing sustainably to build long-term stakeholder value. By embracing sustainable development and going beyond minimum information disclosure requirements and regulatory compliance. The Company aims to deliver values to the employees, Customers, supplier, partners, shareholders and society as a whole. In this regard, the Company has commenced the work on developing a robust ESG framework that will align us to the best global standards and serve as a guide for the implementation of sustainable business practices. Refer page no. 42 to 43 for detailed ESG framework development.

## 5.9 Other Policies

### 5.9.1 Mandatory policies

The Company had also adopted the following mandatory policies in line with the requirement of the Listing Regulations and the Act, for the effective and defined functioning of the respective Committees of the Board:

(i) Policy for Evaluation of the Performances of the Board of Directors, Committees and Individual Directors.

(ii) Corporate Social Responsibility Policy.

(iii) Policy on Diversity of Board of Directors.

(iv) Policy on Succession Planning for the Board and Senior Management.

(v) Policy on Determination of Materiality of Events / information.

(vi) Policy for Preservation of Documents and Archival.

(vii) Code of Conduct for Directors and Senior Management Team.

(viii) Code of Practises and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

### 5.9.2 Non-mandatory policies

The Company had further adopted the following additional non-mandatory policies as a part of good corporate governance:

(i) Investigation Policy aims to empower the Whistle Officer to segregate complaints received and provides guidance for conducting investigations.

# Corporate Governance Report

(ii) Disciplinary Action Policy aims to establish a positive conduct and take corrective actions against the employees.

(iii) Anti-Bribery Policy is designed to guide employees in conducting business professionally, honestly and with utmost integrity to ensure monitoring, prevention and detection of bribery and all other corrupt business practices.

(iv) Data Protection and Privacy Policy aims to provide protection of the privacy of stakeholders related to their personal data, specify the flow and usage of personal data, create a relationship of trust between individuals and entities processing the personal data.

(v) Human Rights Policy aims at recognizing and protecting the dignity of all human being.

(vi) Policy on Equal opportunity aims at recognising and providing equal opportunities in employment and creating an inclusive work environment.

(vii) Policy for Prevention of Fraud aims at safeguarding the financial viability and reputation through improved management of fraud risk and mitigation measures.

(viii) Conflict of Interest Policy aims to provide guidance in identifying and handling potential/ /actual / perceived conflicts of interest to conduct business with integrity, honesty and ethical principles.

(ix) OHSE Policy aims at safe working environment and aims for excellence and leadership in Health, Safety, and Environment protection by continual improvement in our well-established Environment Management System (EMS) and Occupational Health and Safety Management System (OH&SMS) to international standards.

(x) Quality Policy aims to provide a framework for continuously measuring and improving quality performance.

## 6. Disclosures

### 6.1 Awards and Accolades

During the year under review, the Company was honoured with the awards, inter alia, in areas of digitisation, financial management, reporting, communication:

(i) Asia's Best Integrated Annual Report (First Time) – Bronze by Asia Integrated Reporting Awards Organisation
(ii) Asia's Best Integrated Annual Report (Design) – Gold by Asia Integrated Reporting Awards Organisation
(iii) Excellence in Financial Reporting' awarded by the Institute of Chartered Accountants.
(iv) CII CFO Digital Excellence Awards 2021 organised by CII
(v) Most Comprehensive Passive Networking Brand by Digital Terminal
(vi) The Asset Triple A Award for 'Best Liquidity and Investment Solution
(vii) Best Innovative Project of the Year Award by Asian Innovation Leadership Awards.
(viiii) e4m Pride of India – The Best of Bharat Awards by Exchange4Media

### 6.2 Statutory Compliance, Penalties/Strictures

The Company had complied with rules and regulations prescribed by SEBI and any other statutory authority relating to capital market. No penalty or stricture had been imposed on the Company by the Stock Exchanges or SEBI on any matter related to the capital markets, during the last three years.

### 6.3 Compliance with Mandatory Requirements

The Company had complied with all the mandatory requirements of Listing Regulations to the extent applicable.

### 6.4 Adoption of non-mandatory requirements as detailed below:

| Particulars | Status |
|---|---|
| **(i) Board**<br>Non-Executive Chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties. | Not Applicable |
| **(ii) Shareholders' Right**<br>A Half - Yearly declaration of financial performance including summary of significant events in last six-months, may be sent to each household of shareholders | The Company's half-yearly and quarterly results are published in leading English and Gujarati newspaper and also uploaded on the website of the Company. The Company also suo moto publishes quarterly condensed standalone and consolidated financial statements that are duly limited reviewed by the statutory auditors. |
| **(iii) Modified opinion in Audit Report**<br>The listed entity may move towards a regime of financial statements with unmodified opinion | Complied. There is no qualification in the Audit Report |
| **(iv) Reporting of Internal Auditor**<br>The Internal Auditor may report directly to the Audit Committee | Complied. The Internal Auditors of the Company are present in Audit Committee Meetings and they report to the Audit committee. |

**6.5** There are no non-compliances of any requirements of Corporate Governance Report in sub-paras (2) to (10) mentioned in schedule V of the Listing Regulations.

**6.6** The Company had complied with Corporate Governance Requirements specified in Regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations.

**6.7** As per SEBI Notification dated January 04, 2017, it is confirmed that no employee including Key Managerial Personnel or Director or Promoter of the Company had entered into any agreement for him/her or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

### 6.8 Disclosure of Accounting Treatment

The Company prepared its Financial Statements to comply with the Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. These Standalone Financial Statements includes Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, Cash Flow Statement and Statement of changes in equity for the year ended March 31, 2022, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

### 6.9 Code of Conduct for Board of Directors and Senior Managerial Personnel

The Company has adopted a 'Code of Conduct for its Board of Directors and Senior Management Personnel' which also includes the duties of Independent Directors as laid down in the Act and the Listing Regulations. The Code of Conduct is available on the Company's website – www.polycab.com. Further PIL continually strives to conduct business and strengthen relationships in a manner that is dignified, distinctive and responsible whilst adhering to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all the stakeholders. Therefore, the Company had adopted various codes and policies to carry out our duties in an ethical manner including the Polycab Code of Conduct. All the Board Members and Senior Management Personnel had affirmed compliance with Code of Conduct of the Company for the financial year ended March 31, 2022.

## 7. CEO/CFO Certification

In terms of requirement of Regulation 17(8) read with Part B of Schedule II of Listing Regulations, Mr. Inder T. Jaisinghani, Chairman and Managing Director and Mr. Gandharv Tongia, Chief Financial Officer of the Company have furnished certificate to the Board in the prescribed format certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of this Report. The said certificate had been reviewed by the Audit Committee and the same was taken on record by the Board at the Meeting held on May 10, 2022.

## 8. Directors' Responsibility Statement

The Directors' Responsibility Statement signed by Mr. Inder T. Jaisinghani, Chairman & Managing Director which is included in the Board's Report for financial year 2021-22, had been reviewed by the Audit Committee at its Meeting held on May 10, 2022.

## 9. Reconciliation of Share Capital Audit Report

In terms of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary with a view to reconcile the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and those held in physical form with the total issued, paid up and listed capital of the Company. The Audit Report, inter alia, confirms that the Register of Members is duly updated and that demat / remat requests were confirmed within stipulated time etc. The said report is also submitted to BSE Limited and National Stock Exchange of India Limited.

## 10. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part

During the year under review, the Company paid total Fees (including reimbursement of expenses) of ₹ 11.12 million (excluding applicable taxes) to B S R & Co. LLP, Chartered Accountants, Statutory Auditors.

B S R & Co. ('the firm ') was constituted on March 27, 1990 as a partnership firm having firm registration no. as 101248W. It was converted into limited liability partnership i.e. B S R & Co. LLP on October 14, 2013 thereby having a new firm registration no. 101248W/W-100022. The registered office of the firm is at 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Centre, Western Express Highway, Goregaon (East), Mumbai 400063. B S R & Co. LLP is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India.

## 11. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

Not Applicable, as the Company has not given any loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount, during the under review.

## 12. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

(i) Number of Complaints filed during the year – Nil

(ii) Number of Complaints disposed of during the year – Not Applicable

(iii) Number of Complaints pending as on end of the financial year – Not Applicable

## 13. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations.

Not Applicable, as the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations during the year under review.

## 14. Means of Communication

Website: The Company's website www.polycab.com contains, inter alia, the updated information pertaining to quarterly, half-yearly and annual financial results, annual reports, official press releases, the investor/ analysts presentations, details of investor calls and meets, shareholding pattern, important announcements. The said information is available in a user friendly and downloadable form.

Financial Results: The quarterly, half yearly and annual financial results of the Company are submitted to BSE Limited and National Stock Exchange of India Limited after approval of the Board of Directors of the Company. The results of the Company are published in one English daily newspaper and one Gujarati newspaper within 48 hours of approval thereof.

Annual Report: Annual Report containing, inter alia, Audited Financial Statements, Board's Report, Auditors' Report, Corporate Governance Report is circulated to the members and others entitled thereto and is also available on website of the Company.

Uploading on NSE Electronic Application Processing System (NEAPS), NSE Digital Exchange & BSE Listing Centre: The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchanges are filed electronically on digital exchange for NSE and on BSE Listing Centre for BSE.

## 15. General Shareholder information:

| Sr. No. | Particulars | Details |
|---|---|---|
| (i) | Annual General Meeting - Date Time and Venue | 26th Annual General meeting (AGM) of the Company will be held on 29th June 2022 at 9:00 am through Video Conferencing / Other Audio Visual Means. |
| (ii) | Financial Year | Financial Year is April 01 to March 31 of the following year |
| (iii) | Quarterly results will be declared as per the following tentative schedule: | |
| | Financial reporting for the: | |
| | Quarter ending June 30, 2022 | On or before August 14, 2022 |
| | Quarter and Half year ending September 30, 2022 | On or before November 14, 2022 |
| | Quarter and nine months ending December 31, 2022 | On or before February 14, 2023 |
| | Year ending March 31, 2023 | On or before May 30, 2023 |
| (iv) | Dates of Book Closure | June 23, 2022 to June 29, 2022 (Both days inclusive) |
| (v) | Record date | Wednesday, June 22, 2022 |
| (vi) | Dividend Payment date | On or before Wednesday, July 27, 2022 |
| (vii) | Listing on Stock Exchanges & Payment of Listing Fees | The Company's shares are listed on:<br>- BSE Limited ("BSE") Floor 27, P. J. Towers, Dalal Street, Mumbai - 400 001<br>- National Stock Exchange of India Ltd. C/1, Block G, Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051<br>Your Company has paid the annual listing fee to both the exchanges. |
| (viii) | Stock Code | - BSE Scrip Code: 542652<br>- NSE: POLYCAB<br>- ISIN: INE455K01017 |

| Sr. No. | Particulars | Details |
|---|---|---|
| (ix) | Registrars and Transfer Agents | **Kfin Technologies Limited**<br>(Formerly known as Kfin Technolgies Private Limited)<br>KFin Selenium, Tower B, Plot 31-32, Gachibowli,<br>Financial District, Nanakarmguda, Hyderabad - 500032<br>Telephone No. +91 40 6716 2222<br>Fax No. +91 40 2343 1551<br>Email: einward.ris@kfintech.com<br>Website: www.kfintech.com |
| (x) | Share Transfer System | The Board had delegated the power of Share Transfer to Stakeholders' Relationship Committee. |
| (xi) | Address for Correspondence | **Manita Carmen A. Gonsalves**<br>Company Secretary and Compliance Officer<br>Polycab India Limited, 771, Polycab House, Mogul Lane, Mahim (West) - 400016.<br>Tel: +91- 22-67351400 |
| (xii) | Dematerialization of Shares and Liquidity | 99.9999% of Company's shares are held in the electronic mode as on March 31, 2022 |
| (xiii) | Electronic Clearing Service (ECS) | Members are requested to update their bank account details with their respective depository participants (for shares held in the electronic form) or write to the Company's Registrars and Transfer Agents, Kfin Technologies Limited (for shares held in the physical form) |
| (xiv) | Investor Complaints to be addressed to | Kfin Technologies Limited, Registrars and Transfer Agents or Manita Carmen A Gonsalves, Company Secretary and Compliance Officer, at the addresses mentioned earlier. |
| (xv) | Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, Conversion Date and likely impact on equity | The Company had not issued any GDRs/ ADRs/ Warrants or any Convertible Instruments. |
| (xvi) | Details of Demat suspense Account / unclaimed Suspense Account | Not Applicable |
| (xvii) | Commodity price risk or foreign exchange risk and hedging activities | The Company deals in commodity and foreign exchange in ordinary course of business and has adequate risk management mechanism. These are reviewed by the Risk Management and Audit Committee of the Company. |
| (xviii) | List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad | Not Applicable, as the Company did not issue any debt instrument or any fixed deposit programme or any scheme or proposal involving mobilization of funds, in India or abroad. |

| | |
|---|---|
| (xix) | Details of Plant Locations - Halol, Daman, Nashik and Roorkee |
| **A.** | **Halol Gujarat** |
| | (UH 1 & UH1A) 333, 335, 336 & 339/2/2/1& 2, Baska-Halol Road, District Panchmahal - 389350, Gujarat, India |
| | (UH2 & UH2A) Plot No. 30, 31, 34, 42/1, 65/1, Rameshra Road, Baska, District Panchmahal - 389 352, Gujarat, India |
| | (UH3) Plot No. 12P2, 13, 15, 16/A, 16/B, 17 to 19, 20P1, 20P2, 21 to 25, 26A, 26B, 30 to 33, 34/1,2,3,4, 65, 109 Village - Rampura & Noorpura, Halol, Panchmahal - 389350, Gujarat, India |
| | (UH4) Plot No. 67, 68, 68/P1, 68/P2, 70/1, 71/72, 105/1, 105/2, 106 Nurpura, District Panchmahal, Halol - 389 350, Gujarat, India |
| | (UH5) Survey No. 49, 51/1, 51/2, 52/1, 52/2, 52/3, 53/1, 53/2, 54, Rameshra Road, Village Baska,<br>Taluka Halol, District Panchmahal - 389352, Gujarat, India |
| | (UH6) Survey No. 79/1-3, 80/1-2, Baska-Ujeti Road, Baska<br>Dist. Panchmahal, Halol- 389 352, Gujarat |
| | (UH7) Plot No. 74/1 Paiki 74/1/P, 74/2/1, 74/2/2, 80 Village Vaseti, Ta.: Halol, Dist. Panchmahals |
| | (UH8) Old R.S. No-40, New R.S. No.27, Old Survey No-558/7, New R.S. No-556, Halol-Vadodara Road, Behind Tuff Ropes,<br>Vill-Asoj, Ta-Waghodia, Dist-Vadodara, Gujarat |
| | (UH9) Old R S No 32/1/3 32/1/4 32/1/6 32/1/7 32/1/5 32/3/1 New R S No-147 148 149 150 151 156 Baska Asoj Road, Ta.: Waghodia, Dist.: Vadodara |
| | (Engineering Workshop & Store) R. S.No. 63/1 63/2 63/4 Baska Ujeti Road Vill-Baska, Ta.: Halol, Dist.: Panchmahals |

# Corporate Governance Report

| (xix) | Details of Plant Locations – Halol, Daman, Nashik and Roorkee |
|---|---|
| B. | **Daman** |
| | PIL-JWPL-1 – Plot No. 74/7, Daman Industrial Estate, Village-Kadaiya Daman-396 210 |
| | PIL-UNIT-1 – Plot No. 74/8,9, Daman Industrial Estate, Village-Kadaiya Daman-396 210 |
| | PIL-HT, PCPL JFTC – Plot No. 74/10,11 Additional Area 52/1,2 53/1,3,4, Daman Industrial Estate, Village-Kadaiya Daman-396 210 |
| | PIL-PID-1, Plot No. 52/5,6,7,8, Daman Industrial Estate, Village-Kadaiya, Daman-396 210 |
| | PIL-UNIT-3 – Plot No. 96/1-7, 100/2-6, Daman Industrial Estate, Village-Kadaiya, Daman-396 210 |
| | PIL-UNIT-2- Plot No. 38/1-6, 41/4-9 &42/1-3 &43/1-3,44/1-3& 45/1-2,& 46/5,6,8& 9, Daman Industrial Estate, Village-Kadaiya Daman-396 210 |
| | PIL-PID2- Plot No. 78-82, Silver Industrial Estate,Village-Bhimpore, Daman-396 210 |
| | PIL-JWPL-2 – Plot No. 353/1,2, Village-Kachigam, Daman-396 210 |
| | PIL-PWIPL – survey No. 353/1,2(First Floor) Village-Kachigam, Daman- 396210 |
| | PIL-PVC Plant- Survey No. 352/3, 355/P, Village-Kachigam, Daman-396 210 |
| | PIL-BNK2- 35/35A GOA IDC, Ind Estate, Somnath Road, Daman-396 210 |
| C. | **Nashik, Maharashtra** |
| | S-31, Additional Industrial Area, MIDC Ambad, Nashik 422010 |
| | Gate No.42/3/1, Rajur Phata, Nashik Mumbai Highway, Nashik, Nashik, Maharashtra, 422010 |
| D. | **Roorkee, Uttarakhand** |
| | Khasra No-124, 1415F-1420F, Village-Raipur,Pargana -Bhagwanpur, Roorkee, Dist-Haridwar, Uttarakhand-247 661 |
| | Plot No – 28, Shiv Ganga Industrial Estate, Lakeshwari, Bhagwanpur, Roorkee, Dist-Haridwar, Uttarakhand-247 661 |

## 16. Market Price and Shares Data:

### 16.1 Market price date – High and Low from April 01, 2021 to March 31, 2022 are mentioned below:

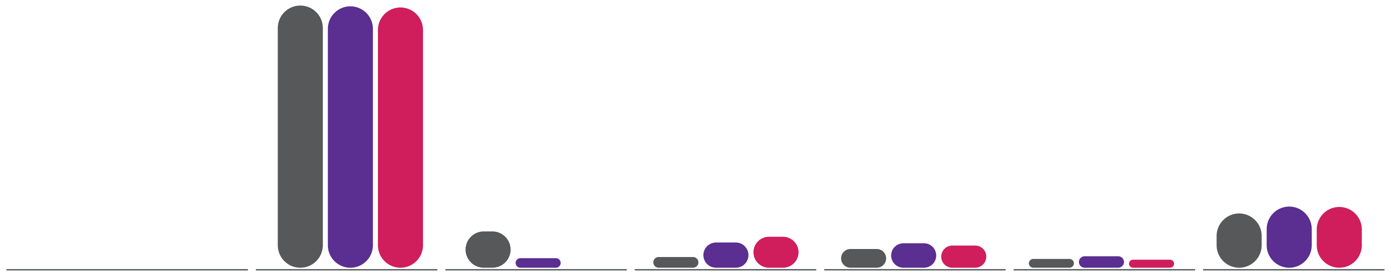
| Month | BSE | | NSE | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April, 2021 | 1571.55 | 1322.30 | 1585.00 | 1323.20 |
| May, 2021 | 1701.45 | 1426.00 | 1700.00 | 1425.45 |
| June, 2021 | 2012.00 | 1660.00 | 2008.30 | 1671.00 |
| July, 2021 | 2034.00 | 1761.25 | 2033.00 | 1762.00 |
| August, 2021 | 2122.95 | 1797.00 | 2124.30 | 1795.00 |
| September, 2021 | 2625.00 | 2030.45 | 2627.00 | 2030.35 |
| October, 2021 | 2647.40 | 2123.00 | 2648.00 | 2121.10 |
| November, 2021 | 2544.00 | 2145.00 | 2543.85 | 2142.00 |
| December, 2021 | 2610.00 | 2206.15 | 2609.25 | 2207.20 |
| January, 2022 | 2770.85 | 2378.20 | 2771.75 | 2377.30 |
| February, 2022 | 2585.00 | 2131.35 | 2584.95 | 2253.00 |
| March, 2022 | 2496.95 | 2164.40 | 2498.00 | 2162.00 |

### 16.2 Summary of Shareholding Pattern as on March 31, 2022:

| Category of Shareholder | Number of Shareholders | Number of Shares held | Percentage of Shareholding |
|---|---|---|---|
| Promoter & Promoter Group | 23 | 10,17,47,049 | 68.08 |
| Mutual Funds | 25 | 1,22,05,148 | 8.17 |
| Alternate Investment Funds | 24 | 12,97,058 | 0.87 |
| Foreign Portfolio Investors | 186 | 85,80,959 | 5.74 |
| Foreign Institutional Investors | 1 | 18,404 | 0.01 |
| Trust | 22 | 76,467 | 0.05 |
| Resident Individuals | 310785 | 2,00,33,927 | 13.41 |
| Employees | 95 | 4,56,310 | 0.31 |
| NRI | 6202 | 7,49,065 | 0.50 |
| Clearing member | 103 | 2,22,764 | 0.15 |
| Banks | 2 | 2,15,334 | 0.14 |
| Qualified Institutional Buyer | 13 | 19,08,747 | 1.28 |
| Bodies Corporate | 1495 | 15,57,601 | 1.04 |
| HUF | 4719 | 3,74,180 | 0.25 |
| Foreign Nationals | 2 | 27 | 0.00 |
| **Total** | **3,23,697** | **14,94,43,040** | **100.00** |

### 16.3 Shareholding Trend

**Shareholding pattern**



| | Promoter & Group | IFC | Mutual Funds | Foreign Portfolio Investors | AIF + QIB | Others |
|---|---|---|---|---|---|---|
| ■ March 31, 2020 | 68.6% | 9.5% | 2.8% | 4.9% | 2.3% | 14.2% |
| ■ March 31, 2021 | 68.4% | 2.5% | 6.6% | 6.4% | 3.0% | 16.0% |
| ■ March 31, 2022 | 68.1% | -% | 8.1% | 5.8% | 2.1% | 15.9% |

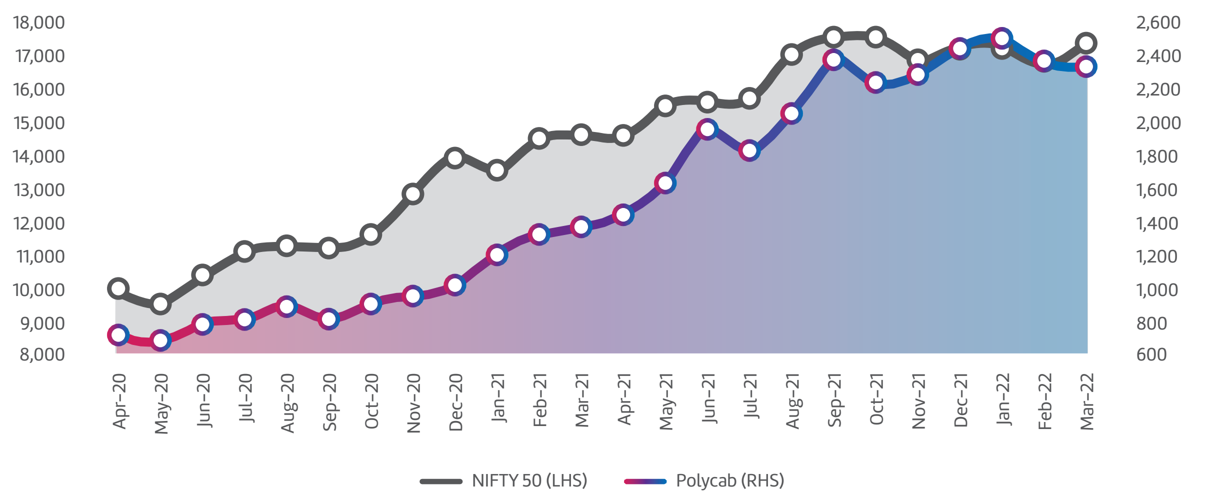
### 16.4 Distribution of Shareholding as on March 31, 2022

| Category of Shares | Number of Shareholders | Number of Shares held | % of Shareholding |
|---|---|---|---|
| 1 - 500 | 3,20,022 | 86,28,593 | 5.77 |
| 501 - 1000 | 1,817 | 13,03,611 | 0.87 |
| 1001 - 2000 | 862 | 12,10,381 | 0.81 |
| 2001 - 3000 | 279 | 7,02,376 | 0.47 |
| 3001 - 4000 | 149 | 5,11,876 | 0.34 |
| 4001 - 5000 | 104 | 4,73,464 | 0.32 |
| 5001 - 10000 | 205 | 14,03,336 | 0.94 |
| 10001 - 20000 | 102 | 14,35,293 | 0.96 |
| 20001 and above | 157 | 13,37,74,110 | 89.52 |
| **Total** | **3,23,697** | **14,94,43,040** | **100.00** |

### 17.5 Bifurcation of shares held in physical and demat form as on March 31, 2022

| Particulars | No. of Shares | Percentage (%) |
|---|---|---|
| Physical Shares (I) | 6 | 0.00 |
| **Sub-Total** | **6** | **0.00** |
| Demat Shares (II) | | |
| NSDL (A) | 14,26,11,021 | 95.43 |
| CDSL (B) | 68,32,013 | 4.57 |
| **Sub-Total (A+B)** | **14,94,43,034** | **100.00** |
| **Total (I+II)** | **14,94,43,040** | **100.00** |

### 16.6 Performance in Comparison to Nifty 50 Index as on March 31, 2022.




Note: Share price on daily closing basis

In case the securities are suspended from trading, the directors report shall explain the reason thereof – Not applicable.

### 16.7 List of top 10 shareholders as on March 31, 2022:

| Name | Total Shares | % To Equity |
|---|---|---|
| Inder T. Jaisinghani | 19,383,976 | 12.97 |
| Ajay T. Jaisinghani | 19,347,247 | 12.94 |
| Ramesh T Jaisinghani | 18,485,008 | 12.36 |
| Girdhari T. Jaisinghani | 15,181,283 | 10.15 |
| Kunal Jaisinghani | 5,820,361 | 3.89 |
| Bharat Jaisinghani | 5,472,572 | 3.66 |
| Nikhil Jaisinghani | 5,452,622 | 3.65 |
| Anil Hariani | 4,8,52,195 | 3.25 |
| Girdhari Reshma Trust | 2,000,100 | 1.33 |
| Girdhari Karina Trust | 2,000,100 | 1.33 |
| Girdhari Juhi Trust | 2,000,100 | 1.33 |
| **TOTAL** | **9,99,26,772** | **66.87** |

## 17. Usage of electronic payment modes for making cash payments to the Investors

SEBI, through its Circular No. CIR/MRD/DP/10/2013, dated March 21, 2013, has mandated the companies to use Reserve Bank of India (RBI) approved electronic payment modes, such as ECS [LECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS)], NEFT and others to pay members in cash.

Recognizing the spirit of the circular issued by the SEBI, Members whose shareholding is in the electronic mode are requested to promptly update change in bank details with the Depository through your Depository Participant for receiving Dividends through electronic payment modes.

Members who hold shares in physical form are requested to promptly update change in bank details with the Company/ Registrar and Transfer Agents, KFin Technologies Limited (Unit: Polycab India Limited) for receiving Dividends through electronic payment modes.

The Company had also sent reminders to encash unpaid/ unclaimed Dividend as per records every year.

## 18. No disqualification certificate from company secretary in practice

None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the SEBI or the Ministry of Corporate Affairs or any such statutory authority.

A Certificate to this effect, duly signed by Mr. Dilip Bharadiya, Practicing Company Secretary is annexed to this Report.

## 19. Green Initiative

The Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011, respectively, had allowed companies to send official documents to their shareholders electronically as a part of its green initiatives in corporate governance.

Ministry of Corporate Affairs vide its circular dated April 08, 2020, May 05,2020, January 13, 2021, December 12, 2021, December 14, 2021, and May 05, 2022 has allowed the Company to conduct their AGM through Video Conferencing or Other Audio Visual Means. Hence, in order to ensure the effective participation, the members of the Company are requested to update their email address for receiving the link of e-AGM. Further, in accordance with the said circular, Notice convening the 26th Annual General Meeting, Audited Financial Statements, Board's Report, Auditor's Report and other documents are being sent to the email address provided by the Shareholders with the relevant depositories. The shareholders are requested to update their email addresses with their depository participants to ensure that the Annual Report and other documents reaches on their registered email Ids.

## 20. Declaration by the CEO on Code of Conduct as required by Schedule V of Listing Regulations

As required under Regulation 34(3) read with Part D of Schedule V of Listing Regulations, I hereby declare that all the Directors of the Board and Senior Management Personnel of the Company have affirmed, compliance with provisions of the applicable Code of Conduct of the Company during the financial year ended March 31, 2022.

For **Polycab India Limited**

**Inder T. Jaisinghani**
Chairman and Managing Director
(DIN: 00309108)

Place: Mumbai
Date: May 10, 2022



# Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
**POLYCAB INDIA LIMITED**

This Certificate is being issued to the Members of Polycab India Limited, bearing Corporate Identity Number (CIN) – L31300GJ1996PLC114183, having its registered office address at Unit 4, Plot No 105, Halol Vadodara Road, Village Nurpura, Taluka Halol, Panchamahal Panch Mahals, Gujarat – 389 350 ("the Company") in terms of Regulation 34(3) read with Schedule V para C Clause 10(i) of the Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

We believe it is the responsibility of the Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act and SEBI Listing Regulations.

We have examined the documents and disclosures provided by the following Directors in electronic mode, for the purpose of issuing this Certificate, in accordance with the requirements under the Companies Act, 2013 ("Act") and the SEBI Listing Regulations.

Based on our examination of relevant documents made available to us by the Company and such other verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] carried out by us as deemed necessary and adequate, in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we certify that as on date of this certificate, none of the directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

| | Directors of the Company | | | |
|---|---|---|---|---|
| Sr. No. | Name of the Director | DIN | Date of Appointment | Date of Cessation |
| 1. | Ajay T. Jaisinghani | 00276588 | 27/04/2006 | 12/05/2021 |
| 2. | Bharat Jaisinghani | 00742995 | 13/05/2021 | – |
| 3. | Hiroo Mirchandani | 06992518 | 20/09/2018 | 12/05/2021 |
| 4. | Inder T. Jaisinghani | 00309108 | 20/12/1997 | – |
| 5. | Nikhil Jaisinghani | 00742771 | 13/05/2021 | – |
| 6. | Pradeep Poddar | 00025199 | 20/09/2018 | – |
| 7. | Rakesh Talati | 08591299 | 13/05/2021 | – |
| 8. | R. S. Sharma | 00013208 | 20/09/2018 | – |
| 9. | Ramesh T. Jaisinghani | 00309314 | 10/01/1996 | 12/05/2021 |
| 10. | Shyam Lal Bajaj | 02734730 | 15/12/2016 | 12/05/2021 |
| 11. | Sutapa Banerjee | 02844650 | 13/05/2021 | – |
| 12. | T. P. Ostwal | 00821268 | 20/09/2018 | – |

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **Dilip Bharadiya & Associates**

**Dilip Bharadiya**
F.C.S No. 7956 C.P No. 6740
UDIN: F007956D000298356

Place: Mumbai
Date: May 10, 2022

# CEO / CFO Certificate

To
The Board of Directors
**Polycab India Limited**

**Sub: Compliance Certificate under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.**

1. We have reviewed the Financial Statements and the Cash Flow Statement of Polycab pIndia Limited (the 'Company') for the year ended March 31, 2022 and to the best of our knowledge and belief:
    a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
    b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee that:
    a. there are no significant changes in internal control over financial reporting during the year;
    b. there are no significant changes in accounting policies during the year; and
    c. there are no instances of fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Polycab India Limited**

Place: Mumbai
Date: May 10, 2022

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

**Gandharv Tongia**
Chief Financial Officer

# Independent Auditors' Certificate On Compliance With The Corporate Governance Requirements Under Sebi (Listing Obligations And Disclosure Requirements) Regulations, 2015

To,
The Members
**POLYCAB INDIA LIMITED**

1. This certificate is issued in accordance with the terms of our engagement letter dated July 23, 2019 and addendum to the engagement letter dated July 21, 2021.
2. We have examined the compliance of conditions of Corporate Governance by **Polycab India Limited** ("the Company"), for the year ended March 31, 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

## Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

## Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2022.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

## Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No: 042070
UDIN: 22042070AISARZ7241

Place: Mumbai
Date: May 10, 2022

# Consolidated Independent Auditor's Report

for the year ended 31 March 2022

To the Members of
Polycab India Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Polycab India Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture, which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group, and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Revenue recognition – Wires and cables and Fast-Moving Electrical Goods (FMEG) business** | |
| (Refer note 25 Consolidated Financial Statements)<br>Wires and cables and FMEG business:<br>Based on its business model in Wires and FMEG business, the Group has many different types of terms of delivery arising from different types of performance obligations with its customers. Revenue from sale of goods is recognised when control is transferred to the customers and when there are no other unfulfilled obligations. This requires detailed analysis of each contract regarding timing of revenue recognition. Inappropriate assessment could lead to risk of revenue getting recognised before control has been transferred.<br>Accordingly, timing of recognition of revenue is a key audit matter. | Our audit procedures over the recognition of revenue included the following:<br>• We assessed the compliance of the Group's revenue recognition accounting policies against the requirements of Indian Accounting Standards ("Ind AS") to identify any inappropriate policy;<br>• We tested the design, implementation and operating effectiveness of key internal financial controls and processes for revenue recognition along with effectiveness of information technology controls built in automated processes;<br>• On a sample basis, we tested revenue transactions recorded during the year, by verifying the underlying documents, including invoices and shipping documents for assessment of fulfillment of performance obligations completed during the year; We analysed the timing of recognition of revenue and any unusual contractual terms;<br>• On a sample basis, we tested the invoice and shipping documents for revenue transactions recorded during the period closer to the year end and subsequent to the year end to verify recognition of revenue in the correct period.<br>• We assessed the adequacy of disclosures in the Consolidated financial statements against the requirement of Ind AS 115, Revenue from contracts with customers. |



| | |
|---|---|
| **Inventory Valuation** | |
| (Refer note 14 to the Consolidated Financial Statements)<br>• Copper and aluminum-based inventory forms a significant part of the Group's inventory for which the Group enters into commodity contracts. The Group takes a structured approach to the identification, quantification and hedging of risk of fluctuations in prices of copper and aluminum by using derivatives in commodities.<br>• Inventories are measured at the lower of cost and net realisable value on first in first out basis, except for inventories qualifying as hedged items in a fair value hedge relationship. These inventories are measured at cost, adjusted for the hedging gain or loss on the hedged item.<br>• We focused on this area because of its size, the assumptions used in the valuation and the complexity, which are relevant when determining the amounts recorded. | Our audit procedures over inventory valuation included the following:<br>• We tested the design, implementation and operating effectiveness of key internal financial controls, including controls over valuation of inventory, accounting of derivative and hedging transactions;<br>• On a sample basis, tested the accuracy of cost for inventory by verifying the actual purchase cost. Tested the net realisable value by comparing actual cost with most recent retail price;<br>• On a sample basis, tested the hedging relationship of eligible hedging instruments and hedged items;<br>• We used the work of our internal subject matter experts for assistance in verifying hedge effectiveness requirements of Ind AS 109, including the economic relationship between the hedged item and the hedging instrument;<br>• We assessed and tested adequacy and completeness of the Group's disclosures in the Consolidated financial statements. |

### Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

# Consolidated Independent Auditors Report Contd.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

(a) We did not audit the financial statements of ten subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹1,787.10 million as at 31 March 2022, total revenues (before consolidation adjustments) of ₹7,150.79 million and net cash outflows amounting to ₹.33.36 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of ₹ 25.87 million for the year ended 31 March 2022, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint venture as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture company incorporated in India, none of the directors of the Group companies and its joint venture company incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and joint venture company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint venture, as noted in the "Other Matters" paragraph:

   a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group and its joint venture. Refer Note 37 to the consolidated financial statements.

   b) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 22 to the consolidated financial statements in respect of such items as it relates to the Group and its joint venture.

   c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint venture company incorporated in India during the year ended 31 March 2022.

   d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in note 8(E) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies and joint venture company incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies and joint venture company incorporated in India or

      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in note 8(E) to the accounts, no funds have been received by the Holding Company or its subsidiary companies and joint venture company incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies and joint venture company incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act. The subsidiary companies and joint venture company incorporated in India have neither declared nor paid any dividend during the year.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and joint venture company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies and joint venture company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies and joint venture company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No. 042070
UDIN: 22042070AIRPIM4720

Mumbai
10 May 2022

# Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Polycab India Limited

for the year ended 31 March 2022

(Referred to in our report of even date)

According to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have certain remarks included in their reports under Companies (Auditor's Report) Order, 2020 ("CARO"), which have been reproduced as per the requirements of the Guidance Note on CARO:

| Sr. No. | Name of the entities | CIN | Holding Company/ Subsidiary/ JV/ Associate | Clause number of the CARO report which is unfavourable or qualified or adverse |
|---|---|---|---|---|
| 1 | Polycab India Limited | L31300GJ1996PLC114183 | Holding Company | (i)(c)* |
| 2 | Techno Electromech Private Limited | U31901GJ2011PTC063797 | Joint Venture | (i)(c)* |

* This clause pertains to title deeds of certain immovable properties not held in the name of the respective companies.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No. 042070
UDIN: 22042070AIRPIM4720

Mumbai
10 May 2022

# Annexure B to the Independent Auditor's Report on the Consolidated Financial Statements of Polycab India Limited

for the year ended 31 March 2022

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)**

## Opinion

In conjunction with our audit of the consolidated financial statements of Polycab India Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its joint venture company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and its joint venture company incorporated in India have in all material respects adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## Management's Responsibility for Internal Financial Controls

The respective companies' management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

## Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Consolidated financial statements.

## Meaning of Internal Financial Controls with reference to Consolidated financial statements

A company's internal financial controls with reference to Consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated financial statements.

## Inherent Limitations of Internal Financial Controls with reference to Consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to Consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to seven subsidiary companies and a joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No. 042070
UDIN: 22042070AIRPIM4720

Mumbai
10 May 2022

# Consolidated Balance Sheet

as at 31 March 2022

(₹ million)

| | Notes | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 16,170.25 | 18,261.17 |
| Capital work-in-progress | 3 | 3,754.50 | 990.50 |
| Right of use assets | 4 | 351.36 | 341.00 |
| Other intangible assets | 5 | 183.40 | 71.25 |
| Goodwill | 6 | 46.22 | 22.58 |
| Investment accounted for using the equity method | 6A | 92.63 | 118.18 |
| Financial assets | | | |
| (a) Trade receivables | 7 | 799.31 | 1,283.60 |
| (b) Other financial assets | 9A | 166.52 | 615.18 |
| Non-current tax assets (net) | 12D | 479.46 | 297.59 |
| Deferred tax assets (net) | 12G | 0.09 | 0.11 |
| Other non-current assets | 13A | 663.96 | 419.52 |
| | | **22,707.70** | **22,420.68** |
| Current assets | | | |
| Inventories | 14 | 21,996.47 | 19,879.10 |
| Financial assets | | | |
| (a) Investments | 6B | 7,640.51 | 6,231.27 |
| (b) Trade receivables | 7 | 12,963.94 | 14,357.67 |
| (c) Cash and cash equivalents | 10 | 1,216.91 | 2,378.03 |
| (d) Bank balance other than cash and cash equivalents | 11 | 2,854.27 | 2,935.15 |
| (e) Loans | 8 | 126.80 | 122.66 |
| (f) Other financial assets | 9B | 423.79 | 259.37 |
| Other current assets | 13B | 4,188.67 | 1,563.18 |
| | | **51,411.36** | **47,726.43** |
| **Total assets** | | **74,119.06** | **70,147.11** |
| **EQUITY AND LIABILITIES** | | | |
| Equity | | | |
| (a) Equity share capital | 16 | 1,494.43 | 1,491.19 |
| (b) Other equity | 17 | 53,942.98 | 46,048.21 |
| | | **55,437.41** | **47,539.40** |
| Non-controlling interests | 18 | 250.70 | 188.29 |
| | | **55,688.11** | **47,727.69** |
| Liabilities | | | |
| Non-current liabilities: | | | |
| Financial liabilities | | | |
| (a) Borrowings | 19A | 29.74 | 1,036.76 |
| (b) Lease liabilities | 20A | 244.76 | 226.34 |
| Other non-current liabilities | 23A | 207.05 | 340.96 |
| Provisions | 24A | 264.27 | 251.44 |
| Deferred tax liabilities (net) | 12G | 271.84 | 418.14 |
| | | **1,017.66** | **2,273.64** |
| Current liabilities: | | | |
| Financial liabilities | | | |
| (a) Borrowings | 19B | 801.61 | 1,450.09 |
| (b) Lease liabilities | 20B | 105.37 | 111.83 |
| (c) Trade payables | 21 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 588.24 | 258.13 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 11,587.06 | 13,222.19 |
| (d) Other financial liabilities | 22 | 686.10 | 1,306.93 |
| Other current liabilities | 23B | 3,231.59 | 3,277.92 |
| Provisions | 24B | 253.80 | 235.25 |
| Current tax liabilities (net) | 12D | 159.52 | 283.44 |
| | | **17,413.29** | **20,145.78** |
| **Total equity and liabilities** | | **74,119.06** | **70,147.11** |
| Corporate information and summary of significant accounting policies | 1 & 2 | | |
| Contingent liabilities and commitments | 37 | | |
| Other notes to accounts | 38 to 48 | | |

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
**For B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

**Bhavesh Dhupelia**
Partner
Membership No. 042070

**Inder T. Jaisinghani**
Chairman & Managing Director
DIN: 00309108

**Nikhil R. Jaisinghani**
Whole-time Director
DIN: 00742771

**Bharat A. Jaisinghani**
Whole-time Director
DIN: 00742995

Place: Mumbai
Date: 10 May 2022

**Gandharv Tongia**
Chief Financial Officer
Membership No. 402854

Place: Mumbai
Date: 10 May 2022

**Manita Gonsalves**
Company Secretary
Membership No. A18321



# Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

(₹ million)

| | Notes | Year ended 31 March 2022 | Year ended 31 March 2021 Restated |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 25 | 122,037.61 | 87,922.34 |
| Other income | 26 | 899.23 | 1,192.83 |
| **Total income** | | **122,936.84** | **89,115.17** |
| **EXPENSES** | | | |
| Cost of materials consumed | 27 | 92,042.53 | 57,028.93 |
| Purchases of stock-in-trade | 28 | 6,427.02 | 6,381.65 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 29 | (4,927.51) | 677.71 |
| Project bought outs and sub-contracting cost | 30 | 1,114.72 | 1,083.13 |
| Employee benefits expense | 31 | 4,066.28 | 3,537.29 |
| Finance cost | 32 | 351.90 | 426.87 |
| Depreciation and amortisation expense | 33 | 2,015.19 | 1,761.66 |
| Other expenses | 34 | 10,662.58 | 8,102.16 |
| **Total expenses** | | **1,11,752.71** | **78,999.40** |
| **Profit before share of profit/(loss) of joint ventures and exceptional items** | | **11,184.13** | **10,115.77** |
| Share of profit/(loss) of joint ventures (net of tax) | | (25.55) | 5.78 |
| **Profit before tax and exceptional items** | | **11,158.58** | **10,121.55** |
| Exceptional items | | – | – |
| **Profit before tax** | | **11,158.58** | **10,121.55** |
| Income tax expenses | 12 | | |
| Current tax | | 2,829.93 | 2,568.58 |
| Adjustment of tax relating to earlier periods | | (20.66) | (999.98) |
| Deferred tax (credit)/charge | | (103.00) | 134.84 |
| **Total tax expense** | | **2,706.27** | **1,703.44** |
| **Profit for the year from continuing operations** | | **8,452.31** | **8,418.11** |
| Profit before tax from discontinued operations | 36 | 136.03 | 430.93 |
| Gain on disposal of discontinued operations (refer note 6) | | 817.22 | 97.18 |
| Tax expense on discontinued operations | | (232.72) | (87.09) |
| **Profit for the year from discontinued operations** | | **720.53** | **441.02** |
| **Profit for the year** | | **9,172.84** | **8,859.13** |
| **Other comprehensive income** | | | |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurement gains/(losses) on defined benefit plans | 31 | 16.48 | 47.80 |
| Income tax relating to items that will not be reclassified to Profit or Loss | 12 | (4.74) | (12.05) |
| Items that will be reclassified to profit or loss | | | |
| Exchange difference on translation of foreign operations | | (12.16) | (2.16) |
| Effective portion of gains/(losses) on hedging instrument in cash flow hedges | | 0.58 | 169.03 |
| Income tax relating to items that will be reclassified to Profit or Loss | 12 | (0.15) | (42.54) |
| **Other comprehensive income for the year, net of tax** | | **0.01** | **160.08** |
| **Total comprehensive income for the year, net of tax** | | **9,172.85** | **9,019.21** |
| Profit/(loss) from continuing operations for the year attributable to: | | | |
| Equity shareholders of parent company | | 8,365.24 | 8,379.92 |
| Non-controlling interests | | 87.07 | 38.19 |
| | | **8,452.31** | **8,418.11** |
| Profit/(loss) from discontinued operations for the year attributable to: | | | |
| Equity shareholders of parent company | | 720.53 | 441.02 |
| Non-controlling interests | | – | – |
| | | **720.53** | **441.02** |
| Other comprehensive Income attributable to: | | | |
| Equity shareholders of parent company | | 0.05 | 159.98 |
| Non-controlling interests | | (0.04) | 0.10 |
| | | **0.01** | **160.08** |
| Total comprehensive Income attributable to: | | | |
| Equity shareholders of parent company | | 9,085.82 | 8,980.92 |
| Non-controlling interests | | 87.03 | 38.29 |
| | | **9,172.85** | **9,019.21** |
| Earnings Per Share | 35 | | |
| **Continuing Operations** | | | |
| Basic (₹) | | 56.04 | 56.24 |
| Diluted (₹) | | 55.80 | 56.01 |
| **Discontinuing Operations** | | | |
| Basic (₹) | | 4.83 | 2.96 |
| Diluted (₹) | | 4.81 | 2.95 |
| **Continuing Operations and Discontinuing Operations** | | | |
| Basic (₹) | | 60.87 | 59.20 |
| Diluted (₹) | | 60.60 | 58.96 |
| **Weighted average equity shares used in computing earnings per equity share** | | | |
| Basic | | **14,92,68,712** | **14,90,08,751** |
| Diluted | | **14,99,23,144** | **14,96,13,912** |
| Corporate information and summary of significant accounting policies | 1 & 2 | | |
| Contingent liabilities and commitments | 37 | | |
| Other notes to accounts | 38 to 48 | | |

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
**For B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

**Bhavesh Dhupelia**
Partner
Membership No. 042070

**Inder T. Jaisinghani**
Chairman & Managing Director
DIN: 00309108

**Nikhil R. Jaisinghani**
Whole-time Director
DIN: 00742771

**Bharat A. Jaisinghani**
Whole-time Director
DIN: 00742995

Place: Mumbai
Date: 10 May 2022

**Gandharv Tongia**
Chief Financial Officer
Membership No. 402854

Place: Mumbai
Date: 10 May 2022

**Manita Gonsalves**
Company Secretary
Membership No. A18321

# Consolidated Statement of Changes in Equity

for the year ended 31 March 2022

## A) Equity Share Capital

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Balance at the beginning of the year | 1,491.19 | 1,488.79 |
| Issue of equity shares on exercise of employee stock options | 3.24 | 2.40 |
| **Balance at the end of the year** | **1,494.43** | **1,491.19** |

## B) Other Equity

(₹ million)

| | Attributable to owners of the Company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share application money pending allotment | Reserves & Surplus | | | | Items of Other comprehensive income | | Total attributable to owners of the Company | Attributable to Non-Controlling Interest | Total Other Equity |
| | | Securities Premium | General Reserve | ESOP outstanding | Retained Earnings | Effective portion of Cash Flow Hedges | Foreign Currency translation reserve | | | |
| **As at 1 April 2020** | **27.15** | **7,149.55** | **614.00** | **241.45** | **28,967.59** | **(126.49)** | **2.11** | **36,875.36** | **150.00** | **37,025.36** |
| Profit after tax for the year | – | – | – | – | 8,820.94 | – | – | 8,820.94 | 38.19 | 8,859.13 |
| Items of OCI for the period, net of tax | | | | | | | | | | |
| Re-measurement gains/(losses) on defined benefit plans | – | – | – | – | 35.75 | – | – | 35.75 | 0.10 | 35.85 |
| Exchange difference on translation of foreign operations | – | – | – | – | – | – | (2.16) | (2.16) | – | (2.16) |
| Effective portion of gains/(losses) on hedging instrument in cash flow hedges | – | – | – | – | – | 126.49 | – | 126.49 | – | 126.49 |
| Share-based payments to employees | – | – | – | 110.19 | – | – | – | 110.19 | – | 110.19 |
| Exercise of employee stock option | 64.72 | – | – | (64.72) | – | – | – | – | – | – |
| Amount received on exercise of employee stock options | 84.05 | – | – | – | – | – | – | 84.05 | – | 84.05 |
| Issue of equity shares on exercise of employee stock options | (170.96) | 168.55 | – | – | – | – | – | (2.41) | – | (2.41) |
| **As at 31 March 2021** | **4.96** | **7,318.10** | **614.00** | **286.92** | **37,824.28** | **–** | **(0.05)** | **46,048.21** | **188.29** | **46,236.50** |
| Profit after tax for the year ended | – | – | – | – | 8,365.24 | – | – | 8,365.24 | 87.07 | 8,452.31 |
| Profit after tax from discontinued operations for the year ended | – | – | – | – | 720.53 | – | – | 720.53 | – | 720.53 |
| Items of OCI for the year, net of tax | | | | | | | | | | |
| Re-measurement gains/(losses) on defined benefit plans | – | – | – | – | 11.74 | – | – | 11.74 | (0.04) | 11.70 |
| Exchange difference on translation of foreign operations | – | – | – | – | – | – | (12.16) | (12.16) | – | (12.16) |
| Effective portion of gains/(losses) on hedging instrument in cash flow hedges | – | – | – | – | – | 0.43 | – | 0.43 | – | 0.43 |
| Shares Issued during the year | – | – | – | – | – | – | – | – | 0.25 | 0.25 |
| Final equity dividend | – | – | – | – | (1,491.60) | – | – | (1,491.60) | – | (1,491.60) |
| Share-based payments to employees | – | – | – | 167.84 | – | – | – | 167.84 | – | 167.84 |
| Transfer on account of employee stock options not exercised | – | – | 1.00 | (1.00) | – | – | – | – | – | – |
| Exercise of employee stock option | 110.22 | – | – | (110.22) | – | – | – | – | – | – |
| Amount received on exercise of employee stock options | 132.88 | – | – | – | – | – | – | 132.88 | – | 132.88 |
| Acquisition of non-controlling interest | – | – | – | – | 3.10 | – | – | 3.10 | (24.87) | (21.77) |
| Issue of equity shares on exercise of employee stock options | (240.08) | 236.85 | – | – | – | – | – | (3.23) | – | (3.23) |
| **As at 31 March 2022** | **7.98** | **7,554.95** | **615.00** | **343.54** | **45,433.29** | **0.43** | **(12.21)** | **53,942.98** | **250.70** | **54,193.68** |
| Corporate Information and summary of significant accounting policies | 1 & 2 | | | | | | | | | |
| Contingent liabilities and commitments | 37 | | | | | | | | | |
| Other notes to accounts | 38 to 48 | | | | | | | | | |

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
**For B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No. 042070

Place: Mumbai
Date: 10 May 2022

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

**Inder T. Jaisinghani**
Chairman & Managing Director
DIN: 00309108

**Nikhil R. Jaisinghani**
Whole-time Director
DIN: 00742771

**Bharat A. Jaisinghani**
Whole-time Director
DIN: 00742995

**Gandharv Tongia**
Chief Financial Officer
Membership No. 402854

Place: Mumbai
Date: 10 May 2022

**Manita Gonsalves**
Company Secretary
Membership No. A18321



# Consolidated Statement of Cash flows

for the year ended 31 March 2022

## Accounting policy

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, cheques in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage. (Refer Note-10).

For the purposes of cash flow statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management:

(₹ million)

| | | Year ended 31 March 2022 | Year ended 31 March 2021 Restated |
|---|---|---|---|
| **A. CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **Profit before tax from Continued operations** | | 11,158.58 | 10,121.55 |
| **Profit before tax from discontinued operations** | | 953.25 | 528.11 |
| Adjustments for: | | | |
| Share of loss of joint ventures | | 25.55 | 2.30 |
| Gain on disposal of discontinued operations | | (817.22) | (97.18) |
| Depreciation and amortisation expense (Includes discontinuing operations) | | 2,088.06 | 1,865.71 |
| (Gain)/Loss on disposal of property, plant and equipment | | 11.83 | (1.16) |
| (Gain)/Loss on termination of lease | | (5.79) | (0.92) |
| Interest income on financial assets | | (269.30) | (341.96) |
| (Gain)/Loss on redemption of investment | | (224.10) | (158.57) |
| Fair valuation MTM of investment | | (3.52) | (8.47) |
| Finance cost | | 351.90 | 531.49 |
| Employees share based payment expenses | | 161.16 | 110.19 |
| (Gain)/Loss on fair valuation of financial assets | | 85.72 | (60.92) |
| Liabilities/provisions no longer required written back | | (12.64) | (19.38) |
| Impairment allowance for trade receivable considered doubtful | | (150.04) | (50.32) |
| Unrealised foreign exchange (gain)/loss | | 31.74 | (102.42) |
| Sundry advances written-off | | 44.59 | 15.13 |
| **Operating profit before working capital changes** | | **13,429.77** | **12,333.18** |
| **Movements in working capital:** | | | |
| (Increase)/Decrease in trade receivables | | 1,212.72 | 396.89 |
| (Increase)/Decrease in inventories (net) | | (2,202.75) | (586.12) |
| (Increase)/Decrease in financial assets (including contract assets) | | (179.76) | 1,459.00 |
| (Increase)/Decrease in non-financial assets | | (2,595.15) | 274.52 |
| Increase/(Decrease) in trade payables | | (281.65) | 140.73 |
| Increase/(Decrease) in financial liabilities and provisions | | (909.55) | 924.27 |
| Increase/(Decrease) in non-financial liabilities (including contract liabilities) | | (17.96) | (9.49) |
| **Cash generated from operations** | | **8,455.67** | **14,932.98** |
| Income tax paid (net of refunds) | | (3,339.56) | (2,408.77) |
| **Net cash generated from operating activities (A)** | | **5,116.11** | **12,524.21** |
| **B. CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Purchase of property, plant and equipment (including CWIP) | | (5,265.23) | (1,870.14) |
| Purchase of other intangible assets | | (1.70) | (64.80) |
| Proceeds from sale of property, plant and equipment | | 66.90 | 24.02 |
| Payments to acquire mutual funds | | (92,681.54) | (80,580.08) |
| Proceeds from sale of mutual funds | | 91,499.92 | 74,915.85 |
| Bank deposits placed | | (4,070.46) | (2,993.95) |
| Bank deposits matured | | 4,606.81 | 587.29 |
| Investment made in equity shares of subsidiaries | | (117.11) | – |
| Proceeds from /(payment on) sale of discontinued operations (net) | | 1,464.85 | (303.80) |
| Loan (given to)/repaid by related parties | | 15.21 | (19.82) |
| Loan (given to)/repaid by employees | | (0.31) | 3.22 |
| Loan (given to)/repaid by supplier | | (19.04) | – |
| Interest received | | 232.19 | 181.29 |
| **Net cash used in investing activities (B)** | | **(4,269.51)** | **(10,120.92)** |

# Consolidated Statement of Cash flows Contd.

for the year ended 31 March 2022

(₹ million)

| | | Year ended 31 March 2022 | Year ended 31 March 2021 Restated |
|---|---|---|---|
| **C. CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Amount received on exercise of employee stock options | | 132.88 | 84.05 |
| Payment of principal portion of lease liabilities | | (170.68) | (151.63) |
| Repayment of long-term borrowings | | (141.09) | (866.24) |
| Proceeds from long-term borrowings | | - | 33.47 |
| Repayment of short-term borrowings (net) | | (27.08) | (384.38) |
| Interest and other finance cost paid | | (309.33) | (462.99) |
| Payment of dividends | | (1,491.60) | - |
| **Net cash generated from/(used in) financing activities (C)** | | **(2,006.90)** | **(1,747.72)** |
| **Net increase/(decrease) in cash and cash equivalents (A+B+C)** | | **(1,160.30)** | **655.57** |
| Cash and cash equivalents at the beginning of the year | | 2,377.19 | 1,721.62 |
| **Cash and cash equivalents at end of the year (Refer below note (c))** | | **1,216.89** | **2,377.19** |
| **Supplemental Information** | | | |
| a) Cash Transactions from operating activities: | | | |
| Spent towards Corporate Social Responsibility | | 194.00 | 160.64 |
| b) Non-Cash Transactions from Investing and Financing Activities: | | | |
| Acquisition of property, plant and equipment by means of Government Grant | | 57.07 | 102.95 |
| c) Acquisition of right of use assets | | 194.23 | 149.11 |
| d) Termination of right of use assets | | 178.33 | 81.96 |
| e) Cash and cash equivalents comprises of | | | |
| Balances with banks | | | |
| In current accounts | | 1,048.72 | 765.14 |
| Deposits with original maturity of less than 3 months | | 167.04 | 1,611.86 |
| Cash in hand | | 1.15 | 1.03 |
| **Cash and cash equivalents (Refer note 10)** | | **1,216.91** | **2,378.03** |
| Cash Credit from banks (Secured) | | (0.02) | (0.84) |
| **Cash and cash equivalents in Cash Flow Statement** | | **1,216.89** | **2,377.19** |
| | | | |
| **Net debt reconciliation** | Refer note no. 19 | | |
| Corporate information and summary of significant accounting policies | 1 & 2 | | |
| Contingent liabilities and commitments | 37 | | |
| Other notes to accounts | 38 to 48 | | |

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
**For B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

**Bhavesh Dhupelia**
Partner
Membership No. 042070

**Inder T. Jaisinghani**
Chairman & Managing Director
DIN: 00309108

**Nikhil R. Jaisinghani**
Whole-time Director
DIN: 00742771

**Bharat A. Jaisinghani**
Whole-time Director
DIN: 00742995

Place: Mumbai
Date: 10 May 2022

**Gandharv Tongia**
Chief Financial Officer
Membership No. 402854

Place: Mumbai
Date: 10 May 2022

**Manita Gonsalves**
Company Secretary
Membership No. A18321

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

## 1. Corporate information

Polycab India Limited (the "Company") (CIN - L31300GJ1996PLC114183) was incorporated as 'Polycab Wires Private Limited' on 10 January 1996 at Mumbai as a private limited company under the Companies Act, 1956. The Company became a deemed public limited company under Section 43A(1) of the Companies Act, 1956, and the word 'private' was struck off from the name of the Company with effect from 30 June 2000. Thereafter, the Company was converted into a private limited company under Section 43A(2A) of the Companies Act, 1956, and the word 'private' was added in the name of the Company with effect from 15 June 2001. Subsequently, the Company was converted into a public limited company, the word 'private' was struck off from the name of the Company and consequently, a fresh certificate of incorporation dated 29 August 2018 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("ROC"), recording the change of the Company's name to 'Polycab Wires Limited'. Thereafter, the name of the Company was changed from 'Polycab Wires Limited' to 'Polycab India Limited', and a fresh certificate of incorporation dated 13 October 2018 was issued by the ROC. The Consolidated Financial Statements relates to Polycab India Limited ('the Parent Company') along with its subsidiaries and joint ventures (collectively referred to as 'the Group').

The registered office of the Company is Unit 4, Plot Number 105, Halol Vadodara Road, Village Nurpura, Taluka Halol, Panchmahal, Gujarat – 389 350.

The Group is the largest manufacturer of Wires and Cables in India and fast growing player in the Fast Moving Electrical Goods (FMEG) space. The Group is also in the business of Engineering, Procurement and Construction (EPC) projects. The Group owns 23 manufacturing facilities, located across the states of Gujarat, Maharashtra, Uttarakhand, and U.T. Daman.

The Board of Directors approved the Consolidated financial statements for the year ended 31 March 2022 and authorised for issue on 10 May 2022.

## 2. Summary of significant accounting policies

### A) Basis of preparation

#### i. Statement of compliance:

The Group prepares its Consolidated financial statements to comply with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. These Consolidated financial statements includes Balance Sheet as at 31 March 2022, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Cash flows and Statement of changes in equity for the year ended 31 March 2022, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

#### ii. Basis of measurement:

The financial statements for the year ended 31 March 2022 have been prepared on an accrual basis and a historical cost convention, except for the following financial assets and liabilities which have been measured at fair value or amortised cost at the end of each reporting period:

(a) Derivative financial instruments

(b) Certain financial assets and liabilities (Refer note 41 for accounting policy regarding financial instruments)

(c) Net defined benefit plan (Refer note 31 for accounting policy)

(d) Share Based Payments (Refer note 31 for accounting policy)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting policies and methods of computation followed in the financial statements are same as compared with the annual financial statements for the year ended 31 March 2021, except for adoption of new standard or any pronouncements effective from 01 April 2021.

The Group presents an additional balance sheet at the beginning of the earliest comparative period when: it applies an accounting policy retrospectively; it makes a retrospective restatement of items in its financial statements; or, when it reclassifies items in its financial statements, and the change has a material effect on the financial statements.

#### iii. Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent Company along with its subsidiaries and joint ventures as at 31 March 2022. Control is

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(b) Exposure, or rights, to variable returns from its involvement with the investee and

(c) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee

(b) Rights arising from other contractual arrangements

(c) The Group's voting rights and potential voting rights

(d) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made if amount is material to that group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The financial statements of Group entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 2022. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

**Consolidation procedure:**

*(a) Subsidiaries*

Group combines like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Non-controlling interests (NCI) in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in equity and Balance Sheet respectively.

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

*(b) Joint Ventures*

A joint venture is a type of a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint venture.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the consolidated statement of profit and loss.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the consolidated statement of profit or loss.

Upon loss of significant influence over the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

*(c) Foreign currency translation*

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the Separate Financial Statements of the reporting entity or the individual Financial Statements of the foreign operation, as appropriate. In the Financial Statements that include the foreign operation and the reporting entity such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or the statement of profit and loss are also recognised in OCI or the Statement of Profit and Loss, respectively).

Group companies

The consolidated financial statements are presented in Indian Rupee, which is the Parent Company's functional and presentation currency and includes the financial position and results in respect of foreign operations, initially measured using the currency of the primary economic environment in which the entity operates (i.e their functional currency). On Consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their Statements of Profit or Loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for Consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 01 April 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Foreign operations

The assets and liabilities of foreign operations (subsidiaries) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group and its joint ventures, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

### iv. Classification of current/non-current assets and liabilities:

The Group presents assets and liabilities in the Balance sheet based on current/non-current classification. It has been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

**Operating Cycle:**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Each entity of the Group has identified twelve months as its operating cycle for the purpose of current non-current classification of assets and liabilities.

An asset is treated as current when it is:

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle

(b) Held primarily for the purpose of trading;

(c) Expected to be realised within twelve months after the reporting period; or

(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

(a) It is expected to be settled in normal operating cycle;

(b) It is held primarily for the purpose of trading;

(c) It is due to be settled within twelve months after the reporting period; or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### v. Functional and presentation currency:

These financial statements are presented in Indian Rupees (₹) which is the functional currency of the Parent Company. All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest million up to two decimal places, as per the requirement of Schedule III to the Companies Act 2013, unless otherwise stated.

## B) Use of estimates and judgements

In the course of applying the policies outlined in all notes, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The Group uses the following critical accounting estimates in preparation of its financial statements:

### i. Revenue recognition:

The Group applied judgements that significantly affect the determination of the amount and timing of revenue from contracts at a point in time with customers, such as identifying performance obligations in a sales transactions. In certain non-standard contracts, where the Group provides extended warranties in respect of sale of consumer durable goods, the Group allocated the portion of the transaction price to goods based on its relative standalone prices. Also, certain contracts of sale includes volume rebates that give rise to variable consideration. In respect of long-term contracts significant judgements are used in:

(a) Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

(b) Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

### ii. Cost to complete for long-term contracts

The Group's management estimate the cost to complete for each project for the purpose of revenue recognition and recognition of anticipated losses of the projects, if any. In the process of calculating the cost to complete, Management conducts regular and systematic reviews of actual results and future projections with comparison against budget. The process requires monitoring controls including financial and operational controls and identifying major risks facing the Group and developing and implementing initiative to manage those risks. the Group's Management is confident that the costs to complete the project are fairly estimated.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

**iii. Useful life of property, plant and equipment**

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in current and future periods.

**iv. Impairment of investments in joint- venture**

Determining whether the investments in joint venture is impaired requires an estimate in the value in use of investments. The Group reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss. In considering the value in use, the Board of Directors have anticipated the future market conditions and other parameters that affect the operations of these entities.

**v. Provisions**

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

**vi. Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Contingent assets are neither recognised nor disclosed in the financial statements.

**vii. Fair value measurement of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments (Refer note 41 for accounting policy on Fair value measurement of financial instruments).

**viii. Foreign currency transactions/translations**

Transactions in currencies other than Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the date of transaction. At the end of the reporting period, monetary items denominated in foreign currencies are reported using the exchange rate prevailing as at reporting date. Non-monetary items denominated in foreign currencies which are carried in terms of historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at the exchange rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

**ix. Provision for income tax and deferred tax assets**

The Group uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Accordingly, the Group exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

**x. Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If an indication exists, or when the annual impairment testing of the asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-generating-unit's (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets. When the carrying amount of an asset or CGU exceeds it recoverable amount, the asset is considered as impaired and it's written down to its recoverable amount.

The Group estimates the value-in-use of the Cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset/ CGU.

**xi. Employee benefits**

The accounting of employee benefit plans in the nature of defined benefit requires the Group to use assumptions. These assumptions have been explained under employee benefits note.

**xii. Leases**

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

## C) Changes in significant accounting policies

The Group has not been required to apply any new standard, interpretation or amendment that has been issued and therefore there were no significant changes in the accounting policies.

## D) Recent pronouncement

The amendments to Schedule III of the Companies Act, 2013 are applicable from 01 April 2021. The Group has given effect of amendment by inclusion of the relevant disclosures under explanatory notes or by way of additional notes, wherever significant in nature.

## E) Recent Indian Accounting Standards (Ind AS) issued not yet effective

Ministry of Corporate Affairs ("MCA") notified new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

**Ind AS 103 – Reference to conceptual framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in statement of profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**Ind AS 37– Provisions, contingent liabilities and contingent assets**

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 01 April 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

On 18 June 2021, MCA through a notification has notified Companies (Indian Accounting Standards) Amendment Rules, 2021. The notification has made amendments to various Ind AS. The Group does not expect the amendments to have any significant impact in its financial statements.

**F)** The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

## 3. Property, plant and equipment

### Accounting policy

Property, plant and equipment are stated at cost, net of accumulated depreciation (other than freehold land) and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Capitalisation of costs in the carrying amount of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the Group. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. Incomes and expenses related to the incidental operations not necessary to bring the item to the location and the condition necessary for it to be capable of operating in the manner intended by the Group are recognised in the Statement of profit and loss. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit & Loss for the period in which such expenses are incurred. No impact of exchange gain/loss arising on the translation of the financial statements from the foreign currency into INR.

Capital work-in-progress comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

Gains or losses arising from derecognition of property, plant and equipments are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit & Loss when the asset is derecognised.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realisable value. Any gain or losses arising on disposal of property, plant and equipment is recognised in the Statement of Profit and Loss. Once the assets classified as held-for-sale, property, plant and equipment are no longer depreciated.

Depreciation on Property, plant and equipment's is calculated on pro rata basis on straight-line method using the management assessed useful lives of the assets which is in line with the manner prescribed in Schedule II of the Companies Act, 2013. The useful life is as follows:

| Assets | |
|---|---|
| Buildings | 30-60 years |
| Plant and equipments | 3-15 years |
| Electrical installations | 10 years |
| Furniture and fixtures | 10 years |
| Office equipments | 3-6 years |
| Windmill | 22 years |
| Vehicles | 8-10 years |
| Leasehold land and improvements | Lower of useful life of the asset or lease term |

In case of certain class of assets, the group uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from those classes of assets. The Group uses its technical expertise along with historical and industry trends for arriving at the economic life of an asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively. Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. Borrowing cost incurred for constructed assets is capitalised up to the date by which asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset. All other borrowing costs are expensed in the period they occur.

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Transition to Ind AS: On transition to Ind AS, the Group had elected to continue with the carrying value of all of its property, plant and equipment recognised as at 01 April 2016 measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

The changes in the carrying value of Property, plant and equipment for year ended 31 March 22 are as follows:

(₹ million)

| | Freehold land | Buildings | Plant and equipments | Electrical installations | Furniture and fixtures | Office equipments | Windmill | Vehicles | Leasehold improvements | Total | Capital Work-in-progress |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value (at cost)** | | | | | | | | | | | |
| **As at 01 April 2021** | 1,321.15 | 9,211.29 | 13,851.23 | 899.20 | 215.02 | 386.59 | 295.04 | 102.68 | 3.44 | 26,285.64 | 990.50 |
| Additions on account of acquisition through business combination (refer note 6) | – | – | – | – | 0.73 | 3.25 | – | – | – | 3.98 | – |
| Additions | 70.76 | 630.64 | 1,358.05 | 240.44 | 17.82 | 122.37 | – | 6.33 | 2.32 | 2,448.73 | 4,737.23 |
| Transfer | – | – | – | – | – | – | – | – | – | – | (1,937.38) |
| Transferred to discontinued operation | (292.93) | (716.17) | (1,665.57) | (96.17) | (23.70) | (42.56) | – | (4.18) | – | (2,841.27) | (31.76) |
| Disposals/Adjustments | – | (1.69) | (104.21) | – | (1.28) | (4.70) | – | (48.96) | – | (160.84) | (4.09) |
| **As at 31 March 2022** | **1,098.98** | **9,124.07** | **13,439.50** | **1,043.47** | **208.59** | **464.95** | **295.04** | **55.87** | **5.76** | **25,736.24** | **3,754.50** |
| **Accumulated depreciation** | | | | | | | | | | | |
| **As at 01 April 2021** | – | 1,374.57 | 5,866.31 | 346.64 | 77.87 | 219.70 | 94.30 | 42.52 | 2.56 | 8,024.47 | – |
| Additions on account of acquisition through business combination (refer note 6) | – | – | – | – | 0.54 | 3.08 | – | – | – | 3.62 | |
| Depreciation charge for the year* | – | 343.56 | 1,364.60 | 84.93 | 19.48 | 59.54 | 17.11 | 8.87 | 0.40 | 1,898.48 | – |
| Transferred to discontinued operation | – | (74.84) | (152.10) | (23.30) | (5.85) | (20.33) | (1.38) | (0.67) | – | (278.47) | |
| Disposals/Adjustment | – | (0.26) | (52.02) | – | (0.64) | (4.41) | – | (24.78) | – | (82.11) | – |
| **As at 31 March 2022** | **–** | **1,643.03** | **7,026.79** | **408.27** | **91.41** | **257.57** | **110.02** | **25.94** | **2.96** | **9,565.99** | **–** |
| **Net carrying value** | | | | | | | | | | | |
| **As at 31 March 2022** | **1,098.98** | **7,481.04** | **6,412.71** | **635.20** | **117.19** | **207.37** | **185.02** | **29.93** | **2.80** | **16,170.25** | **3,754.50** |

* Includes depreciation on continuing operations and discontinuing operations.

The changes in the carrying value of Property, plant and equipment for year ended 31 March 2021 are as follows:

(₹ million)

| | Freehold land | Buildings | Plant and equipments | Electrical installations | Furniture and fixtures | Office equipments | Windmill | Vehicles | Leasehold improvements | Total | Capital Work-in-progress |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value (at cost)** | | | | | | | | | | | |
| **As at 01 April 2020** | **1,018.21** | **7,168.77** | **10,445.57** | **603.36** | **158.91** | **296.34** | **295.04** | **122.66** | **4.51** | **20,113.37** | **2,411.78** |
| Additions on account of acquisition through business combination (refer note 6) | 292.93 | 715.96 | 1,544.43 | 96.17 | 23.67 | 41.93 | – | – | – | 2,715.09 | 47.52 |
| Additions | 11.95 | 1,327.92 | 1,897.63 | 199.67 | 32.77 | 54.27 | – | 6.63 | – | 3,530.84 | 1,786.31 |
| Transfer | – | – | – | – | – | – | – | – | – | – | (3,204.98) |
| Disposals/Adjustments | (1.94) | (1.36) | (36.40) | – | (0.33) | (5.95) | – | (26.61) | (1.07) | (73.66) | (50.13) |
| **As at 31 March 2021** | **1,321.15** | **9,211.29** | **13,851.23** | **899.20** | **215.02** | **386.59** | **295.04** | **102.68** | **3.44** | **26,285.64** | **990.50** |
| **Accumulated depreciation** | | | | | | | | | | | |
| **As at 01 April 2020** | **–** | **1,024.02** | **4,604.16** | **272.13** | **57.58** | **160.47** | **78.58** | **48.00** | **2.98** | **6,247.92** | **–** |
| Additions on account of acquisition through business combination | – | 28.83 | 60.33 | 9.15 | 2.35 | 8.64 | – | – | – | 109.30 | – |
| Depreciation charge for the year* | – | 321.87 | 1,229.21 | 65.36 | 18.10 | 56.22 | 15.72 | 14.34 | 0.56 | 1,721.38 | – |
| Disposals/Adjustment | – | (0.15) | (27.39) | – | (0.16) | (5.63) | – | (19.82) | (0.98) | (54.13) | – |
| **As at 31 March 2021** | **–** | **1,374.57** | **5,866.31** | **346.64** | **77.87** | **219.70** | **94.30** | **42.52** | **2.56** | **8,024.47** | **–** |
| **Net carrying value** | | | | | | | | | | | |
| **As at 31 March 2021** | **1,321.15** | **7,836.72** | **7,984.92** | **552.56** | **137.15** | **166.89** | **200.74** | **60.16** | **0.88** | **18,261.17** | **990.50** |

* Includes depreciation on continuing operations and discontinuing operations.

Notes:-

(a) Capital work-in-progress includes machinery in transit ₹ Nil (31 March 2021 : ₹ 1.89 million).

(b) All property, plant and equipment are held in the name of the Group, except following:

**As at 31 March 2022**

| Description of item of property | Held in the name of | Gross carrying value (₹ million) | Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the Group |
|---|---|---|---|---|---|
| Freehold land - Daman | Dinesh Gupta | 1.42 | No | 2008 | Mutation is in process |

**As at 31 March 2021**

| Description of item of property | Held in the name of | Gross carrying value (₹ million) | Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter/director | Property held since which date | Reason for not being held in the name of the Group |
|---|---|---|---|---|---|
| Freehold land - Daman | Dinesh Gupta | 1.42 | No | 2008 | Mutation is in process |

(c) Title deed is in dispute for freehold land amounting to ₹ 10.48 million (31 March 2021: ₹ 10.48 million) and is pending resolution with government authority at Gujarat.

(d) CWIP ageing schedule as at 31 March 2022

(₹ million)

| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| **Projects in progress** | | | | | |
| Cable & Wire Projects | 461.90 | 38.97 | 79.69 | 13.64 | 594.20 |
| FMEG Projects | 620.77 | 73.24 | – | – | 694.01 |
| Backward Integration Projects | 286.87 | 102.84 | 7.75 | – | 397.46 |
| Other Projects | 2,063.81 | 3.50 | – | 1.52 | 2,068.83 |
| | **3,433.35** | **218.55** | **87.44** | **15.16** | **3,754.50** |

CWIP ageing schedule as at 31 March 2021

(₹ million)

| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| **Projects in progress** | | | | | |
| Cable & Wire Projects | 431.02 | 115.10 | 65.27 | – | 611.39 |
| FMEG Projects | 84.55 | 15.87 | – | – | 100.42 |
| Backward Integration Projects | 269.16 | 1.97 | 0.53 | – | 271.67 |
| Other Projects | 5.50 | – | 1.52 | – | 7.02 |
| | **790.23** | **132.95** | **67.32** | **–** | **990.50** |

For the purpose of this disclosure, the Group has identified project as the smallest group of assets having a common intended use.

(e) Direct capitalisation of Property, Plant and equipments during the year are given as under:

(₹ million)

| | Freehold land | Buildings | Plant and equipments | Electrical installations | Furniture and fixtures | Office equipments | Windmill | Vehicles | Leasehold improvements | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| FY2021-22 | 70.75 | – | 384.27 | 10.84 | 10.35 | 26.49 | – | 6.33 | 2.32 | **511.35** |
| FY2020-21 | 11.95 | 1.34 | 269.26 | 8.38 | 6.85 | 21.45 | – | 6.63 | – | **325.86** |

(f) CWIP completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan: None (31 March 2021 : None)

(g) During the current year, the Company has acquired a new office premise in Mumbai. The fit-out process and occupation of the new premise is expected in the 2022-23.

(h) Assets pledged and Hypothecated against borrowings:
There is a first *pari passu* charge by way of registered mortgage on specific immovable fixed assets at Halol and hypothecation of all movable fixed assets acquired on or after 1 April 2015.

(i) No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(j) For capital expenditures contracted but not incurred - Refer note 37(B).

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

## 4. Right of use assets

### Accounting policy

**i. The Group as a lessee**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), variable lease and low value leases. For these short-term, variable lease and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying value may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. Lease liabilities have been included in other financial liabilities. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

**ii. The Group as a lessor**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

**iii. Transition**

On transition dated 01 April 2019, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 279.72 million and lease liability of ₹ 307.39 million. The cumulative effect of applying the standard resulted in ₹ 26.02 million being debited to retained earnings(net of deferred tax assets created of ₹ 8.51 million). The effect of this adoption is insignificant on the profit for the period and earnings per share.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

**iv. Finance lease**

The Group has entered into land lease arrangement at various locations. Terms of such lease ranges from 30-90 years. In case of lease of land for 90 years and above, it is likely that such leases meet the criteria that at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset. Accordingly, the Group has classified leasehold land as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset at the date of initial application of Ind AS 116 is the carrying amount of the lease asset on the transition date as measured applying Ind AS 17. Accordingly, an amount of ₹ 41.78 million has been reclassified from property, plant and equipment to right-of-use assets in year 2019-20.

**v. Others**

The following is the summary of practical expedients elected on initial application:

(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

(b) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application, variable lease and low value asset.

(c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(d) The effective interest rate for lease liabilities is 9.0% p.a., with maturity between 2022-2030.

Following are the changes in the carrying value of right of use for year ended 31 March 22

(₹ million)

| | Category of ROU asset | | |
|---|---|---|---|
| | Leasehold Land | Buildings | Total |
| **Gross carrying value** | | | |
| As at 01 April 2021 | 41.78 | 470.56 | 512.34 |
| Additions | – | 194.23 | 194.23 |
| Disposals | (0.04) | (178.29) | (178.33) |
| As at 31 March 2022 | **41.74** | **486.50** | **528.24** |
| **Accumulated depreciation** | | | |
| As at 01 April 2021 | 0.91 | 170.43 | 171.34 |
| Depreciation charge for the year | 0.51 | 147.02 | 147.53 |
| Disposals | – | (141.99) | (141.99) |
| As at 31 March 2022 | **1.42** | **175.46** | **176.88** |
| **Net carrying value** | | | |
| As at 31 March 2022 | **40.32** | **311.04** | **351.36** |

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

(₹ million)

| | Category of ROU asset | | |
|---|---|---|---|
| | Leasehold Land | Buildings | Total |
| **Gross carrying value** | | | |
| As at 01 April 2020 | 41.78 | 403.41 | 445.19 |
| Additions | – | 149.11 | 149.11 |
| Disposals | – | (81.96) | (81.96) |
| As at 31 March 2021 | **41.78** | **470.56** | **512.34** |
| **Accumulated depreciation** | | | |
| As at 01 April 2020 | 0.45 | 106.82 | 107.27 |
| Depreciation charge for the year | 0.46 | 128.57 | 129.03 |
| Disposals | – | (64.96) | (64.96) |
| As at 31 March 2021 | **0.91** | **170.43** | **171.34** |
| **Net carrying value** | | | |
| As at 31 March 2021 | **40.87** | **300.13** | **341.00** |

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities for year ended 31 March 22

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Non-current lease liabilities | 244.76 | 226.34 |
| Current lease liabilities | 105.37 | 111.83 |
| | **350.13** | **338.17** |

The following is the movement in lease liabilities for year ended 31 March 22

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Balance at the beginning of the year | 338.17 | 331.55 |
| Additions | 190.98 | 147.01 |
| Finance cost accrued during the year | 33.02 | 29.20 |
| Deletions | (41.36) | (17.96) |
| Payment of lease liabilities | (170.68) | (151.63) |
| | **350.13** | **338.17** |

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Less than one year | 148.93 | 136.59 |
| One to five years | 270.87 | 214.83 |
| More than five years | 40.30 | 59.20 |
| | **460.10** | **410.62** |

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

meet the obligations related to lease liabilities as and when they fall due.

The following are the amounts recognised in profit or loss:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Depreciation expense of right-of-use assets | 147.53 | 129.03 |
| Interest expense on lease liabilities | 33.02 | 29.20 |
| COVID-19 related Rent concessions | - | (12.96) |
| Interest income on fair value of security deposit | (2.65) | (3.10) |
| Expense relating to short-term leases (included in other expenses) | 55.28 | 41.04 |
| Expense relating to leases of low-value assets (included in other expenses) | 6.46 | 8.80 |
| Variable lease payments (included in other expenses) | 4.92 | 20.81 |
| | **244.56** | **212.82** |

## 5. Other intangible assets

### Accounting policy

**i. Other intangible assets acquired separately**

Other intangible assets acquired are reported at cost less accumulated amortisation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Amortisation on other intangible assets is calculated on pro rata basis on straight-line method using the useful lives of the assets and in the manner prescribed in Schedule II of the Companies Act, 2013. The useful life is as follows:

| Assets | Useful life |
|---|---|
| Computer software | 3 year |

The residual values, useful lives and methods of amortisation of Other intangible assets are reviewed at each financial year end and adjusted prospectively.

The Other intangible Assets include license and software of Gross carrying amount of ₹ 120.45 million (31 March 2021 ₹ 70.28 million) which has been fully amortised over the past periods and are being used by the Group.

Other intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

**ii. Intellectual Property**

Brands/trademarks acquired separately are measured on initial recognition at the fair value of consideration paid. Following initial recognition, brands/trademarks are carried at cost less any accumulated amortisation and impairment losses, if any. A brand/trademark acquired as part of a business combination is recognised outside goodwill, at fair value at the date of acquisition, if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably. The useful lives of brands/trademarks are assessed to be either finite or indefinite. The assessment includes whether the brand/trademark name will continue to trade and the expected lifetime of the brand/ trademark. Amortisation is charged on assets with finite lives on a straight-line basis over a period appropriate to the asset's useful life. The carrying values of brands/ trademarks with finite and indefinite lives are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The Group does not have any brands/ trademarks with indefinite useful lives.

The Group owns 145 number as on 31 March 2022 (116 number as on 31 March 2021) registered trademarks pertaining to Brand, Sub-brands and Designs in India. The Group has also entered into royalty agreements with few companies for use of Polycab brand on specific products and charges fees for the same. These intellectual property and royalty income are solely owned and earned by the Group and is not shared with any stakeholder. Intellectual Property has not been capitalised in the books as it does not meet the recognition criteria in Ind AS 38.

**iii. Research and development expenditure**

During the year, the Group has incurred Capital R&D expenditure amounting to ₹ 60.31 million (31 March 2021 ₹ 31.94 million) which have been included in property, plant and equipment. Further, Revenue R&D expenditure incurred amounting to ₹ 162.47 million (31 March 2021 ₹ 175.60 million) which have been charged to the respective revenue accounts. Expenditure on research and development activities is recognised in the Consolidated Statement of Profit and Loss as incurred.

Development expenditure is capitalised as part of cost of the resulting other intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in statement of profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

**iv. De-recognition of other intangible assets**

An other intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

The changes in the carrying value of other intangible assets for year ended 31 March 22 are as follows:

(₹ million)

| | Technical Knowhow | Brand | Computer Software | Total |
|---|---|---|---|---|
| **Gross carrying value (at cost)** | | | | |
| **As at 01 April 2021** | - | 46.35 | 121.91 | 168.26 |
| Additions on account of acquisition | 212.89 | - | - | 212.89 |
| Additions | 5.96 | - | 1.70 | 7.66 |
| Transferred to discontinued operation | - | - | (9.93) | (9.93) |
| Disposals/Adjustments | - | - | (3.86) | (3.86) |
| **As at 31 March 2022** | **218.85** | **46.35** | **109.82** | **375.02** |
| **Accumulated amortisation** | | | | |
| **As at 01 April 2021** | - | 1.54 | 95.47 | 97.01 |
| Additions on account of acquisition | 60.78 | - | - | 60.78 |
| Amortisation charge for the year* | 24.42 | 4.64 | 12.73 | 41.79 |
| Transferred to discontinued operation | - | - | (4.10) | (4.10) |
| Disposals/Adjustments | - | - | (3.86) | (3.86) |
| **As at 31 March 2022** | **85.20** | **6.18** | **100.24** | **191.62** |
| **Net carrying value** | | | | |
| **As at 31 March 2022** | **133.65** | **40.17** | **9.58** | **183.40** |

* Includes depreciation on continuing operations and discontinuing operations.

The changes in the carrying value of Other intangible assets for year ended 31 March 2021 are as follows:

(₹ million)

| | Technical Knowhow | Brand | Computer Software | Total |
|---|---|---|---|---|
| **Gross carrying value (at cost)** | | | | |
| **As at 01 April 2020** | - | - | 105.19 | 105.19 |
| Additions on account of acquisition | - | - | 9.87 | 9.87 |
| Additions | - | 46.35 | 18.45 | 64.80 |
| Disposals/Adjustments | - | - | (11.60) | (11.60) |
| **As at 31 March 2021** | **-** | **46.35** | **121.91** | **168.26** |
| **Accumulated amortisation** | | | | |
| **As at 01 April 2020** | - | - | 88.43 | 88.43 |
| **Additions on account of acquisition** | - | - | 1.55 | 1.55 |
| Amortisation charge for the year* | - | 1.54 | 13.76 | 15.30 |
| Disposals/Adjustments | - | - | (8.27) | (8.27) |
| **As at 31 March 2021** | **-** | **1.54** | **95.47** | **97.01** |
| **Net carrying value** | | | | |
| **As at 31 March 2021** | **-** | **44.81** | **26.44** | **71.25** |

* Includes depreciation on continuing operations and discontinuing operations.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

## 6. Investment

### Accounting policy

#### i. Interests in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

Interests in joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

**Equity method:**

Under the equity method, the investment in joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in Group's profit and loss, and the Group's share of other comprehensive income of the investee in Group's other comprehensive income.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the Consolidated Statement of Changes in Equity. Unrealised gains resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's interest in the associate or joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the Group's share of losses of a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. The Group resumes recognising its share of profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the Consolidated Statement of Profit and Loss. The Financial Statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

At each reporting date, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. The Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the Consolidated Statement of Profit and Loss. Goodwill relating to the joint venture is included in the carrying amount of the investment is not tested for impairment individually.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

#### ii. Business combinations

**Acquisition method:**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

a) deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' and Ind AS 19 "Employee Benefits" respectively;

b) liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 "Share-based Payments" at the acquisition date; and

c) assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 "Financial Instruments", is measured at fair value with changes in fair value recognised in Consolidated Statement of Profit and Loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

**Goodwill:**

Goodwill is measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed."

After initial recognition, goodwill is measured at cost less any accumulated impairment losses or the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

### Bargain purchase:

If the difference of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed is a deficit then the business combination is regarded as bargain purchase.

In case of bargain purchase, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. If such evidence exists, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve.

If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing, directly in equity as capital reserve.

### Measurement period adjustments

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period (not more than one year from acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

### Business combination among entities under common control:

Business combination involving entities or businesses under common control is accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of combining entities are reflected at their carrying amount and no adjustments are made to reflect fair values.

### Non-controlling interests:

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

**A. Ryker acquisition and dis-investment:**

During the previous year, the Company acquired the balance 50% equity shares in Ryker Base Private Limited making it a wholly-owned subsidiary at consideration of ₹ 303.80 million, Put Option liability of ₹ 49.75 million derecognised against such consideration paid for.

The results of Ryker operations have been consolidated by the Group on a line by line basis from the acquisition date. The amounts of revenue and profit or loss of the acquiree since the acquisition date included note no.18. Further, the Group has allocated purchase price on net assets acquired as under:

(a) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

(₹ million)

| | |
|---|---|
| **Assets** | |
| Tangible and Other intangible assets | 2,663.55 |
| Inventories | 43.44 |
| Trade receivables | 4.81 |
| Cash and cash equivalents | 103.91 |
| Deferred Tax Asset (Net) | 21.59 |
| Other assets | 90.94 |
| | **2,928.24** |
| **Liabilities** | |
| Borrowings | (1,965.53) |
| Trade payables | (40.48) |
| Provisions | (3.08) |
| Other liabilities | (456.21) |
| | **(2,465.30)** |
| Fair value of net assets acquired | **462.94** |

(b) Computation of goodwill

| | |
|---|---|
| Consideration transferred | 303.80 |
| Put Option | (49.75) |
| Acquisition date fair value of any previously held equity interest in the acquiree | 231.47 |
| Fair value of net assets acquired | (462.94) |
| **Goodwill *** | **22.58** |

* Total amount of goodwill computed above is not deductible for tax purposes.

(c) The Group's previously held 50% equity interest was accounted as per equity method till 05 May 2020. Further, ₹ 97.18 million was recognised as gain on derecognition of previously held equity interest and disclosed as exceptional item in Statement of Profit and Loss account.

(d) Refer note 36 for non-current assets held for sale and discontinued operations.

**B. Silvan acquisition:**

On 18 June 2021, the Group acquired 100% stake in Silvan Innovation Labs Private Limited making it a wholly-owned subsidiary at a consideration of ₹ 101.54 million. The acquisition will augment the Groups Internet of Things(IOT) based automation offerings and expand the potential addressable market in FMEG space.

The results of Silvan operations have been consolidated by the Group on a line by line basis from the acquisition date. Further, the Group has allocated purchase price on net assets acquired on provisional basis as under:

**(a) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:**

(₹ million)

| | |
|---|---|
| **Assets** | |
| Tangible and Other intangible assets | 158.40 |
| Inventories | 4.35 |
| Trade receivables | 0.50 |
| Cash and cash equivalents | 6.19 |
| Other assets | 4.44 |
| | **173.88** |
| **Liabilities** | |
| Borrowings | (21.84) |
| Trade payables | (21.86) |
| Provisions | (7.78) |
| Deferred Tax Liabilities (Net) | (12.36) |
| Other liabilities | (54.72) |
| | **(118.56)** |
| Fair value of net assets acquired | **55.32** |

(b) Computation of goodwill

| | |
|---|---|
| Consideration transferred | 101.54 |
| Fair value of net assets acquired | (55.32) |
| **Goodwill *** | **46.22** |

**A. Non-current investments**

(₹ million)

| | Face Value Per Unit | Number | 31 March 2022 | Number | 31 March 2021 |
|---|---|---|---|---|---|
| **Investments carried at amortised cost (Unquoted)** | | | | | |
| **Investment in Equity Instruments of Joint Venture (Fully paid-up)** | | | | | |
| Techno Electromech Private Limited | ₹ 10 | 40,40,000 | 118.18 | 40,40,000 | 112.40 |
| Add: Share in current period profit/(loss) | | | (25.55) | | 5.78 |
| | | | **92.63** | | **118.18** |
| Aggregate amount of unquoted investments | | | 92.63 | | 118.18 |
| Aggregate amount of impairment value of investments | | | – | | – |

Details of the Group's Joint Ventures at the end of the reporting period are as follows:

| Name of the joint ventures | Nature of Business | Proportion of ownership interest(%) | |
|---|---|---|---|
| | | 31 March 2022 | 31 March 2021 |
| Techno Electromech Private Limited, India | Manufacturing of light emitting diodes, lighting and luminaires, and LED drivers. | 50% | 50% |

The Group has entered into Joint venture agreements with the co-venturer and hence the investment in the above entities are treated as Joint Venture. Both the venturers have joint control on the entities. Accordingly, the Group has consolidated the above Joint Ventures using equity method.

### Summarised financial information of Joint Ventures:

The summarised financial information below represents the amount shown in the Joint Venture's financial statements prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.

(₹ million)

| | TEPL | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| Non-current Assets | 609.50 | 601.88 |
| Current Assets | 989.50 | 873.08 |
| Non-current Liabilities | (245.90) | (321.23) |
| Current Liabilities | (1,160.22) | (909.76) |
| **Net Assets** | 192.88 | 243.97 |
| Proportion of the Group's ownership | 50% | 50% |
| **Group's share of net assets** | 96.44 | 121.99 |

Summarised statement of profit and loss of the joint ventures :

(₹ million)

| | TEPL | | Ryker | |
|---|---|---|---|---|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 06 May 2020 |
| Revenue | 2,178.57 | 1,940.53 | – | 2.20 |
| Cost of raw material and components consumed | (1,834.07) | (1,537.00) | – | (1.68) |
| Depreciation & amortisation | (32.53) | (30.41) | – | (9.01) |
| Finance cost | (50.02) | (55.91) | – | (1.29) |
| Employee benefit | (102.98) | (87.95) | – | (4.35) |
| Other expense | (230.01) | (218.12) | – | (5.73) |
| Profit before tax | (71.03) | 11.14 | – | (19.86) |
| Income tax expense | 19.30 | 0.21 | – | (1.24) |
| Profit for the period | (51.73) | 11.35 | – | (21.10) |
| Other comprehensive (income)/expense for the year | (0.64) | (0.20) | – | – |
| Total comprehensive income for the year | (51.10) | 11.55 | – | (21.10) |
| Group's share of Profit/(Loss) for the year | (25.55) | 5.78 | – | (10.55) |
| Elimination of unrealised profit/loss from transaction with joint ventures | – | – | – | 2.47 |
| **Share of profit/(loss) of joint ventures (Net of tax) carried over to statement of profit and loss** | **(25.55)** | **5.78** | **–** | **(8.08)** |
| **Reconciliation of the above-mentioned summarised financial information to the carrying amount of interest in the Joint Venture recognised in consolidated financial statements** | | | | |
| Group's Share of net assets as above | 96.44 | 121.99 | – | – |
| Elimination of unrealised profit from transaction with joint ventures | (3.81) | (3.81) | – | – |
| Amounts Carried to Balance Sheet | 92.63 | 118.18 | – | – |

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

**Notes:**

(a) Refer note 37(B) for uncalled capital commitments outstanding.

(b) During the previous year, the Group has received in principle approval from Reserve Bank of India to wind up Polycab Wires Italy SRL (PWISRL). Accordingly, PWISRL was liquidated and closure certificate was issued on 05 March 2021 by the Italian authorities. The impact of closure of PWISRL on the financial statements was not material.

(c) The Parent Company has no contingent liabilities or capital commitments relating to its interest in joint ventures as at 31 March 2022 except the corporate guarantee provided to bank against the borrowing (Refer note 37A). Joint ventures can not distribute the profits until they obtain consent from the venture partners.

(d) During the year, the Group has increased its stake in a subsidiary viz Dowells Cable Accessories Private Limited from 51% to 60% for a purchase consideration of ₹ 21.77 million.

## B. Current Investments

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Investments measured at FVTPL (Quoted)** | | |
| **Held for sale** | | |
| Investments in Overnight Mutual Funds | 7,640.51 | 6,231.27 |
| | **7,640.51** | **6,231.27** |
| Aggregate amount of quoted investments - At cost | 7,628.52 | 6,222.79 |
| Aggregate amount of quoted investments - At market value | 7,640.51 | 6,231.27 |

**Notes:**

(a) Refer note 41 for accounting policies on financial instruments for methods of valuation.

(b) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

## 7. Trade receivables

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Unsecured (at amortised cost)** | | |
| Non-Current | | |
| Trade receivables - Considered Good (Unsecured) | 799.31 | 1,283.60 |
| **Non-current Trade receivables** | **799.31** | **1,283.60** |
| Current | | |
| Trade receivables - Considered Good (Unsecured) | 13,793.04 | 15,504.58 |
| Trade receivables - Credit Impaired | 386.39 | 254.36 |
| Receivables from related parties - Considered Good (Unsecured) (Refer note - 38) | 33.67 | 23.61 |
| **Trade receivables (Gross)** | **14,213.10** | **15,782.55** |
| Less: Impairment allowance for trade receivables | (1,249.16) | (1,424.88) |
| **Current Trade receivables (Net)** | **12,963.94** | **14,357.67** |

**The following table summarizes the change in impairment allowance measured using the life time expected credit loss model:**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **At the beginning of year** | 1,424.88 | 1,562.64 |
| Additions on account of acquisition through business combination | 15.78 | - |
| Provision during the year | (150.04) | (50.32) |
| Bad debts written off (net) | (41.46) | (87.44) |
| **At the end of the year** | **1,249.16** | **1,424.88** |

**Notes:**

(a) Trade receivables are usually non-interest bearing and are generally on credit terms up to 90 days except EPC business. The Group's term includes charging of interest for delayed payment beyond agreed credit days. Group entities charge interest for delayed payments in certain cases depending on factors, such as, market conditions and past realisation trend.

(b) For EPC business trade receivables are non-interest bearing and credit terms are specific to contracts.

(c) For explanations on the Group's credit risk management processes, Refer note 42(B).

(d) The Group follows life time expected credit loss model. Accordingly, deterioration in credit risk is not required to be evaluated annually.

(e) Trade receivables have been pledged as security against bank borrowings, the terms relating to which have been described in Note 19(B)

(f) Refer note 41 for accounting policies on financial instruments.

(g) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person, except the dues referred in note 38(F)(iii). Further, no trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(h) There are no unbiled receivables, hence the same is not disclosed in the ageing schedule as below.

(i) Trade receivables ageing schedule Current

### As at 31 March 2022

(₹ million)

| | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | More than 6 months to 12 months | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables - considered good | 10,311.98 | 1,789.49 | 788.92 | 643.78 | 109.82 | 169.93 | 13,813.92 |
| (ii) Undisputed Trade Receivables - Credit Impaired | - | - | 2.37 | 0.02 | 80.14 | 73.86 | 156.39 |
| (iii) Disputed Trade Receivables - considered good | - | - | - | 12.79 | - | - | 12.79 |
| (iv) Disputed Trade Receivables - Credit Impaired | - | - | - | - | 90.49 | 139.51 | 230.00 |
| | **10,311.98** | **1,789.49** | **791.29** | **656.59** | **280.45** | **383.30** | **14,213.10** |
| Less: Impairment allowance for trade receivables- Credit Impaired | | | | | | | **(1,249.16)** |
| **Total Current trade receivable** | | | | | | | **12,963.94** |

### As at 31 March 2021

(₹ million)

| | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | More than 6 months to 12 months | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables - considered good | 10,359.81 | 2,874.08 | 501.60 | 1,291.26 | 203.95 | 194.00 | 15,424.70 |
| (ii) Undisputed Trade Receivables - Credit Impaired | - | - | - | - | 56.24 | 58.55 | 114.79 |
| (iii) Disputed Trade Receivables - considered good | - | 2.06 | 10.88 | 90.55 | - | - | 103.49 |
| (iv) Disputed Trade Receivables - Credit Impaired | - | - | - | - | 2.05 | 137.52 | 139.57 |
| | **10,359.81** | **2,876.14** | **512.48** | **1,381.81** | **262.24** | **390.07** | **15,782.55** |
| Less: Impairment allowance for trade receivables- Credit Impaired | | | | | | | (1,424.88) |
| **Total Current trade receivable** | | | | | | | **14,357.67** |

### As at 31 March 2022

(₹ million)

| | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | More than 6 months to 12 months | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables - considered good | - | 56.21 | 77.42 | 202.08 | 192.59 | 271.01 | 799.31 |

### As at 31 March 2021

(₹ million)

| | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | More than 6 months to 12 months | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables - considered good | - | 150.20 | 87.65 | 332.70 | 338.45 | 374.60 | 1,283.60 |

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

## 8. Loans

### Loans – Current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **At amortised cost** | | |
| **Loans Receivables considered good – Unsecured** | | |
| Loans to supplier | 19.04 | – |
| Loans to related party (Refer note – 38) | 100.00 | 115.21 |
| Loans to employees | 7.76 | 7.45 |
| | **126.80** | **122.66** |

**Note: Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 (4) of Companies Act, 2013 as per the standalone financial statement:**

(A) Amount of loans/ advances in the nature of loans outstanding from Subsidiaries and Joint Venture (for due date refer note (B) below):

(₹ million)

| | Interest Rate | Outstanding as at | | Maximum amount outstanding during the year | |
|---|---|---|---|---|---|
| | | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| **(i) Subsidiaries** | | | | | |
| Unsecured, considered good | | | | | |
| Ryker Base Private Limited (has utilised this loan for ECB loan repayment and general corporate purpose) | MCLR + 100 BP | – | 300.00 | 300.00 | 300.00 |
| Dowells Cable Accessories Private Limited (has utilised this loan for general corporate purpose) | 12.00% | – | – | – | 4.47 |
| Uniglobus Electricals and Electronics Private Limited (has utilised this loan for general corporate purpose) | 11.25% | 1.95 | – | 71.44 | – |
| Silvan Innovation Labs Private Limited(has utilised this loan for general corporate purpose) | 11.25% | 45.50 | – | 45.50 | – |
| Polycab Wires Italy SRL (has utilised this loan for general corporate purpose) | 0.00% | – | – | – | 32.25 |
| Polycab Australia Pty. Ltd. (has utilised this loan for general corporate purpose) | LIBOR + 400 BP | – | 25.07 | 25.07 | 25.07 |
| **(ii) Joint Venture** | | | | | |
| Unsecured, considered good | | | | | |
| Techno Electromech Private Limited (has utilised this loan for general corporate purpose) | 12.00% | 100.00 | 115.21 | 115.21 | 115.21 |

(B) Amount of loans/advances in the nature of loans outstanding repayable as per below term with Subsidiaries and Joint Venture:

(₹ million)

| | Due date | 31 March 2022 | % | 31 March 2021 | % |
|---|---|---|---|---|---|
| **(i) Subsidiaries** | | | | | |
| Unsecured, considered good | | | | | |
| Ryker Base Private Limited | | – | – | 300.00 | 68% |
| Uniglobus Electricals and Electronics Private Limited | 30 June 2022 | 1.95 | 1% | – | – |
| Silvan Innovation Labs Private Limited | 31 December 2024 | 45.50 | 31% | – | – |
| Polycab Australia Pty. Ltd. | | – | – | 25.07 | 6% |
| **(ii) Joint Venture** | | | | | |
| Unsecured, considered good | | | | | |
| Techno Electromech Private Limited | 31 March 2023 | 100.00 | 68% | 115.21 | 26% |

(C) The Group has complied with the provision Section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(D) The Group has not entered with any Scheme(s) of arrangement in terms of Sections 230 to 237 of the Companies Act, 2013.

(E) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 9. Other financial assets

### A. Other financial assets – non-current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **At amortised cost** | | |
| **Security deposits and Earnest money deposits, Unsecured, considered good** | 16.54 | 17.05 |
| Rental deposits , unsecured, considered good | | |
| Others | 23.75 | 18.43 |
| Deposits with bank having maturity period of more than 12 months | 126.23 | 579.70 |
| | **166.52** | **615.18** |

### B. Other financial assets – current

(₹ million)

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| **At amortised cost** | | | |
| Security deposits and Earnest money deposits, Unsecured, considered good | (A) | 11.64 | 24.46 |
| Rental deposits, unsecured, considered good | | | |
| Related Parties (Refer note – 38) | | 6.17 | 5.91 |
| Others | | 14.38 | 19.73 |
| | (B) | 20.55 | 25.64 |
| **Contract asset (Refer below note(a))** | | | |
| Unsecured, considered good | | 95.09 | 141.02 |
| Credit Impaired | | 11.82 | 11.82 |
| Less: Impairment allowance for Contract Assets – Credit Impaired (Refer below note (b)) | | (11.82) | (11.82) |
| | (C) | 95.09 | 141.02 |
| **Others** | | | |
| Interest accrued on bank deposits | | 53.33 | 30.25 |
| Interest receivables | | | |
| Related Parties (Refer note – 38) | | 2.91 | 3.18 |
| Others | | 1.43 | 1.03 |
| | (D) | 57.67 | 34.46 |
| **At FVTPL** | | | |
| Derivative Assets (Refer below note (c)) | (E) | 238.84 | 33.79 |
| | (A+B+C+D+E) | **423.79** | **259.37** |

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

## Notes:-

### (a) Reconciliation of Contract Assets:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| At the beginning of year | 141.02 | 316.78 |
| Unbilled revenue | 353.09 | 1,267.98 |
| Billed to customer | (399.02) | (1,443.74) |
| **At the end of the year** | **95.09** | **141.02** |

The Group follows life time expected credit loss provisioning model for contract asset. Accordingly, deterioration in credit risk is not required to be evaluated annually.

### (b) Change in impairment allowance

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| At the beginning of year | 11.82 | 11.82 |
| Provision during the year | - | - |
| **At the end of the year** | **11.82** | **11.82** |

### (c) Derivative Assets

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Embedded derivatives | 196.27 | - |
| Forward Contract | 42.57 | 31.37 |
| Interest rate and cross currency swap | - | 2.42 |
| | **238.84** | **33.79** |

## 10. Cash and cash equivalents

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **At amortised cost** | | |
| Balances with banks | | |
| In current accounts (i) | 1,048.72 | 765.14 |
| Deposits with original maturity of less than 3 months (ii) | 167.04 | 1,611.86 |
| Cash on hand | 1.15 | 1.03 |
| | **1,216.91** | **2,378.03** |

(i) There is no repatriation restriction with regard to cash and cash equivalents at the end of reporting period and prior periods.

(ii) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

## 11. Bank balance other than cash and cash equivalents

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **At amortised cost** | | |
| Deposits with original maturity for more than 3 months but less than 12 months | 2,851.40 | 2,934.28 |
| Earmarked balance (i) | 2.87 | 0.87 |
| | **2,854.27** | **2,935.15** |

(i) Earmarked balances with banks relate to unclaimed dividends.

## 12. Income taxes

### Accounting policy

Income tax expenses comprise current tax and deferred income tax and includes any adjustments related to past periods in current and/or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax received / receivable pertains to prior period recognised when reasonable certainty arise for refund acknowledged by the Income-tax department. Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted at the reporting date. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax liabilities are recognised for all taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for deductible temporary differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(a) Temporary differences arising on the initial recognition of goodwill or an assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss at the time of the transaction; and

(b) Temporary differences related to freehold land and investments in subsidiaries, to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and interest in joint ventures where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

The major tax jurisdiction of the Group is India. The Group's tax return for past years are generally subject to examination by the tax authorities. The Group has ongoing disputes with income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions or manner of computation of certain income and expenses. However, there are no pending tax demands from Income-tax authorities as on 31 March 2022. The Group has made provisions for taxes basis its best judgement, considering past resolutions to disputed matters by adjudicating authorities, prior year assessments and advice from external experts, if required. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax laws and prior experience.

Further, the Group periodically receives notices and inquiries from Indian income tax authorities related to the Group's operations. The Group has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands, if any, by the income tax authorities will not succeed on ultimate resolution.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

## 12. Income taxes

### A Income tax expense in the statement of profit and loss comprises:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Current tax:** | | |
| In respect of current year | 2,829.93 | 2,568.58 |
| On discontinued operations | 197.60 | – |
| Adjustments of tax relating to earlier years | (20.66) | (999.98) |
| | **3,006.87** | **1,568.60** |
| **Deferred tax:** | | |
| Relating to origination and reversal of temporary differences | (65.96) | 42.81 |
| Adjustments of tax relating to earlier years | (37.04) | 92.03 |
| On discontinued operations | 35.12 | 87.09 |
| | **(67.88)** | **221.93** |
| | **2,938.99** | **1,790.53** |

### B OCI section - Deferred tax related to items recognised in OCI during the period:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Net loss/(gain) on remeasurements of defined benefit plans | 4.74 | 12.05 |
| Net loss/(gain) on Designated Cash Flow Hedges | 0.15 | 42.54 |
| | **4.89** | **54.59** |

### C. Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Profit before tax | 12,111.83 | 10,649.66 |
| Enacted tax rates in India | 25.17% | 25.17% |
| Computed expected tax expenses | 3,048.31 | 2,680.31 |
| **Effect of differential tax impact due to the following (tax benefit)/ tax expenses:** | | |
| CSR expenses | 48.83 | 40.43 |
| Deferred government grants | (5.21) | (19.83) |
| Others | (95.24) | (2.43) |
| Adjustments of tax relating to earlier years | (57.70) | (907.95) |
| | **2,938.99** | **1,790.53** |

Notes:-

The tax rate used for the 31 March 2022 and 31 March 2021 reconciliations above is the corporate tax rate of 25.17%, payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

### D. The details of non-current/ (current) tax assets / (liabilities) as at 31 March 22

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Non-current tax assets (net of provision for taxation) | 479.46 | 297.59 |
| Current tax liabilities (net of advance tax) | (159.52) | (283.44) |
| Net current income tax asset / (liability) at the end | **319.94** | **14.15** |

### E. The movement in the gross current tax assets/(liability) for year ended 31 March 2022

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Net current tax asset/(liability) at the beginning | 14.15 | (999.84) |
| Additions on account of acquisition through business combination | 2.00 | 22.71 |
| Income tax Paid | 3,339.85 | 2,412.87 |
| Refund received | (0.29) | (4.10) |
| Effect of interest on income-tax order | 13.90 | 162.87 |
| Interest liability adjusted against advance tax | (42.80) | (11.76) |
| Current tax expense | (2,829.93) | (2,568.58) |
| On discontinued operations | (197.60) | – |
| Adjustments of tax relating to earlier years | 20.66 | 999.98 |
| **Net current tax asset / (liability) at the end** | **319.94** | **14.15** |

### F. The movement in gross deferred tax assets and liabilities

**For the year ended 31 March 2022**

(₹ million)

| | Carrying value as at 01 April 2021 | Additions on account of acquisition through business combination | On discontinued operations | Changes through profit and loss | Changes through OCI | Carrying value as at 31 March 2022 |
|---|---|---|---|---|---|---|
| **Deferred tax assets/(liabilities) in relation to** | | | | | | |
| Property, plant and equipment and other intangible assets | (737.54) | (10.83) | 94.25 | (25.59) | – | (679.71) |
| Provision for employee benefits | 88.38 | – | (1.21) | 6.62 | (4.74) | 89.05 |
| Cash flow hedges | – | – | – | – | (0.15) | (0.15) |
| Receivables, financial assets at amortised cost | 193.15 | – | – | 117.61 | – | 310.76 |
| Lease liabilities | 0.78 | – | – | 0.39 | – | 1.17 |
| Others | 37.20 | (1.53) | (32.51) | 3.97 | – | 7.13 |
| **Total deferred tax assets/(liabilities)** | **(418.03)** | **(12.36)** | **60.53** | **103.00** | **(4.89)** | **(271.75)** |

**For the year ended 31 March 2021**

(₹ million)

| | Carrying value as at 01 April 2020 | Additions on account of acquisition through business combination | On discontinued operations | Changes through profit and loss | Changes through OCI | Carrying value as at 31 March 2021 |
|---|---|---|---|---|---|---|
| **Deferred tax assets/(liabilities) in relation to** | | | | | | |
| Property, plant and equipment and other intangible assets | (607.91) | (61.80) | (32.45) | (35.38) | – | (737.54) |
| Provision for employee benefits | 115.57 | 0.65 | 0.62 | (16.41) | (12.05) | 88.38 |
| Cash flow hedges | 42.54 | – | – | – | (42.54) | – |
| Receivables, financial assets at amortised cost | 426.16 | – | – | (233.01) | – | 193.15 |
| Lease liabilities | 8.51 | – | – | (7.73) | – | 0.78 |
| Others | (149.68) | 84.45 | (55.26) | 157.69 | – | 37.20 |
| **Total deferred tax assets / (liabilities)** | **(164.81)** | **23.30** | **(87.09)** | **(134.84)** | **(54.59)** | **(418.03)** |

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

### G. Reconciliation of deferred tax assets/liabilities (net):

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Net deferred tax asset/(liability) at the beginning | (418.03) | (164.81) |
| Additions on account of acquisition through business combination | (12.36) | 23.30 |
| Tax (income)/expense on adjustment of tax relating to earlier year | 37.04 | (92.03) |
| On discontinued operations | 60.53 | (87.09) |
| Tax (income)/expense recognised in profit or loss | 65.96 | (42.81) |
| Tax (income)/expense recognised in OCI | (4.89) | (54.59) |
| **Net deferred tax asset/(liability) at the end** | **(271.75)** | **(418.03)** |

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Deferred tax assets (net) | 0.09 | 0.11 |
| Deferred tax liabilities (net) | (271.84) | (418.14) |
| **Net deferred tax asset/(liability) at the end** | **(271.75)** | **(418.03)** |

Notes:-

(a) During previous year ended 31 March 21, the Parent Company had received a favourable order from Honourable Income-Tax Appellate Tribunal for AY 2012-13 to 2015-16 resulting into write back of income-tax provision of ₹ 839.52 million and recognition of interest on income tax refund of ₹ 163.89 million.

**H.** Details of transaction not recorded in the books of accounts that has been surrendered/ disclosed as income during the year in the tax assessments (e.g. search) ₹ Nil (31 March 2021 ₹ Nil).

**I.** The Company does not have any unrecorded income and assets related to previous years which are required to be recorded during the year.

## 13. Other assets

### A. Other assets - Non-current

(₹ million)

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| **Capital advances** | | | |
| Unsecured, considered good | | 553.74 | 273.47 |
| Unsecured, considered doubtful | | 6.62 | - |
| Gross Capital Advances | | **560.36** | **273.47** |
| Less : Impairment allowance for doubtful advance | | (6.62) | - |
| Net Capital Advances | (A) | **553.74** | **273.47** |
| | | | |
| **Advances other than capital advances** | | | |
| Unsecured, considered good | | | |
| Prepaid expenses | | 12.97 | 12.02 |
| Balances with Statutory/government authorities | | 97.25 | 134.03 |
| | (B) | **110.22** | **146.05** |
| | (A)+(B) | **663.96** | **419.52** |

### B. Other assets - Current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Advances other than capital advances, Unsecured, considered good** | | |
| Advances for materials and services | 3,178.98 | 920.53 |
| **Others** | | |
| **Unsecured, considered good** | | |
| Prepaid expenses | 60.40 | 58.57 |
| Balances with statutory/government authorities | 557.38 | 238.83 |
| Export incentive receivable | 23.92 | 85.64 |
| Refund Assets | 287.24 | 222.21 |
| Others | 80.75 | 37.40 |
| | **4,188.67** | **1,563.18** |

## 14. Inventories

### Accounting policy

Raw materials, stock in trade, work-in-progress, finished goods, packing materials, project material for long-term contracts, scrap materials and stores and spares are valued at lower of cost or net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials, and stores and spares is determined on a First In-First Out (FIFO) basis and includes all applicable costs, including inward freight, incurred in bringing goods to their present location and condition.

Stock-in-trade and finished goods are valued at lower of cost or net realisable value. Cost includes direct materials as aforesaid, direct labour cost and a proportion of manufacturing overheads based on total manufacturing overheads to raw materials consumed.

Traded goods are valued at lower of cost or net realisable value. Cost includes cost of purchase and includes all applicable costs, including inward freight, incurred in bringing the inventories at their location and condition. Cost is determined on a weighted average basis.

The stocks of scrap materials have been taken at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provisions are made towards slow-moving and obsolete items based on historical experience of utilisation on a product category basis, which consideration of product lines and market conditions.

Copper and aluminium is purchased on provisional price with option to fix the purchase price based on current or future pricing model based on LME. Such feature is kept to hedge against exposure in the value of inventory of copper and aluminium due to volatility in copper and aluminium prices. Since, the value of the copper and aluminium changes with response to change in commodity pricing index, embedded derivatives (ED) is identified and separated from the host contract. The ED so separated, is treated like commodity derivative and qualifies for hedge accounting. These derivatives are put into a Fair Value hedge relationship with respect to unpriced inventory. The Group designates only the spot-to-spot movement of the copper and aluminium inventory as the hedged risk. The carrying value of inventory is accordingly adjusted for the effective portion of change in fair value of hedging instrument. Hedge accounting is discontinued when the hedging instrument is settled, or when it no longer qualifies for hedge accounting or when the hedged item is sold (Refer note 43).

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Raw materials | 5,547.49 | 8,186.85 |
| Work-in-progress | 2,208.54 | 1,417.27 |
| Finished goods | 11,182.82 | 8,053.45 |
| Stock-in-trade | 1,893.49 | 1,178.71 |
| Stores and spares | 264.75 | 290.16 |
| Packing materials | 282.55 | 293.15 |
| Scrap materials | 524.88 | 237.49 |
| Project materials for long-term contracts | 91.95 | 222.02 |
| | **21,996.47** | **19,879.10** |

Notes:-

(a) The above includes goods in transit as under:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Raw Material | 259.57 | 1,075.88 |
| Stock-in-trade | 51.24 | 72.44 |
| Stores and spares | 0.51 | 0.61 |
| Project materials for long-term contracts | 6.16 | 22.31 |

(b) The above includes inventories held by third parties amounting to ₹ 320.55 million (31 March 2021 - ₹ 1,613.77 million)

(c) During the year ended 31 March 2022 ₹ 1.93 million (31 March 2021 - ₹ 13.01 million) was recognised as an expense for inventories carried at net realisable value.

(d) Inventories are hypothecated with the bankers against working capital limits (Refer note 19).

# Notes to Consolidated Financial Statements
for the year ended 31 March 2022

## 15. Non-current assets classified as held for sale

### Accounting policy

**Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met:**

(i) Decision has been made to sale.

(ii) The assets are available for immediate sale in its present condition.

(iii) The assets are being actively marketed and

(iv) Sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

(v) Subsequently, such non-current assets or disposal groups classified as 'held for sale' are measured at the lower of its carrying value or fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

On 31 March 2022, the Group classified certain property, plant and equipment ₹ Nil million (31 March 2021 Nil) and other asset ₹ Nil (31 March 2022 ₹ Nil) retired from active use and held for sale recognised and measured in accordance with Ind-AS 105 "Non-Current Assets held for sale and discontinued operations" at lower of its carrying amount and fair value less cost to sale.

## 16. Equity share capital

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Authorised share capital** | | |
| Equity shares, ₹ 10 per value 18,62,50,000 (18,62,50,000) equity shares* | 1,862.50 | 1,862.50 |
| **Issued, subscribed and fully paid-up shares** | | |
| Equity shares, ₹ 10 per value 14,94,43,040 (14,91,18,814) equity shares | 1,494.43 | 1,491.19 |
| | **1,494.43** | **1,491.19** |

* Number of equity shares reserved for issue under employee share based payment Number 12,65,159 (31 March 2021 : Number 15,51,942)

Notes:

**(a) The reconciliation of shares outstanding and the amount of share capital as at 31 March 2022 and 31 March 2021 are as follow:**

(₹ million)

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount |
| At the beginning of the year | 14,91,18,814 | 1,491.19 | 14,88,79,373 | 1,488.79 |
| Add: Shares issued on exercise of employee stock option | 3,24,226 | 3.24 | 2,39,441 | 2.40 |
| **At the end of the year** | **14,94,43,040** | **1,494.43** | **14,91,18,814** | **1,491.19** |

**(b) Terms/rights attached to equity shares**

The Group has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) The details of Shareholding of Promoters are as under as at 31 March 2022 and 31 March 2021 are as follows:**

| | 31 March 2022 | | 31 March 2021 | | % Change during the year |
|---|---|---|---|---|---|
| | Number of Shares | Total share | Number of Shares | Total share | |
| Mr. Inder T. Jaisinghani | 1,93,83,976 | 13.00% | 2,14,32,476 | 14.37% | (9.56) |
| Mr. Girdhari T. Jaisinghani | 1,51,81,283 | 10.18% | 1,82,34,916 | 12.23% | (16.75) |
| Mr. Ajay T. Jaisinghani | 1,93,47,247 | 12.97% | 1,94,11,281 | 13.02% | (0.33) |
| Mr. Ramesh T. Jaisinghani | 1,84,85,008 | 12.40% | 1,88,00,016 | 12.61% | (1.68) |

**(d) The details of shareholders holding more than 5% shares as at 31 March 2022 and 31 March 2021 are as follows:**

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount |
| Mr. Inder T. Jaisinghani | 1,93,83,976 | 13.00% | 2,14,32,476 | 14.37% |
| Mr. Girdhari T. Jaisinghani | 1,51,81,283 | 10.18% | 1,82,34,916 | 12.23% |
| Mr. Ajay T. Jaisinghani | 1,93,47,247 | 12.97% | 1,94,11,281 | 13.02% |
| Mr. Ramesh T. Jaisinghani | 1,84,85,008 | 12.40% | 1,88,00,016 | 12.61% |

**(e) Aggregate number of bonus share issued and share issued for consideration other than cash during the period of 5 years immediately preceding the reporting date :**

There were no buy back of shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.

**(f) Dividend**

**Accounting policy**

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

The Group declares and pays dividend in Indian rupees in accordance with its dividend distribution policy. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

**Dividend on equity share**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Dividend on equity shares declared and paid during the year** | | |
| Final dividend of ₹ 10.00 per share for FY2020-21 paid in FY2021-22 (Proposed by Board of Directors in the meeting held on 13 May 2021 and was approved by Shareholders in the meeting held on 21 July 2021) | 1,491.60 | - |
| | **1,491.60** | **-** |

**Proposed dividend on equity share**

The Board of Directors in their meeting on 10 May 2022 recommended a final dividend of ₹14/- per equity share for the financial year ended 31 March 2022. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company and if approved would result in a net cash outflow of approximately ₹ 2,092 million. It is not recognised as a liability as at 31 March 2022.

**(g) Employee Stock Option Plan (ESOP)**

**Accounting policy**

Equity settled share based payments to employees and other providing similar services are measured at fair value of the equity instruments at grant date.

The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "ESOP Outstanding". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates. Corresponding balance of a ESOP Outstanding is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee.

No expense is recognised for options that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect, if any of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

### Employee stock option plan

The Group had instituted an ESOP Plan 2018, ESOP Performance Scheme, and ESOP Privilege Scheme as approved by the Board of Directors and Shareholders dated 30 August 2018 for issuance of stock option to eligible employees of the Group.

Under Employee Stock Options Performance Scheme 2018 the options will be vested in the specified ratio subject to fulfilment of the employee performance criteria laid down in the scheme. This shall be monitored annually as per the performance evaluation cycle of the Group and options shall vest based on the achieved rating to the employee.

Under **Employee Stock Options Privilege Scheme 2018** the options are vested over a period of one year subject to fulfilment of service condition.

Expected volatility is based on historical stock volatility of comparable Companies operating within the same industry. The historical stock prices of comparable Companies has been observed for a period commensurate to the Life of option.

Pursuant to the said scheme, Stock options convertible into 33,87,750 equity shares vide ESOP Performance Scheme and 1,42,250 equity shares vide ESOP Privilege Scheme of ₹ 10 each were granted to eligible employee including group companies at an exercise price of ₹ 405/-.

### Subject to terms and condition of the scheme, options are classified into six categories:

| | Performance Scheme | | | | | Privilege Scheme |
|---|---|---|---|---|---|---|
| | I | II | III | III | V | IV |
| Number of options | 21,02,500 | 45,000 | 65,000 | 1,56,000 | 1,00,000 | 1,42,250 |
| Method of accounting | Fair value | Fair value | Fair value | Fair value | Fair value | Fair value |
| Vesting period | 5 years graded vesting | 5 years graded vesting | 5 years graded vesting | 5 years graded vesting | 5 years graded vesting | 1 year |
| Grant date | 30-Aug-18 | 18-Oct-18 | 23-Jan-21 | 13-May-21 | 04-Oct-21 | 30-Aug-18 |
| Exercise/ Expiry date | 29-Aug-26 | 17-Oct-26 | 22-Jan-29 | 12-May-29 | 03-Oct-29 | 29-Aug-23 |
| Exercise period | 8 years from the date of grant | 8 years from the date of grant | 8 years from the date of grant | 8 years from the date of grant | 8 years from the date of grant | 5 years from the date of grant |
| Weighted average share price | ₹ 1,284.40 | ₹ 1,284.40 | ₹ 1,284.40 | ₹ 1,284.40 | ₹ 1,284.40 | ₹ 1,284.40 |
| Grant/Exercise price | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 |
| Method of settlement | Equity - settled | Equity - settled | Equity - settled | Equity - settled | Equity - settled | Equity - settled |
| Weighted average remaining contractual life of options (in days) | 751 | 751 | 751 | 751 | 751 | NIL |

### The model inputs for fair value of option granted as on the grant date (In respect of shares granted on 30 Aug 2018 and 18 Oct 2018):

| | Performance Scheme | | | | |
|---|---|---|---|---|---|
| | Year 1 15% vesting | Year 2 15% vesting | Year 3 20% vesting | Year 4 20% vesting | Year 5 30% vesting |
| Exercise price | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 |
| Dividend yield | 0.19% | 0.19% | 0.19% | 0.19% | 0.19% |
| Risk free interest rate | 8.20% | 8.20% | 8.20% | 8.20% | 8.30% |
| Expected volatility | 48.30% | 48.20% | 49.20% | 48.20% | 47.30% |
| Fair value per option | ₹ 310.10 | ₹ 321.90 | ₹ 335.10 | ₹ 343.00 | ₹ 350.40 |
| Model used | Black Scholes | Black Scholes | Black Scholes | Black Scholes | Black Scholes |

### The model inputs for fair value of option granted as on the grant date (In respect of shares granted on 23 Jan 2021):

| | Performance Scheme | | | | |
|---|---|---|---|---|---|
| | Year 1 15% vesting | Year 2 15% vesting | Year 3 20% vesting | Year 4 20% vesting | Year 5 30% vesting |
| Exercise price | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 |
| Dividend yield | 0.12% | 0.11% | 0.12% | 0.11% | 0.13% |
| Risk free interest rate | 5.10% | 5.29% | 5.44% | 5.59% | 5.73% |
| Expected volatility | 34.37% | 34.25% | 34.88% | 35.42% | 37.10% |
| Fair value per option | ₹ 955.87 | ₹ 967.70 | ₹ 978.57 | ₹ 990.75 | ₹ 1,003.15 |
| Model used | Black Scholes | Black Scholes | Black Scholes | Black Scholes | Black Scholes |

### The model inputs for fair value of option granted as on the grant date (In respect of shares granted on 13 May 2021):

| | Performance Scheme | | | | |
|---|---|---|---|---|---|
| | Year 1 15% vesting | Year 2 15% vesting | Year 3 20% vesting | Year 4 20% vesting | Year 5 30% vesting |
| Exercise price | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 |
| Dividend yield | 0.72% | 0.65% | 0.71% | 0.65% | 0.70% |
| Risk free interest rate | 5.54% | 5.68% | 5.86% | 6.03% | 6.13% |
| Expected volatility | 35.10% | 34.88% | 34.97% | 35.55% | 35.99% |
| Fair value per option | ₹ 1,186.89 | ₹ 1,198.43 | ₹ 1,203.36 | ₹ 1,216.12 | ₹ 1,220.57 |
| Model used | Black Scholes | Black Scholes | Black Scholes | Black Scholes | Black Scholes |

### The model inputs for fair value of option granted as on the grant date (In respect of shares granted on 04 October 2021):

| | Performance Scheme | | | | |
|---|---|---|---|---|---|
| | Year 1 15% vesting | Year 2 15% vesting | Year 3 20% vesting | Year 4 20% vesting | Year 5 30% vesting |
| Exercise price | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 |
| Dividend yield | 0.38% | 0.34% | 0.39% | 0.36% | 0.39% |
| Risk free interest rate | 5.66% | 5.84% | 6.00% | 6.15% | 6.27% |
| Expected volatility | 35.16% | 35.35% | 34.97% | 35.06% | 35.91% |
| Fair value per option | ₹ 1,998.40 | ₹ 2,010.23 | ₹ 2,014.32 | ₹ 2,026.10 | ₹ 2,030.48 |
| Model used | Black Scholes | Black Scholes | Black Scholes | Black Scholes | Black Scholes |

| | Privilege Scheme |
|---|---|
| | Year 1 100% vesting |
| Exercise price | ₹ 405 |
| Dividend yield | 0.19% |
| Risk free interest rate | 8.30% |
| Expected volatility | 47.30% |
| Fair value per option | ₹ 350.40 |
| Model used | Black Scholes |

### The activity in the ESOP Plan 2018 (ESOP Performance Scheme and ESOP Privilege Scheme) is as follows:

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | Number of options | Weighted average exercise price (₹) | Number of options | Weighted average exercise price (₹) |
| **ESOP Performance scheme** | | | | |
| Outstanding at the beginning | 15,38,192 | 405 | 18,43,318 | 405 |
| Granted | 2,56,200 | 405 | 65,000 | 405 |
| Exercised and allotted | 3,13,801 | 405 | 1,81,766 | 405 |
| Exercised and pending allotment | 10,800 | 405 | 5,925 | 405 |
| Transfer to general reserve | 3,050 | 405 | - | 405 |
| Forfeited | 2,11,832 | 405 | 1,82,435 | 405 |
| **Outstanding at the end** | **12,54,909** | **405** | **15,38,192** | **405** |
| **ESOP Privilege scheme** | | | | |
| Outstanding at the beginning | 13,750 | 405 | 33,600 | 405 |
| Exercised and allotted | 3,500 | 405 | 18,850 | 405 |
| Exercised and pending allotment | - | 405 | 1,000 | 405 |
| **Outstanding at the end** | **10,250** | **405** | **13,750** | **405** |

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for the year ended 31 March 2022

| Shares allotted under ESOP during the year | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | Number of options | Weighted average exercise price (₹) | Number of options | Weighted average exercise price (₹) |
| **FY2020-21** | | | | |
| ESOP Performance Scheme | 3,13,801 | 405 | 1,81,766 | 405 |
| ESOP Privilege Scheme | 3,500 | 405 | 18,850 | 405 |
| **FY2019-20** | | | | |
| ESOP Performance Scheme | 5,925 | 405 | 26,575 | 405 |
| ESOP Privilege Scheme | 1,000 | 405 | 12,250 | 405 |
| | **3,24,226** | **405** | **2,39,441** | **405** |

### Options vested but not exercised

(Number of Options)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| ESOP Performance Scheme | 1,49,759 | 1,54,392 |
| ESOP Privilege Scheme | 10,250 | 13,750 |

### The break-up of employee stock compensation expense is as follow:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Granted to** | | |
| KMP | 5.82 | 10.13 |
| Employees other than KMP | 155.34 | 100.06 |
| | **161.16** | **110.19** |

## 17. Other equity

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Share application money pending allotment | 7.98 | 4.96 |
| Securities premium | 7,554.95 | 7,318.10 |
| General reserve | 615.00 | 614.00 |
| ESOP Outstanding | 343.54 | 286.92 |
| Retained earnings | 45,433.29 | 37,824.28 |
| Cash Flow Hedging Reserve | 0.43 | - |
| Foreign currency translation reserve | (12.21) | (0.05) |
| | **53,942.98** | **46,048.21** |

Notes:

**(a) Securities premium:**

Amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions difference between fair value on grant date and nominal value of share is accounted as Securities Premium. It will be used as per the provision of Companies Act, 2013.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Opening balance | 7,318.10 | 7,149.55 |
| Add: Adjustment for exercise of stock option | 236.85 | 168.55 |
| | **7,554.95** | **7,318.10** |

**(b) General reserve**

The Group had transferred a portion of the net profit of the Group before declaring dividend to General Reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013. General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit or loss.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Opening balance | 650.69 | 650.69 |
| Add: Transfer on account of employee stock options not exercised | 1.00 | - |
| | **651.69** | **650.69** |

**(c) ESOP Outstanding**

Fair value of equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding . The Group has two stock option schemes under which options to subscribe for the Group's shares have been granted to certain employees. The ESOP Outstanding is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Opening balance | 286.92 | 241.45 |
| Add: ESOP charge during the year | 167.84 | 110.19 |
| Less: Transfer on account of employee stock options not exercised | (1.00) | - |
| Less: Adjustment for exercise of stock option | (110.22) | (64.72) |
| | **343.54** | **286.92** |

**(d) Cash flow hedging reserve**

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the statement of Profit and Loss upon the occurrence of the related forecasted transaction.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Opening balance | - | 126.49 |
| Add: Other Comprehensive Income for the year | 0.43 | (126.49) |
| | **0.43** | **-** |

**(e) Foreign currency translation reserve**

Foreign Currency Translation reserve includes all resulting exchange differences arising from (a) translating the assets and liabilities of the Parent Company's foreign operations into Indian Rupees using exchange rates prevailing at the end of each reporting period and (b) translating income and expense items of the foreign operations at the average exchange rates for the period.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Opening Balance | (0.05) | 2.11 |
| Add : Exchange Difference during the year on net investment in non-integral foreign operations | (12.16) | (2.16) |
| | **(12.21)** | **(0.05)** |

**(f) Retained earnings**

Retained earnings are the profits that the Group has earned till date less any transfers to General Reserve, dividends or other distributions to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the Company.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Opening balance | 37,824.28 | 28,967.59 |
| Add: Profit during the year | 9,097.51 | 8,856.69 |
| Add: Acquisition of non-controlling interest | 3.10 | - |
| Less: Final equity dividend | (1,491.60) | - |
| | **45,433.29** | **37,824.28** |

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for the year ended 31 March 2022

**(g) Share application money pending allotment**

Share application money pending allotment, represents amount received from employees who has exercised Employee Stock Option Scheme (ESOS) for which shares are pending allotment as on balance sheet date.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Opening balance | 4.96 | 27.15 |
| Add: Adjustment for exercise of stock option | 110.22 | 64.72 |
| Add: Amount received on exercise of employee stock options | 132.88 | 84.04 |
| Less: Transfer to equity share capital & Securities premium for fresh issue | (240.08) | (170.95) |
| | **7.98** | **4.96** |

## 18. Non-controlling interests

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Balance at beginning of the year | 188.29 | 150.00 |
| Share of Profit | 87.07 | 38.19 |
| Share of Other Comprehensive Income | (0.04) | 0.10 |
| Acquisition of non-controlling interest | (24.87) | – |
| Shares Issued during the year | 0.25 | – |
| **Balance as at the end of the year** | **250.70** | **188.29** |

Note:

For acquisition of additional interests during the year, with no change in control, in a subsidiary company Dowell Cables Ltd, the Group has recognised a reduction to the non-controlling interest with the difference between this figure and the consideration paid, being recognised in equity, if the amount is significant.

### Details of non-controlling interests

The table below shows details relating to Non-Controlling Interest in the entities which are not wholly owned by the Group.

| | Proportion of NCI | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| Tirupati Reels Private Limited(TRPL) | 45% | 45% |
| Dowells Cable Accessories Pvt. Ltd(DCAPL) | 40% | 49% |
| Steel Matrix Private Limited (SMPL) | 25% | – |

| | Accumulated Non-Controlling Interest | | Profit/(Loss) allocated to Non-Controlling Interest | | Other Comprehensive Income allocated to Non-Controlling Interest | |
|---|---|---|---|---|---|---|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| Tirupati Reels Private Limited | 116.15 | 87.96 | 28.02 | 9.09 | (0.04) | 0.10 |
| Dowells Cable Accessories Pvt. Ltd | 134.30 | 100.33 | 59.05 | 29.10 | – | – |
| Steel Matrix Private Limited | 0.25 | – | – | – | – | – |
| | **250.70** | **188.29** | **87.07** | **38.19** | **(0.04)** | **0.10** |

Summarised financial information in respect of each of the Group's subsidiaries is set out below. The information below represents amounts before intragroup eliminations:

| | TRPL | | DCAPL | | SMPL | |
|---|---|---|---|---|---|---|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| Non-Current assets | 275.77 | 249.11 | 81.41 | 90.99 | – | – |
| Current assets | 438.25 | 361.21 | 348.41 | 185.24 | 1.00 | – |
| Non-Current liabilities | (58.02) | (86.77) | (3.98) | (8.07) | – | – |
| Current liabilities | (398.92) | (328.65) | (93.49) | (66.65) | (0.01) | – |
| Ind AS 116 Transitional Impact - Within Group | – | – | 3.40 | 3.25 | – | – |
| Ind AS 116 Transitional Impact - Others | 1.02 | 0.57 | – | – | – | – |
| Total Equity | 258.10 | 195.47 | 335.75 | 204.76 | 0.99 | – |
| Attributable to owners of company | 141.95 | 107.51 | 201.45 | 104.43 | 0.74 | – |
| Non-control Interest | 116.15 | 87.96 | 134.30 | 100.33 | 0.25 | – |

| | TRPL | | DCAPL | | SMPL | |
|---|---|---|---|---|---|---|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| Revenue | 1,015.50 | 678.54 | 896.41 | 424.55 | – | – |
| Expenses | (953.24) | (658.33) | (765.60) | (365.16) | (0.01) | – |
| Profit/(Loss) for the year | 62.26 | 20.21 | 130.81 | 59.39 | (0.01) | – |
| Attributable to owners of company | 34.24 | 11.12 | 71.76 | 30.29 | (0.01) | – |
| Non-control Interest | 28.02 | 9.09 | 59.05 | 29.10 | – | – |
| Other Comprehensive Income | (0.09) | 0.23 | – | – | – | – |
| Attributable to owners of company | (0.05) | 0.13 | – | – | – | – |
| Non-control Interest | (0.04) | 0.10 | – | – | – | – |

## 19. Borrowings

### A Borrowings- non-current

(₹ million)

| | Rate of Interest | Tenure end date | 31 March 2022 Gross/Carrying Value | 31 March 2021 Gross/Carrying Value |
|---|---|---|---|---|
| **At amortised cost** | | | | |
| External commercial borrowing (secured) | | | | |
| Foreign currency loan from SCB | 4.90% | 2 February 2024 | – | 1,455.40 |
| Rupee loan (secured) | | | | |
| Indian rupee loan from Citibank N.A. | 8.80% | 23 August 2021 | – | 29.93 |
| Indian rupee loan from HDFC Bank * | 8.03% | 07 July 2024 | 65.91 | 111.88 |
| | | | **65.91** | **1,597.21** |
| Less: Current maturities of long-term borrowings | | | (36.17) | (560.45) |
| | | | **29.74** | **1,036.76** |

* Rate of Interest is calculated at Weighted average rate of interest.

Tenure end date is last EMI date of loan repayment schedule as on 31 March 2022.

Notes:

**(a) The above loans are secured by way of**

(i) First *pari passu* charge by way of registered mortgage on specific immovable fixed assets at Halol and hypothecation of all movable fixed assets acquired on or after 01 April 2015.

(ii) Second *pari passu* charge by way of hypothecation of all movable fixed assets appearing in balance sheet as on 31 March 2015 and on all current assets of the Group.

# Notes to Consolidated Financial Statements

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(iii) Charges with respect to above borrowing has been created in favour of security trustee. No separate charge created for each of the borrowing.

(iv) Term Loan of Group's subsidiary Tirupati Reels Privat Limited (TRPL) is secured against

(a) hypothecation of inventories, trade receivables, plant and equipments and deposits with bank (amounting ₹ 29 million).

(b) mortgage of collateral security of leasehold land.

(c) personal guarantee of certain directors and their relative at their personal capacity."

(v) All charges are registered with ROC within statutory period by the Group.

(vi) Term loans were applied for the purpose for which the loans were obtained.

(vii) Bank returns / stock statements filed by the Company with its bankers are in agreement with books of account.

### (b) Maturity profile of non-current borrowings

(₹ million)

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | < 1 Year | > 1 Year | < 1 Year | > 1 Year |
| **External commercial borrowing (secured)** | | | | |
| Foreign currency loan from SCB | – | – | 485.13 | 970.27 |
| **Rupee loan (secured)** | | | | |
| Indian rupee loan from Citibank N.A. | – | – | 29.93 | – |
| Indian rupee loan from HDFC Bank | 36.17 | 29.74 | 45.39 | 66.49 |
| | **36.17** | **29.74** | **560.45** | **1,036.76** |

### (c) Others

The term loans from HDFC Bank aggregating to ₹ 65.91 million is to be repaid in 3 to 28 monthly instalments from April 2022 to July 2024.

## B Borrowings – current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Others** | | |
| At amortised cost | | |
| Cash Credit from banks (Secured) | 0.02 | 0.84 |
| Short-term loan from banks (Unsecured) (Refer note- 42B) | 765.42 | 883.56 |
| Short-term loan from banks (Secured) | – | 5.24 |
| Current maturities of long-term borrowings (Refer note- 19A) | 36.17 | 560.45 |
| | **801.61** | **1,450.09** |

Notes:

### (a) The above loans are secured by way of

(a) Secured borrowings from banks are secured against *pari passu* first charge by way of hypothecation of inventories and receivables .

(b) *Pari passu* first charge on specific properties, plant and equipments of the Group such as Daman staff quarters, Daman godown premises, factory land and building at Halol and Daman and office building at Mumbai.

(c) *Pari passu* first charge by way of hypothecation of all movable fixed assets appearing in balance sheet as on 31 March 2015.

(d) *Pari passu* second charge by way of registered mortgage on all movable assets acquired on or after 01 April 2015.

(e) Charges with respect to above borrowing has been created in favour of security trustee. No separate charge has been created for each of the borrowing.

(f) All charges are registered with ROC within statutory period by the Group.

(g) Funds raised on short-term basis have not been utilised for long-term purposes and spent for the purpose it were obtained.

### (b) Credit facilities

The Group has fund based and non-fund based revolving credit facilities amounting to ₹ 39,206 million (31 March 2021 : ₹ 39,830 million), towards operational requirements that can be used for the short-term loan, issuance of letters of credit and bank guarantees. The unutilised credit line out of these working capital facilities at the year end are given as below:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Fund based | 4,389.28 | 4,999.16 |
| Non-fund based | 17,215.00 | 14,178.87 |
| | **21,604.28** | **19,178.03** |

### (c) Reconciliation of movement in borrowings to cash flows from financing activities

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Opening balance** | | |
| Long-Term Borrowings | 1,597.21 | 456.05 |
| Short-Term Borrowings (excluding Cash Credit from banks) | 888.80 | 1,114.53 |
| Additions on account of acquisition through business combination | 21.84 | 1,965.51 |
| | **2,507.85** | **3,536.09** |
| **Cash flow movements** | | |
| Repayment of long-term borrowings | (141.09) | (866.24) |
| Proceeds from long-term borrowings | – | 33.47 |
| (Repayment)/Proceeds of short-term borrowings | (27.08) | (384.38) |
| Transferred to discontinued operation | (1,354.05) | – |
| | **(1,522.22)** | **(1,217.15)** |
| **Non-cash movements** | | |
| Foreign exchange translation | – | 25.04 |
| Other Adjustment | (118.13) | 142.03 |
| | **(118.13)** | **167.07** |
| **Closing Balance** | | |
| Long Term Borrowings | 65.91 | 1,597.21 |
| Short Term Borrowings (excluding Cash Credit from banks) | 801.59 | 888.80 |
| | **867.50** | **2,486.01** |

Refer note 4 for reconciliation of movement in lease liabilities to cash flows from financing activities.

## 20. Lease liabilities

### A Lease liabilities- non-current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| At amortised cost | 244.76 | 226.34 |
| | **244.76** | **226.34** |

### B Lease liabilities-current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| At amortised cost | 105.37 | 111.83 |
| | **105.37** | **111.83** |

## 21. Trade payables

### Accounting policy

These amounts represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 90 days of recognition other than usance letter of credit. Trade payables are presented as current financial liabilities.

The Group enters into arrangements for purchase under usance letter of credit issued by banks under non-fund based working capital limits of the Group. Considering these arrangements are majorly for raw materials with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as acceptances under trade payables.

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for the year ended 31 March 2022

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **At amortised cost** | | |
| Total outstanding dues of micro and small enterprises | | |
| Trade payables to related parties (Refer Note - 38) | - | 40.89 |
| Trade payables - Others | 588.24 | 217.24 |
| | **588.24** | **258.13** |
| Total outstanding dues of creditors other than micro and small enterprises | | |
| Acceptances - (Refer note below (a)) | 6,364.55 | 6,537.51 |
| Other than acceptances | | |
| Trade payables to related parties (Refer note - 38) | 171.47 | 252.88 |
| Trade payables - Others (Refer note below (b)) | 5,051.04 | 6,431.80 |
| | **11,587.06** | **13,222.19** |

Notes:-

(a) Acceptances represent amounts payable to banks on due date as per usance period of Letter of Credit (LCs) issued to raw material vendors under non-fund based working capital facility approved by Banks for the Group. The arrangements are interest-bearing. Non-fund limits are secured by first *pari passu* charge over the present and future current assets of the Group.

(b) Others include amount payable to vendors, employees liability and accrual of expenses that are expected to be settled in the Group's normal operating cycle or due to be settled within twelve months from the reporting date.

(c) For explanations on the Group's liquidity risk management processes Refer note 42 (C).

(d) Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31 March 2022 and year ended 31 March 2021 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| (i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act: | | |
| Principal | 586.43 | 252.25 |
| Interest | 1.81 | 2.99 |
| (ii) The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | 2.99 | 2.65 |
| (iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act. | - | - |
| (iv) The amount of interest accrued and remaining unpaid at the end of each accounting year | 1.81 | 2.99 |
| (v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006 | - | - |

### (e) Trade Payables ageing schedule

**As at 31 March 2022**

(₹ million)

| | Not due | Outstanding for following periods from due date of payment: Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| (i) MSME | 576.30 | 11.94 | - | - | - | 588.24 |
| (ii) Others | | | | | | |
| Acceptances | 6,364.55 | - | - | - | - | 6,364.55 |
| Other than acceptances | 1,826.66 | 405.40 | 16.73 | 0.94 | 12.26 | 2,261.99 |
| (iii) Disputed dues - Others | - | - | - | 0.28 | - | 0.28 |
| | **8,191.21** | **405.40** | **16.73** | **1.22** | **12.26** | **8,626.82** |
| (iv) Accrued expenses | | | | | | 2,960.24 |
| | | | | | | **11,587.06** |

**As at 31 March 2021**

(₹ million)

| | Not due | Outstanding for following periods from due date of payment: Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| (i) MSME | 194.02 | 64.11 | - | - | - | 258.13 |
| (ii) Others | | | | | | |
| Acceptances | 6,537.51 | - | - | - | - | 6,537.51 |
| Other than acceptances | 1,479.35 | 1,748.53 | 117.65 | 236.34 | 136.10 | 3,717.97 |
| (iii) Disputed dues - Others | - | - | - | 0.28 | - | 0.28 |
| | **8,016.86** | **1,748.53** | **117.65** | **236.62** | **136.10** | **10,255.76** |
| Accrued expenses | | | | | | 2,966.43 |
| | | | | | | **13,222.19** |

## 22. Other financial liabilities

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **At amortised cost** | | |
| Security deposit | 45.53 | 42.73 |
| Interest accrued but not due | 2.10 | 12.91 |
| Interest accrued and due | 0.81 | - |
| Creditors for capital expenditure | 476.22 | 273.78 |
| Unclaimed dividend (Refer below note (b)) | 2.87 | 0.87 |
| Other (Refer below note (c)) | 20.15 | - |
| **At FVTPL** | | |
| Derivative liability (Refer below note (a)) | 138.42 | 976.64 |
| | **686.10** | **1,306.93** |

Notes :-

### (a) Derivative liability

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Embedded derivatives | - | 320.09 |
| Commodity contracts | 138.42 | 656.55 |
| | **138.42** | **976.64** |

(b) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

## 23. Other liabilities

### A. Other liabilities- non-current

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Deferred government grant (Refer below note (a)) | 160.07 | 258.31 |
| Deferred liability | 46.98 | 82.65 |
| | **207.05** | **340.96** |

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

### B. Other liabilities - current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Advance from customers | | |
| Advance received for sale of PPE | | |
| Others | 416.12 | 405.13 |
| Contract Liability (Refer below note (b)) | 1,435.57 | 1,805.39 |
| Refund liability (Refer below note (c)) | 629.38 | 487.49 |
| Deferred liability | 23.49 | 27.55 |
| **Other statutory dues** | | |
| Employee Recoveries and Employer Contributions | 20.02 | 16.96 |
| Taxes Payable (Other than Income tax) | 707.01 | 535.40 |
| | **3,231.59** | **3,277.92** |

Notes:-

(a) Under Ind AS government grants are recorded as deferred liabilities to the extent of unfulfilled export obligations. This amount has been recognised against deferred government grant and accrued to P&L subsequently on fulfilment of export obligation. The Group expects to meet its export obligation during the next 3-5 years.

**Reconciliation of deferred government grant:**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| At the beginning of the year | 258.31 | 99.55 |
| Additions on account of acquisition through business combination | - | 250.55 |
| Grants received during the year | 57.07 | 102.95 |
| Grants recognised for the year | (20.72) | (194.74) |
| Transferred to discontinued operation | (134.59) | - |
| **At the end of the year** | **160.07** | **258.31** |

**(b) Reconciliation of contract liabilities:**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| At the beginning of year | 1,805.39 | 1,407.77 |
| Contract liability recognised during the year | 816.45 | 1,360.12 |
| Revenue recognised from amount included in contract liabilities at the beginning of the year | (1,186.27) | (962.50) |
| **At the end of the year** | **1,435.57** | **1,805.39** |

**(c) Reconciliation of refund liability:**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| At the beginning of the year | 487.49 | 360.25 |
| Arising during the year | 663.87 | 479.53 |
| Utilised during the year | (521.98) | (352.29) |
| **At the end of the year** | **629.38** | **487.49** |

## 24. Provisions

### Accounting policy:

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit & Loss. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision is recognised for expected warranty claims and after sales services when the product is sold or service provided to the customer, based on past experience of the level of repairs and returns. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually. It is expected that significant portion of these costs will be incurred in the next financial year and all will have been incurred within warranty period after the reporting date. Assumptions used to calculate the provisions for warranties were based on current sales levels and current information available about returns during the warranty period for all products sold.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

### A. Provisions - non-current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Provision for employee benefits (Refer note 31) | | |
| Gratuity | 141.09 | 168.33 |
| Compensated absences | 123.18 | 83.11 |
| | **264.27** | **251.44** |

### B. Provisions - current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Provision for employee benefits (Refer note 31) | | |
| Gratuity | 118.55 | 102.22 |
| Compensated absences | 26.61 | 25.80 |
| Others | | |
| Provision for warranty (Refer note below) | 108.64 | 107.23 |
| | **253.80** | **235.25** |

**Reconciliation of warranty provision:**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| At the beginning of the year | 107.23 | 97.72 |
| Arising during the year | 78.23 | 70.39 |
| Utilised during the year | (76.82) | (60.88) |
| At the end of the year | **108.64** | **107.23** |

## 25. Revenue from operations

### Accounting Policy

IND AS 115 was made effective from 1 April 2018 and establishes a five-step model to account for revenue arising from contracts with customers. The new revenue standard replaced IND AS 18 & IND AS 11 and interpretations on revenue recognition related to sale of goods and services. The Group has applied the modified retrospective approach and accordingly has included the impact of Ind AS 115.

**(i) Measurement of revenue**

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, incentive schemes, if any, as per contracts with customers. Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring good or service to a customer. Taxes collected from customers on behalf of Government are not treated as Revenue.

**(ii) Sale of goods**

Revenue from contracts with customers involving sale of these products is recognised at a point in time when control of the product has been transferred at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, and there are no unfulfilled obligation that could affect the customer's acceptance of the products and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. At contract inception, the Group assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue from contracts with customers is recognised when control of goods or services are transferred to customers and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. The point of time of transfer of control to customers depends on the terms of the trade - CIF, CFR or DDP, ex-works, etc.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

**(iii) Revenue from construction contracts**

Performance obligation in case of revenue from long – term contracts is satisfied over the period of time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation. However, the same may not be possible if it lacks reliable information that would be required to apply an appropriate method of measuring progress. In some circumstances, if the Group is not able to reasonably measure the outcome of a performance obligation, but expects to recover the costs incurred in satisfying the performance obligation, the Group shall recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due.

Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. The timing of the transfer of Control varies depending on individual terms of the sales agreements.

The total costs of contracts are estimated based on technical and other estimates. Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Statement of Profit & Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract.

In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities".

**(iv) Variable consideration**

It includes volume discounts, price concessions, liquidity damages, incentives, etc. the Group estimates the variable consideration with respect to above based on an analysis of accumulated historical experience. The Group adjust estimate of revenue at the earlier of when the most likely amount of consideration the Group expect to receive changes or when the consideration becomes fixed.

**(v) Schemes**

The Group operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as credit notes, tours, kind etc. Revenue from contract with customer is presented deducting cost of all these schemes.

**(vi) Significant financing components**

In respect of advances from its customers, using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle. Retention money receivable from project customers does not contain any significant financing element, these are retained for satisfactory performance of contract.

**(vii) Warranty**

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty as per note 22. In certain contracts, the Group provides warranty for an extended period of time and includes rectification of defects that existed at the time of sale and are normally bundled together with the main contract. Such bundled contracts include two performance obligations because the promises to transfer the goods and services and the provision of service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a liability. Revenue is recognised over the period in which the service-type warranty is provided on a basis appropriate to the nature of the contract and services to be rendered.

**(viii) Right to return**

When a contract provides a customer with a right to return the goods within a specified period, the Group estimates the expected returns using a probability-weighted average amount approach similar to the expected value method under Ind AS 115.

At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return. Consequently, the Group recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

For goods expected to be returned, the Group presented a refund liability and an asset for the right to recover products from a customer separately in the balance sheet.

**(ix) Onerous contracts:**

A provision for onerous contract is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on assets associated.

**Revenue from operations**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Revenue from contracts with customers** | | |
| **Revenue on sale of products** | | |
| Finished goods | 1,09,365.45 | 75,738.68 |
| Traded goods | 8,793.38 | 8,129.29 |
| **Revenue from construction contracts** | 1,888.49 | 1,890.26 |
| | **1,20,047.32** | **85,758.23** |
| **Other operating revenue** | | |
| Job work income | 8.81 | 8.88 |
| Scrap sales | 1,763.91 | 1,570.38 |
| **Total revenue from contracts with customers** | **1,21,820.04** | **87,337.49** |
| Export incentives | 24.13 | 70.16 |
| Government grant | 193.44 | 514.69 |
| **Total revenue from operations** | **1,22,037.61** | **87,922.34** |

Notes:

**(x) Export incentives**

Export incentives under various schemes notified by the Government have been recognised on the basis of applicable regulations, and when reasonable assurance to receive such revenue is established. Export incentives income is recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

**(xi) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it's recognition as income in the Statement of Profit & Loss is linked to fulfilment of associated export obligations.

The Group has chosen to present export incentive and grants received as other operating revenue in the Statement of Profit & Loss.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

**(a) Disaggregated revenue information**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Type of Goods or Services** | | |
| Wires & Cables | 1,06,301.61 | 74,570.32 |
| Fast Moving Electrical Goods (FMEG) | 12,501.64 | 10,334.66 |
| Revenue from construction contracts | 1,888.49 | 1,890.26 |
| Others | 1,128.30 | 542.25 |
| **Total revenue from contracts with customers** | **1,21,820.04** | **87,337.49** |
| **Location of customer** | | |
| India | 1,12,590.78 | 79,904.89 |
| Outside India | 9,229.26 | 7,432.60 |
| **Total revenue from contracts with customers** | **1,21,820.04** | **87,337.49** |
| **Timing of revenue recognition** | | |
| Goods transferred at a point in time | 1,19,887.54 | 86,017.88 |
| Goods and Services transferred over a period of time | 1,932.50 | 1,319.61 |
| **Total revenue from contracts with customers** | **1,21,820.04** | **87,337.49** |
| **Revenue from B2B and B2C Vertical** | | |
| Business to Customer | 46,241.07 | 34,425.63 |
| Business to Business | 74,625.78 | 49,446.51 |
| Others (i) | 953.18 | 3,465.35 |
| **Total revenue from contracts with customers** | **1,21,820.04** | **87,337.49** |

Notes: (i) Others includes discounts, scrap sales, raw material sales and job work income.

**(b) Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Total revenue from contracts with customers | 1,21,820.04 | 87,337.49 |
| Export incentives | 24.13 | 70.16 |
| Government grant | 193.44 | 514.69 |
| Other income excluding finance income | 402.31 | 668.68 |
| **Total income as per segment (Refer note 39)** | **1,22,439.92** | **88,591.02** |

Notes:

(i) Export incentive includes merchandise export from India scheme (MEIS) incentives, The Remission of Duties and Taxes on Export Products Scheme (RoDTEP) and duty drawback incentives.

(ii) Government grant includes advance licence benefits and deferred income released to the statement of profit and loss on fulfilment of export obligation under the export promotion capital goods (EPCG) scheme.

**(c) Reconciliation between revenue with customers and contracted price as per Ind AS 115:**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Revenue as per contracted price** | 1,24,464.59 | 89,681.24 |
| Less : Adjustments | | |
| Price adjustments such as Discounts, Rebates and Sales Promotion Schemes | (1,213.72) | (836.23) |
| Contract liabilities (excess billing over revenue recognised as per applicable Ind-AS) | (1,435.57) | (1,611.67) |
| Provisions for expected sales return | (141.90) | (86.38) |
| Other adjustments | 39.73 | 37.69 |
| Add : Adjustments | | |
| Contract assets (Unbilled Revenue - EPC) | 106.91 | 152.84 |
| **Revenue from contract with customers** | **1,21,820.04** | **87,337.49** |

**(d) Disclosure in terms of Ind AS 115 on the accounting of construction contract is as under:**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Contract revenue recognised for the period (Net of tax) | 1,888.49 | 1,890.26 |
| Contract that are in progress as on reporting date | | |
| (i) Contract costs incurred and recognised profits (less recognised losses) | 1,888.49 | 1,890.26 |
| (ii) Amount of retentions* | 796.10 | 1,265.08 |
| (iii) Contract balances recognised and included in financial statement as: | | |
| Contract asset | 95.09 | 141.02 |
| Contract liabilities | 1,435.57 | 1,805.39 |

*Retentions are specific to projects and are generally receivable within 6 months from completion of project.

(e) Trade receivables are usually non-interest bearing and are generally on credit terms up to 90 days except EPC business. Provision for expected credit losses on trade receivables recognised/(derecognises) during the year of ₹ (150.04) million (31 March 2021: ₹ (50.32) million). The Group has channel finance arrangement for providing credit to its dealers. Evaluation is made as per the terms of the contract i.e. if the Group does not retain any risk and rewards or control over the financial assets, then the entity derecognises such assets upon transfer of financial assets under such arrangement with the banks.

(f) No single customer contributed 10% or more to the Group's revenue for the year ended 31 March 2022 and 31 March 2021.

(g) Contract assets are initially recognised for revenue earned from installation services as receipt of consideration is conditional on successful completion of installation. Upon completion of installation and acceptance/certifications by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The decrease in contract assets as on 31 March 2022 is on account of acceptance/Certification of installation services for which work were done by the Group us in earlier period. During the year ₹ Nil (31 March 2021: ₹ Nil) was recognised as provision for expected credit losses on contract assets.

(h) Contract liabilities include advances received towards EPC projects as well as transaction price allocated to unexpired service contracts. The outstanding balances of these accounts increased in 2021-22 due to the continuous increase in the Group's customer base and contracts where billing is in excess of revenue.

(i) Set out below is the amount of revenue recognised from:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Amounts included in contract liabilities at the beginning of the year | 1,186.27 | 962.50 |
| Performance obligations satisfied in previous years | 399.02 | 1,443.74 |

(j) Right of refund assets and refund liabilities as at year end:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Refund assets | 287.24 | 222.21 |
| Refund liabilities | 629.38 | 487.49 |

## 26. Other income

### Accounting policy:

Other income is comprised primarily of interest income, dividend income, gain on investments and exchange gain on forward contracts and on translation of other assets and liabilities.

Interest income on financial asset measured either at amortised cost or FVTPL is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

**Foreign currency**

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in Indian rupee (INR), which is the Parent Company's functional and presentation currency.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

The Group's Financial Statements are presented in Indian rupee (₹) which is also the Group's functional currency. Foreign currency transaction are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

**Measurement of foreign currency item at the balance sheet date:**

(i) Foreign currency monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing on the reporting date.

(ii) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(iii) **Exchange differences:** Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the Statement of Profit & Loss.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **(a) Interest income on financial assets** | | |
| Carried at amortised cost | | |
| Bank deposits | 174.80 | 109.28 |
| Others (i) | 80.90 | 218.44 |
| Carried at FVTPL | | |
| Others | 13.60 | 29.39 |
| **(b) Income from Investments designated at FVTPL** | | |
| Gain on liquid/overnight mutual funds | 224.10 | 158.57 |
| Fair valuation on gain on overnight mutual funds | 3.52 | 8.47 |
| **(c) Fair value gain/loss on financial instruments** | | |
| Derivatives at FVTPL (refer note (ii) below) | - | 24.63 |
| **(d) Other non-operating income** | | |
| Exchange differences (net) | 316.92 | 568.43 |
| Gain on sale of property, plant and equipment | - | 1.13 |
| Gain on termination of Lease | 5.79 | 0.92 |
| Sundry balances written back | 15.47 | 36.59 |
| Miscellaneous income | 64.13 | 36.98 |
| | **899.23** | **1,192.83** |

(i) Includes interest on Income Tax refund of ₹ 13.90 million (31 March 2021: ₹ 163.89 million) (refer note 12).

(ii) Gain on fair valuation of financial instruments at fair value through profit or loss relates to foreign exchange fluctuation on forward contracts that are designated as at fair value through profit and loss account and on embedded derivatives, which have been separated. No ineffectiveness has been recognised on foreign exchange and interest rate hedges.

## 27. Cost of materials consumed

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Inventories at the beginning of the year | 8,389.44 | 7,154.08 |
| Add: On account of acquisition through business combination | 0.21 | - |
| Add: Purchases | 89,482.92 | 58,354.85 |
| | **97,872.57** | **65,508.93** |
| Less: Inventories at the end of the year | 5,830.04 | 8,389.44 |
| Less: Transferred to discontinued operation | - | 90.56 |
| | **92,042.53** | **57,028.93** |

Notes:

**Details of material consumed**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Copper | 54,068.88 | 34,728.61 |
| Aluminium | 16,358.62 | 8,612.66 |
| Steel | 2,731.56 | 2,000.11 |
| PVC Compound/ HDPE/ LDPE/ XLPE/ Resin | 11,768.86 | 7,546.37 |
| Packing Materials | 1,262.89 | 1,484.35 |
| Others * | 5,851.72 | 2,656.83 |
| | **92,042.53** | **57,028.93** |

*Others includes Raw material for consumer products

## 28. Purchases of stock-in-trade

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Electrical wiring accessories | 300.55 | 281.41 |
| Electrical appliances | 4,711.46 | 3,414.64 |
| Others | 1,415.01 | 2,685.60 |
| | **6,427.02** | **6,381.65** |

## 29. Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Inventory at the beginning of the year** | | |
| Finished goods | 8,053.45 | 8,037.86 |
| Stock-in-trade | 1,178.71 | 1,294.83 |
| Scrap materials | 237.49 | 136.66 |
| Work-in-progress | 1,417.27 | 2,086.44 |
| | **10,886.92** | **11,555.79** |
| **Inventory at the end of the year** | | |
| Finished goods | 11,182.82 | 8,053.45 |
| Stock-in-trade | 1,893.49 | 1,178.71 |
| Scrap materials | 524.88 | 237.49 |
| Work-in-progress | 2,208.54 | 1,417.27 |
| | **15,809.73** | **10,886.92** |
| Add: On account of acquisition through business combination | 4.14 | 15.40 |
| Less: Transferred to discontinued operation | 8.84 | 6.56 |
| **Changes in inventories** | **(4,927.51)** | **677.71** |

## 30. Project bought outs and sub-contracting cost

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Project bought outs | 779.34 | 692.69 |
| Subcontracting Expenses for EPC | 335.38 | 390.44 |
| | **1,114.72** | **1,083.13** |

## 31. Employee benefits expense

### Accounting policy

**(i) Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, incentives, special awards, medical benefits etc. and the expected cost of ex-gratia are charged to the Statement of Profit & Loss account in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

**(ii) Compensated absences**

The Group estimates and provides the liability for such short-term and long-term benefits based on the terms of the policy. the Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains/ losses on defined benefit plans are immediately taken to the Statement of Profit & Loss and are not deferred.

**(iii) Defined contribution plans**

Retirement benefit in the form of provident fund and 'Employer-Employee Scheme' are defined contribution schemes. The Group recognises contribution payable to the provident fund and 'Employer Employee' scheme as an expenditure, when an employee renders the related service. the Group has no obligation, other than the contribution payable to the funds. the Group's contributions to defined contribution plans are charged to the Statement of Profit & Loss as incurred.

**(iv) Defined benefit plan**

The Group operates a defined benefit gratuity plan for its employees. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. The obligation is measured at the present value of estimated future cash flows. The discount rate used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit & Loss in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment,

and

- The date that the Group recognises related

restructuring costs

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**(v) Share based payment**

Equity settled share based payments to employees and other providing similar services are measured at fair value of the equity instruments at grant date.

The fair value determined at the grant date of the equity-settled share based payment is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any is, recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the shared option outstanding account (Refer note 16(f)).

No expense is recognised for options that do not ultimately vest because non-market performance and/ or service conditions have not been met.

The dilutive effect, if any of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (Refer note 35).

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Salaries, wages and bonus | 3,579.59 | 3,124.18 |
| Employees share based payment expenses | 161.16 | 110.19 |
| Contribution to provident and other funds | 206.19 | 207.66 |
| Staff welfare expense | 119.34 | 95.26 |
| | **4,066.28** | **3,537.29** |

## Gratuity and other post-employment benefit plans

**(A) Defined benefit plan**

### Gratuity valuation - As per actuary

In respect of Gratuity, the Group makes annual contribution to the employee group gratuity scheme of the Life Insurance Corporation of India, funded defined benefits plan for qualified employees. The scheme provided for lump sum payments to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Group has provided for gratuity based on the actuarial valuation done as per Project Unit Credit Method.

Defined benefit plans expose the Group to actuarial risks such as

*(i) Interest rate risk*

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

*(ii) Salary risk*

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

*(iii) Investment risk*

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

*(iv) Asset liability matching risk*

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

*(v) Mortality risk*

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

*(vi) Concentration risk*

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow regulatory guidelines which mitigate risk.

*(vii) Variability in withdrawal rates*

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

*(viii) Regulatory risk*

Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

The Group operates a defined benefit plan, viz., gratuity for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The most recent actuarial valuation of the plan assets and the present value of defined obligation were carried out as at 31 March 2022 an external independent fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

### Statement of profit and loss

#### Net employee benefits expense recognised in profit or loss:

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Current service cost | 69.81 | 64.08 |
| Net interest cost | 17.83 | 18.16 |
| Past service cost | 1.00 | 26.14 |
| **Net benefits expense** | **88.64** | **108.38** |

#### Net remeasurement (gain)/loss on defined benefit plans recognised in Other comprehensive income for the year:

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Actuarial (gain)/loss on obligations | (2.98) | (53.46) |
| Return on plan assets, excluding interest income | (13.50) | 5.66 |
| **Net (Income)/Expense for the year recognised in OCI** | **(16.48)** | **(47.80)** |

### Balance sheet

#### Benefits liability

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Present value of defined benefit obligation | (639.61) | (579.99) |
| Fair value of plan assets | 379.97 | 309.44 |
| **Plan liability** | **(259.64)** | **(270.55)** |

#### Changes in the present value of the defined benefit obligation are as follows:

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Opening defined benefit obligation | 579.99 | 528.51 |
| Interest cost | 37.93 | 34.76 |
| Current service cost | 69.80 | 64.08 |
| Past service cost | – | 26.14 |
| Liability transferred in/acquisition | 5.37 | 1.37 |
| Benefits paid | (50.31) | (21.41) |
| Actuarial (gains)/losses on obligations | | |
| Due to change in demographics assumptions | 0.40 | – |
| Due to change in financial assumptions | (16.84) | 3.05 |
| Due to experience | 13.27 | (56.51) |
| **Closing defined benefit obligation** | **639.61** | **579.99** |

#### Changes in the fair value of plan assets are as follows:

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Opening fair value of plan assets | 309.54 | 253.16 |
| Interest Income | 20.09 | 16.61 |
| Contribution by employer | 87.15 | 66.74 |
| Benefits paid | (50.31) | (21.41) |
| Actuarial gains | 13.50 | (5.66) |
| **Closing fair value of plan assets** | **379.97** | **309.44** |

The Group expects to contribute ₹ 118.55 million towards gratuity in the next year (31 March 2021: ₹ 102.22 Million).

#### Current & non-current bifurcation of provision for gratuity as per actuarial valuation is as follows:

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Non-current | 141.09 | 168.33 |
| Current | 118.55 | 102.22 |

#### The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Investment with insurer | 100% | 100% |

The principal assumptions used in determining gratuity for the Group's plans are shown below:

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Discount rate | 6.85% | 6.49% |
| Expected rate of return on plan assets | 6.85% | 6.49% |
| Employee turnover | 10.00% | 10.00% |
| Salary escalation | 11.00% | 11.00% |
| Weighted average duration | 9 | 9 |
| Mortality rate during employment | Indian Assured Lives Mortality 2012-14 (Urban) | Indian assured lives mortality (2006-08) Ult |
| Mortality rate after employment | N.A. | N.A. |

The average expected future service as at 31 March 2022 is 7 years (31 March 2021 – 7 years).

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

**A quantitative sensitivity analysis for significant assumption as at 31 March 2022 is as shown below:**

Sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

#### Sensitivity analysis

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Projected benefit obligation on current assumptions | 639.61 | 579.99 |
| Delta effect of +1% change in rate of discounting | (42.36) | (41.31) |
| Delta effect of -1% change in rate of discounting | 48.50 | 47.48 |
| Delta effect of +1% change in rate of salary increase | 46.94 | 44.99 |
| Delta effect of -1% change in rate of salary increase | (42.13) | (40.09) |
| Delta effect of +1% change in rate of employee turnover | (12.33) | (12.92) |
| Delta effect of -1% change in rate of employee turnover | 13.77 | 14.51 |

# Notes to Consolidated Financial Statements
for the year ended 31 March 2022

### Methodology for defined benefit obligation:

The Projected Unit Credit (PUC) actuarial method has been used to assess the plan's liabilities, including those related to death-in-service and incapacity benefits.

Under PUC method a projected accrued benefit is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits for active members.

Projected benefits payable in future years from the date of reporting.

### Maturity analysis of projected benefit obligation from the fund:

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| 1st following year | 53.68 | 52.98 |
| 2nd following year | 53.18 | 44.64 |
| 3rd following year | 56.75 | 48.76 |
| 4th following year | 63.13 | 49.62 |
| 5th following year | 65.82 | 53.12 |
| Sum of years 6 to 10 | 268.72 | 241.58 |
| Sum of years 11 years and above | 611.80 | 580.95 |

### (B) Other defined benefit and contribution plans

#### Provident Fund

The Group contribute towards Provident Fund to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The group contributes towards Provident Fund managed by Central Government and has recognised ₹ 66.57 million (31 March 2021 - ₹ 80.39 million) for provident fund contributions in the Statement of Profit and Loss.

#### Pension Fund

Contribution to National Pension Scheme, a defined contribution scheme, is made at predetermined rates to the asset management companies under National Pension Scheme and is charged to the statement of profit and loss. The Group contribution has recognised ₹ 12.27 million (31 March 2021 ₹ 9.25 million) for contribution to National Pension Scheme in the Statement of Profit and Loss.

#### Compensated absences (unfunded)

In respect of Compensated absences, accrual is made on the basis of a year-end actuarial valuation except for Halol worker in pursuance of the Group's leave rules. the Group has provided for compensated absences based on the actuarial valuation done as per Project Unit Credit Method except for Halol worker. The Group had provided for compensated absences for Halol worker based on the Group's leaves rules.

The leave obligation cover the Group's liability for earned leave. The amount of the provision of ₹ 123.18 million (year ended 31 March 2021 ₹ 83.11 million) is presented as non-current and ₹ 26.61 million (year ended 31 March 2021 ₹ 25.88 million) is presented as current. the Group contribution has recognised ₹ 52.41 million (31 March 2021 ₹ 0.07 million) for Compensated absences in the Statement of Profit and Loss.

## 32. Finance cost

### Accounting policy

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalised as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing cost includes interest expense on financial liabilities, interest on tax matters, exchange differences arising from the foreign currency borrowings, gain/loss on fair value of forward cover and it's premium and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Interest expense on financial liabilities at amortised cost # | 128.70 | 227.16 |
| Interest expense on financial liabilities at FVTPL | 33.02 | 29.20 |
| Exchange differences regarded as an adjustment to borrowing costs | - | 18.06 |
| Other borrowing costs * | 190.18 | 152.45 |
| | **351.90** | **426.87** |

# Interest expense includes ₹ 16.03 million (31 March 2021 ₹ 47.44 million) paid/payable to Income Tax Department

* Other borrowing costs would include bank commission charges, bank guarantee charges, letter of credit charges, premium on forward contract, fair value loss/(gain) on forward contracts, other ancillary costs incurred in connection with borrowings

## 33. Depreciation and amortisation expenses

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Depreciation of Property, Plant and Equipment (Refer note 3) | 1,826.89 | 1,617.33 |
| Depreciation of right-of-use assets (Refer note 4) | 147.53 | 129.03 |
| Amortisation of other intangible assets (Refer note 5) | 40.77 | 15.30 |
| | **2,015.19** | **1,761.66** |

## 34. Other expenses

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Consumption of stores and spares | 725.80 | 579.69 |
| Sub-contracting expenses | 2,175.97 | 1,724.73 |
| Power and fuel | 1,439.82 | 1,160.34 |
| Rent | 66.66 | 70.65 |
| Rates and taxes | 87.12 | 83.68 |
| Insurance | 89.26 | 118.72 |
| Repairs and maintenance | | |
| Plant and machinery | 39.54 | 37.84 |
| Buildings | 113.74 | 61.17 |
| Others | 99.00 | 88.59 |
| Advertising and sales promotion | 822.69 | 682.51 |
| Brokerage and commission | 406.32 | 387.42 |
| Travelling and conveyance | 374.92 | 154.55 |
| Communication Cost | 31.77 | 35.03 |
| Legal and professional fees | 717.72 | 329.40 |
| Director Sitting Fees | 5.36 | 4.64 |
| Freight & forwarding expenses | 2,739.87 | 1,956.87 |
| Payments to auditor (Refer note (a) below) | 12.77 | 11.35 |
| Sundry advances written off | 44.59 | 15.13 |
| Loss on sale of property, plant and equipment and non-current assets held for sale | 11.83 | - |
| Derivatives at FVTPL (Refer below note (b)) | 85.72 | - |
| Impairment allowance for trade receivable considered doubtful (Refer note 7) | (150.04) | (50.32) |
| CSR expenditure (Refer note (c) below) | 194.00 | 160.64 |
| Miscellaneous expenses | 528.15 | 489.53 |
| | **10,662.58** | **8,102.16** |

Notes:

**(a) Payments to auditor:**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| As auditor | | |
| (i) Audit fee | 11.61 | 10.43 |
| (ii) Tax audit fees for Group subsidiaries | 0.26 | - |
| (ii) Certification fees | 0.35 | 0.15 |
| (iii) Out of pocket expenses | 0.55 | 0.31 |
| | **12.77** | **10.89** |
| (v) Other services | - | 0.46 |
| | **12.77** | **11.35** |

# Notes to Consolidated Financial Statements

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(b) Loss on fair valuation of financial instruments at fair value through profit or loss relates to foreign exchange fluctuation on forward contracts that are designated as at fair value through profit and loss account and on embedded derivatives, which have been separated. No ineffectiveness has been recognised on foreign exchange and interest rate hedges.

(c) Details of Corporate Social Responsibility expenses incurred by Parent Company:

(₹ million)

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| **Gross amount required to be spent by the Parent Company during the year as per provisions of Section 135 of the Companies Act, 2013 i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.** | (A) | 185.48 | 159.57 |
| **Gross amount spent by the Company during the year** | | | |
| (i) Construction/acquision of any asset | | – | – |
| (ii) On purposes other than (i) above: | | | |
| Rural and Community Development | | 9.38 | 3.17 |
| Education | | 73.43 | 109.99 |
| Health Care | | 89.09 | 16.62 |
| Environment | | 17.51 | 26.67 |
| Administration cost | | 2.48 | 3.33 |
| **Total CSR spent in actual** | (B) | **191.89** | **159.79** |
| **Shortfall/(Excess)** | (A–B) | **(6.41)** | **(0.22)** |
| Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures (contributed to Polycab Social Welfare Foundation where KMP's are interested) | | 191.89 | 159.61 |
| Where a provision is made in accordance with paragraph above the same should be presented as per the requirements of Schedule III to the Act. Further, movements in the provision during the year should be shown separately | | – | – |
| The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year | | – | – |
| The total of previous years' shortfall amounts | | – | – |
| The reason for above shortfalls by way of a note | | NA | NA |

(d) The unspent amount on ongoing projects as at 31 March 2021 aggregating to ₹ 90.27 million was deposited within 30 days from 31 March 2021 in separate CSR unspent accounts by PSWF. Out of the above, an amount of ₹ 54.06 million has been spent during the current year and the amount in separate unspent accounts as at 31 March 2022 is ₹ 36.21 million.

## 35. Earnings Per Share

### Accounting policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as fresh issue, bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### Employee Stock Option Plan 2018

Pursuant to the resolutions passed by the Group's Board on 30 August 2018 and our Shareholders on 30 August 2018, the Company approved the Employee Stock Option Plan 2018 for issue of options to eligible employees which may result in issue of Equity Shares of not more than 35,30,000 Equity Shares. The Group reserves the right to increase, subject to the approval of the shareholders, or reduce such numbers of shares as it deems fit.

The exercise of the vested option shall be determined in accordance with the notified scheme under the plan.

Employee Stock Option Performance Scheme 2018 and Employee Stock Option Privilege Scheme 2018

The Group also approved Employee Stock Option Performance Scheme 2018 and Employee Stock Option Privilege Scheme 2018 under which the maximum number of options granted to any grantee under ""Performance Scheme"" together with options granted in any other scheme shall not exceed 1 percent of the total share capital at the time of grant.

### (a) Basic Earnings Per Share

| | | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|---|
| **Continuing operations** | | | | |
| Profit for the year | ₹ in million | A | 8,365.24 | 8,379.92 |
| Weighted average number of equity shares for basic earning per share* | Number | B | 14,92,68,712 | 14,90,08,751 |
| **Earnings per shares – Basic (one equity share of ₹ 10 each)** | ₹ per share | (A/B) | **56.04** | **56.24** |
| **Discontinuing operations** | | | | |
| Profit for the year | ₹ in million | A | 720.53 | 441.02 |
| Weighted average number of equity shares for basic earning per share* | Number | B | 14,92,68,712 | 14,90,08,751 |
| **Earnings per shares – Basic (one equity share of ₹ 10 each)** | ₹ per share | (A/B) | **4.83** | **2.96** |
| **Continuing operations and discontinuing operations** | | | | |
| Profit for the year | ₹ in million | A | 9,085.77 | 8,820.94 |
| Weighted average number of equity shares for basic earning per share* | Number | B | 14,92,68,712 | 14,90,08,751 |
| **Earnings per shares – Basic (one equity share of ₹ 10 each)** | ₹ per share | (A/B) | **60.87** | **59.20** |

### (b) Diluted earnings per share

| | | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|---|
| Weighted average number of equity shares for basic earning per share* | Number | A | 14,92,68,712 | 14,90,08,751 |
| **Effect of dilution** | | | | |
| Share options | Number | B | 6,54,432 | 6,05,161 |
| **Weighted average number of equity shares adjusted for effect of dilution** | Number | C=(A+B) | **14,99,23,144** | **14,96,13,912** |
| **Continuing operations** | | | | |
| Profit for the year | ₹ in million | A | 8,365.24 | 8,379.92 |
| Weighted average number of equity shares for basic earning per share* | Number | B | 14,99,23,144 | 14,96,13,912 |
| **Earnings per shares – Basic (one equity share of ₹ 10 each)** | ₹ per share | (A/B) | **55.80** | **56.01** |
| **Discontinuing Operations** | | | | |
| Profit for the year | ₹ in million | A | 720.53 | 441.02 |
| Weighted average number of equity shares for basic earning per share* | Number | B | 14,99,23,144 | 14,96,13,912 |
| **Earnings per shares – Basic (one equity share of ₹ 10 each)** | ₹ per share | (A/B) | **4.81** | **2.95** |
| **Continuing operations and discontinuing operations** | | | | |
| Profit for the year | ₹ in million | A | 9,085.77 | 8,820.94 |
| Weighted average number of equity shares for basic earning per share* | Number | B | 14,99,23,144 | 14,96,13,912 |
| **Earnings Per Shares – Basic (one equity share of ₹ 10 each)** | ₹ per share | (A/B) | **60.60** | **58.96** |

* Refer note 16(a) for movement of shares.

# Notes to Consolidated Financial Statements

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## 36. Discontinued operations

On 17 November 2021, the Group had entered into agreement with Renuka Investments and Finance Limited (a wholly-owned subsidiary of Hindalco Industries Limited) for divesting 100% stake of Ryker Base Private Limited at a consideration of ₹ 1,778.92 million (including advance tax of ₹1.78 million).

In accordance with Ind AS 105, "Non-current Assets Held for Sale and Discontinued Operations", the businesses forming part of the Ryker disposal have been classified as discontinued operations. The pre-tax gain on disposal amounting ₹ 817.22 million is included as exceptional gain within profit/(loss) from discontinued operations. Statement of profit/(loss) are prepared after elimination of intercompany transactions. Being a discontinued operation, that segment is no longer presented in the segment note.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss as a separate disclosure.

All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

(₹ million)

| | 01 April 2021 to 17 November 2021 | Year ended 31 March 2021 |
|---|---|---|
| **INCOME** | | |
| Revenue from operations | 3,452.76 | 2,340.43 |
| Other income | 28.81 | 123.98 |
| **Total income** | **3,481.57** | **2,464.41** |
| **EXPENSES** | | |
| Cost of materials consumed | 2,813.11 | 1,427.28 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 2.92 | 6.56 |
| Employee benefits expense | 52.14 | 66.24 |
| Finance cost | 119.82 | 139.44 |
| Depreciation and amortisation expense | 72.87 | 104.05 |
| Other expenses | 284.68 | 281.83 |
| **Total expenses** | **3,345.54** | **2,025.40** |
| **Profit before share of profit/(loss) of joint ventures and exceptional items** | **136.03** | **439.01** |
| Share of profit/(loss) of joint ventures (net of tax) | – | (8.08) |
| **Profit before tax and exceptional items** | **136.03** | **430.93** |
| Gain on disposal of discontinued operations | 817.22 | 97.18 |
| **Profit before tax** | **953.25** | **528.11** |
| **Income tax expenses** | | |
| Current tax | 197.60 | – |
| Deferred tax (credit)/charge | 35.12 | 87.09 |
| **Total tax expense** | **232.72** | **87.09** |
| **Profit for the period/year from discontinuing operations** | **720.53** | **441.02** |
| **Other comprehensive income** | | |
| **Items that will not be reclassified to profit or loss** | | |
| Re-measurement gains/(losses) on defined benefit plans | (0.18) | 0.19 |
| Income tax relating to items that will not be reclassified to Profit or Loss | 0.04 | (0.06) |
| **Other comprehensive income of discontinuing operations for the period/year, net of tax** | **(0.14)** | **0.13** |
| **Total comprehensive income of discontinuing operations for the period/year, net of tax** | **720.39** | **441.15** |

**The net cash flows generated from the sale of Ryker Base Private Limited are, as follows:**

(₹ million)

| | Year ended 31 March 2022 |
|---|---|
| Cash received from sale of the discontinued operations (net of tds) | 1,777.14 |
| Cash sold as a part of discontinued operations | (312.29) |
| | **1,464.85** |

**The net cash flows generated/(incurred) by Ryker Base Private Limited are as follows:**

(₹ million)

| | 17 November 2021 | 31 March 2021 |
|---|---|---|
| Operating | 456.49 | 364.19 |
| Investing | (99.69) | (150.89) |
| Financing | (432.48) | (544.20) |
| | **(75.68)** | **(330.90)** |

**Earnings Per Share**

(₹ million)

| | 01 April 2021 to 17 November 2021 | Year ended 31 March 2021 |
|---|---|---|
| Discontinuing Operations | | |
| Basic (₹) | 4.83 | 2.96 |
| Diluted (₹) | 4.81 | 2.95 |

**Notes:**

(i) During the FY21, the Group had acquired the balance 50% equity shares in Ryker Base Private Limited for a consideration of ₹ 303.80 million making it a wholly-owned subsidiary. As per Ind AS 103 - Business Combinations, the Group had allocated purchase price on net assets acquired and ₹ 97.18 million was recognised as gain on derecognition of previously held equity interest and disclosed as an exceptional item.

(ii) During the year, the Group has divested its 100% stake in Ryker Base Private Limited, a wholly-owned subsidiary for a consideration of ₹ 1,778.92 million. Consequently, Ryker's operations including gain on disposal of Ryker of ₹ 817.22 million has been recognised as discontinuing operations and related comparatives have been restated in accordance with the applicable IndAS.

(₹ million)

| | | 01 April 2021 to 17 November 2021 31 March 2022 |
|---|---|---|
| Total Assets | | 3,788.53 |
| Total Liabilities | | (2,826.84) |
| **Net assets disposed on account of divestment** | (A) | **961.69** |
| Consideration received | (B) | 1,778.92 |
| **Gain on disposal of discontinued operations** | (B-A) | **817.23** |

## 37. Contingent liabilities and commitments

### Accounting policy

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses it's existence in the Financial Statements.

Capital Commitments includes the amount of purchase orders (net of advances) issued to parties for completion of assets.

**(A) Contingent liabilities (to the extent not provided for)**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| (i) Taxation matters | | |
| Disputed liability in respect of sales tax/ VAT demand & pending sales tax/ VAT forms | 1.86 | 4.30 |
| Disputed liability in respect of Service tax duty demand | 18.17 | 18.17 |
| Disputed liability in respect of excise duty demand | 8.60 | 8.60 |
| Disputed liability in respect of custom duty demand | 17.08 | 17.04 |
| (ii) Customs Duty on Capital goods imported under Export Promotion Capital Goods Scheme, against which export obligation is to be fulfilled | 46.23 | 96.99 |
| (iii) Customs Duty on Raw Materials imported under Advance License, against which export obligation is to be fulfilled | 190.07 | 207.38 |

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

**Notes:**

(a) In respect of the items above, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements/decisions pending at various forums/authority. The Group doesn't expect the outcome of matters stated above to have a material adverse effect on the Group's financial conditions, result of operations or cash flows.

(b) There is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Honourable Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

### (B) Commitments

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **(i) Capital commitments** | | |
| (Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)) | | |
| Towards Property, Plant and Equipment | 2,281.66 | 1,241.81 |

**Notes:**

For Lease commitments, Refer note 4

## 38. Related party disclosure

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and settlement occurs in cash or credit as per the terms of the arrangement.

### (A) Enterprises where control exists

| | Country of incorporation | Ownership interest (%) | |
|---|---|---|---|
| | | 31 March 2022 | 31 March 2021 |
| **Joint Ventures** | | | |
| Techno Electromech Private Limited (TEPL) | India | 50% | 50% |

### (B) Enterprises owned or significantly influenced by key managerial personnel

AK Enterprises (A K)
Dowells Elektro Werke (DEW)
Dowells Electricals (DE)
D J Electricals Private Limited (DJEPL)
Tirupati Tradelinks Private Limited (TTPL)
Polycab Social Welfare Foundation
EPMR Australia Pty. Ltd.
Transigo Fleet LLP
Asia Trade Link Corporation
Newland Global Group Pty. Ltd.
Shreeji Traders
T.P. Ostwal & Associates LLP

### (C) Key Management Personnel

**(i) Executive Directors**

| | |
|---|---|
| Mr. Inder T. Jaisinghani | Chairman and managing director |
| Mr. Ramesh T. Jaisinghani (c) | Whole-time director (up to 12 May 2021) |
| Mr. Ajay T. Jaisinghani (c) | Whole-time director (up to 12 May 2021) |
| Mr. Shyam Lal Bajaj (a) (c) | Whole-time director (up to 12 May 2021) |
| Mr. Rakesh Talati (d) | Whole-time director (w.e.f. 13 May 2021) |
| Mr. Bharat A. Jaisinghani (d) | Whole-time director (w.e.f. 13 May 2021) |
| Mr. Nikhil R. Jaisinghani(d) | Whole-time director (w.e.f. 13 May 2021) |

**(ii) Non-executive Directors**

| | |
|---|---|
| Mr. R. S. Sharma | Independent director |
| Mr. T. P. Ostwal | Independent director |
| Mr. Pradeep Poddar | Independent director |
| Ms. Hiroo Mirchandani | Independent director (up to 12 May 2022) |
| Mrs. Sutapa Benerjee | Independent director (w.e.f. 13 May 2022) |

**(iii) Key Management Personnel**

| | |
|---|---|
| Mr. Gandharv Tongia | Chief financial officer (w.e.f. 31 May 2020) |
| Mr. Subramaniam Sai Narayana (b) | Company secretary and compliance officer |
| Mrs. Manita Gonsalves | Company secretary and compliance officer (w.e.f. 24 January2021) |

**(iv) Relatives of Key Management Personnel**

| | |
|---|---|
| Mr. Girdhari T. Jaisinghani | Brother of Mr. Inder T. Jaisinghani, Mr. Ajay T. Jaisinghani & Mr. Ramesh T. Jaisinghani |
| Mr. Kunal I. Jaisinghani | Son of Mr. Inder T. Jaisinghani |
| Mrs. Ritika Nikhil Jaisinghani | Wife of Mr. Nikhil R. Jaisinghani |
| Mrs. Jayshriben Talati | Wife of Mr. Rakesh Talati |
| Mr. Puneet Sehgal | Son in law of Ramesh T. Jaisinghani |

(a) Mr. Shyam Lal Bajaj resigned from CFO position w.e.f. closing business hours of 30 May 2020 and continues as a whole time director.
(b) Mr. Subramaniam Sai Narayana resigned from Company secretary and compliance officer position w.e.f. 23 January 2021.
(c) Resigned from Whole-time director position w.e.f. closing business hours 12 May 2021.
(d) Appointed as Whole-time director w.e.f. 13 May 2021.

### (D) Transactions with group companies

(₹ million)

| | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|
| **(i) Sale of goods (including GST)** | | | |
| Techno Electromech Private Limited | Joint Venture | 36.79 | 41.79 |
| **(ii) Purchase of goods (including GST)** | | | |
| Techno Electromech Private Limited | Joint Venture | 951.04 | 615.44 |
| **(iii) Sub-contracting expense (including GST)** | | | |
| Ryker Base Private Limited | Joint Venture | – | 1.34 |
| Techno Electromech Private Limited | Joint Venture | 23.33 | 26.64 |
| **(iv) Rent received** | | | |
| Ryker Base Private Limited | Joint Venture | – | 0.05 |
| **(v) Interest received** | | | |
| Techno Electromech Private Limited | Joint Venture | 13.32 | 13.82 |
| **(vi) Testing charges paid** | | | |
| Techno Electromech Private Limited | Joint Venture | 0.81 | 8.83 |
| **(vii) Sale of fixed assets (including GST)** | | | |
| Techno Electromech Private Limited | Joint Venture | – | 34.81 |
| **(viii) Loan given repaid** | | | |
| Techno Electromech Private Limited | Joint Venture | 15.21 | – |

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

## (E) Outstanding as at the year end :

(₹ million)

| | | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|---|
| (i) | Loans | | | |
| | Techno Electromech Private Limited | Joint Venture | 100.00 | 115.21 |
| (ii) | Trade receivables | | | |
| | Techno Electromech Private Limited | Joint Venture | 33.67 | 23.60 |
| (iii) | Interest accrued on loan given | | | |
| | Techno Electromech Private Limited | Joint Venture | 2.91 | 3.18 |
| (iv) | Other receivables | | | |
| | Techno Electromech Private Limited | Joint Venture | 85.19 | 85.19 |
| (v) | Trade payables | | | |
| | Techno Electromech Private Limited | Joint Venture | 50.59 | 71.30 |

## (F) Transactions with KMP:

### (i) Remuneration paid for the year ended and outstanding as on: [a]

(₹ million)

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | For the year ended | Outstanding for the year end | For the year ended | Outstanding for the year end |
| **Executive Directors (Includes salary, performance incentive and commission to MD)** | | | | |
| Mr. Inder T. Jaisinghani | 137.61 | 91.87 | 141.07 | 99.07 |
| Mr. Ramesh T. Jaisinghani | 3.76 | – | 32.48 | 7.50 |
| Mr. Ajay T. Jaisinghani | 3.76 | – | 32.48 | 7.50 |
| Mr. Bharat A. Jaisinghani | 18.71 | 3.34 | – | – |
| Mr. Nikhil R. Jaisinghani | 18.71 | 3.34 | – | – |
| Mr. Rakesh Talati | 18.02 | 3.83 | – | – |
| Mr. Shyam Lal Bajaj | 3.25 | 0.71 | 28.34 | 6.17 |
| **Non- executive directors (Includes sitting fees and commission)** | | | | |
| Mr. T. P. Ostwal | 4.00 | 2.25 | 3.30 | 1.80 |
| Mr. R. S. Sharma | 3.84 | 2.25 | 3.22 | 1.80 |
| Mr. Pradeep Poddar | 4.00 | 2.25 | 3.14 | 1.80 |
| Ms. Hiroo Mirchandani | – | – | 2.98 | 1.80 |
| Mrs. Sutapa Benerjee | 3.52 | 2.25 | – | – |
| **Key Management Personnel (Includes Salary and Performance Incentive)** | | | | |
| Mr. Gandharv Tongia | 22.06 | 4.25 | 14.61 | 1.67 |
| Mrs. Manita Gonsalves | 3.97 | 0.75 | 0.96 | 0.22 |
| Mr. Subramaniam Sai Narayana | – | – | 2.31 | – |

(a) As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the directors and KMP are not included above.

### (ii) Share based payments to KMP[a]

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Mr. Shyam Lal Bajaj | 0.55 | 7.64 |
| Mr. Gandharv Tongia | 2.76 | 2.94 |
| Mr. Rakesh Talati | 2.51 | – |
| Mr. Subramaniam Sai Narayana [b] | – | (0.46) |

(a) Represents expense by way of share based payments attributable to directors and KMP

(b) During previous current year remaining options granted under Performance Scheme are forfeited post his resignation due to non-fulfilment of vesting criteria.

### (iii) Sale of fixed assets to KMP (including GST)

(₹ million)

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | For the year ended | Outstanding for the year end | For the year ended | Outstanding for the year end |
| Mr. Inder T. Jaisinghani | 2.63 | – | – | – |
| Mr. Ramesh T. Jaisinghani | – | – | 1.35 | 1.35 |
| Mr. Ajay T. Jaisinghani | 3.18 | – | 2.36 | 0.17 |
| Mr. Bharat A. Jaisinghani | 1.14 | – | – | – |
| Mr. Girdhari T. Jaisinghani | 2.23 | – | – | – |
| Mrs. Ritika Nikhil Jaisinghani | 4.08 | – | – | – |
| Mr. Puneet Sehgal | – | – | 0.55 | 0.55 |

### (iv) Transactions where KMP's are interested

(₹ million)

| | Nature of transaction | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|---|
| | | For the year ended | Outstanding for the year end | For the year ended | Outstanding for the year end |
| Asia Trade-Link Corporation | Sale of goods | 2.76 | – | – | – |
| Tirupati Tradelinks Private Limited | Purchase of goods | 203.28 | 60.24 | 116.51 | 40.89 |
| Tirupati Tradelinks Private Limited | Sub-contracting expense | 0.38 | – | 1.00 | – |
| Tirupati Tradelinks Private Limited | Sub-contracting income | 0.19 | – | – | – |
| Newland Global Group Pty. Ltd. | Professional fees | 0.55 | – | – | – |
| Tirupati Tradelinks Private Limited | Interest paid | 0.07 | 0.07 | – | – |
| Tirupati Tradelinks Private Limited | Loan taken | 18.00 | – | – | – |
| Tirupati Tradelinks Private Limited | Loan taken repaid | 18.00 | – | – | – |
| EPMR Australia Pty. Ltd. | Commission paid | 2.47 | – | 10.34 | 10.57 |
| EPMR Australia Pty. Ltd. | Advertising and sales promotion | 0.34 | – | – | – |
| Dowells Elektro Werke | Other Receivables | – | 0.05 | – | 2.63 |
| Dowells Electricals | Trade Payables | – | – | – | 0.08 |
| Dowells Elektro Werke | Trade Payables | – | – | – | 0.34 |
| D J Electricals Private Limited | Trade Payables | – | – | – | 0.20 |
| Polycab Social Welfare Foundation | Donation | 191.89 | – | 159.61 | – |
| Transigo Fleet LLP | Professional fees | 16.91 | 1.46 | – | – |
| AK Enterprises | Reimbursement of Electricity Expense | 1.34 | – | – | – |
| AK Enterprises* | Rent paid | 29.17 | 2.33 | 21.88 | – |
| Shreeji Traders | Purchase of goods | 0.02 | – | – | – |
| T.P. Ostwal & Associates LLP | Professional fees for tax advisory | 0.16 | – | 0.87 | 0.16 |

*Security deposit given to AK Enterprises amounting to ₹ 6.17 million (31 March 2021: ₹ 5.91 million).

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

### (G) Transactions with relatives of KMP:

**Remuneration paid for the year ended and outstanding as on:**

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | For the year ended | Outstanding for the year end | For the year ended | Outstanding for the year end |
| Mr. Bharat A. Jaisinghani | 0.84 | – | 13.44 | 2.98 |
| Mr. Nikhil R. Jaisinghani | 0.84 | – | 13.44 | 2.98 |
| Mr. Girdhari T. Jaisinghani | – | – | 8.10 | 2.18 |
| Mr. Kunal I. Jaisinghani | 3.05 | 0.34 | 2.42 | 0.01 |

**Rent paid for the period ended and outstanding as at:**

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | For the year ended | Outstanding for the year end | For the year ended | Outstanding for the year end |
| Mrs. Jayshriben Talati | 0.49 | – | – | – |

## 39. Segment reporting

### Accounting policy

**Identification of segments**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. The Company's chief operating decision maker is Chairman and Managing Directors.

The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment based on an analysis of various performance indicators by business segments and geographic segments.

**Segment revenue and expenses:**

1. It has been identified to a segment on the basis of relationship to operating activities of the segment.
2. The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.
3. Intersegment revenue and profit is eliminated at group level consolidation.
4. Finance income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Group level for segment reporting as the underlying instruments are managed at Group level.

**Segment assets and liabilities:**

Segment assets and segment liabilities represent assets and liabilities of respective segments, however the assets and liabilities not identifiable or allocable on reasonable basis being related to enterprise as a whole have been grouped as unallocable.

The accounting policies of the reportable segments are same as that of Group's accounting policies described.

No operating segments have been aggregated to form the above reportable operating segments. Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

**The group is organised into business units based on its products and services and has three reportable segments as follows**

**Wires and Cables:** Manufacture and sale of wires and cables.

**Fast moving electrical goods (FMEG):** Fans, LED lighting and luminaires, switches, switchgears, solar products, pumps, conduits and domestic appliances.

**Copper:** Manufacturing, selling and job work on Copper rods and wires. (Discountinued from 18 November 2021)

**Others :** It comprise of EPC business which includes design, engineering, supply of materials, survey, execution and commissioning of power distribution, rural electrification projects on a turnkey basis.

### (A) The following summary describes the operations in each of the Group's reportable segments:

(₹ million)

| | 31 March 2022 | | | | | | 31 March 2021 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Wires & Cables | FMEG | Copper | Others | Eliminations | Total | Wires & Cables | FMEG | Copper | Others | Eliminations | Total |
| **Income** | | | | | | | | | | | | |
| External sales | 1,06,953.30 | 12,543.83 | – | 2,942.79 | – | 1,22,439.92 | 75,806.19 | 10,341.09 | – | 2,443.76 | | 88,591.02 |
| Inter segment revenue | 984.76 | – | – | 759.03 | (1,743.79) | – | 104.74 | – | – | 553.83 | (658.57) | – |
| **Total Income** | **1,07,938.06** | **12,543.83** | **–** | **3,701.82** | **(1,743.79)** | **1,22,439.92** | **75,910.93** | **10,341.09** | **–** | **2,997.59** | **(658.57)** | **88,591.02** |
| **Segment Results** | | | | | | | | | | | | |
| External | 10,405.22 | 196.22 | – | 437.66 | – | 11,039.11 | 9,060.02 | 565.96 | – | 392.51 | | 10,018.49 |
| Inter segment results | 139.57 | – | – | 61.32 | (200.89) | – | 8.53 | – | – | 63.75 | (72.28) | – |
| Segment/Operating results | **10,544.79** | **196.22** | **–** | **498.98** | **(200.89)** | **11,039.11** | **9,068.55** | **565.96** | **–** | **456.26** | **(72.28)** | **10,018.49** |
| **Unallocated items:** | | | | | | | | | | | | |
| Finance income | | | | | | 496.92 | | | | | | 524.15 |
| Finance costs | | | | | | 351.90 | | | | | | 426.87 |
| **Share of profit/(loss) of joint venture (Net of tax)** | | (25.55) | | – | | (25.55) | – | 5.78 | – | – | | 5.78 |
| **Exceptional items** | | | | | | – | | | | | | – |
| **Profit Before Tax** | | | | | | **11,158.58** | | | | | | **10,121.55** |
| Income tax expenses | | | | | | | | | | | | |
| Current tax | | | | | | 2,829.93 | | | | | | 2,568.58 |
| Adjustment of tax relating to earlier year | | | | | | (20.66) | | | | | | (999.98) |
| Deferred tax (credit)/ charge | | | | | | (103.00) | | | | | | 134.84 |
| **Profit for the year from continuing operations** | | | | | | **8,452.31** | | | | | | **8,418.11** |
| Profit for the year from discontinuing operations | | | | | | 720.53 | | | | | | 441.02 |
| **Profit for the year** | | | | | | **9,172.84** | | | | | | **8,859.13** |
| Depreciation & amortisation expenses | 1,773.78 | 212.70 | – | 28.71 | – | 2,015.19 | 1,547.25 | 177.10 | – | 37.31 | – | 1,761.66 |
| Non-cash expenses/ (Income) other than depreciation | 50.14 | 64.71 | – | 1.72 | – | 116.56 | (224.27) | 61.99 | – | 80.20 | | (82.09) |
| Total cost incurred during the year to acquire segment assets (net of disposal) | 4,048.15 | 1,091.27 | – | 60.61 | – | 5,200.03 | 1,547.23 | 354.11 | – | 9.59 | – | 1,910.92 |

### (B) Revenue by Geography

The amount of its revenue from external customers analysed by the country, in which customers are located, are given below:

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Within India | 1,13,210.66 | 81,002.09 |
| Outside India | 9,229.26 | 7,588.94 |
| | **1,22,439.92** | **88,591.02** |

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

## (C) Segment assets

| | 31 March 2022 | | | | | | 31 March 2021 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Wires & Cables | FMEG | Copper | Others | Eliminations | Total | Wires & Cables | FMEG | Copper* | Others | Eliminations | Total |
| Segment assets | 49,395.56 | 7,754.41 | – | 3,491.26 | – | 60,641.23 | 44,278.49 | 5,896.31 | 3,314.41 | 5,001.61 | – | 58,490.83 |
| **Unallocated assets:** | | | | | | | | | | | | |
| Investment accounted for using the equity method | | | | | | 92.63 | | | | | | 118.18 |
| Current investments | | | | | | 7,640.51 | | | | | | 6,231.27 |
| Income tax assets (net) | | | | | | 479.46 | | | | | | 269.66 |
| Deferred tax assets (net) | | | | | | 0.09 | | | | | | – |
| Cash and cash equivalents and bank balance | | | | | | 4,197.41 | | | | | | 4,710.15 |
| Loans | | | | | | 126.80 | | | | | | 206.60 |
| Goodwill | | | | | | 46.22 | | | | | | 22.58 |
| Other unallocable assets | | | | | | 894.71 | | | | | | 97.84 |
| **Total assets** | | | | | | **74,119.06** | | | | | | **70,147.11** |

## (D) Segment liabilities

| | 31 March 2022 | | | | | | 31 March 2021 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Wires & Cables | FMEG | Copper | Others | Eliminations | Total | Wires & Cables | FMEG | Copper* | Others | Eliminations | Total |
| Segment liabilities | 10,280.46 | 2,697.31 | – | 2,726.23 | – | 15,704.00 | 12,643.75 | 2,666.93 | 361.97 | 3,376.25 | – | 19,048.90 |
| **Unallocated liabilities:** | | | | | | | | | | | | |
| Borrowings (Non-Current and Current, including Current Maturity) | | | | | | 831.35 | | | | | | 2,385.86 |
| Current tax liabilities (net) | | | | | | 159.52 | | | | | | 267.45 |
| Deferred tax liabilities (net) | | | | | | 271.84 | | | | | | 337.64 |
| Other unallocable liabilities | | | | | | 1,464.24 | | | | | | 379.57 |
| | | | | | | **18,430.95** | | | | | | **22,419.42** |

* Discontinued operation

## (E) Non-current assets by Geography

The total of non-current assets excluding financial assets and deferred tax assets analysed by the country in which assets are located are given below:

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Within India | 21,741.78 | 20,521.79 |
| Outside India | – | – |
| | **21,741.78** | **20,521.79** |

## 40. Information for Consolidated Financial Statement pursuant to Schedule III of the Companies Act, 2013

### For the Year ended 31 March 2022

| | Net Assets, i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated total comprehensive income | Amount |
| **Parent** | | | | | | | | |
| Polycab India Limited | 98.49% | 54,845.62 | 98.84% | 9,066.86 | 9800.00% | 0.98 | 98.86% | 9,067.84 |
| Subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| Tirupati Reels Private Limited | 0.25% | 141.95 | 0.37% | 34.24 | -500.00% | (0.05) | 0.37% | 34.19 |
| Dowells Cable Accessories Private Limited | 0.36% | 201.45 | 0.78% | 71.76 | 0.00% | – | 0.78% | 71.76 |
| Steel Matrix Private Limited | 0.00% | 0.74 | 0.00% | (0.01) | 0.00% | – | 0.00% | (0.01) |
| Uniglobus electricals and electronics Pvt. Ltd | 0.12% | 66.37 | -0.26% | (23.49) | -1300.00% | (0.13) | -0.26% | (23.62) |
| Silvan Innovation Labs Private Limited | 0.07% | 38.48 | -0.61% | (55.83) | -23200.00% | (2.32) | -0.63% | (58.15) |
| Polycab Support Force Pvt. Ltd. | 0.00% | 0.89 | -0.02% | (1.70) | 0.00% | – | -0.02% | (1.70) |
| Polycab Electricals And Electronics Private Limited | 0.00% | 0.99 | 0.00% | (0.02) | 0.00% | – | 0.00% | (0.02) |
| Foreign | | | | | | | | |
| Polycab Australia Pty. Ltd. | 0.09% | 48.29 | 0.21% | 19.51 | 15700.00% | 1.57 | 0.23% | 21.08 |
| **Investment accounted for using the equity method** | | | | | | | | |
| Techno Electromech Private Limited | 0.17% | 92.63 | -0.28% | (25.55) | 0.00% | – | -0.28% | (25.55) |
| **Non-controlling interest** | | | | | | | | |
| Indian | | | | | | | | |
| Tirupati Reels Private Limited | 0.21% | 116.15 | 0.31% | 28.02 | -400.00% | (0.04) | 0.31% | 27.98 |
| Dowells Cable Accessories Private Limited | 0.24% | 134.30 | 0.64% | 59.05 | 0.00% | – | 0.64% | 59.05 |
| Steel Matrix Private Limited | 0.00% | 0.25 | 0.00% | – | 0.00% | – | 0.00% | – |
| **TOTAL** | **100.00%** | **55,688.11** | **100.00%** | **9,172.84** | **100.00%** | **0.01** | **100.00%** | **9,172.85** |

### For the Year ended 31 March 2021

| | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated total comprehensive income | Amount |
| **Parent** | | | | | | | | |
| Polycab India Limited | 97.42% | 46,498.70 | 94.82% | 8,400.19 | 99.81% | 159.78 | 94.91% | 8,559.97 |
| Subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| Tirupati Reels Private Limited | 0.23% | 107.51 | 0.13% | 11.12 | 0.07% | 0.12 | 0.12% | 11.24 |
| Dowells Cable Accessories Private Limited | 0.22% | 104.43 | 0.34% | 30.29 | 0.00% | – | 0.34% | 30.29 |
| Ryker Base Private Limited | 1.43% | 682.40 | 4.04% | 357.92 | 0.08% | 0.13 | 3.97% | 358.05 |
| Polycab Electricals And Electronics Private Limited | 0.00% | 1.00 | 0.00% | – | 0.00% | – | 0.00% | – |
| Foreign | | | | | | | | |
| Polycab Australia Pty. Ltd. | 0.06% | 27.18 | 0.18% | 15.64 | -0.03% | (0.05) | 0.17% | 15.59 |
| **Investment accounted for using the equity method** | | | | | | | | |
| Techno Electromech Private Limited | 0.25% | 118.18 | 0.07% | 5.78 | 0.00% | – | 0.06% | 5.78 |
| **Non-controlling interest** | | | | | | | | |
| Indian | | | | | | | | |
| Tirupati Reels Private Limited | 0.18% | 87.96 | 0.10% | 9.09 | 0.06% | 0.10 | 0.10% | 9.19 |
| Dowells Cable Accessories Private Limited | 0.21% | 100.33 | 0.33% | 29.10 | 0.00% | – | 0.32% | 29.10 |
| **TOTAL** | **100.00%** | **47,727.69** | **100.00%** | **8,859.13** | **100.00%** | **160.08** | **100.00%** | **9,019.21** |

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

## 41. Financial Instruments and Fair Value measurments

### A) Financial Instruments

**Accounting policy**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

*(i) Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit & Loss, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified at the initial recognition as financial assets measured at fair value or as financial assets measured at amortised cost.

*(ii) Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in two broad categories:

(a) Financial assets at amortised cost

(b) Financial assets at fair value

Where assets are measured at fair value, gains and losses are either recognised entirely in the Statement of Profit & Loss (i.e. fair value through Statement of Profit & Loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

(a) Financial assets carried at amortised cost
A financial assets that meets the following two conditions is measured at amortised cost (net of Impairment) unless the asset is designated at fair value through Statement of Profit & Loss under the fair value option.

(i) Business Model test: The objective of the Group's business model is to hold the financial assets to collect the contractual cash flow (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

(ii) Cash flow characteristics test: The contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

(b) (i) Financial assets at fair value through other comprehensive income

Financial assets is subsequently measured at fair value through other comprehensive income if it is held with in a business model whose objective is achieved by both collections contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dated to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

(ii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through Statement of Profit & Loss.

*(iii) Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

(a) The rights to receive cash flows from the asset have expired, or

(b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

The Group discloses analysis of the gain or loss recognised in the statement of profit and loss arising from the derecognition of financial assets measured at amortised cost, showing separately gains and losses arising from derecognition of those financial assets.

*(iv) Impairment of financial assets*

The Group assesses impairment based on expected credit losses (ECL) model for the following:

(a) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

(b) The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and contract assets.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group recognises an allowance for ECL for all debt instruments not held at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the 12 months expected cedit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

As a practical expedient, the Group uses the provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and its adjusted forward looking estimates. At every reporting date, the historical

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) during the period is recognised as other expense in the of Statement of Profit & Loss.

**Financial liabilities**

*(v) Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, lease liabilities and derivative financial instruments.

*(vi) Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

(b) Gains or losses on liabilities held for trading are recognised in the profit or loss
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

(c) Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate method.

*(vii) Embedded Derivatives*

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.

*(viii) Derecognition*

(a) A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(b) Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

## B) Fair value measurements

**Accounting policy**

The Group measures financial instruments, such as, derivatives, mutual funds etc. at fair value at each Balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, to provide an indication about the reliability of inputs used in determining fair value, the group has classified its financial statements into three levels prescribed under the accounting standard as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the assets or liability and the level of fair value hierarchy as explained above.

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ million)

| | Carrying value | | Fair value | |
|---|---|---|---|---|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| **Financial assets** | | | | |
| Measured at amortised cost | | | | |
| Trade receivables | 13,763.25 | 15,641.27 | 13,763.25 | 15,641.27 |
| Cash and cash equivalents | 1,216.91 | 2,378.03 | 1,216.91 | 2,378.03 |
| Bank balance other than cash and cash equivalents | 2,854.27 | 2,935.15 | 2,854.27 | 2,935.15 |
| Loans | 126.80 | 122.66 | 126.80 | 122.66 |
| Other financial assets | 351.47 | 840.76 | 351.47 | 840.76 |
| Measured at fair value through profit or loss account (FVTPL) | | | | |
| Investment in mutual funds | 7,640.51 | 6,231.27 | 7,640.51 | 6,231.27 |
| Derivative Assets | 238.84 | 33.79 | 238.84 | 33.79 |
| | **26,192.05** | **28,182.93** | **26,192.05** | **28,182.93** |
| **Financial liabilities** | | | | |
| Measured at amortised cost | | | | |
| Borrowings - long-term including current maturities and short-term | 831.35 | 2,486.85 | 836.59 | 2,603.89 |
| Trade payables | 12,175.30 | 13,480.32 | 12,175.30 | 13,480.32 |
| Creditors for capital expenditure | 476.22 | 273.78 | 476.22 | 273.78 |
| Obligations under lease | 350.13 | 338.17 | 357.01 | 348.53 |
| Other financial liabilities | 71.46 | 56.51 | 71.46 | 56.51 |
| Measured at fair value through profit or loss account (FVTPL) | | | | |
| Derivative liabilities | 138.42 | 976.64 | 138.42 | 976.64 |
| | **14,042.88** | **17,612.27** | **14,055.00** | **17,739.67** |

(a) Interest rate swaps, foreign exchange forward contracts and embedded commodity derivative are valued using valuation techniques, which employ the use of market observable inputs (closing rates of foreign currency and commodities).

(b) Embedded foreign currency and commodity derivatives are measured similarly to the foreign currency forward contracts and commodity derivatives. The embedded derivatives are commodity and foreign currency forward contracts which are separated from purchase contracts.

(c) The management assessed that cash and cash equivalents, trade receivables, trade payables, short-term borrowings, loans to related party, loans to employees, short-term security deposit, lease liabilities and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(d) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

(e) The fair values of the mutual funds are based on NAV at the reporting date.

(f) The fair value of interest rate swaps are based on MTM bank rates as on reporting date.

(g) The fair value of put option is determined using Monte Carlo Simulation which assumes a Geometric Brownian Motion for the modelling equity value.

(h) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

(i) Non-current other financial assets includes fixed deposit having maturity period of more than 12 months of ₹ 126.23 million (31 Mar

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

2021: ₹ 579.70 million).

### Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

### Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 22:

(₹ million)

| | Date of valuation | Total | Fair value measurement using | | |
|---|---|---|---|---|---|
| | | | Quoted prices in active markets | Significant observable inputs | Significant unobservable inputs |
| | | | Level 1 | Level 2 | Level 3 |
| **Assets measured at fair value:** | | | | | |
| Units of mutual funds | 31 March 2022 | 7,640.51 | 7,640.51 | - | - |
| Derivative Assets | | | | | |
| Embedded derivatives | 31 March 2022 | 196.27 | - | 196.27 | - |
| Forward Contract | 31 March 2022 | 42.57 | - | 42.57 | - |
| **Liabilities measured at fair value:** | | | | | |
| Derivative liabilities | | | | | |
| Commodity contracts | 31 March 2022 | 138.42 | - | 138.42 | - |

### Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2021:

| | Date of valuation | Total | Fair value measurement using | | |
|---|---|---|---|---|---|
| | | | Quoted prices in active markets | Significant observable inputs | Significant unobservable inputs |
| | | | Level 1 | Level 2 | Level 3 |
| **Assets measured at fair value:** | | | | | |
| Units of mutual funds | 31 March 2021 | 6,231.27 | 6,231.27 | - | - |
| Derivative Assets | | | | | |
| Forward Contract | 31 March 2021 | 31.37 | - | 31.37 | - |
| Interest rate and cross currency swap | 31 March 2021 | 2.42 | - | 2.42 | - |
| **Liabilities measured at fair value:** | | | | | |
| Derivative liabilities | | | | | |
| Embedded derivatives | 31 March 2021 | 320.09 | - | 320.09 | - |
| Commodity contracts | 31 March 2021 | 656.55 | - | 656.55 | - |

There is no transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. Timing of transfer between the levels determined based on the following:

(a) the date of the event or change in circumstances that caused the transfer

(b) the beginning of the reporting period

(c) the end of the reporting period

### Description of significant unobservable inputs to valuation:

There are no significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy as at 31 March 2022 since put option written by the Parent Company for investments in an erstwhile joint venture has excercised in earlier year.

### Reconciliation of fair value of written put options:

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| At the beginning of the year | - | 49.75 |
| Settled | - | (49.75) |
| **At the end of the year** | - | - |

## 42. Financial Risk Management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. the Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTPL investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Board of Directors of the Group has formed a Risk Management Committee to periodically review the risk management policy of the Group so that the management manages the risk through properly defined machanism. The Risk Management Committee's focus is to foresee the unpredictability and minimise potential adverse effects on the Group's financial performance. The Group's overall risk management procedures to minimise the potential adverse effects of financial market on the Group's performance are as follows:

### (A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments and derivative financial instruments.

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group is also exposed to the risk of changes in market interest rates relates due to its investments in mutual fund units in overnight funds.

The Group manages its interest rate risk by having fixed and variable rate loans and borrowings. The Group's approach is to keep its majority of borrowings at fixed rates of interest for long-term funding. The Group also enters into interest rate swaps for long-term foreign currency borrowings, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2022, after taking into account the effect of interest rate swaps, approximately 2% of the Group's borrowings at the year end are at a fixed rate of interest (31 March 2021: 36%).

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

| | Exposure to interest rate risk (Principal amount of loan) | Increase/ decrease in basis points | Effect on profit before tax |
|---|---|---|---|
| **31 March 2022** | 812.36 | | |
| Increase | | +100 | (8.12) |
| Decrease | | -100 | 8.12 |
| **31 March 2021** | 883.56 | | |
| Increase | | +100 | (8.84) |
| Decrease | | -100 | 8.84 |

#### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's borrowings in foreign currency.

#### Derivative financial instruments

The Group enters into derivative contracts with an intention to hedge its foreign exchange price risk and interest risk. Derivative contracts which are linked to the underlying transactions are recognised in accordance with the contract terms. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit & Loss. To some extent the Group manages its foreign currency risk by hedging transactions.

The Group is also exposed to foreign exchange risk arising on inter company transaction in foreign currencies. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/depreciates against these currencies.

Particulars of unhedged foreign currency exposures as at the reporting date:

(₹ million)

| Currency | Currency Symbol | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|---|
| | | Foreign currency | Indian Rupees | Foreign currency | Indian Rupees |
| United States Dollar | USD | (59.45) | (4,506.67) | (73.77) | (5,422.40) |
| EURO | EUR | 1.19 | 101.05 | 1.32 | 113.33 |
| Pound | GBP | 0.53 | 53.08 | 1.00 | 101.39 |
| Swiss Franc | CHF | 0.29 | 24.12 | 0.05 | 3.86 |
| Japanese yen | JPY | (0.32) | (0.20) | – | – |
| Australian Dollar | AUD | 0.43 | 24.58 | (7.10) | (395.77) |

Figures shown in brackets represent payables.

### Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, Euro, GBP, CHF, JPY, AUD and SUD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Group's exposure to foreign currency changes for all other currencies is not material. Sensitivity due to unhedged Foreign Exchange Exposures is as follows:

(₹ million)

| Currency | Currency Symbol | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|---|
| | | +2% | -2% | +2% | -2% |
| United States Dollar | USD | (90.13) | 90.13 | (108.45) | 108.45 |
| EURO | EUR | 2.02 | (2.02) | 2.27 | (2.27) |
| Pound | GBP | 1.06 | (1.06) | 2.03 | (2.03) |
| Swiss Franc | CHF | 0.48 | (0.48) | 0.08 | (0.08) |
| Japanese yen | JPY | – | – | – | – |
| Australian Dollar | AUD | 0.49 | (0.49) | (7.92) | 7.92 |

Figures shown in brackets represent payables

### (iii) Commodity price risk

The Group's exposure to price risk of copper and aluminium arises from:

- Trade payables of the Group where the prices are linked to LME prices. Payment is therefore sensitive to changes in copper and aluminium prices quoted on LME. The provisional pricing feature (Embedded Derivatives) is classified in the balance sheet as fair value through profit or loss. The option to fix prices at future LME prices works as a natural hedge against the movement in value of inventory of copper and aluminium held by the Group. The Group also takes Sell LME positions to hedge the price risk on Inventory due to ongoing movement in rates quoted on LME. The Group applies fair value hedge to protect its copper and aluminium Inventory from the ongoing movement in rates.

- Purchases of copper and aluminium results in exposure to price risk due to ongoing movement in rates quoted on LME affecting the profitability and financial position of the Group. The risk management strategy is to use the Buy future contracts linked to LME to hedge the variation in cash flows of highly probable future purchases.

  Sensitivity analysis for unhedged exposure for the year ended 31 March 2021 are as follows:

### Exposure of Company in Inventory

(₹ million)

| Metal | Hedge instruments | 31 March 2022 | | | | 31 March 2021 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Exposure in Metric Tonne | Exposure in ₹ million | Impact in Profit before tax | | Exposure in Metric Tonne | Exposure in ₹ million | Impact in Profit before tax | |
| | | | | +2% | -2% | | | +2% | -2% |
| Copper | Embedded derivative | 2,870 | 2,257.50 | (45.15) | 45.15 | – | – | – | – |
| Aluminium | Embedded derivative | 84 | 23.76 | (0.48) | 0.48 | 3,293 | 588.35 | (11.77) | 11.77 |

## (B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

### Trade receivables and contract assets

The Group has adopted a policy of only dealing with counterparties that have sufficient credit rating. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. Credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group has applied Expected Credit Loss (ECL) model for measurement and recognition of impairment losses on trade receivables. ECL has been computed as a percentage of revenue on the basis of Group's historical data of delay in collection of amounts due from customers and default by the customers along with management's estimates.

The Group has sold without recourse trade receivable under channel finance arrangement for providing credit to its dealers. Evaluation is made as per the terms of the contract i.e. if the Group does not retain any risk and rewards or control over the financial assets, then the entity derecognises such assets upon transfer of financial assets under such arrangement with the banks. Derecognition does not result in significant gain / loss to the Group in the Statement of profit and loss.

In certain cases, the Group has sold with recourse trade receivables to banks for cash proceeds. These trade receivables have not been derecognised from the statement of financial position, because the Group retains substantially all of the risks and rewards – primarily credit risk. The amount received on transfer has been recognised as a financial liability (Refer note 18(B)). The arrangement with the bank is such that the customers remit cash directly to the bank and the bank releases the limit of faclity used by the Group. The receivables are considered to be held within a held-to-collect business model consistent with the Group's continuing recognition of the receivables.

Before evaluating whether, and to what extent, derecognition is appropriate, the Group determines whether these arrangements should be applied to a part of a financial asset (or a part of a group of similar financial assets) or a financial asset (or a group of similar financial assets) in its entirety, as follows.

The derecognition criteria are applied to a part of a financial asset (or a part of a group of similar financial assets) if, and only if, the part being considered for derecognition meets one of the following three conditions.

(i) The part comprises only specifically identified cash flows from a financial asset (or a Company of similar financial assets).

(ii) The part comprises only a fully proportionate (pro rata) share of the cash flows from a financial asset (or a Company of similar financial assets).

(iii) The part comprises only a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a Company of similar financial assets).

In all other cases, the derecognition criteria are applied to the financial asset in its entirety (or to the group of similar financial assets in their entirety).

The carrying amount of trade receivables at the reporting date that have been transferred but have not been derecognised and the associated liabilities is ₹ 765.42 million (31 Mar 2021: ₹ 883.56 million).

Trade receivables of ₹ 12,963.94 million as at 31 March 2022 (31 March 2021: ₹ 14,357.67) forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of delayed payments, increased credit risk and consequential default considering emerging situations while arriving at the carrying value of these assets. This

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers. The Group has specifically evaluated the potential impact with respect to customers for all its segments.

The Group closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables with institutions on no-recourse basis, recognition of revenue on collection basis etc., depending on severity of each case. The collections pattern from the customers in the current period does not indicate stress beyond what has been factored while computing the allowance for expected credit losses. Basis this assessment, the expected credit loss allowance for trade receivables of ₹ 1,249.16 million as at 31 March 2022 is considered adequate.

The same assessment is done in respect of contract assets of ₹ 106.91 million as at 31 March 2022 while arriving at the level of provision that is required. Basis this assessment, the expected credit loss allowance for contract assets of ₹ 11.82 million as at 31 March 2022 is considered adequate.

### Other financial assets

The Group has adopted a policy of only dealing with counterparties that have sufficient credit rating. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

## (C) Liquidity risk

The Group's principle sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. the Group believes that the working capital is sufficient to meet its current requirements.

Further, the Group manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalents position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. Surplus funds not immediately required are invested in certain financial assets (including mutual funds) which provide flexibility to liquidate at short notice and are included in current investments and cash equivalents. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required, which are reviewed periodically.

The Group has developed appropriate internal control systems and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and availability of alternative sources for additional funding, if required. (Refer note 19)

Corporate guarantees given on behalf of Group Companies might affect the lquidity of the Group if they are payable. However, the Group has adequate liquidity to cover the risk. (Refer note 37(A))

### Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

(₹ million)

| Currency | 31 March 2022 | | | 31 March 2021 | | |
|---|---|---|---|---|---|---|
| | < 1 year | > equal to 1 year | Total | < 1 year | > equal to 1 year | Total |
| Borrowings | 805.38 | 31.27 | 836.65 | 1,450.10 | 1,138.21 | 2,588.31 |
| Lease liability | 148.93 | 311.17 | 460.10 | 136.59 | 274.03 | 410.62 |
| Other financial liabilities | 686.10 | – | 686.10 | 1,306.93 | – | 1,306.93 |
| Trade payables | 12,175.30 | – | 12,175.30 | 13,480.32 | – | 13,480.32 |
| | **13,815.71** | **342.44** | **14,158.15** | **16,373.94** | **1,412.24** | **17,786.18** |

The other financial liabilities includes financial guarantees provided Ryker Base Pvt. Ltd. Refer note 20(C) for contractual undiscounted value of the same. W.e.f. 06 May 2020 the Ryker Base Pvt. Ltd. acquired by the parent (refer note 6(ii)) subsequent to which the financial guarantee liability eliminated in Consolidated financial statement. It also includes derivative liability, for maturity analysis refer note 39(B).

## 43. Hedging activity and derivatives

### (A) Fair value hedge of copper and aluminium price risk in inventory

(i) The Group enters into contracts to purchase copper and aluminium wherein the Group has the option to fix the purchase price based on LME price of copper and aluminium during a stipulated time period. Accordingly, these contracts are considered to have an embedded derivative that is required to be separated. Such feature is kept to hedge against exposure in the value of unpriced inventory of copper and aluminium due to volatility in copper and aluminium prices. The Group designates the embedded derivative in the payable for such purchases as the hedging instrument in fair value hedging of inventory. The Group designates only the spot-to-spot movement of the copper and aluminium inventory as the hedged risk. The carrying value of inventory is accordingly adjusted for the effective portion of change in fair value of hedging instrument. Hedge accounting is discontinued when the hedging instrument is settled, or when it is no longer qualifies for hedge accounting or when the hedged item is sold.

(ii) To use the Sell future contracts linked with LME to hedge the fair value risk associated with inventory of copper and aluminium. Once the purchases are concluded and its final price is determined, the Group starts getting exposed to price risk of these inventory till the time it is not been sold. The Group's policy is to designate the copper and aluminium inventory which are already priced and which is not been sold at that point in time in a hedging relationship against Sell LME future positions based on the risk management strategy of the Group. The hedged risk is movement in spot rates.

To test the hedge effectiveness between embedded derivatives/derivatives and LME prices of Copper and Aluminium, the Group uses the said prices during a stipulated time period and compares the

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

fair value of embedded derivatives/derivatives against the changes in fair value of LME price of copper and aluminium attributable to the hedged risk.

The Group establishes a hedge ratio of 1:1 for the hedging relationships as the underlying embedded derivative/derivative is identical to the LME price of Copper and Aluminium.

Disclosure of effects of fair value hedge accounting on financial position:

### Hedged item:

Changes in fair value of unpriced inventory attributable to change in copper and aluminium prices.

### Hedging instrument:

Changes in fair value of the embedded derivative of copper and aluminium trade payables and sell future contracts, as described above.

## (B) Cash flow hedge associated with highly probable forecasted purchases of copper and aluminium:

The Group has purchases of copper and aluminium which results in exposure to price risk due to ongoing movement in rates quoted on LME which affects the profitability and financial position of the Group. The risk management strategy is to use the Buy future contracts linked to LME to hedge the variation in cash flows of highly probable future purchases. The Group's policy is to designate the monthly copper and aluminium purchases as a highly probable forecasted transaction in a hedging relationship based on the risk management strategy of the Group.

### As at 31 March 2022

(₹ million)

| | Commodity price risk | Carrying amount: Asset – increase/ (decrease) | Carrying amount: Liabilities – increase/ (decrease) | Carrying amount: Equity – increase/ (decrease) | Maturity date | Hedge Ratio | Balance sheet classification | Effective portion of Hedge – Gain/ (loss) | Ineffective portion of Hedge – Gain/(loss) |
|---|---|---|---|---|---|---|---|---|---|
| **Fair Value Hedge** | | | | | | | | | |
| Hedged item | Inventory of Copper and aluminium | (154.19) | – | – | Range within 1 to 6 months | 1:1 | Inventory | 154.19 | (96.92) |
| | Highly probable future purchases | – | – | 0.58 | | | Cash flow hedge Reserve | | |
| Hedging instrument | Embedded derivative in trade payables of Copper and aluminium | – | (196.27) | – | | 1:1 | Current financial assets | | |
| | Buy Derivative Position | | (0.58) | – | | 1:1 | Current financial liabilities | | |
| | Sell future contracts | – | 139.00 | – | | 1:1 | Current financial liabilities | | |

The following table presents details of amounts held in effective portion of Cash Flow Hedge and the period during which these are going to be released and affecting Statement of profit and Loss

| | As at 31 March 2022 Cash Flow hedge release to P&L: Less than 3 months | 3 months to 6 months | 6 months to 12 months | Total |
|---|---|---|---|---|
| **Commodity Price risk** | | | | |
| Buy Future Contracts – Copper | (139.31) | – | – | (139.31) |
| Buy Future Contracts – Aluminium | 0.58 | – | – | 0.58 |
| Sell Future Contracts – Aluminium | 0.31 | – | – | 0.31 |

### As at 31 March 2021

| | Commodity price risk | Fair value measurement using: Asset– increase/ (decrease) | Fair value measurement using: Liabilities– increase/ (decrease) | Fair value measurement using: Equity– increase/ (decrease) | Maturity date | Hedge Ratio | Balance sheet classification | Effective portion of Hedge –Gain/ (loss) | Ineffective portion of Hedge –Gain/ (loss) |
|---|---|---|---|---|---|---|---|---|---|
| **Fair Value Hedge** | | | | | | | | | |
| Hedged item | Inventory of Copper and aluminium | 896.65 | – | – | Range within 1 to 6 months | 1:1 | Inventory | (896.65) | (79.99) |
| | Embedded derivative in trade payables of Copper and aluminium | – | 320.08 | – | | 1:1 | Current financial assets | | |
| Hedging instrument | Buy Derivative Position | – | (22.97) | – | | 1:1 | Current financial liabilities | | |
| | Sell future contracts | – | 679.51 | – | | 1:1 | Current financial liabilities | | |

The following table presents details of amounts held in effective portion of Cash Flow Hedge and the period during which these are going to be released and affecting Statement of profit and Loss

| | As at 31st March 2022 Cash Flow hedge release to P&L: Less than 3 months | 3 months to 6 months | 6 months to 12 months | Total |
|---|---|---|---|---|
| **Commodity Price risk** | | | | |
| Buy Future Contracts – Copper | (1.33) | – | – | (1.33) |
| Buy Future Contracts – Aluminium | 24.29 | – | – | 24.29 |
| Sell Future Contracts – Copper | (396.87) | (173.78) | – | (570.65) |
| Sell Future Contracts – Aluminium | (82.32) | (26.06) | (0.48) | (108.86) |

The Board of Directors has constituted a Risk Management Committee (RMC) to frame, implement and monitor the risk management plan of the Group which *inter alia* covers risks arising out of exposure to foreign currency fluctuations. Under the guidance and framework provided by the RMC, the Group uses various derivative instruments such as foreign exchange forward, currency options and futures contracts in which the counter party is generally a bank. For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary objective is to maximise the shareholders value.

The Group has entered into derivative instruments by way of foreign exchange forward contracts, which are, as per the requirements of Ind AS 109, measured at fair value through profit and loss account. The notional amount of outstanding contracts and loss/(gain) on fair valuation of such contracts are given below:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Foreign exchange forward contracts– Buy | 3,834.67 | 3,150.01 |
| Foreign exchange forward contracts– Sale | (6,148.67) | (457.25) |
| | **(2,314.00)** | **2,692.76** |
| Fair valuation gain on foreign exchange forward contracts | (42.37) | (31.37) |

# Notes to Consolidated Financial Statements

for the year ended 31 March 2022

## 44. Financial performance ratios:

(₹ million)

| | | Numerator | Denominator | 31 March 2022 | 31 March 2021 | Variance |
|---|---|---|---|---|---|---|
| A | **Performance ratios** | | | | | |
| | Net Profit ratio (i) | Profit after tax | Revenue from operations | 7.52% | 10.08% | -25.4% |
| | Net Capital turnover ratio | Revenue from operations | Closing working capital | 3.59 | 3.19 | 12.6% |
| | Return on Capital employed | Profit before interest and tax | Closing capital employed | 22.05% | 22.06% | 0.0% |
| | Return on Equity Ratio | Profit after tax | Closing shareholder's equity | 16.47% | 18.56% | -11.3% |
| | Return on investment | Closing less opening market price | Opening market price | 70.66% | 85.91% | -17.7% |
| | Debt Service Coverage ratio (ii) | Profit before interest, tax and , Depreciation and amortisation expense | Closing Debt Service | 17.36 | 5.14 | 237.9% |
| B | **Leverage ratios** | | | | | |
| | Debt-Equity Ratio (ii) | Total Borrowings | Equity | 0.01 | 0.05 | -71.3% |
| C | **Liquidity ratios** | | | | | |
| | Current Ratio | Current Assets | Current Liabilities | 2.95 | 2.37 | 24.6% |
| D | **Activity ratio** | | | | | |
| | Inventory turnover ratio (iii) | Cost of goods sold | Closing inventory | 4.30 | 3.28 | 31.3% |
| | Trade Receivables turnover ratio (iv) | Revenue from operations | Closing current trade receivables | 9.41 | 6.12 | 53.7% |
| | Trade Payables turnover ratio (v) | Cost of goods sold | Closing trade payable | 5.79 | 3.53 | 63.9% |

Note: Explanation for change in ratio by more than 25%

(i) Net Profit ratio was lower on account of input cost pressure partly mitigated by calibrated price hike

(ii) Improvement in debt service coverage ratio/debt-equity ratio largely on account of discontinued operation

(iii) Growth in revenue and inventory optimisation improved inventory turnover ratio

(iv) Higher channel finance revenue improved trade receivables turnover ratio

(v) Trade payable turnover ratio improved due to lower trade payables

## 45. Struck off Company:

The Group does not have any transactions with companies struck- off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

## 46. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary objective is to maximise the shareholders value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and external borrowings.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The capital structure is governed by policies approved by the Board of Directors and monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Borrowings (Refer note - 19) | 831.35 | 2,486.85 |
| Trade payables ( Refer note - 21) | 12,175.30 | 13,480.32 |
| Other payables (Refer note - 22) | 686.10 | 1,306.93 |
| Less: cash and cash equivalents (Refer note - 10) | (1,216.91) | (2,378.03) |
| **Net debt** | **12,475.84** | **14,896.07** |
| Equity (Refer notes - 16 and 17) | 55,688.11 | 47,727.69 |
| **Total capital** | **55,688.11** | **47,727.69** |
| Capital and net debt | 68,163.95 | 62,623.76 |
| **Gearing ratio** | **18.30%** | **23.79%** |

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022 and year ended 31 March 2021.

## 47. Events after the reporting period

No significant adjusting event occurred between the balance sheet date and date of the approval of these financial statements by the Board of Directors of the Group requiring adjustment or disclosure.

## 48. Others

Figures representing ₹ 0.00 million are below ₹ 5,000.

As per our report of even date
**For B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

**Bhavesh Dhupelia**
Partner
Membership No. 042070

**Inder T. Jaisinghani**
Chairman & Managing Director
DIN: 00309108

**Nikhil R. Jaisinghani**
Whole-time Director
DIN: 00742771

**Bharat A. Jaisinghani**
Whole-time Director
DIN: 00742995

Place: Mumbai
Date: 10 May 2022

**Gandharv Tongia**
Chief Financial Officer
Membership No. 402854

Place: Mumbai
Date: 10 May 2022

**Manita Gonsalves**
Company Secretary
Membership No. A18321

# Standalone Independent Auditor's Report

for the year ended 31 March 2022

To the Members of

**Polycab India Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Polycab India Limited (the "Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Revenue recognition – Wires and cables and Fast-Moving Electrical Goods (FMEG) business** | |
| (Refer note 24 Standalone Financial Statements)<br>Wires and cables and FMEG business:<br>Based on its business model in Wires and FMEG business, the Company has many different types of terms of delivery arising from different types of performance obligations with its customers. Revenue from sale of goods is recognised when control is transferred to the customers and when there are no other unfulfilled obligations. This requires detailed analysis of each contract regarding timing of revenue recognition. Inappropriate assessment could lead to risk of revenue getting recognised before control has been transferred.<br>Accordingly, timing of recognition of revenue is a key audit matter. | Our audit procedures over the recognition of revenue included the following:<br>• We assessed the compliance of the Company's revenue recognition accounting policies against the requirements of Indian Accounting Standards ("Ind AS") to identify any inappropriate policy;<br>• We tested the design, implementation and operating effectiveness of key internal financial controls and processes for revenue recognition along with effectiveness of information technology controls built in automated processes;<br>• On a sample basis, we tested revenue transactions recorded during the year, by verifying the underlying documents, including invoices and shipping documents for assessment of fulfillment of performance obligations completed during the year; We analysed the timing of recognition of revenue and any unusual contractual terms;<br>• On a sample basis, we tested the invoice and shipping documents for revenue transactions recorded during the period closer to the year end and subsequent to the year end to verify recognition of revenue in the correct period; and<br>• We assessed the adequacy of disclosures in the standalone financial statements against the requirement of Ind AS 115, Revenue from contracts with customers. |
| **Inventory Valuation** | |
| (Refer note 14 to the Standalone Financial Statements)<br>• Copper and aluminum-based inventory forms a significant part of the Company's inventory for which the Company enters into commodity contracts. The Company takes a structured approach to the identification, quantification and hedging of risk of fluctuations in prices of copper and aluminum by using derivatives in commodities.<br>• Inventories are measured at the lower of cost and net realisable value on first in first out basis, except for inventories qualifying as hedged items in a fair value hedge relationship. These inventories are measured at cost, adjusted for the hedging gain or loss on the hedged item.<br>We focused on this area because of its size, the assumptions used in the valuation and the complexity, which are relevant when determining the amounts recorded. | Our audit procedures over inventory valuation included the following:<br>• We tested the design, implementation and operating effectiveness of key internal financial controls, including controls over valuation of inventory, accounting of derivative and hedging transactions;<br>• On a sample basis, tested the accuracy of cost for inventory by verifying the actual purchase cost. Tested the net realisable value by comparing actual cost with most recent retail price;<br>• On a sample basis, tested the hedging relationship of eligible hedging instruments and hedged items;<br>• We used the work of our internal subject matter experts for assistance in verifying hedge effectiveness requirements of Ind AS 109, including the economic relationship between the hedged item and the hedging instrument; and<br>• We assessed and tested adequacy and completeness of the Company's disclosures in the standalone financial statements. |



## Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# Standalone Independent Auditor's Report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

    (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 35 to the standalone financial statements.

    b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 21 to the standalone financial statements.

    c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

    d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in note 8(G) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

    (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in note 8(G) to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

    - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
    - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

    (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

    e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

    (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

    In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No. 042070
UDIN: 22042070AIRPEV4727

Mumbai
10 May 2022

# Annexure – A to the Standalone Independent Auditor's Report

31 March 2022 on the Standalone financial statements

(Referred to in our report of even date)

With reference to the Annexure referred to in the Independent Auditors' Report to the Members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible asset.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

| Description of property | Gross carrying value (₹ in million) | Held in the name of | Whether promoter, director or their relative or employee | Period held – indicate range, where appropriate | Reason for not being held in the name of the Company also indicate if in dispute |
|---|---|---|---|---|---|
| Freehold land – Halol | 10.48 | Polycab India Limited | No | 2009 | Title deed is in dispute and is pending resolution with government authority at Gujarat |
| Freehold land – Daman | 1.42 | Dinesh Gupta | No | 2008 | Mutation is in process |

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) The Company has made investments in and granted loans to Companies, in respect of which the requisite information is as below. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or granted loans to firms, limited liability partnership or any other parties. The Company has not provided any guarantee or security, granted any advances in the nature of loans, secured or unsecured, to Companies, firms, limited liability partnership or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans or stood guarantee to any other entity as below:

₹ in million

| Particulars | Guarantees (₹) | Security (₹) | Loans (₹) | Advances in nature of loans (₹) |
|---|---|---|---|---|
| Aggregate amount granted during the year | | | | |
| • Subsidiaries | – | – | 118.89 | – |
| • Joint ventures | – | – | – | – |
| • Associates | – | – | – | – |
| • Others | – | – | – | – |
| Balance outstanding as at balance sheet date | | | | |
| • Subsidiaries | 520.00 | – | 47.45 | – |
| • Joint ventures | – | – | 100.00 | – |
| • Associates | – | – | – | – |
| • Others | – | – | – | – |

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the investments made and the terms and conditions of the grant of loans are, *prima facie*, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, following instances of loans falling due during the year were extended:

| Name of the parties | Aggregate amount dues extended (₹ in million) | Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year |
|---|---|---|
| Techno Electromech Private Limited | 100.00 | 84.11 |

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods (and/or services provided by it) and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 01 July 2017, these statutory dues has been subsumed into Goods and Services Tax ('GST').

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

# Annexure – A to the Independent Auditor's Report

(b) According to the information and explanations given to us, statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

| Name of the statute | Nature of the dues | Amount (₹ in million) | Amount paid under protest (₹ in million) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Central Excise Act, 1944 | Excise duty | 128.72 | 21.39 | 2007-2017 | High Court/ Adjudicating authority/ CESTAT |
| Service Tax (Finance Act, 1994) | Service tax | 18.18 | 1.07 | 2017 | Supreme Court/ Adjudicating authority |
| State & Central Sales Tax, 1956 | Tax, Interest & Penalty | 288.48 | 14.43 | 2012-2016 | Appellate Authority/Sales Tax Dept. |
| Customs Act, 1962 | Custom duty | 17.08 | 16.31 | 2010-2012<br>2020-2021 | CESTAT - Customs |
| Central Goods and Services Tax Act, 2017 | Tax, Interest & Penalty | 156.97 | 100.87 | 2018-2019<br>2020-2021 | High Court/Appellate Authority |

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions during the year. Further, the Company did not have any outstanding loans or borrowings from any other lender during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint venture as defined under Companies Act, 2013.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under Companies Act, 2013).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle Blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and 3(xvi)(b) of the Order is not applicable.

The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provisions of Section 135(6) of the Act.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No. 042070
UDIN: 22042070AIRPEV4727

Mumbai
10 May 2022

# Annexure – B to the Standalone Independent Auditor's Report

on Standalone Financial Statements of Polycab India Limited for the year ended 31 March 2022

**Report on the internal financial controls, with reference to aforesaid standalone financial statements, under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## Opinion

We have audited the internal financial controls with reference to standalone financial statements of Polycab India Limited as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

## Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

## Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No. 042070
UDIN: 22042070AIRPEV4727

Mumbai
10 May 2022

# Standalone Balance Sheet

as at 31 March 2022

(₹ million)

| | Notes | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 15,837.01 | 15,448.17 |
| Capital work-in-progress | 3 | 3,744.81 | 984.65 |
| Right of use assets | 4 | 345.18 | 338.81 |
| Other intangible assets | 5 | 9.01 | 19.58 |
| Financial assets | | | |
| (a) Investment in Subsidiaries | 6A | 386.29 | 633.28 |
| (b) Investment in Joint Venture | 6A | 105.20 | 105.20 |
| (c) Trade receivables | 7 | 798.90 | 1,283.60 |
| (d) Other financial assets | 9A | 158.77 | 591.35 |
| Non-current tax assets (net) | 12D | 369.94 | 269.66 |
| Other non-current assets | 13A | 651.67 | 417.59 |
| | | **22,406.78** | **20,091.89** |
| **Current assets** | | | |
| Inventories | 14 | 21,472.95 | 19,511.78 |
| Financial assets | | | |
| (a) Investments | 6B | 7,640.51 | 6,231.27 |
| (b) Trade receivables | 7 | 12,925.37 | 14,312.16 |
| (c) Cash and cash equivalents | 10 | 1,138.27 | 1,974.12 |
| (d) Bank balance other than cash and cash equivalents | 11 | 2,766.97 | 2,904.75 |
| (e) Loans | 8 | 174.11 | 447.73 |
| (f) Other financial assets | 9B | 423.24 | 261.10 |
| Other current assets | 13B | 4,124.76 | 1,534.13 |
| | | **50,666.18** | **47,177.04** |
| **Total assets** | | **73,072.96** | **67,268.93** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 16 | 1,494.43 | 1,491.19 |
| (b) Other equity | 17 | 53,714.57 | 45,581.11 |
| | | **55,209.00** | **47,072.30** |
| **Liabilities** | | | |
| **Non-current liabilities:** | | | |
| Financial liabilities | | | |
| (a) Borrowings | 18A | - | - |
| (b) Lease liabilities | 19A | 239.92 | 224.05 |
| Other non-current liabilities | 22A | 207.05 | 206.37 |
| Provisions | 23A | 255.66 | 247.80 |
| Deferred tax liabilities (net) | 12G | 240.60 | 337.64 |
| | | **943.23** | **1,015.86** |
| **Current liabilities:** | | | |
| Financial liabilities | | | |
| (a) Borrowings | 18B | 765.42 | 918.73 |
| (b) Lease liabilities | 19B | 103.34 | 111.17 |
| (c) Trade payables | 20 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 636.77 | 340.30 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 11,156.78 | 12,721.13 |
| (d) Other financial liabilities | 21 | 655.78 | 1,348.50 |
| Other current liabilities | 22B | 3,197.15 | 3,238.37 |
| Provisions | 23B | 252.38 | 235.12 |
| Current tax liabilities (net) | 12D | 153.11 | 267.45 |
| | | **16,920.73** | **19,180.77** |
| **Total equity and liabilities** | | **73,072.96** | **67,268.93** |
| Corporate information and summary of significant accounting policies | 1 & 2 | | |
| Contingent liabilities and commitments | 35 | | |
| Other notes to accounts | 36 to 45 | | |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
**For B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No. 042070

Place: Mumbai
Date: 10 May 2022

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

**Inder T. Jaisinghani**
Chairman & Managing Director
DIN: 00309108

**Nikhil R. Jaisinghani**
Whole-time Director
DIN: 00742771

**Bharat A. Jaisinghani**
Whole-time Director
DIN: 00742995

**Gandharv Tongia**
Chief Financial Officer
Membership No. 402854

Place: Mumbai
Date: 10 May 2022

**Manita Gonsalves**
Company Secretary
Membership No. A18321



# Standalone Statement of Profit & Loss

for the year ended 31 March 2022

(₹ million)

| | Notes | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 24 | 120,979.09 | 87,363.62 |
| Other income | 25 | 905.03 | 1,197.21 |
| **Total income** | | **121,884.12** | **88,560.83** |
| **EXPENSES** | | | |
| Cost of materials consumed | 26 | 91,765.28 | 56,981.47 |
| Purchases of stock-in-trade | 27 | 6,000.10 | 6,240.52 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 28 | (4,686.15) | 701.85 |
| Project bought outs and sub-contracting cost | 29 | 1,114.72 | 1,083.13 |
| Employee benefits expense | 30 | 3,948.43 | 3,493.01 |
| Finance costs | 31 | 334.20 | 411.23 |
| Depreciation and amortisation expense | 32 | 1,965.58 | 1,740.09 |
| Other expenses | 33 | 10,436.86 | 7,954.94 |
| **Total expenses** | | **110,879.02** | **78,606.24** |
| **Profit before tax and exceptional items** | | **11,005.10** | **9,954.59** |
| Exceptional items | 6A | 1,243.25 | - |
| **Profit Before Tax** | | **12,248.35** | **9,954.59** |
| **Income tax expenses** | 12 | | |
| Current tax | | 3,058.47 | 2,533.59 |
| Adjustment of tax relating to earlier periods | | (20.80) | (1,001.95) |
| Deferred tax (credit)/charge | | (102.04) | 109.65 |
| **Total tax expenses** | | **2,935.63** | **1,641.29** |
| **Profit for the year** | | **9,312.72** | **8,313.30** |
| **Other comprehensive income** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Re-measurement gains/(losses) on defined benefit plans | 30 | 19.27 | 47.29 |
| Income Tax relating to items that will not be reclassified to Profit or Loss | 12 | (4.85) | (11.90) |
| **Items that will be reclassified to profit or loss** | | | |
| Effective portion of gains/(losses) on hedging instrument in cash flow hedges | | 0.58 | 169.03 |
| Income tax relating to items that will be reclassified to Profit or Loss | 12 | (0.15) | (42.54) |
| **Other comprehensive income for the year, net of tax** | | **14.85** | **161.88** |
| **Total comprehensive income for the year, net of tax** | | **9,327.57** | **8,475.18** |
| **Earnings Per Share** | 34 | | |
| Basic (₹) | | 62.39 | 55.79 |
| Diluted (₹) | | 62.12 | 55.57 |
| **Weighted average equity shares used in computing earnings per equity share** | | | |
| Basic | | 149,268,712 | 149,008,751 |
| Diluted | | 149,923,144 | 149,613,912 |
| Corporate information and summary of significant accounting policies | 1 & 2 | | |
| Contingent liabilities and commitments | 35 | | |
| Other notes to accounts | 36 to 45 | | |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
**For B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

**Bhavesh Dhupelia**
Partner
Membership No. 042070

Place: Mumbai
Date: 10 May 2022

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

**Inder T. Jaisinghani**
Chairman & Managing Director
DIN: 00309108

**Nikhil R. Jaisinghani**
Whole-time Director
DIN: 00742771

**Bharat A. Jaisinghani**
Whole-time Director
DIN: 00742995

**Gandharv Tongia**
Chief Financial Officer
Membership No. 402854

Place: Mumbai
Date: 10 May 2022

**Manita Gonsalves**
Company Secretary
Membership No. A18321

# Standalone Statement of Changes in Equity

for the year ended 31 March 2022

## A) Equity Share Capital

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Balance at the beginning of the year | 1,491.19 | 1,488.79 |
| Issue of equity shares on exercise of employee stock options | 3.24 | 2.40 |
| **Balance at the end of the year** | **1,494.43** | **1,491.19** |

## B) Other Equity

(₹ million)

| | Share application money pending allotment | Reserves & Surplus | | | | | Items of Other comprehensive income (OCI) | Total other equity |
|---|---|---|---|---|---|---|---|---|
| | | Capital Reserve | Securities Premium | General Reserve | ESOP outstanding | Retained Earnings | Effective portion of Cash Flow Hedges | |
| **As at 1 April 2020** | **27.15** | **0.13** | **7,149.55** | **650.69** | **241.45** | **28,971.62** | **(126.49)** | **36,914.10** |
| Profit after tax for the year | – | – | – | – | – | 8,313.30 | – | 8,313.30 |
| Items of OCI for the period, net of tax | | | | | | | | |
| Re-measurement gains/(losses) on defined benefit plans | – | – | – | – | – | 35.39 | – | 35.39 |
| Effective portion of gains/(losses) on hedging instrument in cash flow hedges | – | – | – | – | – | – | 126.49 | 126.49 |
| Share-based payments to employees | – | – | – | – | 108.71 | – | – | 108.71 |
| ESOP charge recovered from group companies | – | – | – | – | 1.48 | – | – | 1.48 |
| Exercise of employee stock option | 64.72 | – | – | – | (64.72) | – | – | – |
| Amount received on exercise of employee stock options | 84.04 | – | – | – | – | – | – | 84.04 |
| Issue of equity share on exercise of employee stock options | (170.95) | – | 168.55 | – | – | – | – | (2.40) |
| **As at 31 March 2021** | **4.96** | **0.13** | **7,318.10** | **650.69** | **286.92** | **37,320.31** | **–** | **45,581.11** |
| Profit after tax for the year | – | – | – | – | – | 9,312.72 | – | 9,312.72 |
| Items of OCI for the period, net of tax | | | | | | | | |
| Re-measurement gains/(losses) on defined benefit plans | – | – | – | – | – | 14.42 | – | 14.42 |
| Effective portion of gains/(losses) on hedging instrument in cash flow hedges | – | – | – | – | – | – | 0.43 | 0.43 |
| Final equity dividend | – | – | – | – | – | (1,491.60) | – | (1,491.60) |
| Share-based payments to employees | – | – | – | – | 161.16 | – | – | 161.16 |
| ESOP charge recovered from group companies | – | – | – | – | 6.68 | – | – | 6.68 |
| Transfer on account of employee stock options not exercised | – | – | – | 1.00 | (1.00) | – | – | (0.00) |
| Exercise of employee stock option | 110.22 | – | – | – | (110.22) | – | – | – |
| Amount received on exercise of employee stock options | 132.88 | – | – | – | – | – | – | 132.88 |
| Issue of equity share on exercise of employee stock options | (240.08) | – | 236.85 | – | – | – | – | (3.23) |
| **As at 31 March 2022** | **7.98** | **0.13** | **7,554.95** | **651.69** | **343.54** | **45,155.85** | **0.43** | **53,714.57** |
| Corporate Information and summary of significant accounting policies | | | 1 & 2 | | | | | |
| Contingent liabilities and commitments | | | 35 | | | | | |
| Other notes to accounts | | | 36 to 45 | | | | | |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
**For B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

**Bhavesh Dhupelia**
Partner
Membership No. 042070

**Inder T. Jaisinghani**
Chairman & Managing Director
DIN: 00309108

**Nikhil R. Jaisinghani**
Whole-time Director
DIN: 00742771

**Bharat A. Jaisinghani**
Whole-time Director
DIN: 00742995

Place: Mumbai
Date: 10 May 2022

**Gandharv Tongia**
Chief Financial Officer
Membership No. 402854

Place: Mumbai
Date: 10 May 2022

**Manita Gonsalves**
Company Secretary
Membership No. A18321

# Standalone Statement of Cash Flows

for the year ended 31 March 2022

## Accounting policy

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, cheques in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage. (Refer Note-10).

For the purposes of cash flow, statement cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(₹ million)

| | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|
| **A.** | **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| | **Profit Before Tax** | 12,248.35 | 9,954.59 |
| | Adjustments for: | | |
| | Depreciation and amortisation expense | 1,965.58 | 1,740.09 |
| | (Gain)/Loss on disposal of property, plant and equipment | 11.83 | (1.13) |
| | (Gain)/Loss on termination of lease | (5.79) | (0.92) |
| | Interest income on financial assets | (270.64) | (356.46) |
| | (Gain)/Loss on redemption of investment | (224.10) | (158.57) |
| | Fair valuation MTM of investment | (3.52) | (8.47) |
| | Finance cost | 334.20 | 411.23 |
| | Employees share based payment expenses | 161.16 | 108.71 |
| | (Gain)/Loss on fair valuation of financial assets | 85.82 | (24.63) |
| | Liabilities/provisions no longer required written back | (12.49) | (19.38) |
| | Impairment allowance for trade receivable considered doubtful | (150.98) | (51.30) |
| | Exceptional items | (1,243.25) | – |
| | Unrealised foreign exchange (gain)/loss | 37.35 | (96.08) |
| | Sundry advances written-off | 42.60 | 15.13 |
| | **Operating profit before working capital changes** | **12,976.12** | **11,512.81** |
| | **Movements in working capital:** | | |
| | (Increase)/Decrease in trade receivables | 1,934.49 | 491.37 |
| | (Increase)/Decrease in inventories (net) | (1,961.17) | (448.58) |
| | (Increase)/Decrease in financial assets (including contract assets) | (185.40) | 1,281.13 |
| | (Increase)/Decrease in non-financial assets | (2,554.82) | 274.53 |
| | Increase/(Decrease) in trade payables | (1,296.51) | (148.03) |
| | Increase/(Decrease) in financial liabilities and provisions | (982.14) | 928.93 |
| | Increase/(Decrease) in non-financial liabilities (including contract liabilities) | (40.54) | 231.01 |
| | **Cash generated from operations** | **7,890.03** | **14,123.17** |
| | Income tax paid (net of refunds) | (3,281.19) | (2,375.43) |
| | **Net cash generated from operating activities (A)** | **4,608.84** | **11,747.74** |
| **B.** | **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| | Purchase of property, plant and equipment (including CWIP) | (5,014.97) | (1,881.62) |
| | Purchase of other intangible assets | (1.12) | (18.44) |
| | Proceeds from sale of property, plant and equipment | 27.22 | 22.49 |
| | Payments to acquire mutual funds | (92,681.54) | (80,580.08) |
| | Proceeds from sale of mutual funds | 91,499.92 | 74,915.85 |
| | Bank deposits placed | (3,844.08) | (2,953.12) |
| | Bank deposits matured | 4,421.26 | 567.24 |
| | Investment made in equity shares of subsidiaries | (294.73) | (316.46) |
| | Dis-investment in the equity shares of subsidiaries | 1,778.91 | – |
| | Loan (given to)/repaid by related parties | 293.38 | (326.50) |
| | Loan (given to)/repaid by employees | (0.17) | 2.75 |
| | Loan (given to)/repaid by supplier | (19.04) | – |
| | Interest received | 235.47 | 191.51 |
| | **Net cash used in investing activities (B)** | **(3,599.49)** | **(10,376.38)** |

# Standalone Statement of Cash Flows Contd.

for the year ended 31 March 2022

(₹ million)

| | | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|---|
| C. | **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| | Amount received on exercise of employee stock options | | 132.88 | 84.04 |
| | Payment of principal portion of lease liabilities | | (169.44) | (150.67) |
| | Repayment of long-term borrowings | | (29.93) | (312.59) |
| | Repayment of short-term borrowings (net) | | (5.24) | (384.38) |
| | Interest and other finance cost paid | | (281.87) | (334.07) |
| | Payment of dividends | | (1,491.60) | - |
| | **Net cash generated from/(used in) financing activities (C)** | | **(1,845.20)** | **(1,097.67)** |
| | **Net increase/(decrease) in cash and cash equivalents (A+B+C)** | | **(835.85)** | **273.69** |
| | Cash and cash equivalents at the beginning of the year | | 1,974.12 | 1,700.43 |
| | **Cash and cash equivalents at end of the year (Refer below note (c))** | | **1,138.27** | **1,974.12** |
| | **Supplemental Information** | | | |
| | (a) Cash Transactions from operating activities: | | | |
| | Spent towards Corporate Social Responsibility | | 191.89 | 159.79 |
| | (b) Non-Cash Transactions from Investing and Financing Activities: | | | |
| | Acquisition of property, plant and equipment by means of Government Grant | | 57.07 | 102.95 |
| | (c) Acquisition of right of use assets | | 189.33 | 149.11 |
| | (d) Termination of right of use assets | | 178.33 | 81.96 |
| | (e) Cash and cash equivalents comprises of | | | |
| | Balances with banks | | | |
| | In current accounts | | 985.12 | 725.03 |
| | Deposits with original maturity of less than 3 months | | 152.04 | 1,248.20 |
| | Cash in hand | | 1.11 | 0.89 |
| | **Cash and cash equivalents in Cash Flow Statement (Refer note 10)** | | **1,138.27** | **1,974.12** |
| | **Net debt reconciliation** | Refer note no. 18 | | |
| | Corporate information and summary of significant accounting policies | 1 & 2 | | |
| | Contingent liabilities and commitments | 35 | | |
| | Other notes to accounts | 36 to 45 | | |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
**For B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

**Bhavesh Dhupelia**
Partner
Membership No. 042070

**Inder T. Jaisinghani**
Chairman & Managing Director
DIN: 00309108

**Nikhil R. Jaisinghani**
Whole-time Director
DIN: 00742771

**Bharat A. Jaisinghani**
Whole-time Director
DIN: 00742995

Place: Mumbai
Date: 10 May 2022

**Gandharv Tongia**
Chief Financial Officer
Membership No. 402854

Place: Mumbai
Date: 10 May 2022

**Manita Gonsalves**
Company Secretary
Membership No. A18321

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

## 1. Corporate information

Polycab India Limited (the "Company") (CIN - L31300GJ1996PLC114183) was incorporated as 'Polycab Wires Private Limited' on 10 January 1996 at Mumbai as a private limited company under the Companies Act, 1956. The Company became a deemed public limited company under Section 43A(1) of the Companies Act, 1956, and the word 'private' was struck off from the name of the Company with effect from 30 June 2000. Thereafter, the Company was converted into a private limited company under Section 43A(2A) of the Companies Act, 1956, and the word 'private' was added in the name of the Company with effect from 15 June 2001. Subsequently, the Company was converted into a public limited company, the word 'private' was struck off from the name of the Company and consequently, a fresh certificate of incorporation dated 29 August 2018 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("ROC"), recording the change of the Company's name to 'Polycab Wires Limited'. Thereafter, the name of the Company was changed from 'Polycab Wires Limited' to 'Polycab India Limited', and a fresh certificate of incorporation dated 13 October 2018 was issued by the ROC.

The registered office of the Company is Unit 4, Plot Number 105, Halol Vadodara Road, Village Nurpura, Taluka Halol, Panchmahal, Gujarat – 389 350.

The Company is the largest manufacturer of Wires and Cables in India and fast growing player in the Fast Moving Electrical Goods (FMEG) space. The Company is also in the business of Engineering, Procurement and Construction (EPC) projects. The Company owns 23 manufacturing facilities, located across the states of Gujarat, Maharashtra, Uttarakhand, and U.T. Daman.

The Board of Directors approved the Standalone Financial Statements for the year ended 31 March 2022 and authorised for issue on 10 May 2022.

## 2. Summary of significant accounting policies

### A) Basis of preparation

#### i. Statement of compliance:

The Company prepares its Standalone Financial Statements to comply with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. These Standalone financial statements includes Balance Sheet as at 31 March 2022, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Cash flows and Statement of changes in equity for the year ended 31 March 2022, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

#### ii. Basis of measurement:

The financial statements for the year ended 31 March 2022 have been prepared on an accrual basis and a historical cost convention, except for the following financial assets and liabilities which have been measured at fair value or amortised cost at the end of each reporting period:

(a) Derivative financial instruments

(b) Certain financial assets and liabilities (Refer note 38 for accounting policy regarding financial instruments)

(c) Net defined benefit plan (Refer note 30 for accounting policy)

(d) Share Based Payments (Refer note 30 for accounting policy)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received from sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting policies and methods of computation followed in the financial statements are same as compared with the annual financial statements for the year ended 31 March 2021, except for adoption of new standard or any pronouncements effective from 01 April 2021.

The Company presents an additional balance sheet at the beginning of the earliest comparative period when: it applies an accounting policy retrospectively; it makes a retrospective restatement of items in its financial statements; or, when it reclassifies items in its financial statements, and the change has a material effect on the financial statements.

#### iii. Classification of current/non-current assets and liabilities:

The Company presents assets and liabilities in the Balance sheet based on current/non-current classification. It has been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

**Operating Cycle:**

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current non-current classification of assets and liabilities.

An asset is treated as current when it is:

(a) Expected to be realised or intended to be sold or consumed in normal operating cycle

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

Notes to Standalone Financial Statements

for the year ended 31 March 2022

(b) Held primarily for the purpose of trading;

(c) Expected to be realised within twelve months after the reporting period; or

(d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

(a) It is expected to be settled in normal operating cycle;

(b) It is held primarily for the purpose of trading;

(c) It is due to be settled within twelve months after the reporting period; or

(d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**iv. Functional and Presentation currency:**

These financial statements are presented in Indian Rupees (₹) which is the functional currency of the Company. All amounts disclosed in the financial statements which also include the accompanying notes have been rounded off to the nearest million up to two decimal places, as per the requirement of Schedule III to the Companies Act, 2013, unless otherwise stated.

## B) Use of estimates and judgements

In the course of applying the policies outlined in all notes, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The Company uses the following critical accounting estimates in preparation of its financial statements:

**i. Revenue recognition:**

The Company applied judgements that significantly affect the determination of the amount and timing of revenue from contracts at a point in time with customers, such as identifying performance obligations in a sales transactions. In certain non-standard contracts, where the Company provides extended warranties in respect of sale of consumer durable goods, the Company allocated the portion of the transaction price to goods based on its relative standalone prices. Also, certain contracts of sale includes volume rebates that give rise to variable consideration. In respect of long-term contracts significant judgements are used in:

(a) Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

(b) Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

**ii. Cost to complete for long-term contracts**

The Company's management estimate the cost to complete for each project for the purpose of revenue recognition and recognition of anticipated losses of the projects, if any. In the process of calculating the cost to complete, Management conducts regular and systematic reviews of actual results and future projections with comparison against budget. The process requires monitoring controls including financial and operational controls and identifying major risks face by the Company and developing and implementing initiative to manage those risks. The Company's Management is confident that the costs to complete the project are fairly estimated.

**iii. Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in current and future periods.

**iv. Impairment of investments in subsidiaries and joint- ventures**

Determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. The Company reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss. In considering the value in use, the Board of Directors have anticipated the future market conditions and other parameters that affect the operations of these entities.

**v. Provisions**

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

**vi. Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognised. Contingent assets are neither recognised nor disclosed in the financial statements.

**vii. Fair value measurement of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments (Refer note 38 for accounting policy on Fair value measurement of financial instruments).

**viii. Foreign currency transactions/translations**

Transactions in currencies other than Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the date of transaction. At the end of the reporting period, monetary items denominated in foreign currencies are reported using the exchange rate prevailing as at reporting date. Non-monetary items denominated in foreign currencies which are carried in terms of historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at the exchange rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

**ix. Provision for income tax and deferred tax assets**

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

**x. Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If an indication exists, or when the annual impairment testing of the asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-generating-unit's (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets. When the carrying amount of an asset or CGU exceeds it recoverable amount, the asset is considered as impaired and it's written down to its recoverable amount.

The Company estimates the value-in-use of the Cash generating unit (CGU) based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset/CGU.

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

**xi. Employee benefits**

The accounting of employee benefit plans in the nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

**xii. Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

## C) Changes in significant accounting policies

The Company has not been required to apply any new standard, interpretation or amendment that has been issued and therefore there were no significant changes in the accounting policies.

## D) Recent pronouncement

The amendments to Schedule III of the Companies Act, 2013 are applicable from 01 April 2021. The Company has given effect of amendment by inclusion of the relevant disclosures under explanatory notes or by way of additional notes, wherever significant in nature.

## E) Recent Indian Accounting Standards (Ind AS) issued not yet effective

Ministry of Corporate Affairs ("MCA") notified new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

**Ind AS 103 – Reference to conceptual framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in statement of profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**Ind AS 37 – Provisions, contingent liabilities and contingent assets**

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

**F)** The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.



# Notes to Standalone Financial Statements

for the year ended 31 March 2022

## 3. Property, plant and equipment

### Accounting policy

Property, plant and equipment are stated at cost, net of accumulated depreciation (other than freehold land) and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Capitalisation of costs in the carrying amount of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the Company. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. Incomes and expenses related to the incidental operations not necessary to bring the item to the location and the condition necessary for it to be capable of operating in the manner intended by the Company are recognised in the Statement of profit and loss. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit & Loss for the year in which such expenses are incurred.

Capital work-in-progress comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

Gains or losses arising from derecognition of property, plant and equipments are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit & Loss when the asset is derecognised.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realisable value. Any gain or losses arising on disposal of property, plant and equipment is recognised in the Statement of Profit and Loss. Once the assets classified as held-for-sale, property, plant and equipment are no longer depreciated.

Depreciation on Property, plant and equipment's is calculated on pro rata basis on straight-line method using the management assessed useful lives of the assets which is in line with the manner prescribed in Schedule II of the Companies Act, 2013. The useful life is as follows:

| Assets | |
|---|---|
| Buildings | 30-60 years |
| Plant and equipments | 3-15 years |
| Electrical installations | 10 years |
| Furniture and fixtures | 10 years |
| Office equipments | 3-6 years |
| Windmill | 22 years |
| Vehicles | 8-10 years |
| Leasehold land and improvements | Lower of useful life of the asset or lease term |

In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from those classes of assets. The Company uses its technical expertise along with historical and industry trends for arriving at the economic life of an asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively. Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. Borrowing cost incurred for constructed assets is capitalised up to the date by which asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset. All other borrowing costs are expensed in the period they occur.

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Transition to Ind AS: On transition to Ind AS, the Company had elected to continue with the carrying value of all of its property, plant and equipment recognised as at 01 April 2016 measured as per the previous GAAP and used that carrying value as the deemed cost of the property, plant and equipment.

The changes in the carrying value of Property, plant and equipment for the year ended 31 March 2022 are as follows:

(₹ million)

| | Freehold land | Buildings | Plant and equipments | Electrical installations | Furniture and fixtures | Office equipments | Windmill | Vehicles | Leasehold improvements | Total | Capital Work-in -progress |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value (at cost)** | | | | | | | | | | | |
| As at 01 April 2021 | 1,028.21 | 8,418.70 | 12,130.79 | 796.17 | 184.46 | 328.11 | 294.99 | 80.41 | 3.42 | 23,265.26 | 984.65 |
| Additions | 26.54 | 630.64 | 1,194.29 | 238.95 | 17.82 | 120.60 | - | 6.33 | - | 2,235.17 | 4,697.54 |
| Transfer | - | - | - | - | - | - | - | - | - | - | (1,937.38) |
| Disposals/ Adjustments | - | (1.29) | (60.35) | - | (1.24) | (4.36) | - | (48.96) | - | (116.20) | - |
| **As at 31 March 2022** | **1,054.75** | **9,048.05** | **13,264.73** | **1,035.12** | **201.04** | **444.35** | **294.99** | **37.78** | **3.42** | **25,384.23** | **3,744.81** |
| **Accumulated depreciation** | | | | | | | | | | | |
| As at 01 April 2021 | - | 1,307.29 | 5,795.12 | 326.86 | 69.77 | 190.75 | 94.33 | 30.43 | 2.54 | 7,817.09 | - |
| Depreciation charge for the year | - | 322.34 | 1,310.40 | 78.59 | 17.77 | 54.64 | 15.72 | 7.47 | 0.35 | 1,807.28 | - |
| Disposals/ Adjustment | - | (0.23) | (47.46) | - | (0.60) | (4.08) | - | (24.78) | - | (77.15) | - |
| **As at 31 March 2022** | **-** | **1,629.40** | **7,058.06** | **405.45** | **86.94** | **241.31** | **110.05** | **13.12** | **2.89** | **9,547.22** | **-** |
| **Net carrying value** | | | | | | | | | | | |
| **As at 31 March 2022** | 1,054.75 | 7,418.65 | 6,206.67 | 629.67 | 114.10 | 203.04 | 184.94 | 24.66 | 0.53 | 15,837.01 | 3,744.81 |

The changes in the carrying value of Property, plant and equipment for the period ended 31 March 2021 are as follows:

(₹ million)

| | Freehold land | Buildings | Plant and equipments | Electrical installations | Furniture and fixtures | Office equipments | Windmill | Vehicles | Leasehold improvements | Total | Capital Work-in-progress |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying value (at cost)** | | | | | | | | | | | |
| As at 01 April 2020 | 1,018.20 | 7,094.48 | 10,320.78 | 596.51 | 157.05 | 293.38 | 294.99 | 113.56 | 4.51 | 19,893.46 | 2,409.71 |
| Additions | 11.95 | 1,325.58 | 1,842.08 | 199.66 | 32.23 | 52.71 | - | 2.45 | - | 3,466.66 | 1,779.92 |
| Transfer | - | - | - | - | - | - | - | - | - | - | (3,204.98) |
| Disposals/ Adjustments | (1.94) | (1.36) | (32.07) | - | (4.82) | (17.98) | - | (35.60) | (1.09) | (94.86) | - |
| **As at 31 March 2021** | **1,028.21** | **8,418.70** | **12,130.79** | **796.17** | **184.46** | **328.11** | **294.99** | **80.41** | **3.42** | **23,265.26** | **984.65** |
| **Accumulated depreciation** | | | | | | | | | | | |
| As at 01 April 2020 | - | 1,015.21 | 4,664.43 | 270.41 | 57.26 | 159.43 | 78.61 | 46.12 | 2.98 | 6,294.45 | - |
| Depreciation charge for the year | - | 292.23 | 1,158.01 | 56.45 | 15.83 | 47.77 | 15.72 | 12.90 | 0.56 | 1,599.47 | - |
| Disposals/Adjustment | - | (0.15) | (27.32) | - | (3.32) | (16.45) | - | (28.59) | (1.00) | (76.83) | - |
| **As at 31 March 2021** | **-** | **1,307.29** | **5,795.12** | **326.86** | **69.77** | **190.75** | **94.33** | **30.43** | **2.54** | **7,817.09** | **-** |
| **Net carrying value** | | | | | | | | | | | |
| **As at 31 March 2021** | **1,028.21** | **7,111.41** | **6,335.67** | **469.31** | **114.69** | **137.36** | **200.66** | **49.98** | **0.88** | **15,448.17** | **984.65** |

**Notes:**

(a) Capital work-in-progress includes machinery in transit ₹ Nil (31 March 2021 : ₹1.89 million).

(b) All property, plant and equipment are held in the name of the Company, except following:



Notes to Standalone Financial Statements

for the year ended 31 March 2022

**As at 31 March 2022**

| Description of item of property | Held in the name of | Gross carrying value (₹ million) | Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director | Property held since which date | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|
| Freehold land - Daman | Dinesh Gupta | 1.42 | No | 2008 | Mutation is in process |

As at 31 March 2021

| Description of item of property | Held in the name of | Gross carrying value (₹ million) | Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director | Property held since which date | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|
| Freehold land - Daman | Dinesh Gupta | 1.42 | No | 2008 | Mutation is in process |

(c) Title deed is in dispute for freehold land amounting to ₹10.48 million (31 March 2021: ₹10.48 million) and is pending resolution with government authority at Gujarat.

(d) CWIP ageing schedule as at 31 March 2022

(₹ million)

| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| **Projects in progress** | | | | | |
| Cable & Wire Projects | 461.90 | 38.97 | 79.69 | 13.64 | 594.20 |
| FMEG Projects | 612.13 | 73.24 | - | - | 685.37 |
| Backward Integration Projects | 286.87 | 102.84 | 7.75 | - | 397.46 |
| Other Projects | 2,062.76 | 3.50 | - | 1.52 | 2,067.78 |
| | **3,423.66** | **218.55** | **87.44** | **15.16** | **3,744.81** |

CWIP ageing schedule as at 31 March 2021

(₹ million)

| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| **Projects in progress** | | | | | |
| Cable & Wire Projects | 431.02 | 115.10 | 65.27 | - | 611.39 |
| FMEG Projects | 84.55 | 15.87 | - | - | 100.42 |
| Backward Integration Projects | 266.07 | - | - | - | 266.07 |
| Other Projects | 5.25 | - | 1.52 | - | 6.77 |
| | **786.89** | **130.97** | **66.79** | **-** | **984.65** |

For the purpose of this disclosure, the Company has identified project as the smallest group of assets having a common intended use.

(e) Direct capitalisation of Property, Plant and equipments during the year are given as under:

(₹ million)

| | Freehold land | Buildings | Plant and equipments | Electrical installations | Furniture and fixtures | Office equipments | Windmill | Vehicles | Leasehold improvements | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| FY 2021-22 | 26.54 | - | 220.50 | 9.35 | 10.35 | 24.72 | - | 6.33 | - | **297.79** |
| FY2020-21 | 11.95 | - | 212.46 | 8.37 | 6.32 | 20.13 | - | 2.45 | - | **261.68** |

(f) CWIP completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan: None (31 March 2021: None)

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

(g) During the current year, the Company has acquired a new office premise in Mumbai. The fit-out process and occupation of the new premise is expected in the FY 2022-23.

(h) Assets pledged and Hypothecated against borrowings:

There is a first *pari passu* charge by way of registered mortgage on specific immovable fixed assets at Halol and hypothecation of all movable fixed assets acquired on or after 01 April 2015.

(i) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(j) For capital expenditures contracted but not incurred – Refer note 35(B).

## 4. Right of use assets

### Accounting policy

#### i. The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), variable lease and low value leases. For these short-term, variable lease and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying value may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. Lease liabilities have been included in other financial liabilities. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

#### ii. The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

#### iii. Transition

On transition dated 01 April 2019, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹276.06 million and lease liability of ₹303.01 million. The cumulative effect of applying the standard resulted in ₹25.29 million being debited to retained earnings (net of deferred tax assets created of ₹8.51 million). The effect of this adoption is insignificant on the profit for the year and earnings per share.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

#### iv. Finance lease

The Company has entered into land lease arrangement at various locations. Terms of such lease ranges from 30-90 years. In case of lease of land for 90 years and above, it is likely that such leases meet the criteria that at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset. Accordingly, the Company has classified leasehold land as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset at the date of initial application of Ind AS 116 is the carrying amount of the lease asset on the transition date as measured applying Ind AS 17. Accordingly, an amount of ₹41.78 million has been reclassified from property, plant and equipment to right-of-use assets in year 2019-20.

#### v. Others

The following is the summary of practical expedients elected on initial application:

(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

(b) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application, variable lease and low value asset.

(c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(d) The effective interest rate for lease liabilities is 9.0% p.a., with maturity between 2022-2030.

Following are the changes in the carrying value of right of use for the year ended 31 March 2022

(₹ million)

| | Category of ROU asset | | Total |
|---|---|---|---|
| | Leasehold Land | Buildings | |
| **Gross carrying value** | | | |
| As at 01 April 2021 | 41.78 | 466.90 | 508.68 |
| Additions | - | 189.33 | 189.33 |
| Disposals | (0.04) | (178.29) | (178.33) |
| **As at 31 March 2022** | **41.74** | **477.94** | **519.68** |
| **Accumulated depreciation** | | | |
| As at 01 April 2020 | 0.91 | 168.96 | 169.87 |
| Depreciation charge for the year | 0.51 | 146.10 | 146.61 |
| Disposals | - | (141.98) | (141.98) |
| **As at 31 March 2022** | **1.42** | **173.08** | **174.50** |
| **Net carrying value** | | | |
| **As at 31 March 2022** | **40.32** | **304.86** | **345.18** |

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

Following are the changes in the carrying value of right of use 31 March 2021

(₹ million)

| | Category of ROU asset | | Total |
|---|---|---|---|
| | Leasehold Land | Buildings | |
| **Gross carrying value** | | | |
| As at 01 April 2020 | 41.78 | 399.75 | 441.53 |
| Additions | – | 149.11 | 149.11 |
| Disposals | – | (81.96) | (81.96) |
| **As at 31 March 2021** | **41.78** | **466.90** | **508.68** |
| **Accumulated depreciation** | | | |
| As at 01 April 2020 | 0.45 | 106.09 | 106.54 |
| Depreciation charge for the year | 0.46 | 127.87 | 128.33 |
| Disposals | – | (65.00) | (65.00) |
| **As at 31 March 2021** | **0.91** | **168.96** | **169.87** |
| **Net carrying value** | | | |
| **As at 31 March 2021** | **40.87** | **297.94** | **338.81** |

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities for the year ended:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Non-current lease liabilities | 239.92 | 224.05 |
| Current lease liabilities | 103.34 | 111.17 |
| | **343.26** | **335.22** |

The following is the movement in lease liabilities for the year ended:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Balance at the beginning of the year | 335.22 | 327.85 |
| Additions | 186.08 | 147.01 |
| Finance cost accrued during the year | 32.74 | 28.90 |
| Deletions | (41.34) | (17.87) |
| Payment of lease liabilities | (169.44) | (150.67) |
| | **343.26** | **335.22** |

The table below provides details regarding the contractual maturities of lease liabilities of non-cancellable contractual commitments as on an undiscounted basis.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Less than one year | 146.59 | 135.35 |
| One to five years | 265.23 | 212.65 |
| More than five years | 32.64 | 59.20 |
| | **444.46** | **407.20** |

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following are the amounts recognised in profit or loss:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Depreciation expense of right-of-use assets | 146.61 | 128.33 |
| Interest expense on lease liabilities | 32.74 | 28.90 |
| COVID-19 related Rent concessions | – | (12.96) |
| Interest income on fair value of security deposit | (2.65) | (3.10) |
| Expense relating to short-term leases (included in other expenses) | 48.10 | 41.04 |
| Expense relating to leases of low-value assets (included in other expenses) | 6.46 | 8.80 |
| Variable lease payments (included in other expenses) | 4.91 | 20.81 |
| | **236.17** | **211.82** |




# Notes to Standalone Financial Statements

for the year ended 31 March 2022


## 5. Other intangible assets

### Accounting policy

#### i. Other intangible assets acquired separately

Other intangible assets acquired are reported at cost less accumulated amortisation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Amortisation on other intangible assets is calculated on pro rata basis on straight-line method using the useful lives of the assets and in the manner prescribed in Schedule II of the Companies Act, 2013. The useful life is as follows:

| Assets | Useful life |
|---|---|
| Computer software | 3 year |

The residual values, useful lives and methods of amortisation of Other intangible assets are reviewed at each financial year end and adjusted prospectively.

The Other intangible Assets include license and software of Gross carrying amount of ₹120.45 million (31 March 2021 ₹70.28 million) which has been fully amortised over the past periods and are being used by the Company.

Other intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

#### ii. Intellectual Property

Brands/trademarks acquired separately are measured on initial recognition at the fair value of consideration paid. Following initial recognition, brands/trademarks are carried at cost less any accumulated amortisation and impairment losses, if any. A brand/trademark acquired as part of a business combination is recognised outside goodwill, at fair value at the date of acquisition, if the asset is separable or arises from contractual or other legal rights and its fair value can be measured reliably. The useful lives of brands/trademarks are assessed to be either finite or indefinite. The assessment includes whether the brand/trademark name will continue to trade and the expected lifetime of the brand/trademark. Amortisation is charged on assets with finite lives on a straight-line basis over a period appropriate to the asset's useful life. The carrying values of brands/trademarks with finite and indefinite lives are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The Company does not have any brands/ trademarks with indefinite useful lives.

The Company owns 144 number as on 31 March 2022 (115 number as on 31 March 2021) registered trademarks pertaining to Brand, Sub-brands and Designs in India. The Company has also entered into royalty agreements with few companies for use of Polycab brand on specific products and charges fees for the same. These intellectual property and royalty income are solely owned and earned by the Company and is not shared with any stakeholder. Intellectual Property has not been capitalised in the books as it does not meet the recognition criteria in Ind AS 38.

#### iii. Research and development expenditure

During the year, the Company has incurred Capital R&D expenditure amounting to ₹60.31 million (31 March 2021 ₹31.94 million) which have been included in property, plant and equipment. Further, Revenue R&D expenditure incurred amounting to ₹162.47 million (31 March 2021 ₹175.60 million) which have been charged to the respective revenue accounts. Expenditure on research and development activities is recognised in the Statement of Profit and Loss as incurred. Development expenditure is capitalised as part of cost of the resulting other intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in Statement of profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses, if any.

#### iv. De-recognition of other intangible assets

An other intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is derecognised.

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

The changes in the carrying value of Other intangible assets for the year ended 31 March 2022 are as follows:

(₹ million)

| | Computer Software |
|---|---|
| **Gross carrying value (at cost)** | |
| As at 01 April 2021 | 111.98 |
| Additions | 1.12 |
| Disposals/Adjustments | (3.86) |
| **As at 31 March 22** | **109.24** |
| **Accumulated amortisation** | |
| As at 01 April 2021 | 92.40 |
| Amortisation charge for the year | 11.69 |
| Disposals/Adjustments | (3.86) |
| **As at 31 March 22** | **100.23** |
| **Net carrying value** | |
| **As at 31 March 22** | **9.01** |

The changes in the carrying value of Other intangible assets for the year ended 31 March 2021 are as follows:

(₹ million)

| | Computer Software |
|---|---|
| **Gross carrying value (at cost)** | |
| As at 01 April 2020 | 105.14 |
| Additions | 18.44 |
| Disposals | (11.60) |
| **As at 31 March 2021** | **111.98** |
| **Accumulated amortisation** | |
| As at 01 April 2020 | 88.38 |
| Amortisation charge for the year | 12.29 |
| Disposals/Adjustments | (8.27) |
| **As at 31 March 2021** | **92.40** |
| **Net carrying value** | |
| **As at 31 March 2021** | **19.58** |

## 6. Investment

### Accounting policy

#### i. Investment in subsidiaries and joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

Upon first-time adoption of Ind AS, the Company had elected to measure its investments in subsidiaries, associates and joint ventures at the Previous GAAP carrying amount and use it as its deemed cost on the transition date.



# Notes to Standalone Financial Statements

for the year ended 31 March 2022

### A. Non-current investments

(₹ million)

| | Face Value Per Unit | Number | 31 March 2022 | Number | 31 March 2021 |
|---|---|---|---|---|---|
| **Investments carried at amortised cost (Unquoted)** | | | | | |
| **Investment in Equity Instruments of Subsidiaries (Fully paid-up)** | | | | | |
| Ryker Base Private Limited (Refer below note (a) & (b)) | ₹10 | - | - | 52,020,000 | 541.72 |
| Tirupati Reels Private Limited | ₹10 | 3,300,000 | 33.00 | 3,300,000 | 33.00 |
| Dowells Cable Accessories Private Limited | ₹10 | 5,400,000 | 67.67 | 4,590,000 | 45.90 |
| Uniglobus Electricals and Electronics Private Limited | ₹10 | 9,000,000 | 90.00 | - | - |
| Polycab Australia PTY Ltd. | AU$1 | 205,000 | 11.66 | 205,000 | 11.66 |
| Polycab Support Force Private Limited | ₹10 | 260,000 | 2.60 | - | - |
| Steel Matrix Private Limited | ₹10 | 75,000 | 0.75 | - | - |
| Polycab Electricals And Electronics Private Limited | ₹10 | 100,000 | 1.00 | 100,000 | 1.00 |
| Silvan Innovation Labs Private Limited (Equity share) | ₹100 | 101,956 | 8.95 | - | - |
| Silvan Innovation Labs Private Limited (0.1% Compulsorily convertible preference shares) | ₹10 | 291,177 | 39.03 | - | - |
| Silvan Innovation Labs Private Limited (0.1% Compulsorily convertible preference shares(Class A1)) | ₹200 | 1,451 | 2.07 | - | - |
| Silvan Innovation Labs Private Limited (0.1% Compulsorily convertible preference shares(Class A2)) | ₹200 | 4,353 | 6.22 | - | - |
| Silvan Innovation Labs Private Limited (0.1% Compulsorily convertible preference shares(Class A3) | ₹200 | 13,236 | 17.02 | - | - |
| Silvan Innovation Labs Private Limited (0.1% Compulsorily convertible preference shares(Class B)) | ₹200 | 10,864 | 28.25 | - | - |
| Compulsorily Convertible Debentures Silvan Innovation Labs Private Limited (in nature of equity) | ₹100 | 780,700 | 78.07 | - | - |
| | | | **386.29** | | **633.28** |
| **Investment in equity instruments of joint venture (Fully paid-up)** | | | | | |
| Techno Electromech Private Limited | ₹10 | 4,040,000 | 105.20 | 4,040,000 | 105.20 |
| | | | **105.20** | | **105.20** |
| **Total non-current investments** | | | **491.49** | | **738.48** |
| Aggregate amount of unquoted investments | | | 491.49 | | 738.48 |
| Aggregate amount of impairment value of investments | | | - | | - |

**Notes:**

(a) The fair value of corporate guarantee has been included in carrying cost of investment in Ryker base Private Limited. The movement of the investment in Ryker base Private Limited is given as under:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Investment in Ryker at amortised cost | 514.15 | 260.10 |
| Add: Investment during the year | - | 303.80 |
| Less: Divestment | (549.93) | - |
| Less: Put option derecognised | - | (49.75) |
| Add: Guarantee provided on credit facility | 35.78 | 27.57 |
| | **-** | **541.72** |

(b) During the year, the Company has divested its 100% stake in Ryker Base Private Limited, a wholly-owned subsidiary for a consideration of ₹1,778.92 million and recognised a gain of ₹1,243.25 million which has been disclosed as an exceptional item.

(c) On 18 June 2021, the Company acquired 100% stake in Silvan Innovation Labs Private Limited making it a wholly-owned subsidiary at a consideration of ₹101.54 million. The acquisition will augment the Company's Internet of Things (IOT) results based automation offerings and expand the potential addressable market in FMEG space.

(d) During the year, the Company has increased its stake in a subsidiary viz. Dowells Cable Accessories Private Limited from 51% to 60% for a purchase consideration of ₹21.77 million.

(e) Refer note 36A for information on financial information, principal place of business, activities and the Company's ownership interest in the above subsidiaries and joing venture.

# Notes to Standalone Financial Statements
for the year ended 31 March 2022

### B. Current investments

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Investments measured at FVTPL (Quoted) | | |
| Held for sale | | |
| Investments in Liquid/Overnight Mutual Funds | 7,640.51 | 6,231.27 |
| | **7,640.51** | **6,231.27** |
| Aggregate amount of quoted investments – At cost | 7,628.52 | 6,222.79 |
| Aggregate amount of quoted investments – At market value | 7,640.51 | 6,231.27 |

**Notes:**

(a) Refer note 38 for accounting policies on financial instruments for methods of valuation.

(b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

## 7. Trade receivables

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Unsecured (at amortised cost)** | | |
| **Non-Current** | | |
| Trade receivables - Considered Good (Unsecured) | 798.90 | 1,283.60 |
| **Non-current trade receivables** | **798.90** | **1,283.60** |
| **Current** | | |
| Trade receivables - Considered Good (Unsecured) | 13,371.17 | 14,517.30 |
| Trade receivables - Credit Impaired | 384.00 | 254.36 |
| Receivables from related parties - Considered Good (Unsecured) (Refer note - 36) | 413.96 | 964.18 |
| **Trade receivables (Gross)** | **14,169.13** | **15,735.84** |
| Less: Impairment allowance for trade receivables | (1,243.76) | (1,423.68) |
| **Current Trade receivables (Net)** | **12,925.37** | **14,312.16** |

The following table summarises the change in impairment allowance measured using the life time expected credit loss model:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **At the beginning of year** | 1,423.68 | 1,562.41 |
| Provision during the year | (150.98) | (51.30) |
| Bad debts written off (net) | (28.94) | (87.43) |
| **At the end of the year** | **1,243.76** | **1,423.68** |

**Notes:**

(a) Trade receivables are usually non-interest bearing and are generally on credit terms up to 90 days except EPC business. The Company's term includes charging of interest for delayed payment beyond agreed credit days. Company entities charge interest for delayed payments in certain cases depending on factors, such as, market conditions and past realisation trend.

(b) For EPC business trade receivables are non-interest bearing and credit terms are specific to contracts.

(c) For explanations on the Company's credit risk management processes, Refer note 39(B).

(d) The Company follows life time expected credit loss model. Accordingly, deterioration in credit risk is not required to be evaluated annually.

(e) Trade receivables have been pledged as security against bank borrowings, the terms relating to which have been described in Note 18(B)

(f) Refer note 38 for accounting policies on financial instruments.

(g) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person, except the dues referred in note 36(F)(iii). Further, no trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(h) There are no unbilled receivables, hence the same is not disclosed in the ageing schedule as below.



# Notes to Standalone Financial Statements
for the year ended 31 March 2022

(i) Trade receivables ageing schedule Current

### As at 31 March 2022

(₹ million)

| | | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | More than 6 months to 12 months | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables - considered good | 10,345.32 | 1,709.45 | 799.01 | 638.96 | 109.67 | 169.93 | 13,772.34 |
| (iii) Undisputed Trade Receivables - Credit Impaired | - | - | - | - | 80.14 | 73.86 | 154.00 |
| (iii) Disputed Trade Receivables - considered good | - | - | - | 12.79 | - | - | 12.79 |
| (iv) Disputed Trade Receivables - Credit Impaired | - | - | - | - | 90.49 | 139.51 | 230.00 |
| | **10,345.32** | **1,709.45** | **799.01** | **651.75** | **280.30** | **383.30** | **14,169.13** |
| Less: Impairment allowance for trade receivables - Credit Impaired | | | | | | | (1,243.76) |
| **Total Current trade receivable** | | | | | | | **12,925.37** |

### As at 31 March 2021

(₹ million)

| | | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | More than 6 months to 12 months | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables - considered good | 10,417.88 | 2,748.12 | 524.57 | 1,289.48 | 203.95 | 194.00 | 15,378.00 |
| (iii) Undisputed Trade Receivables - Credit Impaired | - | - | - | - | 56.24 | 58.55 | 114.79 |
| (iii) Disputed Trade Receivables - considered good | - | 2.06 | 10.88 | 90.55 | - | - | 103.49 |
| (iv) Disputed Trade Receivables - Credit Impaired | - | - | - | - | 2.05 | 137.52 | 139.57 |
| | **10,417.88** | **2,750.18** | **535.45** | **1,380.03** | **262.24** | **390.07** | **15,735.85** |
| Less: Impairment allowance for trade receivables - Credit Impaired | | | | | | | (1,423.68) |
| **Total Current trade receivable** | | | | | | | **14,312.17** |

Trade receivables ageing schedule Non-current

### As at 31 March 2022

(₹ million)

| | | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | More than 6 months to 12 months | 1-2 years | 2-3 years | More than 3 years | TOTAL |
| (i) Undisputed Trade Receivables - considered good | - | 56.21 | 77.01 | 202.08 | 192.59 | 271.01 | 798.90 |

### As at 31 March 2021

(₹ million)

| | | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | More than 6 months to 12 months | 1-2 years | 2-3 years | More than 3 years | TOTAL |
| (i) Undisputed Trade Receivables - considered good | - | 150.20 | 87.65 | 332.70 | 338.45 | 374.60 | 1,283.60 |

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

## 8. Loans

### Loans – Current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **At amortised cost** | | |
| **Loans Receivables considered good – Unsecured** | | |
| Loans to supplier | 19.04 | – |
| Loans to related party (Refer note – 36) | 147.45 | 440.28 |
| Loans to employees | 7.62 | 7.45 |
| | **174.11** | **447.73** |

**Note:** Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 (4) of Companies Act, 2013

**(A)** Amount of loans/advances in the nature of loans outstanding from Subsidiaries and Joint Venture (for due date refer note (B) below):

(₹ million)

| | | Interest Rate | Outstanding as at | | Maximum amount outstanding during the year | |
|---|---|---|---|---|---|---|
| | | | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| **(i)** | **Subsidiaries** | | | | | |
| | Unsecured, considered good | | | | | |
| | Ryker Base Private Limited (has utilised this loan for ECB loan repayment and general corporate purpose) | MCLR + 100 BP | – | 300.00 | 300.00 | 300.00 |
| | Dowells Cable Accessories Private Limited (has utilised this loan for general corporate purpose) | 12.00% | – | – | – | 4.47 |
| | Uniglobus Electricals and Electronics Private Limited (has utilised this loan for general corporate purpose) | 11.25% | 1.95 | – | 71.44 | – |
| | Silvan Innovation Labs Private Limited(has utilised this loan for general corporate purpose) | 11.25% | 45.50 | – | 45.50 | – |
| | Polycab Wires Italy SRL (has utilised this loan for general corporate purpose) | 0.00% | – | – | – | 32.25 |
| | Polycab Australia PTY Ltd. (has utilised this loan for general corporate purpose) | LIBOR + 400 BP | – | 25.07 | 25.07 | 25.07 |
| **(ii)** | **Joint Venture** | | | | | |
| | Unsecured, considered good | | | | | |
| | Techno Electromech Private Limited (has utilised this loan for general corporate purpose) | 12.00% | 100.00 | 115.21 | 115.21 | 115.21 |

**(B)** Amount of loans/advances in the nature of loans outstanding repayable as per below term with Subsidiaries and Joint Venture:

(₹ million)

| | | Due date | 31 March 2022 | % | 31 March 2022 | % |
|---|---|---|---|---|---|---|
| **(i)** | **Subsidiaries** | | | | | |
| | Unsecured, considered good | | | | | |
| | Ryker Base Private Limited | | – | – | 300.00 | 68% |
| | Uniglobus Electricals and Electronics Private Limited | 30 June 2022 | 1.95 | 1% | – | – |
| | Silvan Innovation Labs Private Limited | 31 December 2024 | 45.50 | 31% | – | – |
| | Polycab Australia PTY Ltd. | | – | – | 25.07 | 6% |
| **(ii)** | **Joint Venture** | | | | | |
| | Unsecured, considered good | | | | | |
| | Techno Electromech Private Limited | 31 March 2023 | 100.00 | 68% | 115.21 | 26% |

**(C)** Details of investments made and outstanding are given in Note 6A and 36D.

**(D)** Details of guarantee issued and outstanding are given in Note 36E. Guarantees are issued by the Company in accordance with Section 186 of the Companies Act, 2013 read with rules issued thereunder.

**(E)** The Company has complied with the provision Section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

**(F)** The Company has not entered with any Scheme(s) of arrangement in terms of Sections 230 to 237 of the Companies Act, 2013.



Notes to Standalone Financial Statements

for the year ended 31 March 2022

**(G)** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 9. Other financial assets

### A Other financial assets – Non-current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **At amortised cost** | | |
| Security deposits and Earnest money deposits, Unsecured, considered good | 15.22 | 15.72 |
| Rental deposits , unsecured, considered good | | |
| Others | 23.75 | 18.43 |
| Deposits with bank having maturity period of more than 12 months | 119.80 | 557.20 |
| | **158.77** | **591.35** |

### B Other financial assets – Current

(₹ million)

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| **At amortised cost** | | | |
| Security deposits and Earnest money deposits, Unsecured, considered good | (A) | 11.43 | 24.15 |
| Rental deposits, unsecured, considered good | | | |
| Related Parties (Refer note – 36) | | 6.17 | 5.91 |
| Others | | 14.04 | 19.73 |
| | (B) | **20.21** | **25.64** |
| **Contract asset (Refer below note(a))** | | | |
| Unsecured, considered good | | 95.09 | 141.02 |
| Credit Impaired | | 11.82 | 11.82 |
| Less: Impairment allowance for Contract Assets – Credit Impaired (Refer below note (b)) | | (11.82) | (11.82) |
| | (C) | **95.09** | **141.02** |
| **Others** | | | |
| Interest accrued on bank deposits | | 52.69 | 29.90 |
| Interest receivables | | | |
| Related Parties (Refer note – 36) | | 3.65 | 5.57 |
| Others | | 1.43 | 1.03 |
| | (D) | **57.77** | **36.50** |
| **At FVTPL** | | | |
| Derivative Assets (Refer below note (c)) | (E) | 238.74 | 33.79 |
| | (A+B+C+D+E) | **423.24** | **261.10** |

**Notes:**

**(a) Reconciliation of contract assets:**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| At the beginning of year | 141.02 | 316.78 |
| Unbilled revenue | 353.09 | 1,267.98 |
| Billed to customer | (399.02) | (1,443.74) |
| **At the end of the year** | **95.09** | **141.02** |

The Company follows life time expected credit loss provisioning model for contract asset. Accordingly, deterioration in credit risk is not required to be evaluated annually.

# Notes to Standalone Financial Statements
for the year ended 31 March 2022

**(b) Change in impairment allowance**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **At the beginning of year** | 11.82 | 11.82 |
| Provision during the year | – | – |
| **At the end of the year** | **11.82** | **11.82** |

**(c) Derivative Assets**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Embedded derivatives | 196.27 | – |
| Forward Contract | 42.47 | 31.37 |
| Interest rate and cross currency swap | – | 2.42 |
| | **238.74** | **33.79** |

## 10. Cash and cash equivalents

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **At amortised cost** | | |
| Balances with banks | | |
| In current accounts (i) | 985.12 | 725.03 |
| Deposits with original maturity of less than 3 months (ii) | 152.04 | 1,248.20 |
| Cash on hand | 1.11 | 0.89 |
| | **1,138.27** | **1,974.12** |

(i) There is no repatriation restriction with regard to cash and cash equivalents at the end of reporting period and prior periods.

(ii) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

## 11. Bank balance other than cash and cash equivalents

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **At amortised cost** | | |
| Deposits with original maturity for more than 3 months but less than 12 months | 2,764.10 | 2,903.88 |
| Earmarked balance (i) | 2.87 | 0.87 |
| | **2,766.97** | **2,904.75** |

(i) Earmarked balances with banks relate to unclaimed dividends.

## 12. Income taxes

### Accounting policy

Income tax expenses comprise current tax and deferred income tax and includes any adjustments related to past periods in current and/or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax received/receivable pertains to prior period recognised when reasonable certainty arise for refund acknowledged by the Income-tax department. Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted at the reporting date. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

The major tax jurisdiction of the Company is India. The Company's tax return for past years are generally subject to examination by the tax authorities. The Company has ongoing disputes with income tax authorities in India. The disputes relate to tax treatment of certain expenses claimed as deductions or manner of computation of certain income and expenses. However, there are no pending tax demands from Income-tax authorities as on 31 March 2022.The Company has made provisions for taxes basis its best judgement, considering past resolutions to disputed matters by adjudicating authorities, prior year assessments and advice from external experts, if required. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax laws and prior experience.

Further, the Company periodically receives notices and inquiries from Indian income tax authorities related to the Company's operations. The Company has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands, if any, by the income tax authorities will not succeed on ultimate resolution.

### A. Income tax expense in the statement of profit and loss comprises:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Current tax:** | | |
| In respect of current year | 3,058.47 | 2,533.59 |
| Adjustments of tax relating to earlier years | (20.80) | (1,001.95) |
| | **3,037.67** | **1,531.64** |
| **Deferred tax:** | | |
| Relating to origination and reversal of temporary differences | (65.00) | 17.62 |
| Effect of decrease in applicable tax rate in India | – | – |
| Adjustments of tax relating to earlier years | (37.04) | 92.03 |
| | **(102.04)** | **109.65** |
| | **2,935.63** | **1,641.29** |

### B. OCI section – Deferred tax related to items recognised in OCI during the year:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Net loss/(gain) on remeasurements of defined benefit plans | 4.85 | 11.90 |
| Net loss/(gain) on Designated Cash Flow Hedges | 0.15 | 42.54 |
| | **5.00** | **54.44** |

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

### C. Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Profit before tax | 12,248.35 | 9,954.59 |
| Enacted tax rates in India | 25.17% | 25.17% |
| Computed expected tax expenses | 3,082.66 | 2,505.37 |
| **Effect of differential tax impact due to the following (tax benefit)/ tax expenses:** | | |
| CSR expenses | 48.29 | 40.22 |
| Deferred government grants | (5.21) | (19.83) |
| Others | (132.27) | 25.45 |
| Adjustments of tax relating to earlier years | (57.84) | (909.92) |
| | **2,935.63** | **1,641.29** |

**Notes:**

The tax rate used for the 31 March 2022 and 31 March 2021 reconciliations above is the corporate tax rate of 25.17%, payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

### D. The details of Non-current/ (Current) tax assets/ (liabilities) as at 31 March 2022

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Non-current tax assets (net of provision for taxation) | 369.94 | 269.66 |
| Current tax liabilities (net of advance tax) | (153.11) | (267.45) |
| **Net current income tax asset/(liability) at the end** | **216.83** | **2.21** |

### E. The movement in the gross current tax assets/(liability) for the year ended 31 March 2022

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Net current tax asset/ (liability) at the beginning | 2.21 | (992.69) |
| Income tax Paid | 3,281.19 | 2,375.43 |
| Effect of interest on income-tax order | 13.90 | 162.87 |
| Interest liability adjusted against advance tax | (42.80) | (11.76) |
| Current tax expense | (3,058.47) | (2,533.59) |
| Adjustments of tax relating to earlier years | 20.80 | 1,001.95 |
| **Net current tax asset/(liability) at the end** | **216.83** | **2.21** |

### F. The movement in gross deferred tax assets and liabilities

**For the year ended 31 March 2022**

(₹ million)

| | Carrying value as at 01 April 2021 | Changes through profit and loss | Changes through OCI | Carrying value as at 31 March 2022 |
|---|---|---|---|---|
| **Deferred tax assets/(liabilities) in relation to** | | | | |
| Property, plant and equipment and other intangible assets | (629.58) | (22.66) | – | (652.24) |
| Provision for employee benefits | 87.02 | 6.24 | – | 93.26 |
| Cash flow hedges | – | – | (0.15) | (0.15) |
| Receivables, financial assets at amortised cost | 192.87 | 117.16 | – | 310.03 |
| Lease liabilities | 0.78 | 0.37 | – | 1.15 |
| Others | 11.27 | 0.93 | (4.85) | 7.35 |
| **Total deferred tax assets/(liabilities)** | **(337.64)** | **102.04** | **(5.00)** | **(240.60)** |



Notes to Standalone Financial Statements

for the year ended 31 March 2022

**For the year ended 31 March 2021**

(₹ million)

| | Carrying value as at 01 April 2021 | Changes through profit and loss | Changes through OCI | Carrying value as at 31 March 2022 |
|---|---|---|---|---|
| **Deferred tax assets/(liabilities) in relation to** | | | | |
| Property, plant and equipment and other intangible assets | (605.85) | (23.73) | – | (629.58) |
| Provision for employee benefits | 115.47 | (16.55) | (11.90) | 87.02 |
| Cash flow hedges | 42.54 | – | (42.54) | – |
| Receivables, financial assets at amortised cost | 426.13 | (233.26) | – | 192.87 |
| Lease liabilities | 8.51 | (7.73) | – | 0.78 |
| Others | (160.35) | 171.62 | – | 11.27 |
| **Total deferred tax assets/(liabilities)** | **(173.55)** | **(109.65)** | **(54.44)** | **(337.64)** |

### G. Reconciliation of deferred tax assets/ liabilities (net):

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Net deferred tax asset/(liability) at the beginning | (337.64) | (173.55) |
| Tax (income)/expense on adjustment of tax relating to earlier year | 37.04 | (92.03) |
| Tax (income)/expense recognised in profit or loss | 65.00 | (17.62) |
| Tax (income)/expense recognised in OCI | (5.00) | (54.44) |
| **Net deferred tax asset/(liability) at the end** | **(240.60)** | **(337.64)** |

**Notes:**

(a) During the previous year, the Company had received a favourable order from Honourable Income-Tax Appellate Tribunal for AY 2012-13 to 2015-16 resulting into write back of income-tax provision of ₹839.52 million and recognition of interest on income tax refund of ₹163.89 million.

**H.** Details of transaction not recorded in the books of account that has been surrendered/ disclosed as income during the year in the tax assessments (e.g. search) ₹ Nil (31 March 2021 ₹ Nil).

**I.** The Company does not have any unrecorded income and assets related to previous years which are required to be recorded during the year.

## 13. Other assets

### A. Other assets - Non-current

(₹ million)

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| **Capital advances** | | | |
| Unsecured, considered good | | 541.45 | 271.56 |
| Unsecured, considered doubtful | | 6.62 | – |
| Gross Capital Advances | | **548.07** | **271.56** |
| Less : Impairment allowance for doubtful advance | | (6.62) | – |
| Net Capital Advances | (A) | **541.45** | **271.56** |
| | | | |
| **Advances other than capital advances** | | | |
| **Unsecured, considered good** | | | |
| Prepaid expenses | | 12.97 | 12.02 |
| Balances with Statutory/government authorities | | 97.25 | 134.01 |
| | (B) | **110.22** | **146.03** |
| | | | |
| | (A)+(B) | **651.67** | **417.59** |

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

### B. Other assets - Current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Advances other than capital advances, Unsecured, considered good** | | |
| Advances for materials and services | 3,173.95 | 936.20 |
| **Others** | | |
| **Unsecured, considered good** | | |
| Prepaid expenses | 59.80 | 55.35 |
| Balances with statutory/government authorities | 495.77 | 197.33 |
| Export incentive receivable | 23.92 | 85.64 |
| Refund Assets | 287.24 | 222.21 |
| Others | 84.08 | 37.40 |
| | **4,124.76** | **1,534.13** |

## 14. Inventories

### Accounting policy

Raw materials, stock-in-rade, work-in-progress, finished goods, packing materials, project material for long-term contracts, scrap materials and stores and spares are valued at lower of cost or net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials, and stores and spares is determined on a First In-First Out (FIFO) basis and includes all applicable costs, including inward freight, incurred in bringing goods to their present location and condition.

Work-in-progress and finished goods are valued at lower of cost or net realisable value. Cost includes direct materials as aforesaid, direct labour cost and a proportion of manufacturing overheads based on total manufacturing overheads to raw materials consumed.

Stock-in-trade are valued at lower of cost and or realisable value. Cost includes cost of purchase and includes all applicable costs, including inward freight, incurred in bringing the inventories at their location and condition. Cost is determined on a weighted average basis.

The stocks of scrap materials have been taken at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Copper and aluminium is purchased on provisional price with option to fix the purchase price based on current or future pricing model based on LME. Such feature is kept to hedge against exposure in the value of inventory of copper and aluminium due to volatility in copper and aluminium prices. Since, the value of the copper and aluminium changes with response to change in commodity pricing index, embedded derivatives (ED) is identified and separated from the host contract. The ED so separated, is treated like commodity derivative and qualifies for hedge accounting. These derivatives are put into a Fair Value hedge relationship with respect to unpriced inventory. The Company designates only the spot-to-spot movement of the copper and aluminium inventory as the hedged risk. The carrying value of inventory is accordingly adjusted for the effective portion of change in fair value of hedging instrument. Hedge accounting is discontinued when the hedging instrument is settled, or when it no longer qualifies for hedge accounting or when the hedged item is sold (Refer note 40).

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Raw materials | 5,356.31 | 7,967.09 |
| Work-in-progress | 2,168.67 | 1,405.07 |
| Finished goods | 11,179.73 | 8,005.96 |
| Stock-in-trade | 1,610.56 | 1,158.24 |
| Stores and spares | 258.53 | 237.46 |
| Packing materials | 284.10 | 289.30 |
| Scrap materials | 523.10 | 226.64 |
| Project materials for long-term contracts | 91.95 | 222.02 |
| | **21,472.95** | **19,511.78** |



# Notes to Standalone Financial Statements

for the year ended 31 March 2022

**Notes:**

(a) The above includes goods in transit as under:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Raw Material | 232.14 | 1,058.36 |
| Stock-in-trade | 51.24 | 72.44 |
| Stores and spares | 0.51 | 0.61 |
| Packing Material | - | - |
| Project materials for long-term contracts | 6.16 | 22.31 |

(b) The above includes inventories held by third parties amounting to ₹320.55 million (31 March 2021 - ₹1,613.14 million).

(c) During the year ended 31 March 2022, ₹1.93 million (31 March 2021 - ₹13.01 million ) was recognised as an expense for inventories carried at net realisable value.

(d) Inventories are hypothecated with the bankers against working capital limits (Refer note 18).

## 15. Non-current assets classified as held for sale

### Accounting policy

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all the following criteria are met:

(i) Decision has been made to sell.

(ii) The assets are available for immediate sale in its present condition.

(iii) The assets are being actively marketed and

(iv) Sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

(v) Subsequently, such non-current assets or disposal groups classified as 'held for sale' are measured at the lower of its carrying value or fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

On 31 March 2022, the Company classified certain property, plant and equipment ₹ Nil (31 March 2021 ₹ Nil) and other asset ₹ Nil (31 March 2021 ₹ Nil) retired from active use and held for sale recognised and measured in accordance with Ind AS 105 "Non-Current Assets held for sale and discontinued operations" at lower of its carrying amount and fair value less cost to sell.

## 16. Equity Share capital

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Authorised share capital** | | |
| Equity shares, ₹10 per value 18,62,50,000 (18,62,50,000) equity shares* | 1,862.50 | 1,862.50 |
| **Issued, subscribed and fully paid-up shares** | | |
| Equity shares, ₹10 per value 14,94,43,040 (14,91,18,814) equity shares | 1,494.43 | 1,491.19 |
| | **1,494.43** | **1,491.19** |

* Number of equity shares reserved for issue under employee share based payment Number 12,65,159 (31 March 2021: Number 15,51,942)

**Notes:**

**(a) The reconciliation of shares outstanding and the amount of share capital as at 31 March 2022 and 31 March 2021 are as follow:**

(₹ million)

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount |
| At the beginning of the year | 149,118,814 | 1,491.19 | 148,879,373 | 1,488.79 |
| Add: Shares issued on exercise of employee stock option | 324,226 | 3.24 | 239,441 | 2.40 |
| **At the end of the year** | **149,443,040** | **1,494.43** | **149,118,814** | **1,491.19** |

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

### (b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### (c) The details of shareholding of promoters are as under as at 31 March 2022 and 31 March 2021 are as follows:

(₹ million)

| | 31 March 2022 | | 31 March 2021 | | % Change during the year |
|---|---|---|---|---|---|
| | Number of Shares | Total share | Number of Shares | Total share | |
| Mr. Inder T. Jaisinghani | 19,383,976 | 13.00% | 21,432,476 | 14.37% | (9.56)% |
| Mr. Girdhari T. Jaisinghani | 15,181,283 | 10.18% | 18,234,916 | 12.23% | (16.75)% |
| Mr. Ajay T. Jaisinghani | 19,347,247 | 12.97% | 19,411,281 | 13.02% | (0.33)% |
| Mr. Ramesh T. Jaisinghani | 18,485,008 | 12.40% | 18,800,016 | 12.61% | (1.68)% |

### (d) The details of shareholders holding more than 5% shares as at 31 March 2022 and 31 March 2021 are as follows:

(₹ million)

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | Number of Shares | Total share | Number of Shares | Total share |
| Mr. Inder T. Jaisinghani | 19,383,976 | 13.00% | 21,432,476 | 14.37% |
| Mr. Girdhari T. Jaisinghani | 15,181,283 | 10.18% | 18,234,916 | 12.23% |
| Mr. Ajay T. Jaisinghani | 19,347,247 | 12.97% | 19,411,281 | 13.02% |
| Mr. Ramesh T. Jaisinghani | 18,485,008 | 12.40% | 18,800,016 | 12.61% |

### (e) Aggregate number of bonus share issued and share issued for consideration other than cash during the period of 5 years immediately preceding the reporting date:

There were no buy back of shares or issue of shares pursuant to contract without payment being received in cash during the previous 5 years.

### (f) Dividend

**Accounting policy**

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividend in Indian rupees in accordance with its dividend distribution policy . The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

**Dividend on equity share**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Dividend on equity shares declared and paid during the year | | |
| Final dividend of ₹10.00 per share for FY21 paid in FY22 | 1,491.60 | - |
| (Proposed by Board of Directors in the meeting held on 13 May 2021 and was approved by Shareholders in the meeting held on 21 July 2021) | | |
| | **1,491.60** | **-** |

**Proposed dividend on equity share**

The Board of Directors in their meeting on 10 May 2022 recommended a final dividend of ₹14/- per equity share for the financial year ended 31 March 2022. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company and if approved would result in a net cash outflow of approximately ₹2,092 million. It is not recognised as a liability as at 31 March 2022.



# Notes to Standalone Financial Statements

for the year ended 31 March 2022

### (g) Employee stock Option Plan (ESOP)

**Accounting policy**

Equity settled share based payments to employees and other providing similar services are measured at fair value of the equity instruments at grant date.

The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in equity recognised in connection with share based payment transaction is presented as a separate component in equity under "ESOP Outstanding". The amount recognised as an expense is adjusted to reflect the actual number of stock options that vest. For the option awards, grant date fair value is determined under the option-pricing model (Black-Scholes). Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures materially differ from those estimates. Corresponding balance of a ESOP Outstanding is transferred to general reserve upon expiry of grants or upon exercise of stock options by an employee.

No expense is recognised for options that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect, if any of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**Employee stock option plan**

The Company had instituted an ESOP Plan 2018, ESOP Performance Scheme, and ESOP Privilege Scheme as approved by the Board of Directors and Shareholders dated 30 August 2018 for issuance of stock option to eligible employees of the Company.

Under **Employee Stock Options Performance Scheme 2018** the options will be vested in the specified ratio subject to fulfilment of the employee performance criteria laid down in the scheme. This shall be monitored annually as per the performance evaluation cycle of the Company and options shall vest based on the achieved rating to the employee.

Under **Employee Stock Options Privilege Scheme 2018** the options are vested over a period of one year subject to fulfilment of service condition.

Expected volatility is based on historical stock volatility of comparable Companies operating within the same industry. The historical stock prices of comparable Companies has been observed for a period commensurate to the Life of option.

Pursuant to the said scheme, Stock options convertible into 33,87,750 equity shares vide ESOP Performance Scheme and 142,250 equity shares vide ESOP Privilege Scheme of ₹10 each were granted to eligible employee including group companies at an exercise price of ₹405/-.

**Subject to terms and condition of the scheme, options are classified into six categories:**

| | Performance Scheme | | | | | Privilege Scheme |
|---|---|---|---|---|---|---|
| | I | II | III | III | V | IV |
| Number of options | 2,102,500 | 45,000 | 65,000 | 156,000 | 100,000 | 142,250 |
| Method of accounting | Fair value | Fair value | Fair value | Fair value | Fair value | Fair value |
| Vesting period | 5 years graded vesting | 5 years graded vesting | 5 years graded vesting | 5 years graded vesting | 5 years graded vesting | 1 year |
| Grant date | 30-Aug-18 | 18-Oct-18 | 23-Jan-21 | 13-May-21 | 4-Oct-21 | 30-Aug-18 |
| Exercise/Expiry date | 29-Aug-26 | 17-Oct-26 | 22-Jan-29 | 12-May-29 | 3-Oct-29 | 29-Aug-23 |
| Exercise period | 8 years from the date of grant | 8 years from the date of grant | 8 years from the date of grant | 8 years from the date of grant | 8 years from the date of grant | 5 years from the date of grant |
| Weighted average share price | ₹1,284.40 | ₹1,284.40 | ₹1,284.40 | ₹1,284.40 | ₹1,284.40 | ₹1,284.40 |
| Grant/Exercise price | ₹405 | ₹405 | ₹405 | ₹405 | ₹405 | ₹405 |
| Method of settlement | Equity - settled | Equity - settled | Equity - settled | Equity - settled | Equity - settled | Equity - settled |
| Weighted average remaining contractual life of options (in days) | 751 | 751 | 751 | 751 | 751 | NIL |

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

**The model inputs for fair value of option granted as on the grant date (In respect of shares granted on 30 August 2018 and 18 October 2018):**

| | Performance Scheme | | | | |
|---|---|---|---|---|---|
| | Year 1 15% vesting | Year 2 15% vesting | Year 3 20% vesting | Year 4 20% vesting | Year 5 30% vesting |
| Exercise price | ₹405 | ₹405 | ₹405 | ₹405 | ₹405 |
| Dividend yield | 0.19% | 0.19% | 0.19% | 0.19% | 0.19% |
| Risk free interest rate | 8.20% | 8.20% | 8.20% | 8.20% | 8.30% |
| Expected volatility | 48.30% | 48.20% | 49.20% | 48.20% | 47.30% |
| Fair value per option | ₹310.10 | ₹321.90 | ₹335.10 | ₹343.00 | ₹350.40 |
| Model used | Black Scholes | Black Scholes | Black Scholes | Black Scholes | Black Scholes |

**The model inputs for fair value of option granted as on the grant date (In respect of shares granted on 23 January 2021):**

| | Performance Scheme | | | | |
|---|---|---|---|---|---|
| | Year 1 15% vesting | Year 2 15% vesting | Year 3 20% vesting | Year 4 20% vesting | Year 5 30% vesting |
| Exercise price | ₹405 | ₹405 | ₹405 | ₹405 | ₹405 |
| Dividend yield | 0.12% | 0.11% | 0.12% | 0.11% | 0.13% |
| Risk free interest rate | 5.10% | 5.29% | 5.44% | 5.59% | 5.73% |
| Expected volatility | 34.37% | 34.25% | 34.88% | 35.42% | 37.10% |
| Fair value per option | ₹955.87 | ₹967.70 | ₹978.57 | ₹990.75 | ₹1,003.15 |
| Model used | Black Scholes | Black Scholes | Black Scholes | Black Scholes | Black Scholes |

**The model inputs for fair value of option granted as on the grant date (In respect of shares granted on 13 May 2021):**

| | Performance Scheme | | | | |
|---|---|---|---|---|---|
| | Year 1 15% vesting | Year 2 15% vesting | Year 3 20% vesting | Year 4 20% vesting | Year 5 30% vesting |
| Exercise price | ₹405 | ₹405 | ₹405 | ₹405 | ₹405 |
| Dividend yield | 0.72% | 0.65% | 0.71% | 0.65% | 0.70% |
| Risk free interest rate | 5.54% | 5.68% | 5.86% | 6.03% | 6.13% |
| Expected volatility | 35.10% | 34.88% | 34.97% | 35.55% | 35.99% |
| Fair value per option | ₹1,186.89 | ₹1,198.43 | ₹1,203.36 | ₹1,216.12 | ₹1,220.57 |
| Model used | Black Scholes | Black Scholes | Black Scholes | Black Scholes | Black Scholes |

**The model inputs for fair value of option granted as on the grant date (In respect of shares granted on 4 October 2021):**

| | Performance Scheme | | | | |
|---|---|---|---|---|---|
| | Year 1 15% vesting | Year 2 15% vesting | Year 3 20% vesting | Year 4 20% vesting | Year 5 30% vesting |
| Exercise price | ₹405 | ₹405 | ₹405 | ₹405 | ₹405 |
| Dividend yield | 0.38% | 0.34% | 0.39% | 0.36% | 0.39% |
| Risk free interest rate | 5.66% | 5.84% | 6.00% | 6.15% | 6.27% |
| Expected volatility | 35.16% | 35.35% | 34.97% | 35.06% | 35.91% |
| Fair value per option | ₹1,998.40 | ₹2,010.23 | ₹2,014.32 | ₹2,026.10 | ₹2,030.48 |
| Model used | Black Scholes | Black Scholes | Black Scholes | Black Scholes | Black Scholes |

| | Privilege Scheme |
|---|---|
| | Year 1 100% vesting |
| Exercise price | ₹405 |
| Dividend yield | 0.19% |
| Risk free interest rate | 8.30% |
| Expected volatility | 47.30% |
| Fair value per option | ₹350.40 |
| Model used | Black Scholes |



# Notes to Standalone Financial Statements

for the year ended 31 March 2022

**The activity in the ESOP Plan 2018 (ESOP Performance Scheme and ESOP Privilege Scheme) is as follows:**

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | Number of options | Weighted average exercise price (₹) | Number of options | Weighted average exercise price (₹) |
| **ESOP Performance Scheme** | | | | |
| Outstanding at the beginning | 1,538,192 | 405 | 1,843,318 | 405 |
| Granted | 256,200 | 405 | 65,000 | 405 |
| Exercised and allotted | 313,801 | 405 | 181,766 | 405 |
| Exercised and pending allotment | 10,800 | 405 | 5,925 | 405 |
| Transfer to general reserve | 3,050 | 405 | – | 405 |
| Forfeited | 211,832 | 405 | 182,435 | 405 |
| **Outstanding at the end** | **1,254,909** | **405** | **1,538,192** | **405** |
| **ESOP Privilege Scheme** | | | | |
| Outstanding at the beginning | 13,750 | 405 | 33,600 | 405 |
| Exercised and allotted | 3,500 | 405 | 18,850 | 405 |
| Exercised and pending allotment | – | 405 | 1,000 | 405 |
| **Outstanding at the end** | **10,250** | **405** | **13,750** | **405** |

| Shares allotted under ESOP during the year | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | Number of options | Weighted average exercise price (₹) | Number of options | Weighted average exercise price (₹) |
| **FY 2021-22** | | | | |
| ESOP Performance Scheme | 313,801 | 405 | 181,766 | 405 |
| ESOP Privilege Scheme | 3,500 | 405 | 18,850 | 405 |
| **FY 2020-21** | | | | |
| ESOP Performance Scheme | 5,925 | 405 | 26,575 | 405 |
| ESOP Privilege Scheme | 1,000 | 405 | 12,250 | 405 |
| | **324,226** | | **239,441** | |

**Options Vested but not exercised**

| | Number of options | |
|---|---|---|
| | 31 March 2022 | 31 March 2021 |
| ESOP Performance Scheme | 149,759 | 154,392 |
| ESOP Privilege Scheme | 10,250 | 13,750 |

**The break-up of employee stock compensation expense is as follow:**

(₹million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Granted to** | | |
| KMP | 5.82 | 7.18 |
| Employees other than KMP | 155.34 | 101.53 |
| | **161.16** | **108.71** |

## 17. Other equity

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Share application money pending allotment | 7.98 | 4.96 |
| Capital reserve | 0.13 | 0.13 |
| Securities premium | 7,554.95 | 7,318.10 |
| General reserve | 651.69 | 650.69 |
| ESOP Outstanding | 343.54 | 286.92 |
| Retained earnings | 45,155.85 | 37,320.31 |
| Cash Flow Hedging Reserve | 0.43 | – |
| | **53,714.57** | **45,581.11** |

**Notes:**

# Notes to Standalone Financial Statements
for the year ended 31 March 2022

**(a) Capital Reserve:**

The Company has created the reserve pursuant to amalgamation in an earlier year.

**(b) Securities premium:**

Amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions difference between fair value on grant date and nominal value of share is accounted as Securities Premium. It will be used as per the provision of Companies Act, 2013

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Opening balance | 7,318.10 | 7,149.55 |
| Add: Adjustment for exercise of stock option | 236.85 | 168.55 |
| | **7,554.95** | **7,318.10** |

**(c) General reserve**

The Company had transferred a portion of the net profit of the Company before declaring dividend to General Reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to General Reserve is not required under the Companies Act, 2013. General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit or loss.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Opening balance | 650.69 | 650.69 |
| Add: Transfer on account of employee stock options not exercised | 1.00 | - |
| | **651.69** | **650.69** |

## (d) ESOP outstanding

Fair value of equity-settled share based payment transactions with employees is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding . The Company has two stock option schemes under which options to subscribe for the Company's shares have been granted to certain employees. The ESOP Outstanding is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Opening balance | 286.92 | 241.45 |
| Add: ESOP charge during the year | 161.16 | 108.71 |
| Add: ESOP charge recovered from group companies | 6.68 | 1.48 |
| Less: Transfer on account of employee stock options not exercised | (1.00) | - |
| Less: Adjustment for exercise of stock option | (110.22) | (64.72) |
| | **343.54** | **286.92** |

## (e) Cash flow hedging reserve

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedge reserve. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the statement of Profit and Loss upon the occurrence of the related forecasted transaction.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Opening balance | - | (126.49) |
| Add: Other Comprehensive Income for the year | 0.43 | 126.49 |
| | **0.43** | **-** |

## (f) Retained earnings

Retained earnings are the profits that the Company has earned till date less any transfers to General Reserve, dividends or other distributions to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the Company.




# Notes to Standalone Financial Statements
for the year ended 31 March 2022


(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Opening balance | 37,320.31 | 28,971.62 |
| Add: Profit during the year | 9,327.14 | 8,348.69 |
| Less: Final equity dividend | (1,491.60) | - |
| | **45,155.85** | **37,320.31** |

**(g) Share application money pending allotment**

Share application money pending allotment, represents amount received from employees who has exercised Employee Stock Option Scheme (ESOS) for which shares are pending allotment as on balance sheet date.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Opening balance | 4.96 | 27.15 |
| Add: Adjustment for exercise of stock option | 110.22 | 64.72 |
| Add: Amount received on exercise of employee stock options | 132.88 | 84.04 |
| Less: Transfer to equity share capital & Securities premium for fresh issue | (240.08) | (170.95) |
| | **7.98** | **4.96** |

## 18. Borrowings

### A Borrowings- non-current

(₹ million)

| | Rate of Interest | Tenure end date | Gross/ Carrying Value 31 Mar 22 | Gross/ Carrying Value 31 Mar 21 |
|---|---|---|---|---|
| At amortised cost | | | | |
| Rupee loan (secured) | | | | |
| Indian rupee loan from Citibank N.A. | 8.80% | 23 August 2021 | - | 29.93 |
| | | | - | 29.93 |
| Less: Current maturities of long-term borrowings | | | - | (29.93) |
| | | | - | - |

**Notes:**

(a) The above loans are secured by way of

(i) First *pari passu* charge by way of registered mortgage on specific immovable fixed assets at Halol and hypothecation of all movable fixed assets acquired on or after 1 April 2015.

(ii) Second *pari passu* charge by way of hypothecation of all movable fixed assets appearing in balance sheet as on 31 March 2015 and on all current assets of the Company.

(iii) Charges with respect to above borrowing has been created in favour of security trustee. No separate charge created for each of the borrowing.

(iv) All charges are registered with ROC within statutory period by the Company.

(v) Term loans were applied for the purpose for which the loans were obtained.

(vi) Bank returns/stock statements filed by the Company with its bankers are in agreement with books of account.

(b) Maturity profile of non-current borrowings

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | < 1 Year | > 1 Year | < 1 Year | > 1 Year |
| **Rupee loan (secured)** | | | | |
| Indian rupee loan from Citibank N.A. | - | - | 29.93 | - |
| | **-** | **-** | **29.93** | **-** |

# Notes to Standalone Financial Statements
for the year ended 31 March 2022

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Others** | | |
| At amortised cost | | |
| Short-term loan from banks (Unsecured) (Refer note- 39B) | 765.42 | 883.56 |
| Short-term loan from banks (Secured) | - | 5.24 |
| Current maturities of long-term borrowings (Refer note- 18A) | - | 29.93 |
| | **765.42** | **918.73** |

**Notes:**

**(a) The above loans are secured by way of**

(i) Secured borrowings from banks are secured against *pari passu* first charge by way of hypothecation of inventories and receivables .

(ii) *Pari passu* first charge on specific properties, plant and equipments of the Company such as Daman staff quarters, Daman godown premises, factory land and building at Halol and Daman and office building at Mumbai.

(iii) *Pari passu* first charge by way of hypothecation of all movable fixed assets appearing in balance sheet as on 31 March 2015.

(iv) *Pari passu* second charge by way of registered mortgage on all movable assets acquired on or after 1 April 2015.

(v) Charges with respect to above borrowing has been created in favour of security trustee. No separate charge has been created for each of the borrowing.

(vi) All charges are registered with ROC within statutory period by the Company.

(vii) Funds raised on short-term basis have not been utilised for long-term purposes and spent for the purpose it were obtained.

**(b) Credit facilities**

The Company has fund based and non-fund based revolving credit facilities amounting to ₹38,564.30 million (31 March 2021 : ₹39,580 million), towards operational requirements that can be used for the short-term loan, issuance of letters of credit and bank guarantees. The unutilised credit line out of these working capital facilities at the year end are given as below:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Fund based | 4,364.30 | 3,780.00 |
| Non-fund based | 17,057.60 | 15,310.00 |
| | **21,421.90** | **19,090.00** |

**(c) Reconciliation of movement in borrowings to cash flows from financing activities**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Opening balance** | | |
| Long-Term Borrowings | - | 29.93 |
| Short-Term Borrowings (excluding Cash Credit from banks) | 918.72 | 1,425.67 |
| | **918.72** | **1,455.60** |
| **Cash flow movements** | | |
| Repayment of long-term borrowings | (29.93) | (312.59) |
| (Repayment)/Proceeds of short-term borrowings | (5.24) | (384.38) |
| | **(35.17)** | **(696.97)** |
| **Non-cash movements** | | |
| Foreign exchange translation | - | 18.06 |
| Other Adjustment | (118.13) | 142.03 |
| | **(118.13)** | **160.09** |
| **Closing Balance** | | |
| Short-Term Borrowings (excluding Cash Credit from banks) | 765.42 | 918.72 |
| | **765.42** | **918.72** |

Refer note 4 for reconciliation of movement in lease liabilities to cash flows from financing activities.

## 19. Lease liabilities

### A. Lease liabilities - non-current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| At amortised cost | 239.92 | 224.05 |
| | **239.92** | **224.05** |

### B. Lease liabilities - current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| At amortised cost | 103.34 | 111.17 |
| | **103.34** | **111.17** |

## 20. Trade payables

### Accounting policy

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 90 days of recognition other than usance letter of credit. Trade payables are presented as current financial liabilities.

The Company enters into arrangements for purchase under usance letter of credit issued by banks under non-fund based working capital limits of the Company. Considering these arrangements are majorly for raw materials with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as acceptances under trade payables.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **At Amortised Cost** | | |
| Total outstanding dues of micro and small enterprises | | |
| Trade payables to related parties (Refer Note - 36) | 51.60 | 117.03 |
| Trade payables - Others | 585.17 | 223.27 |
| | **636.77** | **340.30** |
| Total outstanding dues of creditors other than micro and small enterprises | | |
| Acceptances - (Refer note below (a)) | 6,173.58 | 6,537.51 |
| Other than acceptances | | |
| Trade payables to related parties (Refer note - 36) | 172.09 | 211.97 |
| Trade payables - Others (Refer note below (b)) | 4,811.11 | 5,971.65 |
| | **11,156.78** | **12,721.13** |

**Notes:**

(a) Acceptances represent amounts payable to banks on due date as per usance period of Letter of Credit (LCs) issued to raw material vendors under non-fund based working capital facility approved by Banks for the Company. The arrangements are interest-bearing. Non-fund limits are secured by first *pari passu* charge over the present and future current assets of the Company.

(b) Others include amount payable to vendors, employees liability and accrual of expenses that are expected to be settled in the Company's normal operating cycle or due to be settled within twelve months from the reporting date.

(c) For explanations on the Company's liquidity risk management processes Refer note 39 (C).

(d) Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31 March 2022 and year ended 31 March 2021 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

(₹ million)

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| (i) | Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act: | | |
| | Principal | 634.96 | 337.41 |
| | Interest | 1.81 | 2.89 |
| (ii) | The amount of interest paid by the buyer in terms of Section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | 2.89 | 2.65 |
| (iii) | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act. | – | – |
| (iv) | The amount of interest accrued and remaining unpaid at the end of each accounting year | 1.81 | 2.89 |
| (v) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006 | – | – |

(e) Trade Payables ageing schedule

**As at 31 March 2022**

(₹ million)

| | | Not due | Outstanding for following periods from due date of payment | | | | TOTAL |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1–2 years | 2–3 years | More than 3 years | |
| (i) | MSME | **627.91** | **8.86** | **–** | **–** | **–** | **636.77** |
| (ii) | Others | | | | | | |
| | Acceptances | 6,173.58 | – | – | – | – | 6,173.58 |
| | Other than acceptances | 1,526.90 | 498.44 | 3.52 | 0.94 | 11.07 | 2,040.87 |
| (iii) | Disputed dues – Others | – | – | – | 0.28 | – | 0.28 |
| | | **7,700.48** | **498.44** | **3.52** | **1.22** | **11.07** | **8,214.73** |
| (iv) | Accrued expenses | | | | | | 2,942.05 |
| | | | | | | | **11,156.78** |

**As at 31 March 2021**

(₹ million)

| | | Not due | Outstanding for following periods from due date of payment | | | | TOTAL |
|---|---|---|---|---|---|---|---|
| | | | Less than 1 year | 1–2 years | 2–3 years | More than 3 years | |
| (i) | MSME | **308.07** | **32.23** | **–** | **–** | **–** | **340.30** |
| (ii) | Others | | | | | | |
| | Acceptances | 6,537.51 | – | – | – | – | 6,537.51 |
| | Other than acceptances | 1,891.08 | 1,482.33 | 117.65 | 236.34 | 136.10 | 3,863.50 |
| (iii) | Disputed dues – Others | – | – | – | 0.28 | – | 0.28 |
| | | **8,428.59** | **1,482.33** | **117.65** | **236.62** | **136.10** | **10,401.29** |
| (iv) | Accrued expenses | | | | | | 2,319.84 |
| | | | | | | | **12,721.13** |

## 21. Other financial liabilities – current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **At amortised cost** | | |
| Security deposit | 45.02 | 42.22 |
| Interest accrued but not due | 2.51 | 3.01 |
| Creditors for capital expenditure | 466.96 | 273.78 |
| Unclaimed dividend (Refer below note (b)) | 2.87 | 0.87 |
| Other (Refer below note (c)) | – | 15.31 |
| **At FVTPL** | | |
| Derivative liability (Refer below note (a)) | 138.42 | 1,013.31 |
| | **655.78** | **1,348.50** |

**Notes :**

**(a) Derivative liability**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Put Option | – | – |
| Forward contract | – | – |
| Embedded derivatives | – | 356.38 |
| Commodity contracts | 138.42 | 656.93 |
| | **138.42** | **1,013.31** |

**(b)** There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

**(c)** Company had provided a guarantee for credit facility availed by the Ryker Base Private Limited and Tirupati Reels Private Limited, amounting to ₹ Nil (31 March 2021 : ₹4,184.62 million) and ₹520.00 million (31 March 2021 : ₹520.00 million) respectively. The fair value of corporate guarantee ₹ Nil (31 March 2021 : ₹15.31 million) has been included in carrying cost of investment.

## 22. Other liabilities

### A Other liabilities – non-current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Deferred government grant (Refer below note (a)) | 160.07 | 123.72 |
| Deferred liability | 46.98 | 82.65 |
| | **207.05** | **206.37** |

### B Other liabilities – current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Advance from customers | 398.36 | 391.38 |
| Contract Liability (Refer below note (b)) | 1,435.57 | 1,805.39 |
| Deferred liability | 23.49 | 27.55 |
| Refund liability (Refer below note (c)) | 629.38 | 487.49 |
| **Other statutory dues** | | |
| Employee Recoveries and Employer Contributions | 19.18 | 16.69 |
| Taxes Payable (Other than Income tax) | 691.17 | 509.87 |
| | **3,197.15** | **3,238.37** |

**Notes:**

(a) Under Ind AS government grants are recorded as deferred liabilities to the extent of unfulfilled export obligations. This amount has been recognised against deferred government grant and accrued to P&L subsequently on fulfilment of export obligation. The Company expects to meet its export obligation during the next 3-5 years.

**Reconciliation of Deferred government grant:**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| At the beginning of the year | 123.72 | 99.55 |
| Grants received during the year | 57.07 | 102.95 |
| Grants recognised for the year | (20.72) | (78.78) |
| **At the end of the year** | **160.07** | **123.72** |

(b) Reconciliation of Contract liabilities:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| At the beginning of year | 1,805.39 | 1,407.77 |
| Contract liability recognised during the year | 816.45 | 1,360.12 |
| Revenue recognised from amount included in contract liabilities at the beginning of the year | (1,186.27) | (962.50) |

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **At the end of the year** | **1,435.57** | **1,805.39** |

(c) Reconciliation of Refund liability:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| At the beginning of the year | 487.49 | 360.25 |
| Arising during the year | 663.87 | 479.53 |
| Utilised during the year | (521.98) | (352.29) |
| **At the end of the year** | **629.38** | **487.49** |

## 23. Provisions

### Accounting policy:

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit & Loss. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision is recognised for expected warranty claims and after sales services when the product is sold or service provided to the customer, based on past experience of the level of repairs and returns. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually. It is expected that significant portion of these costs will be incurred in the next financial year and all will have been incurred within warranty period after the reporting date. Assumptions used to calculate the provisions for warranties were based on current sales levels and current information available about returns during the warranty period for all products sold.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

### A. Provisions - non-current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Provision for employee benefits (Refer note 30) | | |
| Gratuity | 132.92 | 165.42 |
| Compensated absences | 122.74 | 82.38 |
| | **255.66** | **247.80** |

### B. Provisions - current

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Provision for employee benefits (Refer note 30) | | |
| Gratuity | 117.39 | 102.20 |
| Compensated absences | 26.35 | 25.69 |
| Others | | |
| Provision for warranty (Refer note below) | 108.64 | 107.23 |
| | **252.38** | **235.12** |

**Reconciliation of Warranty provision:**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| At the beginning of the year | 107.23 | 97.72 |
| Arising during the year | 78.23 | 70.39 |
| Utilised during the year | (76.82) | (60.88) |
| **At the end of the year** | **108.64** | **107.23** |



# Notes to Standalone Financial Statements

for the year ended 31 March 2022

## 24. Revenue from operations

### Accounting policy

IND AS 115 was made effective from 1 April 2018 and establishes a five-step model to account for revenue arising from contracts with customers. The new revenue standard replaced IND AS 18 & IND AS 11 and interpretations on revenue recognition related to sale of goods and services. The Company has applied the modified retrospective approach and accordingly has included the impact of Ind AS 115.

**(i) Measurement of revenue**

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, incentive schemes, if any, as per contracts with customers. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer. Taxes collected from customers on behalf of Government are not treated as Revenue.

**(ii) Sale of goods**

Revenue from contracts with customers involving sale of these products is recognised at a point in time when control of the product has been transferred at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, and there are no unfulfilled obligation that could affect the customer's acceptance of the products and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. At contract inception, the Company assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue from contracts with customers is recognised when control of goods or services are transferred to customers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. The point of time of transfer of control to customers depends on the terms of the trade - CIF, CFR or DDP, ex-works, etc.

**(iii) Revenue from construction contracts**

Performance obligation in case of revenue from long-term contracts is satisfied over the period of time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation. However, the same may not be possible if it lacks reliable information that would be required to apply an appropriate method of measuring progress. In some circumstances, if the Company is not able to reasonably measure the outcome of a performance obligation, but expects to recover the costs incurred in satisfying the performance obligation, the Company shall recognise revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

Contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due.

Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract. The timing of the transfer of Control varies depending on individual terms of the sales agreements.

The total costs of contracts are estimated based on technical and other estimates. Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Statement of Profit & Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract.

In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities".

**(iv) Variable consideration**

It includes volume discounts, price concessions, liquidity damages, incentives, etc. The Company estimates the variable consideration with respect to above based on an analysis of accumulated historical experience. The Company adjust estimate of revenue at the earlier of when the most likely amount of consideration the Company expect to receive changes or when the consideration becomes fixed.

**(v) Schemes**

The Company operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

such as credit notes, tours, kind etc. Revenue from contract with customer is presented deducting cost of all these schemes.

### (vi) Significant financing components

In respect of advances from its customers, using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle. Retention money receivable from project customers does not contain any significant financing element, these are retained for satisfactory performance of contract.

### (vii) Warranty

The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty as per note 23. In certain contracts, the Company provides warranty for an extended period of time and includes rectification of defects that existed at the time of sale and are normally bundled together with the main contract. Such bundled contracts include two performance obligations because the promises to transfer the goods and services and the provision of service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a liability. Revenue is recognised over the period in which the service-type warranty is provided on a basis appropriate to the nature of the contract and services to be rendered.

### (viii) Right to return

When a contract provides a customer with a right to return the goods within a specified period, the Company estimates the expected returns using a probability-weighted average amount approach similar to the expected value method under Ind AS 115.

At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Company has a right to recover the product when customers exercise their right of return. Consequently, the Company recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The Company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

For goods expected to be returned, the Company presented a refund liability and an asset for the right to recover products from a customer separately in the balance sheet.

### (ix) Onerous contracts

A provision for onerous contract is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on assets associated.

### (x) Export incentives

Export incentives under various schemes notified by the Government have been recognised on the basis of applicable regulations, and when reasonable assurance to receive such revenue is established. Export incentives income is recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

### (xi) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it's recognition as income in the Statement of Profit & Loss is linked to fulfillment of associated export obligations.

The Company has chosen to present export incentive and grants received as other operating revenue in the Statement of Profit & Loss.



# Notes to Standalone Financial Statements

for the year ended 31 March 2022

## Revenue from operations

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Revenue from contracts with customers** | | |
| **Revenue on Sale of Products** | | |
| Finished goods | 109,613.81 | 75,401.95 |
| Traded goods | 7,598.01 | 7,947.05 |
| **Revenue from Construction Contracts** | 1,888.49 | 1,890.26 |
| | **119,100.31** | **85,239.26** |
| **Other operating revenue** | | |
| Job work income | 4.28 | 7.48 |
| Scrap sales | 1,666.99 | 1,532.04 |
| **Total revenue from contracts with customers** | **120,771.58** | **86,778.78** |
| Export incentives | 24.07 | 70.15 |
| Government grant | 183.44 | 514.69 |
| **Total Revenue from operations** | **120,979.09** | **87,363.62** |

**Notes:**

### (a) Disaggregated revenue information

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Type of Goods or Services** | | |
| Wires & Cables | 106,401.04 | 74,553.86 |
| Fast Moving Electrical Goods (FMEG) | 12,482.05 | 10,334.66 |
| Revenue from construction contracts | 1,888.49 | 1,890.26 |
| **Total revenue from contracts with customers** | **120,771.58** | **86,778.78** |
| **Location of customer** | | |
| India | 111,492.73 | 79,357.20 |
| Outside India | 9,278.85 | 7,421.58 |
| **Total revenue from contracts with customers** | **120,771.58** | **86,778.78** |
| **Timing of revenue recognition** | | |
| Goods transferred at a point in time | 118,839.08 | 84,905.21 |
| Goods and Services transferred over a period of time | 1,932.50 | 1,873.57 |
| **Total revenue from contracts with customers** | **120,771.58** | **86,778.78** |
| **Revenue from B2B and B2C Vertical** | | |
| Business to Consumer | 46,240.89 | 34,425.63 |
| Business to Business | 73,577.51 | 49,446.51 |
| Others (i) | 953.18 | 2,906.63 |
| **Total revenue from contracts with customers** | **120,771.58** | **86,778.78** |

**Notes:** Others includes discounts, scrap sales, raw material sales, and job work income.

### (b) Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Total revenue from contracts with customers | 120,771.58 | 86,778.78 |
| Export incentives (i) | 24.07 | 70.15 |
| Government grant (ii) | 183.44 | 514.69 |
| Other income excluding finance income | 406.77 | 673.71 |
| **Total income as per segment (Refer note 37)** | **121,385.86** | **88,037.33** |

**Notes:**

(i) Export incentive includes merchandise export from India scheme (MEIS) incentives, Remission of Duties and Taxes on Export Products (RoDTEP) and duty drawback incentives.

(ii) Government grant includes advance licence benefits and deferred income released to the statement of profit and loss on fulfilment of export obligation under the export promotion capital goods (EPCG) scheme.

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

**(c) Reconciliation between revenue with customers and contracted price as per Ind AS 115:**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Revenue as per contracted price** | 123,390.31 | 89,418.97 |
| **Less : Adjustments** | | |
| Price adjustments such as Discounts, Rebates and Sales Promotion Schemes | (1,187.90) | (836.23) |
| Contract liabilities (excess billing over revenue recognised as per applicable Ind-AS) | (1,435.57) | (1,805.39) |
| Provisions for expected sales return | (141.90) | (127.24) |
| Other adjustments | 39.73 | (24.17) |
| **Add : Adjustments** | | |
| Contract assets (Unbilled Revenue - EPC) | 106.91 | 152.84 |
| **Revenue from contract with customers** | **120,771.58** | **86,778.78** |

**(d) Disclosure in terms of Ind AS 115 on the accounting of construction contract is as under:**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Contract revenue recognised for the year ended (Net of tax) | 1,888.49 | 1,890.26 |
| Contract that are in progress as on reporting date | | |
| (i) Contract costs incurred and recognised profits (less recognised losses) | 1,888.49 | 1,890.26 |
| (ii) Amount of retentions* | 796.10 | 1,265.08 |
| (iii) Contract balances recognised and included in financial statement as: | | |
| Contract asset | 95.09 | 141.02 |
| Contract liabilities | 1,435.57 | 1,805.39 |

*Retentions are specific to projects and are generally receivable within 6 months from completion of project.

**(e)** Trade receivables are usually non-interest bearing and are generally on credit terms up to 90 days except EPC business. Provision for expected credit losses on trade receivables recognised/ (derecognises) during the year of ₹(150.98) million (31 March 2021: ₹(51.30) million). The Company has channel finance arrangement for providing credit to its dealers. Evaluation is made as per the terms of the contract i.e. if the Company does not retain any risk and rewards or control over the financial assets, then the entity derecognises such assets upon transfer of financial assets under such arrangement with the banks.

**(f)** No single customer contributed 10% or more to the Company's revenue for the year ended 31 March 2022 and 31 March 2021.

**(g)** Contract assets are initially recognised for revenue earned from installation services as receipt of consideration is conditional on successful completion of installation. Upon completion of installation and acceptance / certifications by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The decrease in contract assets as on 31 March 2022 is on account of acceptance/ Certification of installation services for which work were done by the Company in earlier period. During the year ₹ Nil (31 March 2021: ₹ Nil) was recognised as provision for expected credit losses on contract assets.

**(h)** Contract liabilities include advances received towards EPC projects as well as transaction price allocated to unexpired service contracts. The outstanding balances of these accounts increased in 2021-22 due to the continuous increase in the Company's customer base and contracts where billing is in excess of revenue.

**(i)** Set out below is the amount of revenue recognised from:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Amounts included in contract liabilities at the beginning of the year | 1,186.27 | 962.50 |
| Performance obligations satisfied in previous years | 399.02 | 1,443.74 |

**(j)** Right of refund assets and refund liabilities as at year end:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Refund assets | 287.24 | 222.21 |
| Refund liabilities | 629.38 | 487.49 |



Notes to Standalone Financial Statements

for the year ended 31 March 2022

## 25. Other income

### Accounting policy:

Other income is comprised primarily of interest income, dividend income, gain on investments and exchange gain on forward contracts and on translation of other assets and liabilities.

Interest income on financial asset measured either at amortised cost or FVTPL is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

### Foreign currency

The Company's Financial Statements are presented in Indian rupee (₹) which is also the Company's functional currency. Foreign currency transaction are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

**Measurement of foreign currency item at the balance sheet date:**

(i) Foreign currency monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing on the reporting date.

(ii) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**(iii) Exchange differences:**

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the Statement of Profit & Loss.

(₹ million)

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| **(a)** | **Interest income on financial assets** | | |
| | **Carried at amortised cost** | | |
| | Bank deposits | 172.88 | 108.45 |
| | Others (i) | 84.16 | 231.00 |
| | **Carried at FVTPL** | | |
| | Others | 13.60 | 17.01 |
| **(b)** | **Income from investments designated at FVTPL** | | |
| | Gain on liquid/overnight mutual funds | 224.10 | 158.57 |
| | Fair valuation on gain on overnight mutual funds | 3.52 | 8.47 |
| **(c)** | **Fair value gain / loss on financial instruments** | | |
| | Derivatives at FVTPL (refer note (ii) below) | - | 24.63 |
| **(d)** | **Other non-operating income** | | |
| | Exchange differences (net) | 310.51 | 560.28 |
| | Gain on sale of property, plant and equipment | - | 1.13 |
| | Gain on termination of Lease | 5.79 | 0.92 |
| | Sundry balances written back | 15.32 | 36.59 |
| | Miscellaneous income | 75.15 | 50.16 |
| | | **905.03** | **1,197.21** |

(i) Includes interest on Income Tax refund of ₹13.90 million (31 March 2021: ₹163.89 million) (refer note 12).

(ii) Gain on fair valuation of financial instruments at fair value through profit or loss relates to foreign exchange fluctuation on forward contracts that are designated as at fair value through profit and loss account and on embedded derivatives, which have been separated. No ineffectiveness has been recognised on foreign exchange and interest rate hedges.

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

## 26. Cost of materials consumed

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Inventories at the beginning of the year | 8,256.39 | 7,046.47 |
| Add: Purchases | 89,149.30 | 58,191.39 |
| | **97,405.69** | **65,237.86** |
| Less: Inventories at the end of the year | (5,640.41) | (8,256.39) |
| | **91,765.28** | **56,981.47** |

**Notes:**

**Details of material consumed**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Copper | 53,869.93 | 34,603.79 |
| Aluminium | 16,310.49 | 8,592.89 |
| Steel | 2,731.56 | 2,000.11 |
| PVC Compound/HDPE/LDPE/XLPE/Resin | 11,768.86 | 7,546.37 |
| Packing Materials | 2,001.98 | 1,553.03 |
| Others* | 5,082.46 | 2,685.28 |
| | **91,765.28** | **56,981.47** |

* Others includes Raw material for consumer products

## 27. Purchases of stock-in-trade

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Electrical wiring accessories | 284.54 | 281.41 |
| Electrical appliances | 4,711.46 | 3,414.64 |
| Others | 1,004.10 | 2,544.47 |
| | **6,000.10** | **6,240.52** |

## 28. Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Inventory at the beginning of the year** | | |
| Finished goods | 8,005.96 | 8,020.04 |
| Stock-in-trade | 1,158.24 | 1,276.54 |
| Scrap materials | 226.64 | 131.14 |
| Work-in-progress | 1,405.07 | 2,070.04 |
| | **10,795.91** | **11,497.76** |
| **Inventory at the end of the year** | | |
| Finished goods | 11,179.73 | 8,005.96 |
| Stock-in-trade | 1,610.56 | 1,158.24 |
| Scrap materials | 523.10 | 226.64 |
| Work-in-progress | 2,168.67 | 1,405.07 |
| | **15,482.06** | **10,795.91** |
| **Changes in Inventories** | **(4,686.15)** | **701.85** |

## 29. Project bought outs and sub-contracting cost

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Project bought outs | 779.34 | 692.69 |
| Sub-contracting Expenses for EPC | 335.38 | 390.44 |
| | **1,114.72** | **1,083.13** |

Notes to Standalone Financial Statements

for the year ended 31 March 2022

## 30. Employee benefits expense

### Accounting policy

**(i) Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, incentives, special awards, medical benefits etc. and the expected cost of ex-gratia are charged to the Statement of Profit & Loss account in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(ii) Compensated absences**

The Company estimates and provides the liability for such short-term and long-term benefits based on the terms of the policy. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains/losses on defined benefit plans are immediately taken to the Statement of Profit & Loss and are not deferred.

**(iii) Defined contribution plans**

Retirement benefit in the form of provident fund and 'Employer-Employee Scheme' are defined contribution schemes. The Company recognises contribution payable to the provident fund and 'Employer Employee' scheme as an expenditure, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the funds. The Company's contributions to defined contribution plans are charged to the Statement of Profit & Loss as incurred.

**(iv) Defined benefit plan**

The Company operates a defined benefit gratuity plan for its employees. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. The discount rate used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit & Loss in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**(v) Share based payment**

Equity settled share based payments to employees and other providing similar services are measured at fair value of the equity instruments at grant date.

The fair value determined at the grant date of the equity-settled share based payment is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any is, recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the shared option outstanding account (Refer note 17(g)).

No expense is recognised for options that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect, if any of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (Refer note 34).

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

**Employee benefits expense**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Salaries, wages and bonus | 3,471.72 | 3,090.03 |
| Employees share based payment expenses | 161.16 | 108.71 |
| Contribution to provident and other funds | 198.94 | 204.52 |
| Staff welfare expense | 116.61 | 89.75 |
| | **3,948.43** | **3,493.01** |

## Gratuity and other post-employment benefit plans

**(A) Defined Benefit plan**

**Gratuity Valuation – As per actuary**

In respect of Gratuity, the Company makes annual contribution to the employee group gratuity scheme of the Life Insurance Corporation of India, funded defined benefits plan for qualified employees. The scheme provided for lump sum payments to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company has provided for gratuity based on the actuarial valuation done as per Project Unit Credit Method.

Defined benefit plans expose the Company to actuarial risks such as

**(i) Interest rate risk**

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**(ii) Salary risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**(iii) Investment risk**

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**(iv) Asset liability matching risk**

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**(v) Mortality risk**

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

**(vi) Concentration risk**

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow regulatory guidelines which mitigate risk.

**(vii) Variability in withdrawal rates**

If actual withdrawal rates are higher than assumed withdrawal rate assumption then the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

**(viii) Regulatory risk**

Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments.

A separate trust fund is created to manage the Gratuity plan and the contributions towards the trust fund is done as guided by rule 103 of Income Tax Rules, 1962.

The Company operates a defined benefit plan, viz. gratuity for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The most recent actuarial valuation of the plan assets and the present value of defined obligation were carried out as at 31 March, 2022 an external independent fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation and the related current service cost were measured using the projected unit credit method.

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for gratuity.

**Statement of profit and loss**

Net employee benefits expense recognised in profit or loss:

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Current service cost | 68.26 | 62.71 |
| Net interest cost | 17.36 | 18.03 |
| Past service cost | – | 26.14 |
| **Net benefits expense** | **85.62** | **106.88** |

**Net remeasurement (gain)/loss on defined benefit plans recognised in Other comprehensive income for the year:**

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Actuarial (gain) /loss on obligations | (5.74) | (52.95) |
| Return on plan assets, excluding interest income | (13.53) | 5.66 |
| **Net (Income)/Expense for the year recognised in OCI** | **(19.27)** | **(47.29)** |

**Balance sheet**

**Benefits liability**

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Present value of defined benefit obligation | (630.18) | (577.07) |
| Fair value of plan assets | 379.85 | 309.44 |
| **Plan liability** | **(250.33)** | **(267.63)** |

**Changes in the present value of the defined benefit obligation are as follows:**

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Opening defined benefit obligation | 577.07 | 527.95 |
| Interest cost | 37.45 | 34.63 |
| Current service cost | 68.26 | 62.71 |
| Past service cost | – | 26.14 |
| Benefits paid | (46.87) | (21.41) |
| Actuarial (gains)/losses on obligations | | |
| Due to change in demographics assumptions | 0.42 | – |
| Due to change in financial assumptions | (16.78) | 3.06 |
| Due to experience | 10.63 | (56.01) |
| **Closing defined benefit obligation** | **630.18** | **577.07** |

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

**Changes in the fair value of plan assets are as follows:**

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Opening fair value of plan assets | 309.44 | 253.16 |
| Interest Income | 20.08 | 16.61 |
| Contribution by employer | 83.67 | 66.74 |
| Benefits paid | (46.87) | (21.41) |
| Actuarial gains | 13.53 | (5.66) |
| **Closing fair value of plan assets** | **379.85** | **309.44** |

The Company expects to contribute ₹117.39 million towards gratuity in the next year (31 March 2021: ₹102.20 million).

**Current & non-current bifurcation of provision for gratuity as per actuarial valuation is as follows:**

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Non-current | 132.92 | 165.42 |
| Current | 117.39 | 102.20 |

**The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Investment with insurer | 100% | 100% |

**The principal assumptions used in determining gratuity for the Company's plans are shown below:**

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Discount rate | 6.85% | 6.49% |
| Expected rate of return on plan assets | 6.85% | 6.49% |
| Employee turnover | 10.00% | 10.00% |
| Salary escalation | 11.00% | 11.00% |
| Weighted average duration | 9 | 9 |
| Mortality rate during employment | Indian Assured Lives Mortality 2012-14 (Urban) | Indian assured lives mortality (2006-08) Ult |
| Mortality rate after employment | N.A. | N.A. |

The average expected future service as at 31 March 2022 is 7 years (31 March 2021 – 7 years).

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

**A quantitative sensitivity analysis for significant assumption as at 31 March 2022 is as shown below:**

Sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.



Notes to Standalone Financial Statements

for the year ended 31 March 2022

**Sensitivity analysis**

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Projected benefit obligation on current assumptions | 630.16 | 577.06 |
| Delta effect of +1% change in rate of discounting | (42.64) | (41.01) |
| Delta effect of -1% change in rate of discounting | 48.71 | 47.11 |
| Delta effect of +1% change in rate of salary increase | 46.32 | 44.63 |
| Delta effect of -1% change in rate of salary increase | (41.49) | (39.78) |
| Delta effect of +1% change in rate of employee turnover | (12.33) | (12.87) |
| Delta effect of -1% change in rate of employee turnover | 13.77 | 14.46 |

**Methodology for defined benefit obligation:**

The Projected Unit Credit (PUC) actuarial method has been used to assess the plan's liabilities, including those related to death-in-service and incapacity benefits.

Under PUC method a projected accrued benefit is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits for active members.

Projected benefits payable in future years from the date of reporting.

**Maturity analysis of projected benefit obligation from the fund:**

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| 1st following year | 53.65 | 52.96 |
| 2nd following year | 53.14 | 44.60 |
| 3rd following year | 56.69 | 48.63 |
| 4th following year | 63.05 | 49.30 |
| 5th following year | 65.71 | 52.97 |
| Sum of years 6 to 10 | 267.95 | 239.97 |
| Sum of years 11 years and above | 608.01 | 574.98 |

**(B) Other defined benefit and contribution plans**

**Provident Fund**

The Company contribute towards Provident Fund to defined contribution retirement benefit plans for eligible employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company contributes towards Provident Fund managed by Central Government and has recognised ₹62.11 million (31 March, 2021 - ₹77.45 million) for provident fund contributions in the Statement of Profit and Loss.

**Pension Fund**

Contribution to National Pension Scheme, a defined contribution scheme, is made at predetermined rates to the asset management companies under National Pension Scheme and is charged to the statement of profit and loss. The Company contribution has recognised ₹12.27 million (31 March 2021 ₹9.25 million) for contribution to National Pension Scheme in the Statement of Profit and Loss.

**Compensated absences (unfunded)**

In respect of Compensated absences, accrual is made on the basis of a year-end actuarial valuation except for Halol worker in pursuance of the Company's leave rules. The Company has provided for compensated absences based on the actuarial valuation

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

done as per Project Unit Credit Method except for Halol worker. The Company had provided for compensated absences for Halol worker based on the Company's leaves rules. The leave obligation cover the Company's liability for earned leave. The amount of the provision of ₹122.74 million (year ended 31 March 2021 ₹82.38 million) is presented as non-current and ₹26.35 million (year ended 31 March 2021 ₹25.69 million) is presented as current. The Company contribution has recognised ₹51.62 million (31 March 2021 ₹0.82 million) for Compensated absences in the Statement of Profit and Loss.

## 31. Finance cost

### Accounting policy

Borrowing costs that are directly attributable to the acquisition, construction or erection of qualifying assets are capitalised as part of cost of such asset until such time that the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing cost includes interest expense on financial liabilities, interest on tax matters, exchange differences arising from the foreign currency borrowings, gain/loss on fair value of forward cover and it's premium and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Interest expense on financial liabilities at amortised cost (i) | 116.16 | 215.27 |
| Interest expense on financial liabilities at FVTPL | 32.74 | 28.90 |
| Exchange differences regarded as an adjustment to borrowing costs | – | 18.06 |
| Other borrowing costs (ii) | 185.30 | 149.00 |
| | **334.20** | **411.23** |

(i) Interest expense includes ₹16.03 million (31 March 2021 ₹47.43 million) paid/payable to Income Tax Department.

(ii) Other borrowing costs would include bank commission charges, bank guarantee charges, letter of credit charges, premium on forward contract, fair value loss/(gain) on forward contracts, other ancillary costs incurred in connection with borrowings.

## 32. Depreciation and amortisation expenses

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Depreciation of Property, Plant and Equipment (Refer note 3) | 1,807.28 | 1,599.47 |
| Depreciation of right-of-use assets (Refer note 4) | 146.61 | 128.33 |
| Amortisation of other intangible assets (Refer note 5) | 11.69 | 12.29 |
| | **1,965.58** | **1,740.09** |

Notes to Standalone Financial Statements

for the year ended 31 March 2022

## 33. Other expenses

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Consumption of stores and spares | 709.62 | 571.12 |
| Sub-contracting expenses | 2,118.37 | 1,678.98 |
| Power and fuel | 1,421.83 | 1,151.88 |
| Rent | 59.47 | 70.65 |
| Rates and taxes | 85.04 | 83.36 |
| Insurance | 87.79 | 117.36 |
| Repairs and maintenance | | |
| Plant and machinery | 34.19 | 32.87 |
| Buildings | 112.76 | 61.10 |
| Others | 96.96 | 86.79 |
| Advertising and sales promotion | 818.86 | 682.10 |
| Brokerage and commission | 396.96 | 376.29 |
| Travelling and conveyance | 371.84 | 154.09 |
| Communication Cost | 31.40 | 34.68 |
| Legal and professional fees | 702.19 | 327.64 |
| Director Sitting Fees | 5.36 | 4.64 |
| Freight & forwarding expenses | 2,670.42 | 1,906.88 |
| Payments to auditor (Refer note (a) below) | 11.12 | 9.92 |
| Sundry advances written off | 42.60 | 15.13 |
| Loss on sale of property, plant and equipment and non-current assets held for sale | 11.83 | – |
| Derivatives at FVTPL (Refer below note (b)) | 85.82 | – |
| Impairment allowance for trade receivable considered doubtful (Refer note 7 and 9) | (150.98) | (51.30) |
| CSR expenditure (Refer note (c) below) | 191.89 | 159.79 |
| Miscellaneous expenses | 521.52 | 480.97 |
| | **10,436.86** | **7,954.94** |

**Notes:**

(a) Payments to auditor:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| As auditor | | |
| (i) Audit fee | 10.32 | 9.40 |
| (ii) Certification fees | 0.25 | 0.21 |
| (iii) Out of pocket expenses | 0.55 | 0.31 |
| | **11.12** | **9.92** |

(b) Loss on fair valuation of financial instruments at fair value through profit or loss relates to foreign exchange fluctuation on forward contracts that are designated as at fair value through profit and loss account and on embedded derivatives, which have been separated. No ineffectiveness has been recognised on foreign exchange and interest rate hedges.

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

(c) Details of Corporate Social Responsibility Expenses:

(₹ million)

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| **Gross amount required to be spent by the Company during the year as per provisions of Section 135 of the Companies Act, 2013 i.e. 2% of average net profits for last three financial years, calculated as per Section 198 of the Companies Act, 2013.** | **(A)** | 185.48 | 159.57 |
| **Gross amount spent by the Company during the year** | | | |
| (i) Construction/acquisition of any asset | | – | – |
| (ii) On purposes other than (i) above: | | | |
| Rural and Community Development | | 9.38 | 3.17 |
| Education | | 73.43 | 109.99 |
| Health Care | | 89.09 | 16.62 |
| Environment | | 17.51 | 26.67 |
| Administration cost | | 2.48 | 3.33 |
| **Total CSR spent in actual** | **(B)** | **191.89** | **159.79** |
| **Shortfall/(Excess)** | **(A–B)** | **(6.41)** | **(0.22)** |
| Details of related party transactions, e.g. contribution to a trust controlled by the Company in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures (contributed to Polycab Social Welfare Foundation ("PSWF") where KMP's are interested) | | 191.89 | 159.61 |
| Where a provision is made in accordance with paragraph above the same should be presented as per the requirements of Schedule III to the Act. Further, movements in the provision during the year should be shown separately | | – | – |
| The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year | | – | – |
| The total of previous years' shortfall amounts | | – | – |
| The reason for above shortfalls by way of a note | | NA | NA |

(d) The unspent amount on ongoing projects as at 31 March 2021 aggregating to ₹90.27 million was deposited within 30 days from 31 March 2021 in separate CSR unspent accounts by PSWF. Out of the above, an amount of ₹54.06 million has been spent during the current year and the amount in separate unspent accounts as at 31 March 2022 is ₹36.21 million.

## 34. Earnings Per Share

### Accounting policy

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as fresh issue, bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**Employee Stock Option Plan 2018**

Pursuant to the resolutions passed by the Company's Board on 30 August 2018 and our Shareholders on 30 August 2018, the Company approved the Employee Stock Option Plan 2018 for issue of options to eligible employees which may result in issue of Equity Shares of not more than 35,30,000 Equity Shares. The Company reserves the right to increase, subject to the approval of the shareholders, or reduce such numbers of shares as it deems fit."

The exercise of the vested option shall be determined in accordance with the notified scheme under the plan.

Employee Stock Option Performance Scheme 2018 and Employee Stock Option Privilege Scheme 2018.

The Company also approved Employee Stock Option Performance Scheme 2018 and Employee Stock Option Privilege Scheme 2018 under which the maximum number of options granted to any grantee under "Performance Scheme" together with options granted in any other scheme shall not exceed 1 percent of the total share capital at the time of grant.



# Notes to Standalone Financial Statements

for the year ended 31 March 2022

**(a) Basic Earnings Per Share**

| | | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|---|
| Profit for the year | ₹ in million | A | 9,312.72 | 8,313.30 |
| Weighted average number of equity shares for basic earning per share * | Number | B | 149,268,712 | 149,008,751 |
| Earnings per shares – Basic (one equity share of ₹10 each) | ₹ per share | (A/B) | **62.39** | **55.79** |

**(b) Diluted Earnings Per Share**

| | | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|---|
| Profit for the year | ₹ in million | A | 9,312.72 | 8,313.30 |
| Weighted average number of equity shares for basic earning per share* | Number | B | 149,268,712 | 149,008,751 |
| Effect of dilution | | | | |
| Share options | Number | C | 654,432 | 605,161 |
| Weighted average number of equity shares adjusted for effect of dilution | Number | D=(B+C) | 149,923,144 | 149,613,912 |
| Earnings Per Shares – Diluted (one equity share of ₹10 each) | ₹ per share | (A/D) | **62.12** | **55.57** |

* Refer note 16(a) for movement of shares.

## 35. Contingent liabilities and commitments

### Accounting policy

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses it's existence in the Financial Statements.

Capital Commitments includes the amount of purchase orders (net of advances) issued to parties for completion of assets.

**A. Contingent liabilities (to the extent not provided for)**

(₹ million)

| | | 31 March 2022 | 31 March 2021 |
|---|---|---|---|
| (i) | Outstanding corporate guarantees given on behalf of subsidiaries and Joint venture's (Refer note 36 (E)) | 520.00 | 4,704.62 |
| (ii) | Taxation matters | | |
| | Disputed liability in respect of sales tax /VAT demand & pending sales tax/VAT forms | 1.86 | 4.30 |
| | Disputed liability in respect of Service tax duty demand | 18.17 | 18.17 |
| | Disputed liability in respect of excise duty demand | 8.60 | 8.60 |
| | Disputed liability in respect of custom duty demand | 17.08 | 17.04 |
| (iii) | Customs Duty on Capital goods imported under Export Promotion Capital Goods Scheme, against which export obligation is to be fulfilled | 46.23 | 37.05 |
| (iv) | Customs Duty on Raw Materials imported under Advance License, against which export obligation is to be fulfilled | 175.02 | 207.38 |

**Notes:**

(a) In respect of the items above, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements/decisions pending at various forums/authority. The Company doesn't expect the outcome of matters stated above to have a material adverse effect on the Company's financial conditions, result of operations or cash flows.

(b) There is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Honourable Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

**B. Commitments**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Capital commitments | | |
| (Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances)) | | |
| Towards Property, Plant and Equipment | 2,236.78 | 1,241.81 |

**Notes:**

For Lease commitments, Refer note 4

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

## 36. Related party disclosure

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and settlement occurs in cash or credit as per the terms of the arrangement.

### A. Enterprises where control exists

| | | Principal activities | Country of incorporation | Ownership interest (%) 31 March 2022 | Ownership interest (%) 31 March 2021 |
|---|---|---|---|---|---|
| (i) | **Subsidiaries** | | | | |
| | Tirupati Reels Private Limited (TRPL) | Manufacturers of Wooden Pallets, Outer Laggings and Cable Drums | India | 55 | 55 |
| | Dowells Cable Accessories Private Limited (DCAPL) | Manufacture of electrical goods & cable accessories & equipment's | India | 60 | 51 |
| | Polycab Electricals & Electronics Private Limited (PEEPL) | Engaged in the business of electrical goods, instruments, appliances and apparatus | India | 100 | 100 |
| | Polycab USA LLC (PUL) | Trading business of electrical cables and wires, optical fibre cables and consumer electrical goods | USA | 100 | 100 |
| | Ryker Base Private Limited (Ryker) [a] (Ceased to be a Wholly-Owned Subsidiary w.e.f. 18 November 2021) | Manufacturing of Copper Rods on Job work basis | India | - | 100 |
| | Polycab Australia PTY Ltd. [b] | Trading business of electrical cables and wires, optical fibre cables and consumer electrical goods | Australia | 100 | 100 |
| | Polycab Support Force Private Limited (PSFPL) [c] | Manpower services | India | 100 | 100 |
| | Uniglobus Electricals and Electronics Private Limited (UEEPL) [d] | Trading and manufacturing of, among others, cables, wires, fast moving electricals and electronics goods | India | 100 | 100 |
| | Steel Matrix Private Limited | Manufacturing of steel drums and bobbins for cables and wires | India | 75 | - |
| | Silvan Innovation Labs Private Limited [e] | Development and maintenance of business and software applications on all popular and mainframe and minicomputer platforms | India | 100 | - |
| (ii) | **Joint Ventures** | | | | |
| | Techno Electromech Private Limited (TEPL) | Manufacturing of light emitting diodes, lighting and luminaires, and LED drivers | India | 50 | 50 |

(a) Joint venture till 5 May 2020 and became wholly-owned subsidiary from 6 May 2020
(b) incorporated on 1 July 2020
(c) incorporated on 13 March 2021
(d) incorporated on 24 March 2021
(e) acquired on 18 June 2021

### B. Enterprises owned or significantly influenced by key managerial personnel

AK Enterprises (A K)
Polycab Social Welfare Foundation
Transigo Fleet LLP
Shreeji Traders
T.P. Ostwal & Associates LLP

### C. Key Management Personnel

#### (i) Executive Directors

| | |
|---|---|
| Mr. Inder T. Jaisinghani | Chairman and managing Director |
| Mr. Ramesh T. Jaisinghani [c] | Whole-time director (up to 12 May 2021) |
| Mr. Ajay T. Jaisinghani [c] | Whole-time director (up to 12 May 2021) |
| Mr. Shyam Lal Bajaj [a] [c] | Whole time director (up to 12 May 2021) |
| Mr. Rakesh Talati [d] | Whole-time director (w.e.f. 13 May 2021) |
| Mr. Bharat A. Jaisinghani [d] | Whole-time director (w.e.f. 13 May 2021) |
| Mr. Nikhil R. Jaisinghani [d] | Whole-time director (w.e.f. 13 May 2021) |



# Notes to Standalone Financial Statements

for the year ended 31 March 2022

#### (ii) Non-executive Directors

| | |
|---|---|
| Mr. R. S. Sharma | Independent director |
| Mr. T. P. Ostwal | Independent director |
| Mr. Pradeep Poddar | Independent director |
| Ms. Hiroo Mirchandani | Independent director (up to 12 May 2021) |
| Mrs. Sutapa Benerjee | Independent director (w.e.f. 13 May 2021) |

#### (iii) Key Management Personnel

| | |
|---|---|
| Mr. Gandharv Tongia | Chief financial officer (w.e.f. 31 May 2020) |
| Mr. Subramaniam Sai Narayana [b] | Company secretary and compliance officer |
| Mrs. Manita Gonsalves | Company secretary and compliance officer (w.e.f. 24 January 2021) |

#### (iv) Relatives of Key Management Personnel

| | |
|---|---|
| Mr. Girdhari T. Jaisinghani | Brother of Mr. Inder T. Jaisinghani, Mr. Ajay T. Jaisinghani & Mr. Ramesh T. Jaisinghani |
| Mr. Kunal I. Jaisinghani | Son of Mr. Inder T. Jaisinghani |
| Mrs. Ritika Nikhil Jaisinghani | Wife of Mr. Nikhil R. Jaisinghani |
| Mrs. Jayshriben Talati | Wife of Mr. Rakesh Talati |
| Mr. Puneet Sehgal | Son in law of Ramesh T. Jaisinghani |

[a] Mr. Shyam Lal Bajaj resigned from CFO position w.e.f. closing business hours 30 May 2020 and continued as a whole time director till 12 May 2021.
[b] Mr. Subramaniam Sai Narayana resigned from Company secretary and compliance officer position w.e.f. 23 January 2021.
[c] Resigned from Whole-time director position w.e.f. closing business hours of 12 May 2021.
[d] Appointed as Whole-time director w.e.f. 13 May 2021.

### D. Transactions with group companies

(₹ million)

| | | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|---|
| (i) | **Sale of goods (including GST)** | | | |
| | Tirupati Reels Private Limited | Subsidiary | - | 25.24 |
| | Dowells Cable Accessories Private Limited | Subsidiary | 4.17 | 5.08 |
| | Ryker Base Private Limited | Subsidiary | 1,167.52 | 3,544.78 |
| | Techno Electromech Private Limited | Subsidiary | 36.79 | 41.79 |
| | Uniglobus Electricals and Electronics Private Limited | Subsidiary | 2.25 | - |
| | Polycab Australia PTY Ltd. | Subsidiary | 848.82 | 511.54 |
| (ii) | **Purchase of goods (including GST)** | | | |
| | Tirupati Reels Private Limited | Subsidiary | 843.19 | 613.64 |
| | Dowells Cable Accessories Private Limited | Subsidiary | 6.07 | 5.94 |
| | Ryker Base Private Limited | Subsidiary | 906.50 | 636.96 |
| | Uniglobus Electricals and Electronics Private Limited | Subsidiary | 0.10 | - |
| | Techno Electromech Private Limited | Joint Venture | 951.01 | 615.44 |
| (iii) | **Sub-contracting expense (including GST)** | | | |
| | Ryker Base Private Limited | Subsidiary | 321.53 | 512.50 |
| | Techno Electromech Private Limited | Joint Venture | 23.33 | 26.64 |
| (iv) | **Job work Income (including GST)** | | | |
| | Ryker Base Private Limited | Subsidiary | 4.40 | 6.21 |
| (v) | **Recovery for Employee Stock Options granted** | | | |
| | Ryker Base Private Limited | Subsidiary | 6.68 | 1.48 |
| (vi) | **Reimbursement of Gas Expense** | | | |
| | Ryker Base Private Limited | Subsidiary | 7.53 | 4.94 |

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

(₹ million)

| | | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|---|
| (vii) | **Commission received (including GST)** | | | |
| | Tirupati Reels Private Limited | Subsidiary | 3.07 | 3.07 |
| (viii) | **Rent received (including GST)** | | | |
| | Dowells Cable Accessories Private Limited | Subsidiary | 8.26 | 8.19 |
| | Ryker Base Private Limited | Subsidiary | 0.37 | 0.62 |
| | Uniglobus Electricals and Electronics Private Limited | Subsidiary | 1.07 | – |
| | Silvan Innovation Labs Private Limited | Subsidiary | 0.67 | – |
| (ix) | **Interest received** | | | |
| | Dowells Cable Accessories Private Limited | Subsidiary | – | 0.18 |
| | Silvan Innovation Labs Private Limited | Subsidiary | 2.91 | – |
| | Ryker Base Private Limited | Subsidiary | 17.09 | 22.44 |
| | Polycab Australia PTY Ltd. | Subsidiary | 0.56 | 0.25 |
| | Uniglobus Electricals and Electronics Private Limited | Subsidiary | 1.56 | – |
| | Techno Electromech Private Limited | Joint Venture | 13.32 | 13.82 |
| (x) | **Testing charges paid (including GST)** | | | |
| | Techno Electromech Private Limited | Joint Venture | 0.81 | 8.83 |
| (xi) | **Other charges recovered (including GST)** | | | |
| | Dowells Cable Accessories Private Limited | Subsidiary | 5.98 | 2.89 |
| | Ryker Base Private Limited | Subsidiary | 0.52 | 0.67 |
| | Uniglobus Electricals and Electronics Private Limited | Subsidiary | 0.68 | – |
| | Polycab Support Force Private Limited | Subsidiary | 0.55 | – |
| (xii) | **Sale of Fixed Asets (including GST)** | | | |
| | Techno Electromech Private Limited | Joint Venture | – | 34.81 |
| | Ryker Base Private Limited | Subsidiary | – | 0.44 |
| (xiii) | **Purchase of Fixed Assets (including GST)** | | | |
| | Ryker Base Private Limited | Subsidiary | 47.23 | – |
| (xiv) | **Investment made** | | | |
| | Polycab Electricals & Electronics Private Limited (PEEPL) | Subsidiary | – | 1.00 |
| | Polycab Australia PTY Ltd. | Subsidiary | – | 11.66 |
| | Steel Matrix Private Limited | Subsidiary | 0.75 | – |
| | Polycab Support Force Private Limited | Subsidiary | 2.60 | – |
| | Dowells Cable Accessories Private Limited | Subsidiary | 21.77 | – |
| | Uniglobus Electricals and Electronics Private Limited | Subsidiary | 90.00 | – |
| (xv) | **Investment made compulsorily convertible debentures** | | | |
| | Silvan Innovation Labs Private Limited | Subsidiary | 78.07 | – |
| (xvi) | **Loans given** | | | |
| | Ryker Base Private Limited | Subsidiary | – | 300.00 |
| | Silvan Innovation Labs Private Limited | Subsidiary | 45.50 | – |
| | Uniglobus Electricals and Electronics Private Limited | Subsidiary | 73.39 | – |
| | Polycab Australia PTY Ltd. | Subsidiary | – | 25.61 |
| (xvii) | **Loan given repaid** | | | |
| | Dowells Cable Accessories Private Limited | Subsidiary | – | 4.47 |
| | Uniglobus Electricals and Electronics Private Limited | | 71.44 | – |
| | Polycab Australia PTY Ltd. | Subsidiary | 25.07 | – |
| | Techno Electromech Private Limited | Joint Venture | 15.21 | – |



# Notes to Standalone Financial Statements

for the year ended 31 March 2022

(₹ million)

| | | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|---|
| (xviii) | **Corporate guarantee given (Refer note below)** | | | |
| | Ryker Base Private Limited | Subsidiary | – | 4,184.62 |
| (xix) | **Fair value corporate guarantee (refer note below)** | | | |
| | Ryker Base Private Limited | Subsidiary | 9.94 | 12.25 |
| (xx) | **Recovery of Manpower charges** | | | |
| | Dowells Cable Accessories Private Limited | Subsidiary | 2.58 | – |
| | Tirupati Reels Private Limited | Subsidiary | 1.39 | – |
| | Uniglobus Electricals and Electronics Private Limited | Subsidiary | 5.47 | – |

## E. Outstanding as at the year end :

(₹ million)

| | | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|---|
| (i) | **Loans** | | | |
| | Ryker Base Private Limited | Subsidiary | – | 300.00 |
| | Silvan Innovation Labs Private Limited | Subsidiary | 45.50 | – |
| | Uniglobus Electricals and Electronics Private Limited | Subsidiary | 1.95 | – |
| | Polycab Australia PTY Ltd. | Subsidiary | – | 25.07 |
| | Techno Electromech Private Limited | Joint Venture | 100.00 | 115.21 |
| (ii) | **Trade receivables** | | | |
| | Tirupati Reels Private Limited | Subsidiary | 2.01 | 3.20 |
| | Techno Electromech Private Limited | Joint Venture | 33.67 | 23.61 |
| | Ryker Base Private Limited | Subsidiary | – | 456.69 |
| | Polycab Australia PTY Ltd. | Subsidiary | 369.00 | 480.67 |
| | Uniglobus Electricals and Electronics Private Limited | Subsidiary | 9.28 | – |
| (iii) | **Others receivables** | | | |
| | Techno Electromech Private Limited | Joint Venture | 85.19 | 85.19 |
| | Dowells Cable Accessories Private Limited | Subsidiary | 3.06 | – |
| | Polycab Support Force Private Limited | Subsidiary | 0.55 | – |
| (iv) | **Receivable under liquidation** | | | |
| | Polycab Wires Italy SRL, Liquidated | Subsidiary | – | 1.03 |
| (v) | **Advance given for material and services** | | | |
| | Ryker Base Private Limited | Subsidiary | – | 28.62 |
| (vi) | **Interest accrued on loan given** | | | |
| | Techno Electromech Private Limited | Joint Venture | 2.91 | 3.18 |
| | Silvan Innovation Labs Private Limited | Subsidiary | 0.72 | – |
| | Uniglobus Electricals and Electronics Private Limited | Subsidiary | 0.02 | – |
| | Polycab Australia PTY Ltd. | Subsidiary | – | 0.25 |
| | Ryker Base Private Limited | Subsidiary | – | 2.14 |
| (vii) | **Trade payables** | | | |
| | Tirupati Reels Private Limited | Subsidiary | 51.60 | 117.03 |
| | Dowells Cable Accessories Private Limited | Subsidiary | 0.02 | 3.03 |
| | Uniglobus Electricals and Electronics Private Limited | Subsidiary | 0.10 | – |
| | Techno Electromech Private Limited | Joint Venture | 50.59 | 71.30 |

**Note:**

Company had provided a guarantee for credit facility availed by the Ryker Base Private Limited and Tirupati Reels Private Limited, amounting to ₹ Nil (31 March 2021 : ₹4,184.62 million) and ₹520.00 million (31 March 2021 : ₹520.00 million) respectively.

# Notes to Standalone Financial Statements
for the year ended 31 March 2022

### F. Transactions with KMP:

**(i) Remuneration paid for the year ended and outstanding as on: (a)**

(₹ million)

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | For the year ended | Outstanding for the year end | For the year ended | Outstanding for the year end |
| **Executive Directors (Includes salary, performance incentive and commission to CMD)** | | | | |
| Mr. Inder T. Jaisinghani | 137.61 | 91.87 | 141.07 | 99.07 |
| Mr. Ramesh T. Jaisinghani | 3.76 | – | 32.48 | 7.50 |
| Mr. Ajay T. Jaisinghani | 3.76 | – | 32.48 | 7.50 |
| Mr. Bharat A. Jaisinghani | 18.71 | 3.34 | – | – |
| Mr. Nikhil R. Jaisinghani | 18.71 | 3.34 | – | – |
| Mr. Rakesh Talati | 18.02 | 3.83 | – | – |
| Mr. Shyam Lal Bajaj | 3.25 | 0.71 | 28.34 | 6.17 |
| **Non- Executive Directors (Includes sitting fees and commission)** | | | | |
| Mr. T. P. Ostwal | 4.00 | 2.25 | 3.30 | 1.80 |
| Mr. R. S. Sharma | 3.84 | 2.25 | 3.22 | 1.80 |
| Mr. Pradeep Poddar | 4.00 | 2.25 | 3.14 | 1.80 |
| Ms. Hiroo Mirchandani | – | – | 2.98 | 1.80 |
| Mrs. Sutapa Benerjee | 3.52 | 2.25 | – | – |
| **Key Management Personnel (Includes salary and performance incentive)** | | | | |
| Mr. Gandharv Tongia | 22.06 | 4.25 | 14.61 | 1.67 |
| Mrs. Manita Gonsalves | 3.97 | 0.75 | 0.96 | 0.22 |
| Mr. Subramaniam Sai Narayana | – | – | 2.31 | – |

(a) As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the directors and KMP are not included above.

**(ii) Share based payments to KMP(a)**

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Mr. Shyam Lal Bajaj | 0.55 | 7.64 |
| Mr. Gandharv Tongia | 2.76 | 2.94 |
| Mr. Rakesh Talati | 2.51 | – |
| Mr. Subramaniam Sai Narayana (b) | – | (0.46) |

(a) Represents expense by way of share based payments attributable to directors and KMP

(b) During previous year remaining options granted under Performance Scheme are forfeited post his resignation due to non-fulfilment of vesting criteria.

**(iii) Sale of fixed assets to KMP (Including GST)**

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | For the year ended | Outstanding for the year end | For the year ended | Outstanding for the year end |
| Mr. Inder T. Jaisinghani | 2.63 | – | – | – |
| Mr. Ramesh T. Jaisinghani | – | – | 1.35 | 1.35 |
| Mr. Ajay T. Jaisinghani | 3.18 | – | 2.36 | 0.17 |
| Mr. Bharat A. Jaisinghani | 1.14 | – | – | – |
| Mr. Girdhari T. Jaisinghani | 2.23 | – | – | – |
| Mrs. Ritika Nikhil Jaisinghani | 4.08 | – | – | – |
| Mr. Puneet Sehgal | – | – | 0.55 | 0.55 |



Notes to Standalone Financial Statements
for the year ended 31 March 2022

**(iv) Transactions with enterprises owned or significantly influenced by key managerial personnel**

(₹ million)

| | Nature of transaction | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|---|
| | | For the year ended | Outstanding for the year end | For the year ended | Outstanding for the year end |
| Polycab Social Welfare Foundation | Donation | 191.89 | – | 159.61 | – |
| Transigo Fleet LLP | Professional fees | 16.91 | 1.46 | – | – |
| AK Enterprises | Reimbursement of Electricity Expense | 1.34 | – | – | – |
| AK Enterprises* | Rent paid (including GST) | 29.17 | 2.33 | 21.88 | – |
| Shreeji Traders | Purchase of goods (including GST) | 0.02 | – | – | – |
| T.P. Ostwal & Associates LLP | Professional fees (excluding GST) | 0.16 | – | 0.87 | 0.16 |

*Security deposit given to AK Enterprises amounting to ₹6.17 million (31 March 2021 : ₹5.91 million).

### G. Transactions with relatives of KMP:

**Remuneration paid for the year ended and outstanding as on:**

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | For the year ended | Outstanding for the year end | For the year ended | Outstanding for the year end |
| Mr. Bharat A. Jaisinghani | 0.84 | – | 13.44 | 2.98 |
| Mr. Nikhil R. Jaisinghani | 0.84 | – | 13.44 | 2.98 |
| Mr. Girdhari T. Jaisinghani | – | – | 8.10 | 2.18 |
| Mr. Kunal I. Jaisinghani | 3.05 | 0.51 | 2.42 | 0.01 |

**Rent paid for the period ended and outstanding as at:**

| | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | For the year ended | Outstanding for the year end | For the year ended | Outstanding for the year end |
| Mrs. Jayshriben Talati | 0.49 | – | – | – |

## 37. Segment reporting

### Accounting policy

#### Identification of segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. The Company's chief operating decision maker is the Chairman & Managing Director.

The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment based on an analysis of various performance indicators by business segments and geographic segments.

#### Segment revenue and expenses:

1 It has been identified to a segment on the basis of relationship to operating activities of the segment.

2 The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

3 Intersegment revenue and profit is eliminated at group level consolidation.

4 Finance income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting as the underlying instruments are managed at Company level.

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

**Segment assets and liabilities:**

Segment assets and segment liabilities represent assets and liabilities of respective segments, however the assets and liabilities not identifiable or allocable on reasonable basis being related to enterprise as a whole have been grouped as unallocable.

The accounting policies of the reportable segments are same as that of Group's accounting policies described.

No operating segments have been aggregated to form the above reportable operating segments. Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

**The Company is organised into business units based on its products and services and has three reportable segments as follows:**

**Wires and Cables:** Manufacture and sale of wires and cables.

**Fast moving electrical goods (FMEG):** Fans, LED lighting and luminaires, switches, switchgears, solar products, water heaters, conduits, pumps and domestic appliances.

**Others:** It comprise of EPC business which includes design, engineering, supply of materials, survey, execution and commissioning of power distribution, rural electrification projects on a turnkey basis.

## A. The following summary describes the operations in each of the Company's reportable segments:

(₹ million)

| | 31 March 2022 | | | | | 31 March 2021 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Wires & Cables | FMEG | Others | Eliminations | Total | Wires & Cables | FMEG | Others | Eliminations | Total |
| **Income** | | | | | | | | | | |
| External sales | 107,003.75 | 12,484.03 | 1,898.08 | – | 121,385.86 | 75,793.81 | 10,341.09 | 1,902.43 | – | 88,037.33 |
| Inter segment revenue | 105.70 | – | – | (105.70) | – | 63.11 | – | – | (63.11) | – |
| **Total Income** | **107,109.45** | **12,484.03** | **1,898.08** | **(105.70)** | **121,385.86** | **75,856.92** | **10,341.09** | **1,902.43** | **(63.11)** | **88,037.33** |
| **Segment Results** | | | | | | | | | | |
| External | 10,273.04 | 242.86 | 325.14 | – | 10,841.04 | 8,973.02 | 565.96 | 303.34 | – | 9,842.32 |
| Inter segment results | 10.19 | – | – | (10.19) | – | 7.54 | – | – | (7.54) | – |
| **Segment/Operating results** | **10,283.23** | **242.86** | **325.14** | **(10.19)** | **10,841.04** | **8,980.56** | **565.96** | **303.34** | **(7.54)** | **9,842.32** |
| **Unallocated items:** | | | | | | | | | | |
| Finance income | | | | | 498.26 | | | | | 523.50 |
| Finance costs | | | | | 334.20 | | | | | 411.23 |
| Exceptional items | | | | | 1,243.25 | | | | | – |
| **Profit Before Tax** | | | | | **12,248.35** | | | | | **9,954.59** |
| Income tax expenses | | | | | | | | | | |
| Current tax | | | | | 3,058.47 | | | | | 2,533.59 |
| Adjustment of tax relating to earlier year | | | | | (20.80) | | | | | (1,001.95) |
| Deferred tax (credit)/ charge | | | | | (102.04) | | | | | 109.65 |
| **Profit for the year** | | | | | **9,312.72** | | | | | **8,313.30** |
| Depreciation & amortisation expenses | 1,773.77 | 187.95 | 3.86 | – | 1,965.58 | 1,559.46 | 177.10 | 3.53 | – | 1,740.09 |
| Non-cash expenses/ (Income) other than depreciation | 49.55 | 65.15 | 4.81 | – | 119.51 | (224.27) | 61.99 | 85.35 | – | (76.93) |
| Total cost incurred during the year to acquire segment assets (net of disposal) | 3,948.44 | 1,040.43 | – | – | 4,988.87 | 1,523.46 | 354.11 | – | – | 1,877.57 |

## B. Revenue by Geography

The amount of its revenue from external customers analysed by the country, in which customers are located, are given below:

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Within India | 112,107.01 | 80,615.75 |
| Outside India | 9,278.85 | 7,421.58 |
| | **121,385.86** | **88,037.33** |



# Notes to Standalone Financial Statements

for the year ended 31 March 2022

## C. Segment assets

(₹ million)

| | 31 March 2022 | | | | | 31 March 2021 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Wires & Cables | FMEG | Others | Eliminations | Total | Wires & Cables | FMEG | Others | Eliminations | Total |
| Segment assets | 49,288.73 | 7,543.93 | 2,579.07 | – | 59,411.73 | 44,545.63 | 5,896.31 | 4,247.92 | – | 54,689.86 |
| **Unallocated assets:** | | | | | | | | | | |
| Investments (Non-current and Current) | | | | | 8,132.00 | | | | | 6,969.75 |
| Income tax assets (net) | | | | | 369.94 | | | | | 269.66 |
| Cash and cash equivalents and bank balance other than cash and cash equivalents | | | | | 4,025.04 | | | | | 4,710.15 |
| Loans | | | | | 174.11 | | | | | 447.73 |
| Other unallocable assets | | | | | 960.14 | | | | | 181.78 |
| **Total assets** | | | | | **73,072.96** | | | | | **67,268.93** |

## D. Segment liabilities

(₹ million)

| | 31 March 2022 | | | | | 31 March 2021 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Wires & Cables | FMEG | Others | Eliminations | Total | Wires & Cables | FMEG | Others | Eliminations | Total |
| Segment liabilities | 10,323.95 | 2,655.57 | 2,221.90 | – | 15,201.42 | 12,723.64 | 2,666.93 | 2,902.67 | – | 18,293.24 |
| **Unallocated liabilities:** | | | | | | | | | | |
| Borrowings (Non-Current and Current, including Current Maturity) | | | | | 765.42 | | | | | 918.73 |
| Current tax liabilities (net) | | | | | 153.11 | | | | | 267.45 |
| Deferred tax liabilities (net) | | | | | 240.60 | | | | | 337.64 |
| Other unallocable liabilities | | | | | 1,503.41 | | | | | 379.57 |
| | | | | | **17,863.96** | | | | | **20,196.63** |

## E. Non-current assets by Geography

The total of non-current assets excluding financial assets and deferred tax assets analysed by the country in which assets are located are given below:

(₹ million)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Within India | 20,957.62 | 17,478.46 |
| Outside India | – | – |
| | **20,957.62** | **17,478.46** |

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

## 38. Financial Instruments and Fair Value measurement

### A. Financial Instruments

**Accounting policy**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

**(i) Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Statement of Profit & Loss, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified at the initial recognition as financial assets measured at fair value or as financial assets measured at amortised cost.

**(ii) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in two broad categories:

(a) Financial assets at amortised cost

(b) Financial assets at fair value

Where assets are measured at fair value, gains and losses are either recognised entirely in the Statement of Profit & Loss (i.e. fair value through Statement of Profit & Loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

**(a) Financial assets carried at amortised cost**

A financial assets that meets the following two conditions is measured at amortised cost (net of Impairment) unless the asset is designated at fair value through Statement of Profit & Loss under the fair value option.

(i) **Business Model test:** The objective of the Company's business model is to hold the financial assets to collect the contractual cash flow (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

(ii) **Cash flow characteristics test:** The contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

**(b) (i) Financial assets at fair value through other comprehensive income**

Financial assets is subsequently measured at fair value through other comprehensive income if it is held with in a business model whose objective is achieved by both collections contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dated to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

**(ii) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories is subsequently fair valued through Statement of Profit & Loss.

**(iii) Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

(a) The rights to receive cash flows from the asset have expired, or

(b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Company discloses analysis of the gain or loss recognised in the statement of profit and loss arising from the derecognition of financial assets measured at amortised cost, showing separately gains and losses arising from derecognition of those financial assets.

**(iv) Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model for the following:

(a) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

(b) The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and contract assets.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company recognises an allowance for ECL for all debt instruments not held at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

As a practical expedient, the Company uses the provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and its adjusted forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) during the period is recognised as other expense in the Statement of Profit & Loss.

### Financial liabilities

**(v) Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, lease liabilities and derivative financial instruments.

**(vi) Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**(a) Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

**(b) Gains or losses on liabilities held for trading are recognised in the profit or loss**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

**(c) Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate method.

**(vii) Embedded derivatives**

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss.

**(viii) Derecognition**

(a) A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(b) Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

## B. Fair value measurements

**Accounting policy**

The Company measures financial instruments, such as, derivatives, mutual funds etc. at fair value at each Balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, to provide an indication about the reliability of inputs used in determining fair value, the Company has classified its financial statements into three levels prescribed under the Ind AS as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability and the level of fair value hierarchy as explained above.

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

(₹ million)

| | Carrying value | | Fair value | |
|---|---|---|---|---|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| **Financial assets** | | | | |
| **Measured at amortised cost** | | | | |
| Trade receivables | 13,724.27 | 15,595.76 | 13,724.27 | 15,595.76 |
| Cash and cash equivalents | 1,138.27 | 1,974.12 | 1,138.27 | 1,974.12 |
| Bank balance other than cash and cash equivalents | 2,766.97 | 2,904.75 | 2,766.97 | 2,904.75 |
| Loans | 174.11 | 447.73 | 174.11 | 447.73 |
| Other financial assets | 343.27 | 818.66 | 343.27 | 818.66 |
| **Measured at fair value through profit or loss account (FVTPL)** | | | | |
| Investment in mutual funds | 7,640.51 | 6,231.27 | 7,640.51 | 6,231.27 |
| Derivative Assets | 238.74 | 33.79 | 238.74 | 33.79 |
| | **26,026.14** | **28,006.08** | **26,026.14** | **28,006.08** |
| **Financial liabilities** | | | | |
| **Measured at amortised cost** | | | | |
| Borrowings - long-term including current maturities and short-term | 765.42 | 918.73 | 765.42 | 919.51 |
| Trade payables | 11,793.55 | 13,061.43 | 11,793.55 | 13,061.43 |
| Creditors for capital expenditure | 466.96 | 273.78 | 466.96 | 273.78 |
| Obligations under lease | 343.26 | 335.22 | 350.58 | 345.58 |
| Fair value of corporate guarantee | - | 15.31 | - | 15.31 |
| Other financial liabilities | 50.40 | 46.10 | 50.40 | 46.10 |
| **Measured at fair value through profit or loss account (FVTPL)** | | | | |
| Derivative liabilities | 138.42 | 1,013.31 | 138.42 | 1,013.31 |
| | **13,558.01** | **15,663.88** | **13,565.33** | **15,675.02** |

(a) Interest rate swaps, foreign exchange forward contracts and embedded commodity derivative are valued using valuation techniques, which employ the use of market observable inputs( closing rates of foreign currency and commodities).

(b) Embedded foreign currency and commodity derivatives are measured similarly to the foreign currency forward contracts and commodity derivatives. The embedded derivatives are commodity and foreign currency forward contracts which are separated from purchase contracts.

(c) The management assessed that cash and cash equivalents, trade receivables, trade payables, short-term borrowings, loans to related party, loans to employees, short-term security deposit, lease liabilities and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(d) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(e) The fair values of the mutual funds are based on NAV at the reporting date.

(f) The fair value of interest rate swaps are based on MTM bank rates as on reporting date.

(g) The fair value of put option is determined using Monte Carlo Simulation which assumes a Geometric Brownian Motion for the modelling equity value.

(h) The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

(i) Non-current other financial assets includes fixed deposit having maturity period of more than 12 months of ₹119.80 million (31 March 2021: ₹557.20 million).



# Notes to Standalone Financial Statements

for the year ended 31 March 2022

### Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

**Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2022 :**

(₹ million)

| | Date of valuation | Total | Fair value measurement using | | |
|---|---|---|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Assets measured at fair value:** | | | | | |
| Units of mutual funds | 31 March 2022 | 7,640.51 | 7,640.51 | - | - |
| **Derivative Assets** | | | | | |
| Embedded derivatives | 31 March 2022 | 196.27 | - | 196.27 | - |
| Forward Contract | 31 March 2022 | 42.47 | - | 42.47 | - |
| **Liabilities measured at fair value:** | | | | | |
| Derivative liabilities : | | | | | |
| Commodity contracts | 31 March 2022 | 138.42 | - | 138.42 | - |

**Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2021:**

(₹ million)

| | Date of valuation | Total | Fair value measurement using | | |
|---|---|---|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Assets measured at fair value:** | | | | | |
| Units of mutual funds | 31 March 21 | 6,231.27 | 6,231.27 | - | - |
| **Derivative Assets** | | | | | |
| Forward Contract | 31 March 21 | 31.37 | - | 31.37 | - |
| Interest rate and cross currency swap | 31 March 21 | 2.42 | - | 2.42 | - |
| **Liabilities measured at fair value:** | | | | | |
| Derivative liabilities : | | | | | |
| Embedded derivatives | 31 March 21 | 356.38 | - | 356.38 | - |
| Commodity contracts | 31 March 21 | 656.93 | - | 656.93 | - |

There is no transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. Timing of transfer between the levels determined based on the following:

(a) the date of the event or change in circumstances that caused the transfer

(b) the beginning of the reporting period

(c) the end of the reporting period

**Description of significant unobservable inputs to valuation:**

There are no significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy as at 31 March 2022 since put option written by the Company for investments in an erstwhile joint venture has been excercised in earlier year.

**Reconciliation of fair value of written put options:**

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| At the beginning of the year | - | 49.75 |
| Settled | - | (49.75) |
| **At the end of the year** | **-** | **-** |

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

## 39. Financial Risk Management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors of the Company has formed a Risk Management Committee to periodically review the risk management policy of the Company so that the management manages the risk through properly defined mechanism. The Risk Management Committee's focus is to foresee the unpredictability and minimise potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows:

### A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments and derivative financial instruments.

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company is also exposed to the risk of changes in market interest rates relates due to its investments in mutual fund units in overnight funds.

The Company manages its interest rate risk by having fixed and variable rate loans and borrowings. The Company enters into interest rate swaps for long-term foreign currency borrowings, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2022, after taking into account the effect of interest rate swaps, none of the Company's borrowings at the year end are at a fixed rate of interest (31 March 2021: 4%). Total borrowings as on 31 March 2022 are ₹765.42 million (31 March 2021 ₹918.73 million).

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ million)

| | Exposure to interest rate risk (Principal amount of loan) | Increase/ decrease in basis points | Effect on profit before tax |
|---|---|---|---|
| **31 March 2022** | 765.42 | | |
| Increase | | +100 | (7.65) |
| Decrease | | -100 | 7.65 |
| **31 March 2021** | 883.56 | | |
| Increase | | +100 | (8.84) |
| Decrease | | -100 | 8.84 |

#### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's borrowings in foreign currency.

**Derivative financial instruments**

The Company enters into derivative contracts with an intention to hedge its foreign exchange price risk and interest risk. Derivative contracts which are linked to the underlying transactions are recognised in accordance with the contract terms. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit & Loss. To some extent the Company manages its foreign currency risk by hedging transactions."

**Particulars of unhedged foreign currency exposures as at the reporting date:**

(₹ million)

| Currency | Currency Symbol | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|---|
| | | Foreign currency | Indian Rupees | Foreign currency | Indian Rupees |
| United States Dollar | USD | (59.15) | (4,483.64) | (54.07) | (3,974.68) |
| EURO | Euro | 2.20 | 185.85 | 1.32 | 113.33 |
| Pound | GBP | 0.53 | 53.08 | 1.00 | 101.39 |
| Swiss Franc | CHF | 0.29 | 24.12 | 0.05 | 3.86 |
| Japanese yen | JPY | (0.32) | (0.20) | - | - |
| Australian Dollar | AUD | 6.13 | 346.52 | 1.52 | 84.91 |

Figures shown in brackets represent payables.

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD, Euro, GBP , CHF, JPY and AUD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. Sensitivity due to unhedged Foreign Exchange Exposures is as follows:

**Impact on profit before tax and equity**

(₹ million)

| Currency | Currency Symbol | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|---|
| | | +2% | -2% | +2% | -2% |
| United States Dollar | USD | (89.67) | 89.67 | (79.49) | 79.49 |
| EURO | Euro | 3.72 | (3.72) | 2.27 | (2.27) |
| Pound | GBP | 1.06 | (1.06) | 2.03 | (2.03) |
| Swiss Franc | CHF | 0.48 | (0.48) | 0.08 | (0.08) |
| Japanese yen | JPY | - | - | - | - |
| Australian Dollar | AUD | 6.93 | (6.93) | 1.70 | (1.70) |

Figures shown in brackets represent payables.

#### (iii) Commodity price risk

**The Company's exposure to price risk of copper and aluminium arises from :**

- Trade payables of the Company where the prices are linked to LME prices. Payment is therefore sensitive to changes in copper and aluminium prices quoted on LME. The provisional pricing feature (Embedded Derivatives) is classified in the balance sheet as fair value through profit or loss. The option to fix prices at future LME prices works as a natural hedge against the movement in value of inventory of copper and aluminium held by the Company. The Company also takes Sell LME positions to hedge the price risk on Inventory due to ongoing movement in rates quoted on LME. The Company applies fair value hedge to protect its copper and aluminium Inventory from the ongoing movement in rates.
- Purchases of copper and aluminium results in exposure to price risk due to ongoing movement in rates quoted on LME affecting the profitability and financial position of the Company. The risk management strategy is to use the Buy future contracts linked to LME to hedge the variation in cash flows of highly probable future purchases. There are no outstanding buy future contracts link to LME as of 31 March 2022 and 31 March 2021.

Sensitivity analysis for unhedged exposure for the year ended 31 March 2022 are as follows:

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

**Exposure of Company in Inventory**

(₹ million)

| Metal | Hedge instruments | 31 March 2022 Exposure in Metric Tonne | Exposure in ₹ million | Impact in Profit before tax +2% | –2% | 31 March 2021 Exposure in Metric Tonne | Exposure in ₹ million | Impact in Profit before tax +2% | –2% |
|---|---|---|---|---|---|---|---|---|---|
| Copper | Embedded derivative | 2,870 | 2,257.50 | 45.15 | (45.15) | – | – | – | – |
| Aluminium | Embedded derivative | 84 | 23.76 | 0.48 | (0.48) | 3,293 | 588.35 | 11.77 | (11.77) |

## B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**Trade receivables and contract assets**

The Company has adopted a policy of only dealing with counterparties that have sufficient credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. Credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company has applied Expected Credit Loss (ECL) model for measurement and recognition of impairment losses on trade receivables. ECL has been computed as a percentage of revenue on the basis of Company's historical data of delay in collection of amounts due from customers and default by the customers along with management's estimates.

The Company has sold without recourse trade receivables under channel finance arrangement for providing credit to its dealers. Evaluation is made as per the terms of the contract i.e. if the Company does not retain any risk and rewards or control over the financial assets, then the entity derecognises such assets upon transfer of financial assets under such arrangement with the banks. Derecognition does not result in significant gain / loss to the Company in the Statement of profit and loss.

In certain cases, the Company has sold with recourse trade receivables to banks for cash proceeds. These trade receivables have not been derecognised from the statement of financial position, because the Company retains substantially all of the risks and rewards – primarily credit risk. The amount received on transfer has been recognised as a financial liability (Refer note 18(B)). The arrangement with the bank is such that the customers remit cash directly to the bank and the bank releases the limit of facility used by the Company. The receivables are considered to be held within a held-to-collect business model consistent with the Company's continuing recognition of the receivables.

Before evaluating whether, and to what extent, derecognition is appropriate, the Company determines whether these arrangements should be applied to a part of a financial asset (or a part of a Company of similar financial assets) or a financial asset (or a Company of similar financial assets) in its entirety, as follows.

The derecognition criteria are applied to a part of a financial asset (or a part of a Company of similar financial assets) if, and only if, the part being considered for derecognition meets one of the following three conditions.

(i) The part comprises only specifically identified cash flows from a financial asset (or a Company of similar financial assets).

(ii) The part comprises only a fully proportionate (pro rata) share of the cash flows from a financial asset (or a Company of similar financial assets).

(iii) The part comprises only a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a Company of similar financial assets).

In all other cases, the derecognition criteria are applied to the financial asset in its entirety (or to the Company of similar financial assets in their entirety).

The carrying amount of trade receivables at the reporting date that have been transferred but have not been derecognised and the associated liabilities is ₹765.42 million.

Trade receivables (net of expected credit loss allowance) of ₹12,925.37 million as at 31 March 2022 (31 March 2021: ₹14,312.16 million) forms a significant part of the



Notes to Standalone Financial Statements

for the year ended 31 March 2022

financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of delayed payments, increased credit risk and consequential default considering emerging situations while arriving at the carrying value of these assets. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers. The Company has specifically evaluated the potential impact with respect to customers for all of its segments.

**Financial Risk Management objectives and policies**

The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables with institutions on no recourse basis, recognition of revenue on collection basis etc., depending on severity of each case. The collections pattern from the customers in the current period does not indicate stress beyond what has been factored while computing the allowance for expected credit losses. The expected credit loss allowance for trade receivables of ₹1,243.76 million as at 31 March 2022 is considered adequate. The same assessment is done in respect of contract assets of ₹106.91 million as at 31 March 2022 while arriving at the level of provision that is required. The expected credit loss allowance for contract assets of ₹11.82 million as at 31 March 2022 is considered adequate.

**Other financial assets**

The Company has adopted a policy of only dealing with counterparties that have sufficient credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

## C. Liquidity risk

The Company's principle sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements.

Further, the Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalents position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. Surplus funds not immediately required are invested in certain financial assets (including mutual funds) which provide flexibility to liquidate at short notice and are included in current investments and cash equivalents. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required, which are reviewed periodically.

The Company has developed appropriate internal control systems and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and availability of alternative sources for additional funding, if required. (Refer note 18)

Corporate guarantees given on behalf of Group Companies might affect the liquidity of the Company if they are payable. However, the Company has adequate liquidity to cover the risk. (Refer note 35(A))

**Maturity analysis**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(₹ million)

| | 31 March 2022 < 1 year | > equal to 1 year | Total | 31 March 2021 < 1 year | > equal to 1 year | Total |
|---|---|---|---|---|---|---|
| Borrowings | 765.42 | – | 765.42 | 918.81 | – | 918.81 |
| Lease liability | 146.59 | 297.87 | 444.46 | 135.35 | 271.85 | 407.20 |
| Other financial liabilities | 655.78 | – | 655.78 | 1,333.19 | – | 1,333.19 |
| Trade payables | 11,793.55 | – | 11,793.55 | 13,061.43 | – | 13,061.43 |
| | **13,361.34** | **297.87** | **13,659.21** | **15,448.78** | **271.85** | **15,720.63** |

In the previous year, the other financial liabilities includes financial guarantees provided to Ryker Base Pvt. Ltd. Refer note 20(C) for contractual undiscounted value of the same. It also includes derivative liability, for maturity analysis refer note 39(B).

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

## 40. Hedging activity and derivatives

### A. Fair value hedge of copper and aluminium price risk in inventory

(i) The Company enters into contracts to purchase copper and aluminium wherein the Company has the option to fix the purchase price based on LME price of copper and aluminium during a stipulated time period. Accordingly, these contracts are considered to have an embedded derivative that is required to be separated. Such feature is kept to hedge against exposure in the value of unpriced inventory of copper and aluminium due to volatility in copper and aluminium prices. The Company designates the embedded derivative in the payable for such purchases as the hedging instrument in fair value hedging of inventory. The Company designates only the spot-to-spot movement of the copper and aluminium inventory as the hedged risk. The carrying value of inventory is accordingly adjusted for the effective portion of change in fair value of hedging instrument. Hedge accounting is discontinued when the hedging instrument is settled, or when it is no longer qualifies for hedge accounting or when the hedged item is sold.

(ii) To use the Sell future contracts linked with LME to hedge the fair value risk associated with inventory of copper and aluminium. Once the purchases are concluded and its final price is determined, the Company starts getting exposed to price risk of these inventory till the time it is not been sold. The Company's policy is to designate the copper and aluminium inventory which are already priced and which is not been sold at that point in time in a hedging relationship against Sell LME future positions based on the risk management strategy of the Company. The hedged risk is movement in spot rates.

To test the hedge effectiveness between embedded derivatives/derivatives and LME prices of Copper and Aluminium, the Company uses the said prices during a stipulated time period and compares the fair value of embedded derivatives/derivatives against the changes in fair value of LME price of copper and aluminium attributable to the hedged risk.

The Company establishes a hedge ratio of 1:1 for the hedging relationships as the underlying embedded derivative/derivative is identical to the LME price of Copper and Aluminium.

Disclosure of effects of fair value hedge accounting on financial position:

**Hedged item:**

Changes in fair value of unpriced inventory attributable to change in copper and aluminium prices.

**Hedging instrument:**

Changes in fair value of the embedded derivative of copper and aluminium trade payables and sell future contracts, as described above.

### B. Cash flow hedge associated with highly probable forecasted purchases of copper and aluminium:

The Company has purchases of copper and aluminium which results in exposure to price risk due to ongoing movement in rates quoted on LME which affects the profitability and financial position of the Company. The risk management strategy is to use the Buy future contracts linked to LME to hedge the variation in cash flows of highly probable future purchases. The Company's policy is to designate the monthly copper and aluminium purchases as a highly probable forecasted transaction in a hedging relationship based on the risk management strategy of the Company.



# Notes to Standalone Financial Statements

for the year ended 31 March 2022

### As at 31 March 2022

(₹ million)

| | Commodity price risk | Carrying amount Asset – increase/ (decrease) | Carrying amount Liabilities – increase/ (decrease) | Carrying amount Equity – increase/ (decrease) | Maturity date | Hedge Ratio | Balance sheet classification | Effective portion of Hedge – gain (loss) | Ineffective portion of Hedge – gain/(loss) |
|---|---|---|---|---|---|---|---|---|---|
| **Fair Value Hedge** | | | | | | | | | |
| Hedged item | Inventory of Copper and aluminium | (154.19) | – | – | | 1:1 | Inventory | | |
| | Highly probable future purchases | – | – | 0.58 | | 1:1 | Cash flow hedge Reserve | | |
| | Embedded derivative in trade payables of Copper and aluminium | – | (196.27) | – | Range within 1 to 6 months | 1:1 | Current financial liabilities | 154.19 | (96.92) |
| Hedging instrument | Buy Derivative Position | | (0.58) | – | | 1:1 | Current financial liabilities | | |
| | Sell Derivative Position | – | 139.00 | – | | 1:1 | Current financial liabilities | | |

The following table presents details of amounts held in effective portion of Cash Flow Hedge and the period during which these are going to be released and affecting Statement of profit and Loss

| | As at 31 March 2022 – Cash Flow hedge release to P&L – Less than 3 Months | 3 Months to 6 Months | 6 Months to 12 Months | Total |
|---|---|---|---|---|
| **Commodity Price risk** | | | | |
| Buy Future Contracts – Copper | (139.31) | – | – | (139.31) |
| Buy Future Contracts – Aluminium | 0.58 | – | – | 0.58 |
| Sell Future Contracts – Aluminium | 0.31 | – | – | 0.31 |

### As at 31 March 2021

(₹ million)

| | Commodity price risk | Carrying amount Asset – increase/ (decrease) | Carrying amount Liabilities – increase/ (decrease) | Carrying amount Equity – increase/ (decrease) | Maturity date | Hedge Ratio | Balance sheet classification | Effective portion of Hedge -gain/ (loss) | Ineffective portion of Hedge -gain/(loss) |
|---|---|---|---|---|---|---|---|---|---|
| **Fair Value Hedge** | | | | | | | | | |
| Hedged item | Inventory of Copper and aluminium | 896.65 | – | – | | 1:1 | Inventory | | |
| | Embedded derivative in trade payables of Copper and aluminium | – | 356.38 | – | Range within 1 to 6 months | 1:1 | Current financial liabilities | (896.65) | (116.66) |
| Hedging instrument | Buy Derivative Position | | (23.62) | – | | 1:1 | Current financial liabilities | | |
| | Sell Derivative Position | – | 680.55 | – | | 1:1 | Current financial liabilities | | |

# Notes to Standalone Financial Statements

for the year ended 31 March 2022

The following table presents details of amounts held in effective portion of Cash Flow Hedge and the period during which these are going to be released and affecting Statement of profit and Loss

| | As at 31 March 2020 | | | |
|---|---|---|---|---|
| | Cash Flow hedge release to P&L | | | |
| | Less than 3 Months | 3 Months to 6 Months | 6 Months to 12 Months | Total |
| **Commodity Price risk** | | | | |
| Buy Future Contracts – Copper | (0.67) | – | – | (0.67) |
| Buy Future Contracts – Aluminium | 24.29 | – | – | 24.29 |
| Sell Future Contracts – Copper | (397.91) | (173.78) | – | (571.69) |
| Sell Future Contracts – Aluminium | (82.32) | (26.06) | (0.48) | (108.86) |

The Board of Directors has constituted a Risk Management Committee (RMC) to frame, implement and monitor the risk management plan of the Company which inter-alia covers risks arising out of exposure to foreign currency fluctuations. Under the guidance and framework provided by the RMC, the Company uses various derivative instruments such as foreign exchange forward, currency options and futures contracts in which the counter party is generally a bank. For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary objective is to maximise the shareholders value.

The Company has entered into derivative instruments by way of foreign exchange forward contracts, which are, as per the requirements of Ind AS 109, measured at fair value through profit and loss account. The notional amount of outstanding contracts and loss/(gain) on fair valuation of such contracts are given below:

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Foreign exchange forward contracts – Buy | 3,807.07 | 3,150.01 |
| Foreign exchange forward contracts – Sale | (6,121.16) | (457.25) |
| | **(2,314.09)** | **2,692.76** |
| Fair valuation gain on foreign exchange forward contracts | (42.47) | (31.37) |

## 41. Financial performance ratios:

| | | Numerator | Denominator | 31 March 2022 | 31 March 2021 | Variance |
|---|---|---|---|---|---|---|
| A | **Performance ratios** | | | | | |
| | Performance ratios | | | | | |
| | Net Profit ratio | Profit after tax | Revenue from operations | 7.70% | 9.52% | -19.1% |
| | Net Capital turnover ratio | Revenue from operations | Closing working capital | 3.59 | 3.12 | 14.9% |
| | Return on Capital employed | Profit before interest and tax | Closing capital employed | 22.48% | 21.60% | 4.1% |
| | Return on Equity Ratio | Profit after tax | Closing shareholder's equity | 16.87% | 17.66% | -4.5% |
| | Return on investment | Closing less opening market price | Opening market price | 70.66% | 85.91% | -17.7% |
| | Debt Service Coverage ratio (i) | Profit before interest, tax, Depreciation and amortisation expense | Closing Debt Service | 18.94 | 13.13 | 44.2% |
| B | **Leverage ratios** | | | | | |
| | Debt-Equity Ratio (ii) | Total Borrowings | Equity | 0.01 | 0.02 | -29.0% |
| C | **Liquidity ratios** | | | | | |
| | Current Ratio | Current Assets | Current Liabilities | 2.99 | 2.46 | 21.7% |
| D | **Activity ratio** | | | | | |
| | Inventory turnover ratio (iii) | Cost of goods sold | Closing inventory | 4.39 | 3.33 | 31.7% |
| | Trade Receivables turnover ratio (iv) | Revenue from operations | Closing current trade receivables | 9.36 | 6.10 | 53.3% |
| | Trade Payables turnover ratio (v) | Cost of goods sold | Closing trade payable | 5.92 | 3.61 | 64.3% |

**Note: Explanation for change in ratio by more than 25%**

(i) Debt service coverage ratio improved on account of better profitability

(ii) Repayment of borrowing and higher retained earnings led by better profitability improved debt-equity ratio

(iii) Growth in revenue and inventory optimisation improved inventory turnover ratio

(iv) Higher channel finance revenue improved trade receivables turnover ratio

(v) Trade payable turnover ratio improved due to lower trade payables



Notes to Standalone Financial Statements

for the year ended 31 March 2022

## 42. Struck off Company:

The Company does not have any transactions with companies struck- off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

## 43. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary objective is to maximise the shareholders value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and external borrowings.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The capital structure is governed by policies approved by the Board of Directors and monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(₹ million)

| | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Borrowings (Refer note -18) | 765.42 | 918.73 |
| Trade payables ( Refer note- 20) | 11,793.55 | 13,061.43 |
| Other payables (Refer note -21) | 655.78 | 1,348.50 |
| Less: cash and cash equivalents (Refer note 10) | (1,138.27) | (1,974.12) |
| **Net debt** | **12,076.48** | **13,354.54** |
| Equity (Refer note 16 and 17) | 55,209.00 | 47,072.30 |
| **Total capital** | **55,209.00** | **47,072.30** |
| Capital and net debt | 67,285.48 | 60,426.84 |
| **Gearing ratio** | **17.95%** | **22.10%** |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022 and year ended 31 March 2021.

## 44. Events after the reporting period

No significant adjusting event occurred between the balance sheet date and date of the approval of these financial statements by the Board of Directors of the Company requiring adjustment or disclosure.

## 45. Others

Figures representing ₹0.00 million are below ₹5,000.

As per our report of even date
**For B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors of
Polycab India Limited
CIN: L31300GJ1996PLC114183

**Bhavesh Dhupelia**
Partner
Membership No. 042070

**Inder T. Jaisinghani**
Chairman & Managing Director
DIN: 00309108

**Nikhil R. Jaisinghani**
Whole-time Director
DIN: 00742771

**Bharat A. Jaisinghani**
Whole-time Director
DIN: 00742995

**Gandharv Tongia**
Chief Financial Officer
Membership No. 402854

**Manita Gonsalves**
Company Secretary
Membership No. A18321

Place: Mumbai
Date: 10 May 2022

Place: Mumbai
Date: 10 May 2022

# Notice

**26th Annual General Meeting**

Notice is hereby given that the 26th Annual General Meeting of the Members of Polycab India Limited will be held on Wednesday, June 29, 2022 at 9.00 a.m. through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following businesses:

## ORDINARY BUSINESS

### 1. Adoption of Audited Standalone Financial Statements

To consider and adopt the Audited Standalone Financial Statements for the financial year ended March 31, 2022, together with the reports of the Board of Directors and Auditors thereon and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, along with the reports of the Board of Directors and Auditors thereon, as circulated to the Members be and are hereby received, considered and adopted."

### 2. Adoption of Audited Consolidated Financial Statements

To consider and adopt the Audited Consolidated Financial Statements for the financial year ended March 31, 2022, together with the report of the Auditors thereon and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, along with the reports of Auditors thereon, as circulated to the Members be and are hereby received, considered and adopted."

### 3. Declaration of Dividend

To declare a Dividend of ₹14/- per equity share of face value of ₹10/- each for the financial year ended March 31, 2022 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** a Dividend of ₹14/- (Rupees Fourteen only) per equity share of face value of ₹10/- (Rupees Ten only) each, as recommended by the Board of Directors of the Company for the Financial Year ended March 31, 2022, be and is hereby declared, and the same be paid out of the profits of the Company to those shareholders whose names appear in the Register of Members as at the close of business hours on Wednesday, June 22, 2022."

### 4. Appointment of Mr. Rakesh Talati (DIN: 08591299) as Director liable to retire by rotation

To appoint a Director in place of Mr. Rakesh Talati (DIN: 08591299), Executive Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment, and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Rakesh Talati (DIN: 08591299), Executive Director of the Company, who retires by rotation at this meeting and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company who shall be liable to retire by rotation in accordance with Companies Act, 2013."

## SPECIAL BUSINESS

### 5. Ratification of remuneration payable to the Cost Auditors for the Financial Year 2022-2023

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, the Members of the Company hereby ratify the remuneration of ₹5,50,000 (Rupees Five Lakhs Fifty Thousand only) plus applicable taxes and out of pocket expenses at actuals, if any, payable to V. J. Talati & Co., Mumbai, (Firm Registration No.: R/00213), Cost Accountants who have been appointed by the Board of Directors on recommendation of the Audit Committee, as 'Cost Auditors' of the Company to conduct the Audit of the Cost Records maintained by the Company as prescribed under the Companies (Cost Record and Audit) Rules, 2014, as amended, for the Financial Year ending 2022-23."

### 6. Continuation of appointment of Mr. Inder T. Jaisinghani, (DIN: 00309108) as Managing Director on attaining the age of 70 years

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to Section 196(3) read with Schedule V and all other applicable provisions, if any, of the Companies Act 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the Members of the Company be and is hereby accorded for continuation of the appointment of Mr. Inder T. Jaisinghani (DIN: 00309108) as Managing Director designated as 'Chairman & Managing Director' of the Company on attaining the age of 70 years on March 29, 2023 for the remaining period of his term of 5 years i.e. up till August 27, 2024, on the existing terms of appointment and remuneration as approved by the Members at the 23rd Annual General Meeting of the Company held on June 26, 2019."

### 7. Alteration of certain clauses of Articles of Association (AOA) of the Company

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the consent of the Members be and is hereby accorded to alter the Articles of Association of the Company as under:

(i) The definition of IFC as mentioned under Article no.3 be deleted.

(ii) Rights of IFC to appoint Nominee Director under Article no. 103 be deleted.

(iii) Article no. 137 'Custody of Common Seal' and Article no. 138 'Seal How Affixed' be deleted."

### 8. Payment of Commission to the Independent Directors of the Company

To consider, and if thought fit, to pass, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to Section(s)149,197,198 and other applicable provision(s), if any, of the Companies Act, 2013 ('the Act') and rules made thereunder read with Schedule V to the Act and Regulation 17(6)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the consent of the Members of the Company be and is hereby accorded for payment of commission out of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act not exceeding ₹ 25,00,000 (Rupees Twenty five Lakhs only) per annum individually to each Independent Director of the Company effective from Financial Year 2021-22."

By Order of the Board of Directors
of **Polycab India Limited**

**Manita Carmen A. Gonsalves**
Company Secretary & Compliance Officer
M. No.: A18321

Place: Mumbai
Date: May 10, 2022

Registered Office: Unit 4, Plot No. 105, Halol Vadodara Road Village: Nurpura, Taluka Halol, Panchmahal, Gujarat – 389350
Phone No.: +91 2676227600 / 227700
website: www.polycab.com

## NOTES:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Ordinary and Special Business under Item No.1 to 8 be transacted at the Annual General Meeting (AGM) is annexed hereto.
2. Details as required Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') in respect of the Director seeking appointment at the AGM is attached as Annexure forming part of this Notice.
3. **BOOK CLOSURE:** Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42 of Listing Regulations, the Register of Members and Transfer Books of the Company will be closed from June 23, 2022, to June 29, 2022, (both days inclusive) for the purpose of Dividend and AGM.
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.02/2021 dated January 13, 2021, Circular No. 20/2021 dated December 12, 2021, Circular No. 21/2021dated December 14, 2021 and Circular No. 2/2022 dated May 05, 2022 issued by the Ministry of Corporate Affairs, physical attendance of the Members to the AGM venue is not required and AGM may be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
5. Pursuant to the Circular No. 14/2020 dated April 08, 2020, read with Circular No. 20/2021 dated December 12, 2021, and Circular No. 21/2021 dated December 14, 2021 issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

   Institutional / Corporate Members are required to send a scanned copy (pdf/jpg format) of its Board or governing body resolution / Authorization letter etc. authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution / authorization shall be sent to the scrutinizer on dilipbcs@gmail.com by its registered e-mail address.
6. As a part of green initiative, members who have not registered their e-mail address are requested to register the same with their respective depository participant(s). In case of any assistance, the members are requested to write an email to Kfin Technologies Limited (Kfin) at einward.ris@kfintech.com.
7. **DIVIDEND:** The Dividend, as recommended by the Board of Directors, if approved at the Annual General Meeting, would be

paid subject to deduction of tax at source, as may be applicable, after June 29, 2022, to those persons or their mandates:

a) whose names appear as Beneficial Owners as at the end of the business hours on Wednesday, June 22, 2022 (Record date) in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

b) In physical mode, if their name appear in the Company's Register of Members as on Wednesday, June 22, 2022.

TDS on dividend: In accordance with the provisions of the Income Tax Act, 1961 ('the Act'), dividend paid on or after April 01, 2020, is taxable in the hands of Members and the Company is required to deduct tax at source ('TDS') from dividend paid to the Members at the applicable rates.

TDS rates that are applicable to Members depend upon their residential status and classification as per the provisions of the Act. The Company will therefore deduct tax at source at the time of payment of dividend, at rates based on the category of Members and subject to fulfilment of conditions as provided herein below:

### For Resident Members:

Tax will be deducted at source ("TDS") under Section 194 of the Act @ 10% on the amount of dividend payable, unless exempt under any of the provisions of the Act. However, in case of Individuals, TDS would not apply if the aggregate of total dividend paid to them by the Company during the financial year does not exceed ₹ 5,000.

No TDS will be deducted in cases where a shareholder provides Form 15G (applicable to individual) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions as prescribed under the Act are met. Blank Form 15G and 15H can be downloaded from the link given at the end of this communication. Please note that all fields mentioned in the forms are mandatory and the Company will not be able to accept the forms submitted, if not filled correctly.

NIL/lower tax will be deducted on dividend payable to the following categories of resident Members, on submission of self-declaration.:

- **Insurance companies:** Documentary evidence to prove that the Insurance company qualify as Insurer in terms of the provisions of Section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN Card.
- **Mutual Funds:** Documentary evidence to prove that the mutual fund is a mutual fund specified under clause (23D) of section 10 of the Act and is eligible for exemption, along with self-attested copy of the registration documents and PAN Card.
- **Alternative Investment Fund (AIF) established in India:** Documentary evidence to prove that AIF is a fund eligible for exemption u/s 10(23FBA) of the Act and that they are established as Category I or Category II AIF under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 (15 of 1992). Copy of self- attested registration documents and PAN card should also be provided.
- **National Pension System Trust & other Members:** Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN Card.
- Members who have provided a valid certificate issued u/s 197 of the Act for lower / nil rate of deduction or an exemption certificate issued by the income tax authorities.

  Please also note that where tax is deductible under the provisions of the Act and the PAN of the shareholder is either not available or PAN available in records of the Company is invalid / inoperative, tax shall be deducted @ 20% as per section 206AA of the Act.

### For Non-Resident Members (including Foreign Institutional Investors and Foreign Portfolio Investors):

- Tax is required to be withheld in accordance with the provisions of Sections 195 and 196D of the Act @ 20% (plus applicable surcharge and cess) on the amount of dividend payable.
- As per section 90 of the Act, a non-resident shareholder has an option to be governed by the provisions of the Double Taxation Avoidance Agreement ('DTAA') between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to such shareholder. To avail the DTAA benefits, the non-resident shareholder will have to provide the following documents:
- Self-attested copy of PAN, if any, allotted by the Indian tax authorities. In case of non-availability of PAN, declaration is to be submitted.
- Self-attested copy of valid Tax Residency Certificate ('TRC') issued by the tax authorities of the country of which shareholder is tax resident, evidencing and certifying shareholder's tax residency status.
- Completed and duly signed self-declaration in Form 10F (Refer Format)
- Self-declaration (Refer Format) certifying the following points: -
  - Shareholder is and will continue to remain a tax resident of the country of its residence during FY 2022-23 (i.e. 01.04.2022 to 31.03.2023);
  - Shareholder is the beneficial owner of the shares and is entitled to the dividend receivable from the Company.
  - Shareholder qualifies as 'person' as per DTAA and is eligible to claim benefits as per DTAA for the purposes of tax withholding on dividend declared by the Company.
  - Shareholder has no permanent establishment / business connection / place of effective management in India. Or Dividend income is not attributable/effectively connected to any Permanent Establishment (PE) or Fixed Base in India.
  - Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner.
- In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of the registration certificate issued by the Securities and Exchange Board of India.
- In case shareholder is tax resident of Singapore and desires to claim treaty benefit, satisfaction of requirement of Article 24-Limitation of Benefit of India-Singapore Tax Treaty must be provided.
- Where a shareholder furnishes lower / nil withholding tax certificate under Section 197 of the Act, TDS will be deducted as per the rates prescribed in such certificate.

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-resident shareholder and meeting the requirements of the Act, read with the applicable DTAA. In absence of the same, the Company will not be able to apply the beneficial DTAA rates at the time of deducting tax on dividend.

### Section 206AB of the Act:

Rate of TDS @ 10% u/s 194 of the Act is subject to provisions of Section 206AB of the Act (effective from July 01, 2021) which introduces special provisions for TDS in respect of taxpayers who have not filed their income-tax returns (referred to as "Specified Persons"). Under section 206AB of the Act, tax is to be deducted at higher of the following rates in case of payments to the specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

"Specified person" as defined under section 206AB (3) of the Act.

The Central Board of Direct Taxes vide Circular No. 11 of 2021 dated June 21, 2021 has clarified that new functionality will be issued for compliance check under Section 206AB of the Act. Accordingly, for determining TDS rate on Dividend, the Company will be using said functionality to determine the applicability of Section 206AB of the Act.

### To summarise, dividend will be paid after deducting tax at source as under:

i. Nil for resident individual Members receiving dividend from the Company upto ₹ 5,000 during financial year.

ii. Nil for resident individual Members in cases where duly filled up and signed Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN card is submitted.

iii. 10% for other resident Members in case copy of valid PAN is provided/available.

iv. 20% for resident Members if copy of PAN is not provided / not available or resident shareholder is specified person under section 206AB as per compliance check utility of income tax department.

v. TDS rate will be determined based on documents submitted by the non-resident Members.

vi. 20% (plus applicable surcharge and cess) for non-resident Members in case the relevant documents are not submitted.

vii. Lower/ NIL TDS on submission of self-attested copy of the valid certificate issued under Section 197 of the Act.

The above mentioned rates will be subject to applicability of Section 206AB of the Act.

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed in the Rules.

### For all Members:

In order to enable the Company to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Income-tax Act, 1961, we request you to provide the above-mentioned details and documents as applicable to the Shareholder on or before Wednesday, June 22, 2022. The dividend will be paid after deduction of tax at source as determined based on the aforementioned documents provided by the respective Members as applicable to them and being found satisfactory. No communication on the tax determination/ deduction shall be considered after Wednesday, June 22, 2022.

Members may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you or due to defect in any of the aforementioned details/documents, option is available to you to file the return of income as per Act and claim an appropriate refund of the excess tax deducted, if eligible. No claim shall lie against the Company for such taxes deducted.

## UPDATION OF PAN, EMAIL ADDRESS AND OTHER DETAILS:

All the Members are requested to update the residential status, registered email address, mobile number, category and other details with their relevant depositories through their depository participants, if the shareholding is in demat form or with the Company, if the shareholding is held in physical form, as may be applicable. The Company is obligated to deduct TDS based on the records made available by National Securities Depository Limited or Central Depository Services (India) Limited (collectively referred to as "the Depositories") in case of shares held in demat mode and from the Company record in case of shares held in physical mode and no request will be entertained for revision of TDS return.

## UPDATE OF BANK ACCOUNT DETAILS:

In order to facilitate receipt of dividend directly in your bank account, we request you to submit / update your bank account details with your Depository Participant, in case you are holding shares in the electronic form. In case your shareholding is in the physical form, you may submit the name and bank account details of the first shareholder along with a cancelled cheque leaf with your name and bank account details and a duly self-attested copy of your PAN card, with Registered Office of the Company. In case the cancelled cheque leaf does not bear your name, please attach a copy of the bank pass-book statement, duly self-attested.

Shareholders can click on the following link to download the relevant documents:

a. Click here to download – 15H

b. Click here to download – 15G

c. Click here to download – 10F

d. Click here to download – Self Declaration (Resident shareholder)

e. Click here to download – Self Declaration (Non-resident shareholder)

Kindly note that the aforementioned documents should be uploaded with Kfin at https://ris.kfintech.com/form15 on or before June 22, 2022 or emailed to einward.ris@kfintech.com. No communication on the tax determination/ deduction shall be entertained after June 22, 2022.

Disclaimer: This Communication is not to be treated as advice from the Company or its affiliates or Kfin. Members should obtain the tax advice related to their tax matters from a tax professional.

8. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, June 22, 2022 (cut-off date) are entitled to vote on the resolutions set forth in this Notice.

9. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

10. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

12. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

13. Members who are present in the meeting through VC/OAVM and have not casted their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting.

14. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

15. The Company has appointed Dilip Bharadiya & Associates, Practicing Company Secretaries, Mumbai, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

16. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

17. The result declared along with the scrutinizer's report shall be placed on the Company's website www.polycab.com under the head "Investor Relations – Latest updates" after the result is declared by the Chairman or a person authorised by him in writing. The same shall be communicated by the Company to the stock exchanges i.e., BSE Limited, and National Stock Exchange of India Limited, not later than 48 hours of the conclusion of the AGM.

18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

19. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection in electronic mode. Members can inspect the same by sending an e-mail to shares@polycab.com.

20. The Securities and Exchange Board of India (SEBI) vide its circular dated April 20, 2018, has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account details to Kfin by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

21. Any Member desirous of receiving any information on the Financial Statements or Operations of the Company is requested to forward his/her queries to the Company at least seven working days prior to the AGM through e-mail on shares@polycab.com. The same shall be replied by the Company suitably.

22. As per Regulation 12 of the Listing Regulations read with Schedule I to the said Regulations, it is mandatory for all the Companies to use bank details furnished by the investors for distributing dividends, interests, redemption or repayment amounts to them through National/Regional/Local Electronic Clearing Services (ECS) or Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), National Automated Clearing House (NACH) wherever ECS/RTGS/NEFT/NACH and bank details are available. In the absence of electronic facility, Companies are required to mandatorily print bank details of the investors on 'payable-at-par' warrants or cheques for distribution of Dividends or other cash benefits to the investors. In addition to this, if bank details of investors are not available, Companies shall mandatorily print the address of the investor on such payment instruments. Therefore, Members holding shares in physical mode are requested to update their bank details with the Company or Registrar and Transfer Agent (RTA) immediately. Members holding shares in demat mode are requested to record the ECS mandate with their DPs concerned.

23. Members who have not registered their e-mail addresses, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, circulars etc. from the Company electronically.

24. Members desirous of making a nomination in respect of their shareholding, under Section 72 of the Companies Act, 2013, are requested to send their request to the Secretarial Department by sending an e-mail to shares@polycab.com.

25. Members are requested to note that, Dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed Dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their Dividends from the Company, within the stipulated timeline.

26. Instructions for e-voting and joining the AGM are as follows:

    The remote e-voting period will commence at 09.00 a.m. on Sunday, June 26, 2022, and will end at 5.00 p.m. on Tuesday June 28, 2022. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the cut-off date i.e., Wednesday, June 22, 2022, may cast their vote electronically. The voting right of Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, June 22, 2022. The results of the Voting shall be announced on or before Friday, July 01, 2022, and shall also be displayed on the Company's website www.polycab.com and on the website of NSDL, besides communicating to the stock exchanges, where the Company's equity shares are listed.

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual Members holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Login method for Individual Members holding securities in demat mode is given below:

| Type of Members | Login Method |
|---|---|
| Individual Members holding securities in demat mode with NSDL. | 1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "**Beneficial Owner**" icon under "**Login**" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider – NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS**" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider – NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Members holding securities in demat mode with CDSL | 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are: https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.<br>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote.<br>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile & email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress. |
| Individual Members (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider – NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type | Helpdesk details |
|---|---|
| Individual Members holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no: 1800 1020 990 & 1800 22 44 30 |
| Individual Members holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

**B) Login Method for Members other than Individual Members holding securities in demat mode and Members holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
5. Members can also download the NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on

App Store Google Play

6. Your User ID details are given below:

| | Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|---|---|
| a) | For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID |
| | For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. | |
| b) | For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID |
| | For example if your Beneficiary ID is 12************** then your user ID is 12************** | |
| c) | For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company |
| | For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** | |

1. Password details for Members other than Individual Members are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those Members whose email ids are not registered**
2. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
3. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
4. Now, you will have to click on "Login" button.
5. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for Members**

1. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to dilipbcs@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Senior Manager, at evoting@nsdl.co.in

**Process for those Members whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to (shares@polycab.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (shares@polycab.com). If you are an Individual Members holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual Members holding securities in demat mode**.
3. Alternatively, shareholder/Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

## THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

## INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at shares@polycab.com latest by June 24, 2022 till 5:00 p.m. IST. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
6. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / or on toll free no.1800-222-990.

## EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item Number 1 & 2: Adoption of Audited Standalone and Consolidated Financial Statements

Pursuant to section 129 and section 133 of the Companies Act 2013, the Board has adopted the Audited Standalone and Consolidated Financial Statements for FY 2021-2022. The Audited Standalone and Consolidated Financial Statements show true statement and represent a true and fair view of the Company's affairs.

The Company hereby confirms that during the financial year Standalone and Consolidated Financial Statements have:

a) no change in accounting policies;

b) no new contingent liabilities;

c) no trade receivable from related party has been written-off

d) no fraud has been reported by the Statutory Auditors

e) sufficient Cash Flow / Cash Equivalents

The Financial Statements of Subsidiaries are placed on Company's website for members ease of reference.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, financially or otherwise in the said resolution except to the extent of their shareholding in the Company.

The Board recommends the passing of resolution set out at Item Number 1 & 2 for approval of the Members as an Ordinary resolution.

### Item Number 3: Declaration of Dividend

The Board of Directors, in accordance with Dividend Distribution Policy of the Company, while recommending the dividend have taken into consideration various parameters such as profits earned during the financial year, retained earnings, earnings outlook for next three to five years, fund requirements for future investments for growth and expected future capital / liquidity requirements.

The Dividend, if approved by the Members will be paid on or before 30 days from the date of Annual General Meeting.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, financially or otherwise in the said resolution except to the extent of their shareholding in the Company.

The Board recommends the passing of resolution set out at Item Number 3 for approval of the Members as an ordinary resolution.

### Item Number 4: Appointment of Mr. Rakesh Talati (DIN: 08591299) as Director liable to retire by rotation

As per the terms of appointment and Articles of Association of the Company, except Managing Director all other Executive Directors are subject to retirement by rotation. Mr. Rakesh Talati who was appointed as Executive Director on May 13, 2021 and whose office is liable to retire at the ensuing AGM, being eligible, seeks reappointment.

Mr. Talati is responsible for administration, Industrial Relations (IR), Greenfield and Brownfield projects at country level for all the business segments. Taking into consideration the experience and substantial involvement of Mr. Talati in the operations of the Company, it would be of immense benefit to re-appoint him as Director of the Company.

The other details of Mr. Talati as required under Regulation 36 of Listing Regulations and Secretarial Standard – 2 issued by the Institute of Companies Secretaries of India is annexed herewith and forms part of the AGM Notice

Except Mr. Rakesh Talati, Executive Director, none of the Directors, Key Managerial Personnel of the Company, or their relatives are, in any way, interested or concerned, financially or otherwise in the said resolution except to the extent of their shareholding in the Company.

The Board recommends the passing of resolution set out at Item Number 4 for approval of the Members as an Ordinary resolution.

### Item Number 5: Ratification of remuneration payable to the Cost Auditors for the Financial Year 2022-2023

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on May 10, 2022, had appointed V. J. Talati & Co., Cost Accountants as Cost Auditors of the Company for auditing the cost records maintained by the Company for the financial year 2022-23 and fixed their remuneration for the said purpose.

Pursuant to the provisions of Section 148 and any other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) remuneration payable to the Cost Auditors is required to be ratified and confirmed by the Members of the Company. Hence, it is proposed to obtain the Members consent by way of ordinary resolution for ratification of remuneration payable to the Cost Auditors for the Financial year 2022-2023.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, financially or otherwise in the said resolution except to the extent of their shareholding in the Company.

The Board recommends the passing of resolution set out at Item Number 5 for approval of the Members as Ordinary resolution.

### Item Number 6: Continuation of appointment of Mr. Inder T. Jaisinghani as Managing Director

Mr. Inder T. Jaisinghani was re-appointed as Managing Director of the Company by the Members of the Company at the 23rd Annual General Meeting held on June 26, 2019 for a period of 5 (Five) years commencing from August 28, 2019 to August 27, 2024. Mr. Jaisinghani, pursuant to Section 196(3)(a) of Companies Act 2013, during the term of appointment, will attain the age of 70 years on March 29, 2023. Hence, it is proposed to obtain the Members consent by way of special resolution for continuation of his employment as a Managing Director, on the existing terms on attaining the age of 70 years.

Mr. Inder T. Jaisinghani has over 54 years of hands-on experience in the electricals industry. He is the founder of India's largest wires and cables Company and continues to serve the Company by maintaining strong oversight of various business divisions like Sales, Marketing, Production and support services, amongst others. He played a pivotal role in transforming the Company's business model. Under his guidance, the company shifted from being a B2B company to a distribution driven business. Currently, about 80% of the business is generated through a widespread network of authorized dealers and distributors who have been connected with Polycab. Mr Jaisinghani also led to diversification of business by playing an active role in establishing new business verticals like FMEG, Optical fiber cables, Special purpose cables, and Exports, amongst others, which are now adding new levers to growth as well as helping strengthen the Company's market position in electricals industry. Accordingly, Polycab is now a dominant market leader in the Indian wires and cables industry, the largest exporter of wires and cables and one of the fastest-growing FMEG players.

Mr. Jaisinghani is also actively involved in Company's flagship multiyear transformation program – Project Leap, by providing strategic direction and active involvement in achieving the Company's aspirations. His continuous efforts have helped to create significant value for all stakeholders including trade partners and customers. Under his leadership and guidance, the Company continues to achieve new heights and has been scaled up to 130th position in India, based on market capitalisation as of March 31, 2022.

Except Mr. Inder T. Jaisinghani (Self), Mr. Bharat A. Jaisinghani (nephew of Mr. Inder Jaisinghani) and Mr. Nikhil R. Jaisinghani (nephew of Mr. Inder Jaisinghani), Executive Directors, none of the Directors, Key Managerial Personnel of the Company, or their relatives are, in any way, interested or concerned, financially or otherwise in the said resolution.

The Board recommends the passing of resolution set out at Item Number 6 for approval of the Members as a Special resolution.

### Item Number 7: Amendment to Article of Association (AOA) of the Company

**Deletion of Article No. 3 and Article no. 103**

In accordance with the terms of the Amendment cum Termination Agreement entered into amongst Polycab India Limited, International Finance Corporation (IFC), and Mr. Inder Jaisinghani, Mr. Ajay Jaisinghani, Mr. Girdhari Jaisinghani, Mr. Ramesh Jaisinghani, Mrs. Reina R. Jaisinghani and Mrs. Raju G. Jaisinghani, dated 28th September, 2018, all special rights which were available to IFC under the Members Agreement (SHA) and Option Agreement (OA) stood automatically terminated upon listing and trading of the Equity Shares on the Stock Exchanges on April 16, 2019, except the right of IFC to nominate one Director on the Board, till the time IFC continues to hold at least 5% of the issued and fully paid-up equity share capital of the Company ("Right to Nominate").

IFC no longer holds any share in the Company, hence retaining the Article number 103 does not have any relevance therefore, it is proposed to delete the same after obtaining the approval of the members by way of Special Resolution.

**Deletion of Article Numbers 137 and 138**

The Ministry of Corporate Affairs ('MCA') vide its notification dated May 25, 2015 has brought out the amendments in the Companies Act, 2013 ('Act') read with the rules framed thereunder which made the use of common seal optional for the companies. Further, the Standing Committee on Finance in Thirty-Seventh Report on the Companies (Amendment) Bill, 2016 noted the amendments relating to the provisions of common seal by the Companies (Amendment) Act, 2015, making the common seal optional to facilitate ease of doing business.

The Company requires to execute various agreements, contracts, documents, papers etc. towards its business matters/operations and to facilitate administration and/or operational convenience, it is proposed to delete the Article numbers 137 and 138 from the existing AOA.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, financially or otherwise in the said resolution except to the extent of their shareholding in the Company.

A copy of the altered Articles of Association of the Company would be available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday & Sunday from the date hereof up to the date of the AGM.

The Board recommends the passing of resolution set out at Item Number 7 for approval of the Members as a Special resolution.

### Item Number 8: Payment of Commission to Independent Directors

In accordance with the provisions of Section 197 of the Companies Act 2013 and Regulation 17(6) (a) of the Listing Regulations, the members of the Company, at the 23rd Annual General Meeting held on June 26, 2019, had approved payment of commission not exceeding ₹ 20,00,000/- (Rupees Twenty lakhs) per annum to each Independent Director of the Company.

The Members have appointed professionals as Independent Directors with high level of expertise possessing rich experience in various functional areas including strategy, planning, administration, management, governance, finance and law to mentor on issues of strategy, performance, risk management, resources, key appointments and standards of governance and conduct. The Independent Directors have, since then, been shaping and steering the long-term strategy and making invaluable contributions in various functional areas especially towards monitoring of risk management, compliance and governance. Under their guidance and expertise, the business has witnessed a sizable growth collaborated with improved standard of governance. The Independent Director(s) have been attending all the Board meetings, respective Committee Meetings and Annual General Meeting of the Company since their appointment(s) which reflects their performance, commitment and dedication to contribute towards the overall success of the Company. The Company under the constant guidance of its Independent Directors has also witnessed increased momentum in revenue and profit.

Given the increasing size and complexity of the Company and considering a corresponding increase in time devoted, level of expertise, market trend, performance and contributions made by the Independent Directors, the Board proposed to obtain the Members' consent for the payment of commission to Independent Directors not exceeding ₹ 25,00,000/- (Rupees Twenty five Lakhs only) per annum individually to each Independent Director effective from financial year 2021-22 onwards.

The Commission payable to the Independent Directors shall be in accordance with the Nomination and Remuneration Policy and within the limit of 1% of the net profit of the Company computed in accordance with Section 198 of the Companies Act 2013.

Since the Nomination and Remuneration Committee (NRC) and Audit Committee (AC)comprises of majority of Independent Directors, being interested, the NRC and AC recused themselves and the same was deferred to the Board of Directors for its approval.

The aforesaid Commission shall be paid to all such Independent Directors in addition to the sitting fees being paid to them for attending Meetings of the Board and Committees thereof.

As per Section 197 of the Companies Act, 2013 and Regulation 17(6) (a) of Listing Regulations, payment of remuneration to Independent Directors of the Company by way of Commission, is permitted, if the Company authorizes such payment by obtaining the approval of the Members at the ensuing Annual General Meeting of the Company.

The Board therefore recommends the passing of resolution as set out at Item Number 8 for approval of the Members as a Special Resolution.

Except Mr. T. P. Ostwal, Mr. R. S. Sharma, Mr. Pradeep Poddar and Mrs. Sutapa Banerjee, none of the Directors, Key Managerial Personnel of the Company, or their relatives are, in any way, interested or concerned, financially or otherwise in the said resolution.

By Order of the Board of Directors
of **Polycab India Limited**

**Manita Carmen A. Gonsalves**
Company Secretary & Compliance Officer
M. No.: A18321

Place: Mumbai
Date: May 10, 2022

Registered Office: Unit 4, Plot No. 105, Halol Vadodara Road Village: Nurpura, Taluka Halol, Panchmahal, Gujarat – 389350
Phone No.: +91 2676227600 / 227700
website: www.polycab.com

## Annexure I

### INFORMATION OF DIRECTORS SEEKING APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING OF THE COMPANY AS PER REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015 ['LISTING RGULATIONS, 2015'] AND SECRETARIAL STANDARD – 2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA:

| Particulars | Mr. Rakesh Talati |
|---|---|
| Age | 59 years |
| Qualification | Diploma in Civil Engineering and interior design course from Maharaja Sayajirao university |
| Experience (including expertise in specific functional area)/ Brief Resume | Administration, Industrial Relations (IR), Greenfield and Brownfield projects at country level for all the business segments |
| Terms and Conditions of Appointment / Reappointment | He was appointed as an Executive Director for period of 5 years w.e.f. May 13, 2021 on the terms and conditions as approved by the Members at the Annual General Meeting held on July 21, 2021. |
| Remuneration last drawn (including sitting fees, if any) | ₹20.53 million |
| Date of first appointment on the Board | May 13, 2021 |
| Shareholding in the Company as on March 31, 2022 | 21,205 equity shares |
| Relationship with other Directors / Key Managerial Personnel | None |
| Number of Meetings of the Board attended during the year | 7 (seven) |
| Directorships of other Boards as on March 31, 2022 | None |
| Membership / Chairmanship of Committees of other Boards as on March 31, 2022 | Nil |

# Excludes Directorships, Committee Memberships / Chairmanships of Polycab India Limited, Private Limited Companies, Foreign Companies and Companies registered under section 8 of the Act and includes Committee Memberships / Chairmanships of Audit Committees and Stakeholders' Relationship Committees as per Regulation 26 of Listing Regulations, 2015.

# Glossary

| | | |
|---|---|---|
| **A** | **Performance Ratios** | |
| | EBITDA/Net Sales % | EBITDA = PBT + Interest + Depreciation – Other Income Net Sales = Revenue from operations |
| | EBIT/Net Sales % | EBIT = PBT + Finance Cost – Other Income |
| | Fixed Assets Turnover ratio | Net Sales/ Total Fixed Assets |
| | Asset Turnover | Net sales/ Total assets |
| | Debtors Turnover | Closing Current Trade Receivables/ Net Sales |
| | Inventory Turnover | Closing Inventory/ Net Sales |
| | Return on Capital Employed % | (PBT+Finance Cost)/Capital Employed |
| | Return on Equity | PAT/ Shareholder's Funds |
| | International Revenue share | International Revenue/ Net Sales |
| **B** | **Leverage Ratios** | |
| | Interest Coverage Ratio | EBITD/Interest cost |
| | Debt Equity Ratio | Total Debt/Shareholders Funds |
| | Debt/Total Assets | Total Debt/Total Assets |
| **C** | **Liquidity Ratio** | |
| | Current Ratio | Current Assets/ Current Liabilities |
| | Quick Ratio | (Current Assets – Inventories)/ Current Liabilities |
| **D** | **Activity Ratio** | |
| | Inventory days | Inventory / Turnover * 365 |
| | Receivable days | Receivables / Turnover * 365 |
| | Payables days | (Trade Payables + Other Current Liabilities) / Turnover * 365 |
| | Net Cash Cycle days | Inventory days + Receivables days – Payables days |
| **E** | **Investor related Ratios** | |
| | Price to Earnings Ratio | Period closing share price / EPS |
| | Enterprise Value | Period closing market capitalisation + Debt + Non controlling interest – Cash & Cash equivalents |
| **F** | **Others** | |
| | Cash and cash equivalents | Cash + Bank Balances + Current Investments |
| | CY | Year ending December |
| | FY | Year ending March |
| | mn | Million |

# Key Ratios

Consolidated

| | FY22 | FY21 | FY20 | FY19 | FY18 |
|---|---|---|---|---|---|
| **Financials** | | | | | |
| Net Sales | 1,22,038 | 87,922 | 88,300 | 79,856 | 67,831 |
| EBITDA | 12,626 | 11,117 | 11,276 | 9,504 | 7,418 |
| EBIT | 10,611 | 9,356 | 9,667 | 8,090 | 6,089 |
| PBT | 11,159 | 10,122 | 10,100 | 7,561 | 5,668 |
| PAT | 9,173 | 8,859 | 7,656 | 5,003 | 3,586 |
| Net Fixed Assets | 20,506 | 19,686 | 16,632 | 14,686 | 13,331 |
| Net Working Capital | 33,998 | 27,581 | 20,408 | 13,052 | 10,715 |
| Shareholders Networth | 55,437 | 47,539 | 38,364 | 28,470 | 23,476 |
| Debt | 831 | 2,487 | 1,571 | 2,724 | 8,003 |
| Cash and Bank Balances | 4,071 | 5,313 | 2,813 | 3,166 | 106 |
| Investments- Current | 7,641 | 6,231 | 400 | - | - |
| **Performance Ratios** | | | | | |
| EBITDA / Net Sales % | 10.3% | 12.6% | 12.8% | 11.9% | 10.9% |
| EBIT / Net Sales % | 8.7% | 10.6% | 10.9% | 10.1% | 9.0% |
| PAT / Net Sales % | 7.5% | 10.1% | 8.7% | 6.3% | 5.3% |
| Fixed Assets Turnover Ratio | 6.0 | 4.5 | 5.3 | 5.4 | 5.1 |
| Asset Turnover | 1.6 | 1.3 | 1.5 | 1.4 | 1.5 |
| Debtors Turnover | 9.4 | 6.1 | 6.2 | 6.0 | 5.3 |
| Inventory Turnover | 5.5 | 4.4 | 4.6 | 4.0 | 5.0 |
| Return on Capital Employed | 20.4% | 20.7% | 26.4% | 27.9% | 21.0% |
| Return on Equity | 15.2% | 15.5% | 19.9% | 17.5% | 15.2% |
| International Revenue share | 7.6% | 8.5% | 12.4% | 3.1% | 5.3% |
| **Leverage Ratios** | | | | | |
| Interest Coverage Ratio | 39.4 | 26.2 | 35.6 | 13.8 | 8.3 |
| Debt Equity Ratio | 0.01 | 0.05 | 0.04 | 0.10 | 0.34 |
| Debt / Total Assets | 0.01 | 0.04 | 0.03 | 0.05 | 0.18 |
| Liquidity Ratios | | | | | |
| Current Ratio | 3.0 | 2.4 | 2.0 | 1.5 | 1.6 |
| Quick Ratio | 1.7 | 1.4 | 1.1 | 0.7 | 0.8 |
| **Activity Ratios** | | | | | |
| Receivable days | 39 | 59 | 59 | 61 | 69 |
| Inventory days | 85 | 110 | 110 | 122 | 96 |
| Payables days | 63 | 102 | 105 | 148 | 82 |
| Net Cash Cycle days | 61 | 67 | 64 | 35 | 83 |
| **Investor Ratios** | | | | | |
| Earnings Per Share | 60.9 | 59.2 | 51.2 | 35.4 | 25.4 |
| Dividend Per Share (Interim + Final)* | 14.0 | 10.0 | 7.0 | 3.0 | 1.0 |
| Dividend Payout % (Excluding DDT) | 23.0% | 16.9% | 13.7% | 8.5% | 3.9% |
| Price to Earnings Ratio | 38.8 | 23.3 | 14.5 | NA | NA |
| Enterprise Value / EBITDA | 28.0 | 18.3 | 9.8 | NA | NA |
| Enterprise Value / Net Sales | 2.9 | 2.3 | 1.2 | NA | NA |

*FY22 dividend recommended

# Corporate Information

## Board of Directors

**Mr. Inder T. Jaisinghani**
Chairman and Managing Director

**Mr. Bharat A. Jaisinghani**
Executive Director

**Mr. Nikhil R. Jaisinghani**
Executive Director

**Mr. Rakesh Talati**
Executive Director

**Mr. T. P. Ostwal**
Independent Director

**Mr. R. S. Sharma**
Independent Director

**Mr. Pradeep Poddar**
Independent Director

**Mrs. Sutapa Banerjee**
Independent Director

## Chief Financial Officer (CFO)

**Mr. Gandharv Tongia**

## Company Secretary & Compliance Officer

**Ms. Manita Carmen A. Gonsalves**

## Statutory Auditors

**B S R & Co LLP**

Chartered Accountants
5th Floor, Lodha Excelus, Apollo Mills Compound,
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011.

## Sustainability Assurance Provider

**KPMG Assurance and Consulting Services LLP**

02nd Floor, Block T2 (B-wing), Lodha Excelus
Appollo Mills Compound, N.M. Joshi Marg, Mahalaxmi
Mumbai - 400 011

## Bankers

State Bank of India
Bank of Baroda
Punjab National Bank
Bank of India
HDFC Bank Limited
RBL Bank
IndusInd Bank
ICICI Bank
Standard Chartered Bank
Citibank N. A
HSBC Bank
Yes Bank
IDBI Bank

## Corporate Office

Polycab House,771 Mogul Lane,
Mahim (West), Mumbai - 400016
Ph: +91 22 67351400
Fax: +91 22 24327075
Email: info@polycab.com

## Registered Office

Unit No.4, Plot No.105, Halol Vadodara
Road, Village Nurpura, Taluka Halol,
Panchmahal, Gujarat-389350,
Tel : 2676- 227600 / 227700
CIN: L31300GJ1996PLC114183
Email: shares@polycab.com
Website: www.polycab.com

Connection Zindagi Ka


**Registered Office**
Unit No.4, Plot No.105,
Halol Vadodara Road,
Village Nurpura, Taluka Halol,
Panchmahal, Gujarat-389350 ,
Tel : 2676- 227600 / 227700
CIN: L31300GJ1996PLC114183
Email: shares@polycab.com
Website: www.polycab.com

**Corporate Office**
Polycab House, 771 Mogul Lane,
Mahim (West), Mumbai 400016
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