

Consolidated Independent Auditor's Report

for the year ended 31 March 2023

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 2023, 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 the 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 2023, 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 the 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 judgment, 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.

Revenue recognition - Wires and Cables and Fast-Moving Electrical Goods (FMEG) business

See Note 24 to consolidated financial statements

The key audit matter

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.

Accordingly, timing of recognition of revenue is a key audit matter.

How the matter was addressed in our audit

Our audit procedures over the recognition of revenue included the following:

- 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;
- 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;
- 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;
- 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.
- 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

See Note 14 to consolidated financial statements

The key audit matter

- 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.
- Inventories are measured at the lower of cost and net realizable 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.

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.

How the matter was addressed in our audit

Our audit procedures over inventory valuation included the following:

- 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;
- On a sample basis, tested the accuracy of cost for inventory by verifying the actual purchase cost. Tested the net realizable value by comparing actual cost with most recent retail price;
- On a sample basis, tested the hedging relationship of eligible hedging instruments and hedged items;
- 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;
- 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 financial statements and auditor's reports 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, 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 judgments and estimates that are reasonable and prudent; and the 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 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.

Consolidated Independent Auditor's Report

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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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 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 entity 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 entity 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 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 nine subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹3,034.48 million as at 31 March 2023, total revenues (before consolidation adjustments) of ₹3,948.79 million and net cash flows (before consolidation adjustments) amounting to ₹328.92 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 loss of ₹92.63 million for the year ended 31 March 2023, 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.

- b. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter 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 2023 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 joint venture company incorporated in India is disqualified as on 31 March 2023 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 Auditors) 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 2023 on the consolidated financial position of the Group and its joint venture. Refer Note 36 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 21 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 2023.

Consolidated Independent Auditor's Report

- d. (i) The management of the Holding Company, its subsidiary companies and joint venture company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies and joint venture company respectively that, to the best of their knowledge and belief, as disclosed in the Note 10(E) to the consolidated financial statements, 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 any of such subsidiary companies and joint venture 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 directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies and joint venture company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management of the Holding Company, its subsidiary companies and joint venture company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies and joint venture company respectively that, to the best of their knowledge and belief, as disclosed in the Note 10(E) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies and joint venture company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies and joint venture company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 15(f) to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies and joint venture company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- 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

Place: Mumbai

Date: 12 May 2023

Membership No.: 042070

ICAI UDIN:23042070BGYGLT6406

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Polycab India Limited

for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have certain remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Polycab India Limited	U31300MH199 8PTC114308	Holding Company	(i)(c)
2	Techno Electromech Private Limited	U31901GJ2011 PTC063797	Joint Venture	(i)(c)

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Bhavesh Dhupelia

Partner

Membership No.: 042070

ICAI UDIN:23042070BGYGLT6406

Place: Mumbai

Date: 12 May 2023

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Polycab India Limited

for the year ended 31 March 2023

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 Act

(Referred to in paragraph 2(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 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies and joint venture company, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies and joint venture company, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies and joint venture company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to 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 and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 and the audit evidence obtained by the other auditors of the relevant subsidiary companies and joint venture company in terms of their reports referred to in the other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to 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 include 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 consolidated 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to seven subsidiary companies and one joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Bhavesh Dhupelia
Partner
Membership No.: 042070
ICAI UDIN:23042070BGYGLT6406

Place: Mumbai
Date: 12 May 2023



Consolidated Balance Sheet

as at 31 March 2023

		(₹ million)	
	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	20,104.28	16,170.25
Capital work-in-progress	3	2,507.67	3,754.50
Right of use assets	4	361.82	351.36
Other intangible assets	5	157.08	183.40
Goodwill	6	46.22	46.22
Financial assets			
(a) Investment accounted for using the equity method	6A	-	92.63
(b) Trade receivables	7	526.37	799.31
(c) Other financial assets	11A	70.40	166.52
Non-current tax assets (net)	12D	251.89	479.46
Deferred tax assets (net)	12F	13.45	0.09
Other non-current assets	13A	1,128.09	663.96
		25,167.27	22,707.70
Current assets			
Inventories	14	29,513.84	21,996.47
Financial assets			
(a) Investments	6B	13,504.95	7,640.51
(b) Trade receivables	7	12,465.96	12,963.94
(c) Cash and cash equivalents	8	1,527.52	1,216.91
(d) Bank balance other than cash and cash equivalents	9	5,424.91	2,854.27
(e) Loans	10	103.47	126.80
(f) Other financial assets	11B	295.91	409.45
Other current assets	13B	6,250.93	4,203.01
		69,087.49	51,411.36
		94,254.76	74,119.06
Total assets			
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1,497.65	1,494.43
(b) Other equity	16	64,813.72	53,942.98
		66,311.37	55,437.41
Non-controlling interests	17	373.77	250.70
		66,685.14	55,688.11
Liabilities			
Non-current liabilities			
Financial liabilities			
(a) Borrowings	18A	42.08	29.74
(b) Lease liabilities	19A	224.33	244.76
Provisions	23A	449.74	264.27
Deferred tax liabilities (net)	12F	422.68	271.84
Other non-current liabilities	22A	165.18	207.05
		1,304.01	1,017.66
Current liabilities			
Financial liabilities			
(a) Borrowings	18B	1,509.35	801.61
(b) Lease liabilities	19B	138.96	105.37
(c) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		732.45	588.24
Total outstanding dues of creditors other than micro enterprises and small enterprises		19,593.99	11,587.06
(d) Other financial liabilities	21	856.66	686.10
Other current liabilities	22B	2,817.76	3,231.59
Provisions	23B	267.57	253.80
Current tax liabilities (net)	12D	348.87	159.52
		26,265.61	17,413.29
		94,254.76	74,119.06
Total equity and liabilities			
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	36		
Other notes to accounts	37 to 49		

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: 12 May 2023

Gandharv Tongia
Executive Director & CFO
DIN: 09038711

Place: Mumbai
Date: 12 May 2023

Manita Gonsalves
Company Secretary
Membership No. A18321

Consolidated Statement of Profit and Loss

for the year ended 31 March 2023

			(₹ million)
	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	24	141,077.78	122,037.61
Other income	25	1,333.26	899.23
Total income		142,411.04	122,936.84
EXPENSES			
Cost of materials consumed	26	97,711.55	92,042.53
Purchases of stock-in-trade	27	5,699.12	6,427.02
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28	346.76	(4,927.51)
Project bought outs and subcontracting cost	29	1,351.53	1,114.72
Employee benefits expense	30	4,567.72	4,066.28
Finance costs	31	597.57	351.90
Depreciation and amortisation expense	32	2,091.64	2,015.19
Other expenses	33	12,879.96	10,662.58
Total expenses		125,245.85	111,752.71
Profit before share of profit/(loss) of joint venture		17,165.19	11,184.13
Share of loss of joint venture (net of tax) (refer note 6A(ii))		(92.63)	(25.55)
Profit before tax		17,072.56	11,158.58
Tax expenses	12		
Current tax		4,121.20	2,809.27
Deferred tax charge/ (credit)		128.83	(103.00)
Total tax expenses		4,250.03	2,706.27
Profit for the year from continuing operations		12,822.53	8,452.31
Profit before tax from discontinued operations	35	-	136.03
Gain on disposal of discontinued operations	35	-	817.22
Tax expense on discontinued operations	35	-	(232.72)
Profit for the year from discontinued operations		-	720.53
Profit for the year		12,822.53	9,172.84
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains on defined benefit plans	30	35.05	16.48
Tax relating to items that will not be reclassified to Profit or Loss	12	(8.81)	(4.74)
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operations		7.88	(12.16)
Effective portion of (losses) / gains on hedging instrument in cash flow hedges		(0.58)	0.58
Tax relating to items that will be reclassified to Profit or Loss	12	0.15	(0.15)
Other comprehensive income for the year, net of tax		33.69	0.01
Total comprehensive income for the year, net of tax		12,856.22	9,172.85
Profit from continuing operations for the year attributable to:			
Equity shareholders of parent company		12,699.50	8,365.24
Non controlling interests		123.03	87.07
		12,822.53	8,452.31
Profit from discontinued operations for the year attributable to:			
Equity shareholders of parent company		-	720.53
Non controlling interests		-	-
		-	720.53
Other comprehensive income attributable to:			
Equity shareholders of parent company		33.65	0.05
Non controlling interests		0.04	(0.04)
		33.69	0.01
Total comprehensive income attributable to:			
Equity shareholders of parent company		12,733.15	9,085.82
Non controlling interests		123.07	87.03
		12,856.22	9,172.85
Earnings per share	34		
Continuing Operations			
Basic (Face value ₹10 each)		84.87	56.04
Diluted (Face value ₹10 each)		84.61	55.80
Discontinuing Operations			
Basic (Face value ₹10 each)		-	4.83
Diluted (Face value ₹10 each)		-	4.81
Continuing Operations and Discontinuing Operations			
Basic (Face value ₹10 each)		84.87	60.87
Diluted (Face value ₹10 each)		84.61	60.60
Weighted average equity shares used in computing earnings per equity share			
Basic		149,631,506	149,268,712
Diluted		150,099,705	149,923,144
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	36		
Other notes to accounts	37 to 49		

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

Bhavesht 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: 12 May 2023

Gandharv Tongia

Executive Director & CFO

DIN: 09038711

Place: Mumbai

Date: 12 May 2023

Manita Gonsalves

Company Secretary

Membership No. A18321



Consolidated Statement of Changes in Equity

for the year ended 31 March 2023

A) Equity Share Capital

	31 March 2023	31 March 2022
Balance at the beginning of the year	1,494.43	1,491.19
Issue of equity shares on exercise of employee stock options	3.22	3.24
Balance at the end of the year	1,497.65	1,494.43

B) Other Equity

	Attributable to owners of the Company									(₹ million)
	Share application money pending allotment	Reserves & Surplus				Effective portion of Cash Flow Hedges	Foreign Currency translation reserve	Total attributable to owners of the Company	Attributable to Non Controlling Interest	Total Other Equity
		Securities Premium	General Reserve	ESOP outstanding	Retained Earnings					
As at 1 April 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 ended, 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
Share-based payments to employees	-	-	-	167.84	-	-	-	167.84	-	167.84
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)
Transfer on account of employee stock options not exercised			1.00	(1.00)		-	-	-	-	-
Issue of equity shares on exercise of employee stock options	(240.08)	236.85	-	-	-	-	-	(3.23)	-	(3.23)
Final equity dividend	-	-	-	-	(1,491.60)	-	-	(1,491.60)	-	(1,491.60)
Shares Issued during the year	-	-	-	-	-	-	-	-	0.25	0.25
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
Profit after tax for the year ended	-	-	-	-	12,699.50	-	-	12,699.50	123.03	12,822.53
Items of OCI for the year ended, net of tax										
Re-measurement gains / (losses) on defined benefit plans	-	-	-	-	26.24	-	-	26.24	0.04	26.28
Exchange difference on translation of foreign operations	-	-	-	-	-	-	7.88	7.88	-	7.88
Effective portion of gains/ (losses) on hedging instrument in cash flow hedges	-	-	-	-	-	(0.43)	-	(0.43)	-	(0.43)
Final equity dividend	-	-	-	-	(2,094.49)	-	-	(2,094.49)	-	(2,094.49)
Share-based payments to employees	-	-	-	107.61	-	-	-	107.61	-	107.61
Exercise of employee stock option	137.98	-	-	(137.98)	-	-	-	-	-	-
Amount received on exercise of employee stock options	127.65	-	-	-	-	-	-	127.65	-	127.65
Issue of equity shares on exercise of employee stock options	(270.83)	267.61	-	-	-	-	-	(3.22)	-	(3.22)
As at 31 March 2023	2.78	7,822.56	615.00	313.17	56,064.54	-	(4.33)	64,813.72	373.77	65,187.49

Refer note 16 for nature and purpose of reserves.

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: 12 May 2023

For and on behalf of the Board of Directors of

Polycab India Limited

CIN: L31300GJ1996PLC114183

Inder T. Jaisinghani

Chairman & Managing Director

DIN: 00309108

Gandharv Tongia

Executive Director & CFO

DIN: 09038711

Nikhil R. Jaisinghani

Whole-time Director

DIN: 00742771

Place: Mumbai

Date: 12 May 2023

Bharat A. Jaisinghani

Whole-time Director

DIN: 00742995

Manita Gonsalves

Company Secretary

Membership No. A18321

Consolidated Statement of Cash Flows

for the year ended 31 March 2023

Accounting policy

Cashflows are reported using the indirect method as set out in Ind AS 7, 'Statement of Cash Flows', 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 cashflows. 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-8).

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 2023	Year ended 31 March 2022
A. Cash Flows From Operating Activities		
Profit before tax from continued operations	17,072.56	11,158.58
Profit before tax from discontinued operations	-	953.25
Adjustments for:		
Share of loss of joint ventures	92.63	25.55
Gain on disposal of discontinued operations	-	(817.22)
Depreciation and amortisation expense (Includes discontinuing operations)	2,091.64	2,088.06
(Gain)/Loss on disposal of property, plant and equipment	(97.88)	11.83
Gain on termination of lease	(3.29)	(5.79)
Interest income	(295.06)	(269.30)
Gain on redemption of investment	(614.32)	(224.10)
Fair valuation Mark-To-Market ('MTM') of investment	(36.83)	(3.52)
Finance cost	597.57	351.90
Employees share based payment expenses	107.61	161.16
(Gain)/Loss on fair valuation of financial assets	(30.02)	85.72
Liabilities / provisions no longer required written off / (written back)	0.04	(12.64)
Impairment allowance for trade receivable considered doubtful	(31.16)	(150.04)
Loss on unrealised foreign exchange	179.78	31.74
Sundry balances written-off	3.77	44.59
Operating profit before working capital changes	19,037.04	13,429.77
Movements in working capital:		
Decrease in trade receivables	849.59	1,212.72
Increase in inventories (net)	(7,517.37)	(2,202.75)
Decrease/(Increase) in financial assets	119.84	(179.76)
Increase in non-financial assets (including contract assets)	(2,228.97)	(2,595.15)
Increase/(Decrease) in trade payables	7,979.62	(281.65)
Decrease in financial liabilities	(38.89)	(957.37)
Increase in provisions	234.33	47.82
Decrease in non-financial liabilities (including contract liabilities)	(455.70)	(17.96)
Cash generated from operations	17,979.49	8,455.67
Income tax paid (net of refunds)	(3,704.28)	(3,339.56)
Net cash generated from operating activities (A)	14,275.21	5,116.11
B. Cash Flows From Investing Activities		
Purchase of property, plant and equipment (including CWIP)	(4,774.48)	(5,265.23)
Purchase of other intangible assets	(20.05)	(1.70)
Proceeds from sale of property, plant and equipment	210.35	66.90
Investment in mutual funds	(96,467.28)	(92,681.54)
Proceeds from sale of mutual funds	91,253.99	91,499.92
Bank deposits placed	(4,942.03)	(4,070.46)
Bank deposits matured	2,489.88	4,606.81
Investment made in equity shares of subsidiaries	(0.00)	(117.11)
Proceeds from /(payment on) sale of discontinued operations (net)	-	1,464.85
Loan given to related parties	-	15.21
Loan repaid by/(given to) employees	4.29	(0.31)
Loan repaid by/(given to) supplier	19.04	(19.04)
Interest received	199.83	232.19
Net cash used in investing activities (B)	(12,026.46)	(4,269.51)



Consolidated Statement of Cash Flows Contd.

for the year ended 31 March 2023

	(₹ million)	
	Year ended 31 March 2023	Year ended 31 March 2022
C. Cash Flows From Financing Activities		
Amount received on exercise of employee stock options	127.65	132.88
Payment of principal portion of lease liabilities	(126.84)	(137.66)
Payment of interest on lease liabilities	(32.85)	(33.02)
Repayment of long term borrowings	(37.50)	(141.09)
Proceeds from long term borrowings	40.10	-
Proceeds/(Repayment) of short term borrowings	329.07	(27.08)
Interest and other finance cost paid	(475.86)	(309.33)
Payment of dividends	(2,094.49)	(1,491.60)
Net cash used in financing activities (C)	(2,270.72)	(2,006.90)
Net decrease in cash and cash equivalents (A+B+C)	(21.97)	(1,160.30)
Cash and cash equivalents at the beginning of the year	1,216.89	2,377.19
Cash and cash equivalents at end of the year (Refer below note (i))	1,194.92	1,216.89
Supplementary Information		
(a) Cash Transactions from operating activities:		
Spent towards Corporate Social Responsibility	228.58	194.00
(b) Non-Cash Transactions from Investing and Financing Activities:		
Acquisition of property, plant and equipment by means of Government Grant	129.18	57.07
(c) Acquisition of right of use assets	173.44	194.23
(d) Termination of right of use assets	138.38	178.33

	(₹ million)	
Note:	Year ended 31 March 2023	Year ended 31 March 2022
(i) Cash and cash equivalents comprises of		
Balances with banks		
In current accounts	1,137.41	1,048.72
Deposits with original maturity of less than 3 months	387.53	167.04
Cash in hand	2.58	1.15
Cash and cash equivalents	1,527.52	1,216.91
Cash Credit from banks	(332.60)	(0.02)
Cash and cash equivalents in Cash Flow Statement	1,194.92	1,216.89
Net debt reconciliation	Refer note no. 18	
Net lease liabilities reconciliation	Refer note no. 4	
Corporate information and summary of significant accounting policies	1 & 2	
Contingent liabilities and commitments	36	
Other notes to accounts	37 to 49	

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: 12 May 2023

Gandharv Tongia

Executive Director & CFO

DIN: 09038711

Place: Mumbai

Date: 12 May 2023

Manita Gonsalves

Company Secretary

Membership No. A18321

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 Parent Company is Unit 4, Plot Number 105, Halol Vadodara Road, Village Nurpura, Taluka Halol, Panchmahal, Gujarat 389350.

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 25 manufacturing facilities, located across the states of Gujarat, Maharashtra, Uttarakhand, Tamil Nadu and U.T. Daman.

The Board of Directors approved the Consolidated Financial Statements for the year ended 31 March 2023 and authorised for issue on 12 May 2023.

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 Indian Accounting Standards (“Ind AS”) specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting

Standards) Rules, 2015, as amended from time to time and the presentation requirements of Division II of Schedule III of Companies Act, 2013, (Ind AS compliant Schedule III). These Consolidated financial statements includes Balance Sheet as at 31 March 2023, 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 2023, 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 2023 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 (Refer note 40 for accounting policy regarding financial instruments)
- (b) Certain financial assets and liabilities (Refer note 40 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)

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

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

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

annual financial statements for the year ended 31 March 2022, except for adoption of new standard or any pronouncements effective from 1 April 2022.

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.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

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 2023. Control is 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 2023. 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

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 nonmonetary 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 1 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, as per para 66 and 69 of Ind AS 1 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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. Transactions and balances with values below the rounding off norm adopted by the Group have been reflected as "0" in the relevant notes to these financial statements.

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 prospectively.

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 judgments 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

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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.

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 40 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

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 its 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 judgment. 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) New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 01 April 2022.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23 March 2022, to amend the following Ind AS which are effective from 01 April 2022.

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable cost of meeting the obligations under the contract exceeds the economic benefits expected to be received under it.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Group applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period. The Group did not have any significant impact on the consolidated financial statements due to this amendment.

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to Ind AS 103 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Group applies the amendments prospectively, i.e., to business combinations

occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the consolidated financial statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the year.

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(iv) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

In accordance with the transitional provisions, the Group applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the year.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

E) Recent Indian Accounting Standards (Ind AS) issued not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01 April 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its consolidated financial statements.

F) The significant accounting policies used in preparation of the consolidated 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 and 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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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 and 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable 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 qualifying assets 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

The changes in the carrying value of Property, plant and equipment for the year ended 31 March 2023 are as follows:

	(₹ million)										
	Freehold land	Buildings	Plant and equipments	Electrical installations	Furniture and fixtures	Office equipments	Windmill	Vehicles	Lease-hold improvements	Total	Capital Work-in-Progress
Gross carrying value (at cost)											
As at 01 April 2022	1,098.98	9,124.07	13,439.50	1,043.47	208.59	464.95	295.04	55.87	5.76	25,736.23	3,754.50
Additions	18.47	3,539.30	1,937.83	177.45	94.36	181.91	-	9.49	0.12	5,958.93	3,948.42
Transfer	-	-	5.58	-	-	(0.64)	-	(7.99)	-	(3.05)	(5,195.25)
Disposals/Adjustments	(26.21)	(82.85)	(103.57)	-	-	(8.70)	-	(9.36)	-	(230.69)	-
As at 31 March 2023	1,091.24	12,580.52	15,279.34	1,220.92	302.95	637.52	295.04	48.01	5.88	31,461.42	2,507.67
Accumulated depreciation											
As at 01 April 2022	-	1,643.03	7,026.79	408.27	91.41	257.57	110.02	25.94	2.96	9,565.99	-
Depreciation charge for the year	-	338.91	1,375.30	90.19	19.03	67.15	15.72	5.53	0.61	1,912.44	-
Disposals/Adjustment	-	(10.45)	(92.19)	-	-	(8.70)	-	(9.95)	-	(121.29)	-
As at 31 March 2023	-	1,971.49	8,309.90	498.46	110.44	316.02	125.74	21.52	3.57	11,357.14	-
Net carrying value											
As at 31 March 2023	1,091.24	10,609.03	6,969.44	722.46	192.51	321.50	169.30	26.49	2.31	20,104.28	2,507.67

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	Lease-hold 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	-	-	-	-	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	1,898.49	-
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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

Notes:

- (a) Capital Work-in-Progress includes machinery in transit ₹193.97 million (31 March 2022: ₹ Nil).
- (b) All property, plant and equipment are held in the name of the Group, except which are shown below:

As at 31 March 2023

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 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

- (c) Title deed is in dispute for freehold land amounting to ₹10.48 million (31 March 2022: ₹10.48 million) and is pending resolution with government authority at Gujarat.
- (d) CWIP aging schedule as at 31 March 2023

	(₹ million)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Cable & Wire Projects	958.33	174.44	19.73	70.71	1,223.20
FMEG Projects	575.89	86.44	2.34	-	664.67
Backward Integration Projects	224.27	235.07	-	20.30	479.65
Other Projects	125.43	9.71	3.50	1.51	140.15
	1,883.92	505.66	25.57	92.53	2,507.67

CWIP aging 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

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
FY 2022-23	18.47	432.03	223.36	8.27	22.47	49.57	-	9.49	-	763.67
FY 2021-22	70.75	-	384.27	10.84	10.35	26.49	-	6.33	2.32	511.35

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

- (f) CWIP completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan: Nil (31 March 2022 : Nil)
- (g) Assets pledged and hypothecated against borrowings:
Refer note 18
- (h) 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.
- (i) For capital expenditures contracted but not incurred - Refer note 36(B).

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 leases with a term of twelve months or less (short-term leases), variable lease and leases with low value assets. 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 amortized 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. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. 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. 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 financial year 2019-20.

iv. Others

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognise right-of-use assets and liabilities for short-term leases, variable lease and leases of low value assets.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The effective interest rate for lease liabilities is 9.0% p.a., with maturity between financial year 2022-2030.

Following are the changes in the carrying value of right of use for the year ended 31 March 2023

	Category of ROU asset		(₹ million)
	Leasehold Land	Buildings	Total
Gross carrying value			
As at 01 April 2022	41.74	486.50	528.24
Additions	-	173.44	173.44
Disposals	-	(138.38)	(138.38)
As at 31 March 2023	41.74	521.56	563.30
Accumulated depreciation			
As at 01 April 2022	1.42	175.46	176.88
Depreciation charge for the year	0.54	132.29	132.83
Disposals	-	(108.23)	(108.23)
As at 31 March 2023	1.96	199.52	201.48
Net carrying value			
As at 31 March 2023	39.78	322.04	361.82

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		Total
	Leasehold Land	Buildings	
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.

The following is the break-up of current and non-current lease liabilities for the year ended 31 March 2023

	31 March 2023		31 March 2022
Non-current lease liabilities	224.33		244.76
Current lease liabilities	138.96		105.37
	363.29		350.13

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

The following is the movement in lease liabilities for the year ended 31 March 2023

	(₹ million)	
	31 March 2023	31 March 2022
Balance at the beginning of the year	350.13	338.17
Additions	169.53	190.98
Finance cost incurred during the year	32.85	33.02
Deletions	(29.53)	(41.36)
Payment of lease liabilities	(159.69)	(170.68)
	363.29	350.13

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 2023	31 March 2022
Less than one year	164.77	148.93
One to five years	249.43	270.87
More than five years	7.56	40.30
	421.76	460.10

The Group 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 2023	31 March 2022
Depreciation expense of right-of-use assets	132.83	147.53
Interest expense on lease liabilities	32.86	33.02
Interest income on fair value of security deposit	(2.64)	(2.65)
Expense relating to short-term leases (included in other expenses)	43.15	55.28
Expense relating to leases of low-value assets (included in other expenses)	7.69	6.46
Variable lease payments (included in other expenses)	6.25	4.92
	220.14	244.56

Lease contracts entered by the Group majorly pertains for warehouse taken on lease to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

The Group had total cash outflows for leases of ₹159.69 million in 31 March 2023 (₹170.68 million in 31 March 2022).

Group as a lessor

Future undiscounted minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

	(₹ million)	
	31 March 2023	31 March 2022
Less than one year	16.17	17.26
One to five years	9.12	15.42
	25.29	32.68

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.

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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 167 number as on 31 March 2023 (145 number as on 31 March 2022) 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

Expenditure on research and development activities is recognised in the Consolidated Statement of Profit and Loss as incurred. Development expenditure is capitalized 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. During the year, the Group has incurred Capital R&D expenditure amounting to ₹150.95 million (31 March 2022 ₹60.31 million) which have been included in property, plant and equipment. Further, Revenue R&D expenditure incurred amounting to ₹191.86 million (31 March 2022 ₹162.47 million) which have been charged to the respective revenue accounts.

iv. De-recognition of other intangible assets

Other intangible asset is derecognised on disposal or when no future economic benefits are expected from use. 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 Consolidated Financial Statements

for the year ended 31 March 2023

The changes in the carrying value of other intangible assets for the year ended 31 March 2023 are as follows:

(₹ million)

	Technical Knowhow	Brand	Computer Software	Total
Gross carrying value (at cost)				
As at 01 April 2022	218.85	46.35	109.82	375.02
Additions	-	-	20.05	20.05
As at 31 March 2023	218.85	46.35	129.87	395.07
Accumulated amortisation				
As at 01 April 2022	85.20	6.18	100.24	191.62
Amortisation charge for the year*	32.63	4.64	9.10	46.37
As at 31 March 2023	117.83	10.82	109.34	237.99
Net carrying value				
As at 31 March 2023	101.02	35.53	20.53	157.08

* Includes amortisation on continuing operations and discontinuing operations.

The changes in the carrying value of Other intangible assets for year ended 31 March 2022 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 amortisation on continuing operations and discontinuing operations.

Note: The Other intangible assets include license and software of Gross carrying amount of ₹92.78 million (31 March 2022 ₹92.46 million) which has been fully amortized over the past periods and are being used by the Group.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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.

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

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 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 financial year 2021-22, the Parent 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. 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)
	31 March 22
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

	(₹ million)
	31 March 22
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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

- (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 in Ryker Base Private Limited and disclosed as exceptional item in Statement of Profit and Loss account.
- (d) Refer note 35 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 Innovation Labs Private Limited 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)
	31 March 22
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

	(₹ million)
	31 March 22
Consideration transferred	101.54
Fair value of net assets acquired	(55.32)
Goodwill	46.22

A. Non-current investments

	Face Value Per Unit	Number	31 March 2023	Number	31 March 2022
Investments carried at amortised cost (Unquoted)					
Investment in Equity Instruments of Joint Venture (Fully paid-up)					
Techno Electromech Private Limited	₹10	4,040,000	92.63	4,040,000	118.18
Add: Share in current period profit/(loss)			(92.63)		(25.55)
			-		92.63
Aggregate amount of unquoted investments			-		92.63
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 2023	31 March 2022
Techno Electromech Private Limited, India	Manufacturing of light emitting diodes, lighting and luminaires, and LED drivers.	50%	50%

- (i) 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.
- (ii) The Joint Venture has accumulated losses as at 31 March 2023. The Group has recognised its share of losses upto the aggregate of its investments in shares total ₹92.63 million in the Joint Venture. The Group has discontinued recognising its share of further losses in absence of any legal or constructive obligations towards the Joint Venture. Unrecognised share of the Group's loss is ₹44.35 million at 31 March 2023.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

Summarised financial information of Joint Venture:

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 2023	31 March 2022
Non-current Assets	567.96	609.50
Current Assets	847.79	989.50
Non-current Liabilities	(118.91)	(245.90)
Current Liabilities	(1,377.91)	(1,160.22)
Net Assets	(81.07)	192.88
Proportion of the Group's ownership	50%	50%
Group's share of net assets	(40.53)	96.44

Summarised statement of profit and loss of the joint ventures :

	(₹ million)	
	TEPL	
	31 March 2023	31 March 2022
Revenue	1,949.00	2,178.57
Cost of raw material and components consumed	(1,759.17)	(1,834.07)
Depreciation & amortisation	(32.52)	(32.53)
Finance cost	(52.44)	(50.02)
Employee benefit	(87.99)	(102.98)
Other expense	(272.41)	(230.01)
Loss before tax	(255.53)	(71.03)
Tax expense	(19.07)	19.30
Loss for the year	(274.60)	(51.73)
Other comprehensive (income)/expense for the year	0.65	(0.64)
Total comprehensive income for the year	(273.95)	(51.10)
Group's share of Loss for the year	(136.98)	(25.55)
Elimination of unrealised profit/loss from transaction with joint ventures	-	-
Share of loss of joint ventures (Net of tax) carried over to Statement of Profit and Loss	(136.98)	(25.55)
Share of loss restricted to investment value (Refer note above)	(92.63)	
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	(40.53)	96.44
Elimination of unrealised profit from transaction with joint ventures	40.53	(3.81)
Amounts Carried to Balance Sheet	-	92.63

Notes:

- Refer note 36(B) for uncalled capital commitments outstanding.
- During the previous year ended 31 March 2022, 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.
- 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 36A). Joint ventures can not distribute the profits until they obtain consent from the venture partners.
- During the previous year ended 31 March 2022, the Parent 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

B Current Investments

(₹ million)

	31 March 2023	31 March 2022
Investments measured at FVTPL (Quoted)		
Held for sale		
Investments in Liquid/ Overnight Mutual Funds	13,504.95	7,640.51
	13,504.95	7,640.51
Aggregate amount of quoted investments - At cost	13,456.13	7,628.52
Aggregate amount of quoted investments - At market value	13,504.95	7,640.51

Note:

- (a) Refer note 40 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 ended 31 March 2023 (31 March 2022: Nil).

7. Trade receivables

(₹ million)

	31 March 2023	31 March 2022
Unsecured (at amortised cost)		
Non Current		
Trade receivables - Considered Good (Unsecured)	526.37	799.31
Non-current Trade receivables	526.37	799.31
Current		
Trade receivables - Considered Good (Unsecured)	13,139.95	13,793.04
Trade receivables - Credit Impaired	455.61	386.39
Receivables from related parties- Considered Good (Unsecured) (Refer note - 37)	33.48	33.67
Trade receivables (Gross)	13,629.04	14,213.10
Less: Impairment allowance for trade receivables	(1,163.08)	(1,249.16)
Current Trade receivables (Net)	12,465.96	12,963.94

The following table summarizes the change in impairment allowance measured using the life time expected credit loss model:

(₹ million)

	31 March 2023	31 March 2022
At the beginning of year	1,249.16	1,424.88
Additions on account of acquisition through business combination	-	15.78
Provision during the year	(31.16)	(150.04)
Bad debts written off (net)	(54.92)	(41.46)
At the end of the year	1,163.08	1,249.16

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 charges 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 41(B).
- (d) The Group follows life time expected credit loss model. Accordingly, deterioration in credit risk is not required to be evaluated annually.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

- (e) Trade receivables have been pledged as security against bank borrowings, the terms relating to which have been described in Note 18.
- (f) Refer note 40 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 37(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. Refer note 37(H) for the terms and conditions pertaining to related party disclosures.
- (h) Trade receivables ageing schedule Current

As at 31 March 2023

							(₹ million)
	Not due	Outstanding for following periods from due date of payment					TOTAL
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	9,441.77	2,729.66	241.27	537.14	100.68	122.40	13,172.92
(ii) Undisputed Trade Receivables - Credit Impaired	-	-	-	0.07	75.92	111.84	187.83
(iii) Disputed Trade Receivables - considered good	-	0.02	-	0.46	-	0.03	0.51
(iv) Disputed Trade Receivables - Credit Impaired	-	-	-	-	15.00	252.78	267.78
	9,441.77	2,729.68	241.27	537.67	191.60	487.06	13,629.04
Less: Impairment allowance for trade receivables							(1,163.08)
Total Current trade receivable							12,465.96

As at 31 March 2022

							(₹ million)
	Not Due	Outstanding for following periods from due date of payment					TOTAL
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
(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							(1,249.16)
Total Current trade receivable							12,963.94

Trade receivables ageing schedule Non-current

As at 31 March 2023

							(₹ million)
	Not due	Outstanding for following periods from due date of payment					TOTAL
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	-	303.06	56.15	84.82	47.25	35.09	526.37

As at 31 March 2022

							(₹ million)
	Not Due	Outstanding for following periods from due date of payment					TOTAL
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	-	56.21	77.42	202.08	192.59	271.01	799.31

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

8. Cash and cash equivalents

(₹ million)

	31 March 2023	31 March 2022
At amortised cost		
Balances with banks		
In current accounts ⁽ⁱ⁾	1,137.41	1,048.72
Deposits with original maturity of less than 3 months ⁽ⁱⁱ⁾	387.53	167.04
Cash on hand	2.58	1.15
	1,527.52	1,216.91

- (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.

9. Bank balance other than cash and cash equivalents

(₹ million)

	31 March 2023	31 March 2022
At amortised cost		
Deposits with original maturity for more than 3 months but less than 12 months ⁽ⁱ⁾	5,423.35	2,851.40
Earmarked balance ⁽ⁱⁱ⁾	1.56	2.87
	5,424.91	2,854.27

- (i) Fixed deposit of ₹12.69 million (31 March 2022: ₹16.60 million) is restricted for withdrawal, as it is lien against project specific advance.
- (ii) Earmarked balances with banks relate to unclaimed dividends (Refer note 21)

10. Loans

Loans - Current

(₹ million)

	31 March 2023	31 March 2022
At amortised cost		
Loans Receivables considered good – Unsecured		
Loans to supplier	-	19.04
Loans to related party (Refer note - 37)	100.00	100.00
Loans to employees	3.47	7.76
	103.47	126.80

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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:

(₹ million)					
	Interest Rate	Outstanding as at		Maximum amount outstanding during the year	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
(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
Polycab Support Force Private Limited (has utilised this loan for general corporate purpose)	8.75%	5.00	-	12.50	-
Uniglobus Electricals and Electronics Private Limited (has utilised this loan for general corporate purpose)	8.75% and 11.25%	-	1.95	56.61	71.44
Silvan Innovation Labs Private Limited (has utilised this loan for general corporate purpose)	11.25%	52.00	45.50	52.00	45.50
Polycab Australia Pty Ltd (has utilised this loan for general corporate purpose)	LIBOR + 400 BP	-	-	-	25.07
(ii) Joint Venture					
Unsecured, considered good					
Techno Electromech Private Limited (has utilised this loan for general corporate purpose)	9.00%	100.00	100.00	100.00	115.21

(B) Amount of loans/ advances in the nature of loans outstanding from Subsidiaries and Joint Venture:

(₹ million)				
	31 March 2023	%	31 March 2022	%
(i) Subsidiaries				
Unsecured, considered good				
Uniglobus Electricals and Electronics Private Limited	-	0%	1.95	1%
Polycab Support Force Private Limited	5.00	3%	-	0%
Silvan Innovation Labs Private Limited	52.00	33%	45.50	31%
(ii) Joint Venture				
Unsecured, considered good				
Techno Electromech Private Limited	100.00	64%	100.00	68%

- (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.
- (F) Loan has been given to related parties are repayable on demand.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

11. Other financial assets

A. Other financial assets - Non-current

(₹ million)

	31 March 2023	31 March 2022
At amortised cost		
Unsecured, considered good		
Security deposits and Earnest money deposits	28.49	16.54
Rental deposits		
Others	35.48	23.75
Deposits with bank having maturity period of more than 12 months	6.43	126.23
	70.40	166.52

B. Other financial assets - current

(₹ million)

	31 March 2023	31 March 2022
At amortised cost		
Unsecured, considered good		
Security deposits and Earnest money deposits (A)	25.04	11.64
Rental deposits, unsecured, considered good		
Related Parties (Refer note - 37)	6.17	6.17
Others	23.92	14.38
	(B) 30.09	20.55
Interest accrued on bank deposits	149.88	53.33
Interest receivables		
Related Parties (Refer note - 37)	2.00	2.91
Other than Related Parties	1.02	1.43
	(C) 152.90	57.67
Others (D)	79.52	80.75
At FVTPL		
Derivative Assets (Refer below note) (E)	8.36	238.84
	(A+B+C+D+E) 295.91	409.45

Note:

Derivative Assets

(₹ million)

	31 March 2023	31 March 2022
Embedded derivatives	-	196.27
Forward contract	8.36	42.57
	8.36	238.84

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

12. Income taxes

Accounting policy

Income tax expenses comprise current tax and deferred 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.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax is recognised using the balance sheet approach. Deferred 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 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 realized.

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 realized. 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 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.

A. Income tax expense in the statement of profit and loss comprises:

	(₹ million)	
	31 March 2023	31 March 2022
Current tax:		
In respect of current year	4,121.16	2,829.93
On discontinued operations	-	197.60
Adjustments of tax relating to earlier years	0.04	(20.66)
	4,121.20	3,006.87
Deferred tax:		
Relating to origination and reversal of temporary differences	129.88	(65.96)
Adjustments of tax relating to earlier years	(1.05)	(37.04)
On discontinued operations	-	35.12
	128.83	(67.88)
	4,250.03	2,938.99

B. OCI section - Deferred tax related to items recognised in OCI during the year:

	(₹ million)	
	31 March 2023	31 March 2022
Net loss/(gain) on remeasurements of defined benefit plans	8.81	4.74
Net loss/(gain) on Designated Cash Flow Hedges	(0.15)	0.15
	8.66	4.89

C. Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate:

	(₹ million)	
	31 March 2023	31 March 2022
Profit before tax	17,072.60	12,111.83
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expenses	4,296.83	3,048.31
Effect of differential tax impact due to the following (tax benefit)/ tax expenses:		
CSR expenses	57.53	48.83
Deferred government grants	(35.29)	(5.21)
Others	(68.03)	(95.24)
Adjustments of tax relating to earlier years	(1.01)	(57.70)
	4,250.03	2,938.99

D. The details of tax assets / (liabilities) as at 31 March 2023

	(₹ million)	
	31 March 2023	31 March 2022
Non-current tax assets (net of provision for taxation)	251.89	479.46
Current tax liabilities (net of advance tax)	(348.87)	(159.52)
Net tax asset / (liability) at the end of the year	(96.98)	319.94

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

E. The movement in the net current tax assets/ (liability) for the year ended 31 March 2023

	31 March 2023	31 March 2022
(₹ million)		
Net current tax asset / (liability) at the beginning	319.94	14.15
Additions on account of acquisition through business combination	-	2.00
Income tax paid	3,704.28	3,339.85
Refund received	-	(0.29)
Effect of interest on income-tax order	-	13.90
Interest liability adjusted against advance tax	-	(42.80)
Current tax expense	(4,121.16)	(2,829.93)
On discontinued operations	-	(197.60)
Adjustments of tax relating to earlier years	(0.04)	20.66
Net current tax asset / (liability) at the end	(96.98)	319.94

F. The movement in the net deferred tax assets/ (liability) as at 31 March 2023

	31 March 2023	31 March 2022
(₹ million)		
Deferred tax assets (net)	13.45	0.09
Deferred tax liabilities (net)	(422.68)	(271.84)
Net deferred tax asset / (liability) at the end of the year	(409.23)	(271.75)

G. The movement in net deferred tax assets and liabilities

For the year ended 31 March 2023

	Carrying value as at 01 April 22	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 2023
(₹ million)						
Deferred tax assets / (liabilities) in relation to						
Property, plant and equipment and other intangible assets	(679.71)	-	-	(107.55)	-	(787.26)
Provision for employee benefits	89.05	-	-	29.35	(8.81)	109.59
Cash flow hedges	(0.15)	-	-	-	0.15	-
Receivables, financial assets at amortised cost	310.76	-	-	(46.47)	-	264.29
Lease liabilities	1.17	-	-	2.11	-	3.28
Others	7.13	-	-	(6.27)	-	0.86
Total deferred tax assets / (liabilities)	(271.75)	-	-	(128.83)	(8.66)	(409.23)

For the year ended 31 March 2022

	Carrying value as at 01 April 21	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
(₹ million)						
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)

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

H. Reconciliation of deferred tax assets/ liabilities (net):

(₹ million)

	31 March 2023	31 March 2022
Net deferred tax asset / (liability) at the beginning	(271.75)	(418.03)
Additions on account of acquisition through business combination	-	(12.36)
Tax (income)/expense on adjustment of tax relating to earlier year	1.05	37.04
On discontinued operations	-	60.53
Tax (income)/expense recognised in profit or loss	(129.88)	65.96
Tax (income)/expense recognised in OCI	(8.66)	(4.89)
Net deferred tax asset / (liability) at the end of the year	(409.23)	(271.75)

- I. 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 2022 ₹ Nil).
- J. 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 2023	31 March 2022
Capital advances		
Unsecured, considered good	836.82	553.74
Unsecured, considered doubtful	136.62	6.62
Gross Capital Advances	973.44	560.36
Less : Impairment allowance for doubtful advance (Refer note below)	(136.62)	(6.62)
Net Capital Advances (A)	836.82	553.74
Advances other than capital advances		
Unsecured, considered good		
Prepaid expenses	75.73	12.97
Balances with statutory/government authorities	215.54	97.25
(B)	291.27	110.22
(A)+(B)	1,128.09	663.96

Note:

Change in impairment allowance for doubtful advances

(₹ million)

	31 March 2023	31 March 2022
At the beginning of year	6.62	6.62
Provision during the year	130.00	-
At the end of the year	136.62	6.62

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

B. Other assets - Current

	(₹ million)	
	31 March 2023	31 March 2022
Advances other than capital advances		
Unsecured, considered good		
Advances for materials and services	2,901.67	3,178.98
Advances for materials and services - related party (Refer note 37)	169.10	-
Contract asset (Refer below note(a))		
Unsecured, considered good	135.54	95.09
Credit impaired	5.65	11.82
Less: Impairment allowance for Contract Assets - Credit Impaired (Refer below note (b))	(5.65)	(11.82)
	135.54	95.09
Others		
Unsecured, considered good		
Prepaid expenses	29.27	60.40
Balances with statutory/government authorities	2,703.49	557.38
Export incentive receivable	25.67	23.92
Right of return assets (Refer below note (c))	286.19	287.24
	6,250.93	4,203.01

Notes:

(a) Reconciliation of Contract assets:

	(₹ million)	
	31 March 2023	31 March 2022
At the beginning of year	95.09	141.02
Unbilled revenue	153.54	353.09
Billed to customer	(106.92)	(399.02)
Impairment allowance	(6.17)	-
At the end of the year	135.54	95.09

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 2023	31 March 2022
At the beginning of year	11.82	11.82
Provision during the year	(6.17)	-
At the end of the year	5.65	11.82

(c) Reconciliation of Right of return assets:

	(₹ million)	
	31 March 2023	31 March 2022
At the beginning of the year	287.24	222.21
Arising during the year	314.30	289.25
Utilised during the year	(315.35)	(224.22)
At the end of the year	286.19	287.24

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 realizable value ("NRV") after providing for obsolescence and other losses, where considered necessary on an item-by-item basis. 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.

Cost of work-in-progress and finished goods includes direct materials as aforesaid, direct labour cost and a proportion of manufacturing overheads based on total manufacturing overheads to raw materials consumed.

Cost of stock-in-trade 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.

NRV 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 42).

	(₹ million)	
	31 March 2023	31 March 2022
Raw materials	12,696.99	5,547.49
Work-in-progress	2,197.14	2,208.54
Finished goods	11,090.39	11,182.82
Stock-in-trade	1,743.00	1,893.49
Stores and spares	340.04	264.75
Packing materials	379.85	282.55
Scrap materials	432.44	524.88
Project materials for long-term contracts	633.99	91.95
	29,513.84	21,996.47

Notes:

(a) The above includes goods in transit as under:

	(₹ million)	
	31 March 2023	31 March 2022
Raw Material	666.86	259.57
Stock-in-trade	380.68	51.24
Stores and spares	11.40	0.51
Project materials for long-term contracts	3.58	6.16

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

- (b) The above includes inventories held by third parties amounting to ₹5,212.98 million (31 March 2022 - ₹320.55 million)
- (c) During the year ended 31 March 2023 ₹4.32 million (31 March 2022 - ₹1.93 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. Equity Share Capital

	31 March 2023	31 March 2022
(₹ million)		
Authorised share capital		
Equity shares, ₹10 per value 186,250,000 (186,250,000) equity shares*	1,862.50	1,862.50
Issued, subscribed and fully paid-up shares		
Equity shares, ₹10 per value 149,765,278 (149,443,040) equity shares	1,497.65	1,494.43
	1,497.65	1,494.43

* Number of equity shares reserved for issue under employee share based payment Number 786,160 (31 March 2022 : Number 1,265,159)

Notes:

- (a) **The reconciliation of shares outstanding and the amount of share capital as at 31 March 2023 and 31 March 2022 are as follow:**

	31 March 2023		31 March 2022	
	Number of Shares	Amount	Number of Shares	Amount
(₹ million)				
At the beginning of the year	149,443,040	1,494.43	149,118,814	1,491.19
Add: Shares issued on exercise of employee stock option	322,238	3.22	324,226	3.24
At the end of the year	149,765,278	1,497.65	149,443,040	1,494.43

- (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 2023 and 31 March 2022 are as follows:**

	31 March 2023		31 March 2022		% Change during the year
	Number of Shares	Total share	Number of Shares	Total share	
Mr. Inder T. Jaisinghani	18,873,976	12.60%	19,383,976	13.00%	-0.40%
Mr. Girdhari T. Jaisinghani	14,736,283	9.84%	15,181,283	10.18%	-0.34%
Mr. Ajay T. Jaisinghani	17,870,747	11.93%	19,347,247	12.97%	-1.04%
Mr. Ramesh T. Jaisinghani	17,525,008	11.70%	18,485,008	12.40%	-0.70%

- (d) **The details of shareholders holding more than 5% shares as at 31 March 2023 and 31 March 2022 are as follows:**

	31 March 2023		31 March 2022	
	Number of Shares	Amount	Number of Shares	Amount
Mr. Inder T. Jaisinghani	18,873,976	12.60%	19,383,976	13.00%
Mr. Girdhari T. Jaisinghani	14,736,283	9.84%	15,181,283	10.18%
Mr. Ajay T. Jaisinghani	17,870,747	11.93%	19,347,247	12.97%
Mr. Ramesh T. Jaisinghani	17,525,008	11.70%	18,485,008	12.40%

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(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. 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 2023	31 March 2022
Dividend on equity shares declared and paid during the year		
Final dividend of ₹14.00 per share for FY 2021-22 paid in FY 2022-23 (Proposed by Board of Directors in the meeting held on 10 May 2022 and was approved by Shareholders in the meeting held on 29 June 2022)	2,094.49	1,491.60
	2,094.49	1,491.60

Proposed dividend on equity share

The Board of Directors in their meeting on 12 May 2023 recommended a final dividend of ₹20 per equity share for the financial year ended 31 March 2023. 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 ₹2,995 million. It is not recognised as a liability as at 31 March 2023.

(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 2023

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, the stock options convertible into 3,387,750 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	IV	V	VI
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	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	₹1,612.90	₹1,612.90	₹1,612.90	₹1,612.90	₹1,612.90	₹1,612.90
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)	479	479	479	479	479	NIL

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

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 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

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

The activity in the ESOP Plan 2018 (ESOP Performance Scheme and ESOP Privilege Scheme) is as follows:

	31 March 2023		31 March 2022	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
ESOP Performance Scheme				
Outstanding at the beginning	1,254,909	405	1,538,192	405
Granted	34,000	405	256,200	405
Exercised and allotted	309,438	405	313,801	405
Exercised and pending allotment	3,740	405	10,800	405
Transfer to general reserve	-	405	3,050	405
Forfeited	197,821	405	211,832	405
Outstanding at the end	777,910	405	1,254,909	405
ESOP Privilege Scheme				
Outstanding at the beginning	10,250	405	13,750	405
Exercised and allotted	2,000	405	3,500	405
Exercised and pending allotment	-	405	-	405
Outstanding at the end	8,250	405	10,250	405

Shares allotted under ESOP during the year

	31 March 2023		31 March 2022	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
FY 2022-23				
ESOP Performance Scheme	309,438	405	313,801	405
ESOP Privilege Scheme	2,000	405	3,500	405
FY 2021-22				
ESOP Performance Scheme	10,800	405	5,925	405
ESOP Privilege Scheme	-	405	1,000	405
	322,238	405	324,226	405

Options vested but not exercised during the year:

	(₹ million)	
	31 March 2023	31 March 2022
ESOP Performance Scheme	139,940	149,759
ESOP Privilege Scheme	8,250	10,250

The break-up of employee stock compensation expense is as follow:

	(₹ million)	
	31 March 2023	31 March 2022
Granted to		
KMP and Executive Directors	3.07	5.82
Employees other than KMP and Executive Directors	104.54	155.34
	107.61	161.16

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

16. Other Equity

(₹ million)

	31 March 2023	31 March 2022
Share application money pending allotment	2.78	7.98
Securities premium	7,822.56	7,554.95
General reserve	615.00	615.00
ESOP outstanding	313.17	343.54
Retained earnings	56,064.54	45,433.29
Cash flow hedging reserve	-	0.43
Foreign currency translation reserve	(4.33)	(12.21)
	64,813.72	53,942.98

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 2023	31 March 2022
Opening balance	7,554.95	7,318.10
Add: Adjustment for exercise of stock option	267.61	236.85
	7,822.56	7,554.95

(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 and Loss.

(₹ million)

	31 March 2023	31 March 2022
Opening balance	615.00	614.00
Add: Transfer on account of employee stock options not exercised	-	1.00
	615.00	615.00

(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 2023	31 March 2022
Opening balance	343.54	286.92
Add: ESOP charge during the year	107.61	167.84
Less: Transfer on account of employee stock options not exercised	-	(1.00)
Less: Adjustment for exercise of stock option	(137.98)	(110.22)
	313.17	343.54

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(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.

	31 March 2023	31 March 2022
Opening balance	0.43	-
Add: Other Comprehensive Income for the year	(0.43)	0.43
	-	0.43

(₹ million)

(e) Foreign currency translation reserve

Foreign currency translation reserve includes all resulting exchange differences arising from (a) translating the assets and liabilities 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.

	31 March 2023	31 March 2022
Opening Balance	(12.21)	(0.05)
Add: Exchange difference during the year on net investment in non-integral foreign operations	7.88	(12.16)
	(4.33)	(12.21)

(₹ million)

(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 Group.

	31 March 2023	31 March 2022
Opening balance	45,433.29	37,824.28
Add: Profit during the year	12,725.74	9,097.51
Add: Acquisition of non-controlling interest	-	3.10
Less: Final equity dividend	(2,094.49)	(1,491.60)
	56,064.54	45,433.29

(₹ million)

(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.

	31 March 2023	31 March 2022
Opening balance	7.98	4.96
Add: Adjustment for exercise of stock option	137.98	110.22
Add: Amount received on exercise of employee stock options	127.65	132.88
Less: Transfer to equity share capital & securities premium for fresh issue	(270.83)	(240.08)
	2.78	7.98

(₹ million)

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

17. Non-Controlling Interests

(₹ million)

	31 March 2023	31 March 2022
Balance at beginning of the year	250.70	188.29
Share of profit	123.03	87.07
Share of other comprehensive income	0.04	(0.04)
Acquisition of non-controlling interest	-	(24.87)
Shares Issued during the year	-	0.25
Balance as at the end of the year	373.77	250.70

Note:

For acquisition of additional interests during the financial year 2021-22, with no change in control in a subsidiary company Dowells Cables Private Limited, 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.

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 2023	31 March 2022
Tirupati Reels Private Limited (TRPL)	45%	45%
Dowells Cable Accessories Private Limited (DCAPL)	40%	40%
Steel Matrix Private Limited (SMPL)	25%	25%

(₹ million)

	Accumulated non-controlling interest		Profit / (Loss) allocated to Non-Controlling Interest		Other Comprehensive Income allocated to Non-Controlling Interest	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Tirupati Reels Private Limited	153.89	116.15	37.70	28.02	0.04	(0.04)
Dowells Cable Accessories Private Limited	219.63	134.30	85.33	59.05	-	-
Steel Matrix Private Limited	0.25	0.25	-	-	-	-
	373.77	250.70	123.03	87.07	0.04	(0.04)

Summarised financial information in respect of each of the Group's subsidiaries is set out below. The information below represents amounts before intragroup eliminations:

(₹ million)

	TRPL		DCAPL		SMPL	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Non-Current assets	354.07	275.77	74.10	81.41	-	-
Current assets	510.86	438.25	527.02	348.41	0.99	1.00
Non-Current liabilities	(68.30)	(58.02)	(4.35)	(3.98)	-	-
Current liabilities	(455.67)	(398.92)	(51.09)	(93.49)	(0.01)	(0.01)
Ind AS 116 Transitional Impact - Within Group	-	-	3.40	3.40	-	-
Ind AS 116 Transitional Impact - Others	1.02	1.02	-	-	-	-
Total Equity	341.98	258.10	549.08	335.75	0.98	0.99
Attributable to owners of Group	188.09	141.95	329.45	201.45	0.73	0.74
Non-control interest	153.89	116.15	219.63	134.30	0.25	0.25

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(₹ million)

	TRPL		DCAPL		SMPL	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Revenue	1,387.12	1,015.50	1,190.32	896.41	-	-
Expenses	(1,303.35)	(953.24)	(977.00)	(765.60)	(0.01)	-
Profit/(Loss) for the year	83.77	62.26	213.32	130.81	(0.01)	-
Attributable to owners of Group	46.07	34.24	127.99	71.76	(0.01)	-
Non-control Interest	37.70	28.02	85.33	59.05	-	-
Other Comprehensive Income	0.08	(0.09)	-	-	-	-
Attributable to owners of Group	0.04	(0.05)	-	-	-	-
Non-control interest	0.04	(0.04)	-	-	-	-

18. Borrowings

A. Borrowings - Non-Current

(₹ million)

	Rate of interest	Tenure end date	31 March 2023 Gross/ Carrying Value	31 March 2022 Gross/ Carrying Value
At amortised cost				
Rupee loan (secured)				
Indian rupee loan from HDFC Bank *	13.71%	7 June 2029	68.51	65.91
			68.51	65.91
Less: Current maturities of long-term borrowings			(26.43)	(36.17)
			42.08	29.74

* 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 2023.

Notes:

(a) For secured loans, charge created by way of:

- (i) First ranking pari passu charge by way of hypothecation over the entire current assets including but not limited to Stocks and Receivables.
- (ii) Pari passu first charge by way of hypothecation on the entire movable fixed assets.
- (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 Private Limited (TRPL) is secured against:
 - (a) hypothecation of inventories, trade receivables, plant and equipments and deposits with bank (amounting ₹33.85 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(b) Maturity profile of non-current borrowings

(₹ million)

	31 March 2023		31 March 2022	
	< 1 Year	> 1 Year	< 1 Year	> 1 Year
Rupee loan (secured)				
Indian rupee loan from HDFC Bank	26.43	42.08	36.17	29.74
	26.43	42.08	36.17	29.74

(c) Others

The term loans from HDFC Bank aggregating to ₹68.51 million is to be repaid in 4 to 75 monthly instalments from April 2023 to June 2029.

B. Borrowings - Current

(₹ million)

	31 March 2023	31 March 2022
Others		
At amortised cost		
Cash Credit from banks (Secured)	332.60	0.02
Short-term loan from banks (Unsecured) (Refer note - 41B)	821.25	765.42
Buyer's Credit (Secured)	329.07	-
Current maturities of long-term borrowings (Secured) (Refer note - 18A)	26.43	36.17
	1,509.35	801.61

Notes:

(a) For secured loans, charge created by way of:

- (i) First ranking pari passu charge by way of hypothecation over the entire current assets including but not limited to Stocks and Receivables.
- (ii) Pari passu first charge by way of hypothecation on the entire movable fixed assets.
- (iii) 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.
- (iv) Buyer's credit of Group's subsidiary Tirupati Reels Private Limited (TRPL) is secured against:
 - (a) hypothecation of inventories, trade receivables, plant and equipments and deposits with bank (amounting ₹33.85 million)
 - (b) mortgage of collateral security of leasehold land
 - (c) personal guarantee of certain directors and their relative at their personal capacity
- (v) Cash credit from banks of Group's subsidiary Uniglobus Electricals and Electronics Private Limited (UEEPL) is secured against pari passu first charge by way of hypothecation over the current assets and moveable fixed assets.
- (vi) All charges are registered with ROC within statutory period by the Group.
- (vii) Funds raised on short term basis have not been utilised for long term purposes and spent for the purpose it were obtained.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(b) Credit facilities

The Group has fund based and non-fund based revolving credit facilities amounting to ₹41,149 million (31 March 2022: ₹39,206 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:

	31 March 2023	31 March 2022
Fund based	4,482.90	4,389.28
Non-fund based	4,392.04	17,215.00
	8,874.94	21,604.28

(₹ million)

(c) Reconciliation of movement in borrowings to cash flows from financing activities

	31 March 2023	31 March 2022
Opening balance		
Long-term borrowings	65.91	1,597.21
Short-term borrowings (excluding Cash Credit from banks)	765.42	888.80
Additions on account of acquisition through business combination	-	21.84
	831.33	2,507.85
Cash flow movements		
Repayment of long term borrowings	(37.50)	(141.09)
Proceeds from long term borrowings	40.10	-
Proceeds / (Repayment) of short term borrowings	329.07	(27.08)
Transferred to discontinued operation	-	(1,354.05)
	331.67	(1,522.22)
Non-cash movements		
Foreign exchange translation	-	-
Other adjustment	55.83	(154.30)
	55.83	(154.30)
Closing balance		
Long-term borrowings	68.51	65.91
Short-term borrowings (excluding Cash Credit from banks)	1,150.32	765.42
	1,218.83	831.33

(₹ million)

Refer note 4 for reconciliation of movement in lease liabilities to cash flows from financing activities.

19. Lease liabilities

A. Lease liabilities - Non-Current

	31 March 2023	31 March 2022
At amortised cost	224.33	244.76
	224.33	244.76

(₹ million)

B. Lease liabilities - Current

	31 March 2023	31 March 2022
At amortised cost	138.96	105.37
	138.96	105.37

(₹ million)

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

20. Trade payables

Accounting policy

These amounts represents liabilities for goods and services provided to the Group during the year and are unpaid at the year end. 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.

	(₹ million)	
	31 March 2023	31 March 2022
At amortised cost		
Total outstanding dues of micro and small enterprises		
Trade payables to related parties (Refer note 37)	26.90	60.24
Trade payables - Others	705.55	528.00
	732.45	588.24
Total outstanding dues of creditors other than micro and small enterprises		
Acceptances (Refer below note (a))	12,257.56	6,364.55
Other than acceptances		
Trade payables to related parties (Refer note 37)	238.53	171.47
Trade payables - Others (Refer below note (b))	7,097.90	5,051.04
	19,593.99	11,587.06

Notes:

- 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.
- 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.
- For the terms and conditions with related parties, refer note 37.
- For explanations on the Group's liquidity risk management processes, refer note 41(C).
- 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 2023 and year ended 31 March 2022 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 2023	31 March 2022
(i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
Principal	730.03	586.43
Interest	2.42	1.81
(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.	1.81	2.99
(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	2.42	1.81
(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	-	-

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(f) Trade Payables ageing schedule

As at 31 March 2023

	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	404.53	327.92	-	-	-	732.45
(ii) Others						
Acceptances	12,257.56	-	-	-	-	12,257.56
Other than acceptances	2,298.07	994.62	6.62	2.87	7.56	3,309.74
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
	14,555.63	994.62	6.62	2.88	7.56	15,567.30
Accrued expenses	-	-	-	-	-	4,026.69
						19,593.99

(₹ million)

As at 31 March 2022

	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	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
Accrued expenses						2,960.24
						11,587.06

(₹ million)

21. Other financial liabilities - Current

	31 March 2023	31 March 2022
At amortised cost		
Security deposit	48.21	45.53
Interest accrued but not due	87.38	2.10
Interest accrued and due	4.39	0.81
Creditors for capital expenditure	563.85	476.22
Unclaimed dividend (Refer below note (b))	1.56	2.87
Other	21.95	20.15
At FVTPL		
Derivative liability (Refer below note (a))	129.32	138.42
	856.66	686.10

(₹ million)

Notes:

(a) Derivative Liability

	31 March 2023	31 March 2022
Forward contract	26.97	-
Embedded derivatives	26.18	-
Commodity contracts	76.17	138.42
	129.32	138.42

(₹ million)

- (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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

22. Other liabilities

A. Other liabilities - Non-Current

	(₹ million)	
	31 March 2023	31 March 2022
Deferred government grant (Refer below note (a))	139.88	160.07
Deferred liability	25.30	46.98
	165.18	207.05

B. Other liabilities - Current

	(₹ million)	
	31 March 2023	31 March 2022
Advance from customers		
Others	570.60	416.12
Contract liability (Refer below note (b))	905.32	1,435.57
Refund liability (Refer below note (c))	629.37	629.38
Deferred liability	25.30	23.49
Other statutory dues		
Employee recoveries and employer contributions	24.48	20.02
Taxes payable (Other than Income tax)	662.69	707.01
	2,817.76	3,231.59

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 statement of profit and loss 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 2023	31 March 2022
At the beginning of the year	160.07	258.31
Grants received during the year	129.18	57.07
Grants recognised for the year	(149.37)	(20.72)
Transferred to discontinued operation	-	(134.59)
At the end of the year	139.88	160.07

(b) Reconciliation of Contract liabilities:

	(₹ million)	
	31 March 2023	31 March 2022
At the beginning of year	1,435.57	1,805.39
Contract liability recognised during the year	2,437.34	816.45
Revenue recognised from amount included in contract liabilities	(2,967.59)	(1,186.27)
At the end of the year	905.32	1,435.57

(c) Reconciliation of Refund liability:

	(₹ million)	
	31 March 2023	31 March 2022
At the beginning of the year	629.38	487.49
Arising during the year	719.45	663.87
Utilised during the year	(719.46)	(521.98)
At the end of the year	629.37	629.38

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

23. Provisions

Accounting Policy:

A provision is recognised when the Group has a present obligation (legal or constructive) 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 and 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 the total warranty-related costs 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 2023	31 March 2022
Provision for employee benefits (Refer note 30)		
Gratuity	149.60	141.09
Compensated absences	137.61	123.18
Others (Refer note below)	162.53	-
	449.74	264.27

Note: Reconciliation of Others

	(₹ million)	
	31 March 2023	31 March 2022
At the beginning of the year	-	-
Arising during the year	162.53	-
Utilised during the year	-	-
At the end of the year	162.53	-

Others includes matters relating to indirect tax matters.

B. Provisions - Current

	(₹ million)	
	31 March 2023	31 March 2022
Provision for employee benefits (Refer note 30)		
Gratuity	127.92	118.55
Compensated absences	30.63	26.61
Provision for warranty (Refer note below)	109.02	108.64
	267.57	253.80

Note: Reconciliation of warranty provision

	(₹ million)	
	31 March 2023	31 March 2022
At the beginning of the year	108.64	107.23
Arising during the year	99.20	78.23
Utilised during the year	(98.82)	(76.82)
At the end of the year	109.02	108.64

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 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) Performance obligations:

(a) 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 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.

(b) 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 Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 Group 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 and 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

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

excess of billing is reflected under as “contract asset” and billing in excess of contract revenue is reflected under “contract liabilities”.

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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 23. 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 separate 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 contract liability at the time of recognition of revenue. Revenue allocated towards service-type warranty is recognised over a period of time on a basis appropriate to the nature of the contract and services to be rendered.

(vii) 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.

(viii) 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.

(ix) Export incentives

Export incentives under various schemes notified by the Government have been recognised on the basis of applicable regulations, and when reasonable

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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.

(x) Cost to obtain a contract

Any costs to obtain a contract or incremental costs to fulfil a contract are recognised as an asset if certain criteria are met as per Ind AS 115.

The Group applies the optional practical expedient to immediately expense costs to obtain a contract if the amortisation period of the asset that would have been recognised is one year or less.

(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, its recognition as income in the Statement of Profit and Loss is linked to fulfilment of associated export obligations.

The export incentive and grants received are in the nature of other operating revenue in the Statement of Profit and Loss.

Revenue from operations

	(₹ million)	
	31 March 2023	31 March 2022
Revenue from contracts with customers		
Revenue on sale of products		
Finished goods	126,762.74	109,365.45
Traded goods	9,020.11	8,793.38
Revenue from construction contracts	3,636.05	1,888.49
	139,418.90	120,047.32
Other operating revenue		
Job work income	4.17	8.81
Scrap sales	1,310.20	1,763.91
Total revenue from contracts with customers	140,733.27	121,820.04
Export incentives	21.15	24.13
Government grant	323.36	193.44
Total Revenue from operations	141,077.78	122,037.61

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

Notes:

(a) Disaggregated revenue information

	(₹ million)	
	31 March 2023	31 March 2022
Type of Goods or Services		
Wires & Cables	123,202.82	106,301.61
Fast Moving Electrical Goods (FMEG)	12,404.00	12,501.64
Revenue from construction contracts	3,636.05	1,888.49
Others	1,490.40	1,128.30
Total revenue from contracts with customers	140,733.27	121,820.04
Location of customer		
India	126,898.04	112,590.78
Outside India	13,835.23	9,229.26
Total revenue from contracts with customers	140,733.27	121,820.04
Timing of revenue recognition		
Goods transferred at a point in time	137,076.80	119,887.54
Goods and Services transferred over a period of time	3,656.47	1,932.50
Total revenue from contracts with customers	140,733.27	121,820.04
Revenue from B2B and B2C Vertical		
Business to Consumer	46,334.33	46,241.07
Business to Business	92,193.70	74,625.78
Others (i)	2,205.24	953.18
Total revenue from contracts with customers	140,733.27	121,820.04

Note: (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 2023	31 March 2022
Total revenue from contracts with customers	140,733.27	121,820.04
Export incentives ⁽ⁱ⁾	21.15	24.13
Government grant ⁽ⁱⁱ⁾	323.36	193.44
Other income excluding finance income	387.05	402.31
Total income as per Segment (Refer note 38)	141,464.83	122,439.92

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.

(c) Reconciliation between revenue with customers and contracted price as per Ind AS 115:

	(₹ million)	
	31 March 2023	31 March 2022
Revenue as per contracted price	142,651.06	124,464.59
Less : Adjustments		
Price adjustments such as Discounts, Rebates and Sales Promotion Schemes	(2,502.18)	(1,213.72)
Contract liabilities (excess billing over revenue recognised as per applicable Ind-AS)	530.25	(1,435.57)
Provisions for expected sales return	-	(141.90)
Other adjustments	19.86	39.73
Contract assets (Unbilled Revenue - EPC)	34.28	106.91
Revenue from contract with customers	140,733.27	121,820.04

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(d) Disclosure in terms of Ind AS 115 on the accounting of construction contract is as under:

	31 March 2023	31 March 2022
	(₹ million)	
Contract revenue recognised for the year ended	3,636.05	1,888.49
Contract that are in progress as on reporting date		
(i) Contract costs incurred and recognised profits (less recognised losses)	3,636.05	1,888.49
(ii) Amount of retentions*	523.73	796.10
(iii) Contract balances recognised and included in financial statement as:		
Contract asset	135.54	95.09
Contract liabilities	905.32	1,435.57

*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/ (derecognised) during the year of ₹(31.16) million (31 March 2022: ₹(150.04) 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 2023 and 31 March 2022
- (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 increase in contract assets as on 31 March 2023 is on account of unbilled revenue booked for which the billing will be done subsequently. During the year ₹6.17 million (31 March 2022: ₹ Nil) was reduced from the 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 decreased in financial year 2022-23 due to the revenue recognition against the advance from customers received in the previous years for the projects which got closed in the current year.
- (i) Set out below is the amount of revenue recognised from:

	31 March 2023	31 March 2022
	(₹ million)	
Amounts included in contract liabilities at the beginning of the year	2,967.59	1,186.27
Performance obligations satisfied in previous years	106.92	399.02

- (j) Right of return assets and refund liabilities as at year end:

	31 March 2023	31 March 2022
	(₹ million)	
Right of return assets	286.19	287.24
Refund liabilities	629.37	629.38

- (k) Allocation of the transaction price to the remaining performance obligations:

	31 March 2023	31 March 2022
	(₹ million)	
Within one year	7,607.29	2,868.67
More than one year	6,455.57	3,649.41
	14,062.86	6,518.08

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 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 (₹), which is the Parent Company's functional and presentation currency.

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 and Loss.

	(₹ million)	
	31 March 2023	31 March 2022
(a) Interest income on financial assets		
Carried at amortised cost		
Bank deposits	237.41	174.80
Others (refer note (i) below)	55.01	80.90
Carried at FVTPL		
Others	2.64	13.60
(b) Income from Investments designated at FVTPL		
Gain on liquid/overnight mutual funds	614.32	224.10
Fair valuation on gain on overnight mutual funds	36.83	3.52
(c) Fair value gain / loss on financial instruments		
Derivatives at FVTPL (refer note (ii) below)	30.02	-
(d) Other non-operating income		
Exchange differences (net)	184.39	316.92
Gain on sale of property, plant and equipment	97.88	-
Gain on termination of lease	3.29	5.79
Sundry balances written back	1.35	15.47
Miscellaneous income	70.12	64.13
	1,333.26	899.23

- (i) Includes interest on Income Tax refund of ₹1.03 million (31 March 2022: ₹13.90 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 Consolidated Financial Statements

for the year ended 31 March 2023

26. Cost of materials consumed

(₹ million)

	31 March 2023	31 March 2022
Inventories at the beginning of the year	5,830.04	8,389.44
Add: On account of acquisition through business combination	-	0.21
Add: Purchases	104,958.35	89,482.92
	110,788.39	97,872.57
Less: Inventories at the end of the year	(13,076.84)	(5,830.04)
Cost of materials consumed	97,711.55	92,042.53

Note:

Details of Material Consumed

(₹ million)

	31 March 2023	31 March 2022
Copper	57,057.59	54,068.88
Aluminium	17,201.80	16,358.62
Steel	3,459.72	2,731.56
PVC Compound/HDPE/LDPE/XLPE/Resin	12,883.64	11,768.86
Packing materials	2,539.71	2,011.99
Others *	4,569.09	5,102.62
	97,711.55	92,042.53

* Others includes Raw material for consumer products

27. Purchases of stock-in-trade

(₹ million)

	31 March 2023	31 March 2022
Electrical wiring accessories	252.02	300.55
Electrical appliances	4,697.50	4,711.46
Others	749.60	1,415.01
	5,699.12	6,427.02

28. Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ million)

	31 March 2023	31 March 2022
Inventory at the beginning 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
Inventory at the end of the year		
Finished goods	11,090.39	11,182.82
Stock-in-trade	1,743.00	1,893.49
Scrap materials	432.44	524.88
Work-in-progress	2,197.14	2,208.54
	15,462.97	15,809.73
Add: On account of acquisition through business combination	-	4.14
Less: Transferred to discontinued operation	-	8.84
Changes in Inventories	346.76	(4,927.51)

29. Project bought outs and subcontracting cost

(₹ million)

	31 March 2023	31 March 2022
Project bought outs	1,042.00	779.34
Subcontracting expenses for EPC	309.53	335.38
	1,351.53	1,114.72

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 and 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 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 and 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 and 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 and 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 Group 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 ESOP outstanding account (Refer note 15(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 Consolidated Financial Statements

for the year ended 31 March 2023

(₹ million)

	31 March 2023	31 March 2022
Salaries, wages and bonus	4,078.00	3,579.59
Employees share based payment expenses	107.61	161.16
Contribution to provident and other funds	240.24	206.19
Staff welfare expense	141.87	119.34
	4,567.72	4,066.28

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the Group believes the impact of the change will not be significant.

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

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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 2023 by 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.

Statement of Profit and Loss

Net employee benefits expense recognised in profit or loss:

	Year ended 31 March 2023	Year ended 31 March 2022
(₹ million)		
Current service cost	77.04	69.81
Net interest cost	17.26	17.83
Past service cost	1.00	1.00
Net benefits expense	95.30	88.64

Net remeasurement (gain)/ loss on defined benefit plans recognised in Other comprehensive income for the year:

	Year ended 31 March 2023	Year ended 31 March 2022
(₹ million)		
Actuarial (gain) /loss on obligations	(35.71)	(2.98)
Return on plan assets, excluding interest income	0.66	(13.50)
Net (Income)/Expense for the year recognised in OCI	(35.05)	(16.48)

Balance Sheet

Benefits liability:

	Year ended 31 March 2023	Year ended 31 March 2022
(₹ million)		
Present value of defined benefit obligation	(679.63)	(639.61)
Fair value of plan assets	402.11	379.97
Plan liability	(277.52)	(259.64)

Changes in the present value of the defined benefit obligation are as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
(₹ million)		
Opening defined benefit obligation	639.61	579.99
Interest cost	43.36	37.93
Current service cost	77.04	69.80
Liability transferred in/ acquisition	-	5.37
Benefits paid	(44.56)	(50.31)
Actuarial (gains)/losses on obligations		
Due to change in demographics assumptions	(0.12)	0.40
Due to change in financial assumptions	(26.22)	(16.84)
Due to experience	(9.49)	13.27
Closing defined benefit obligation	679.63	639.61

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

Changes in the fair value of plan assets are as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Opening fair value of plan assets	379.97	309.54
Interest income	25.53	20.09
Contribution by employer	40.25	87.15
Benefits paid	(42.92)	(50.31)
Actuarial gains	(0.73)	13.50
Closing fair value of plan assets	402.11	379.97

The Group expects to contribute ₹127.92 million towards gratuity in the next year (31 March 2022: ₹118.55 million).

Current and Non-Current bifurcation of provision for gratuity as per actuarial valuation is as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Non-current	149.60	141.09
Current	127.92	118.55

The category of plan assets as a percentage of the fair value of total plan assets is as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Investment with insurer	100%	100%

The principal assumptions used in determining gratuity for the Group's plans are shown below:

	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate	7.39%	6.85%
Expected rate of return on plan assets	7.39%	6.85%
Employee turnover	10.00%	10.00%
Salary escalation	11.00%	11.00%
Weighted average duration	8	9
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Mortality rate after employment	N.A.	N.A.

The average expected future service as at 31 March 2023 is 7 years (31 March 2022 - 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 2023 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 Consolidated Financial Statements

for the year ended 31 March 2023

Sensitivity analysis

	(₹ million)	
	Year ended 31 March 2023	Year ended 31 March 2022
Projected benefit obligation on current assumptions	678.21	639.61
Delta effect of +1% change in rate of discounting	(45.55)	(42.36)
Delta effect of -1% change in rate of discounting	48.44	48.50
Delta effect of +1% change in rate of salary increase	46.25	46.94
Delta effect of -1% change in rate of salary increase	(44.58)	(42.13)
Delta effect of +1% change in rate of employee turnover	(12.73)	(12.33)
Delta effect of -1% change in rate of employee turnover	10.83	13.77

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 2023	Year ended 31 March 2022
1st following year	63.22	53.68
2nd following year	58.89	53.18
3rd following year	64.07	56.75
4th following year	71.33	63.13
5th following year	68.22	65.82
Sum of years 6 to 10	305.31	268.72
Sum of years 11 years and above	661.84	611.80

(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 ₹89.62 million (31 March 2022 - ₹66.57 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 ₹13.99 million (31 March 2022 ₹12.27 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 as at balance sheet date except for Halol worker in pursuance of the Group's leave rules. The actuarial valuation done as per Project Unit Credit Method except for Halol worker.

The leave obligation cover the Group's liability for earned leave. The amount of the provision of ₹137.61 million (31 March 2022 ₹123.18 million) is presented as non-current and ₹30.63 million (31 March 2022 ₹26.61 million) is presented as current. The Group has recognised ₹38.53 million (31 March 2022 ₹52.41 million) for compensated absences in the Statement of Profit and Loss.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 its premium and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

	31 March 2023	31 March 2022
Interest expense on financial liabilities at amortised cost ⁽ⁱ⁾	408.69	128.70
Interest expense on financial liabilities at FVTPL	32.86	33.02
Other borrowing costs ⁽ⁱⁱ⁾	156.02	190.18
	597.57	351.90

(i) Interest expense includes ₹12.79 million (31 March 2022 ₹16.03 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

	31 March 2023	31 March 2022
Depreciation of Property, Plant and Equipment (Refer note 3)	1,912.44	1,826.89
Depreciation of right-of-use assets (Refer note 4)	132.83	147.53
Amortisation of other intangible assets (Refer note 5)	46.37	40.77
	2,091.64	2,015.19

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

33. Other expenses

	(₹ million)	
	31 March 2023	31 March 2022
Consumption of stores and spares	725.37	725.80
Sub-contracting expenses	2,369.84	2,175.97
Power and fuel	1,837.51	1,439.82
Rent	57.09	66.66
Rates and taxes	104.33	87.12
Insurance	97.41	89.26
Repairs and maintenance		
Plant and machinery	43.50	39.54
Buildings	47.28	113.74
Others	106.18	99.00
Advertising and sales promotion	1,244.04	822.69
Brokerage and commission	525.65	406.32
Travelling and conveyance	504.82	374.92
Communication cost	41.06	31.77
Legal and professional fees	894.23	719.37
Director sitting fees	4.42	5.36
Freight & forwarding expenses	3,146.09	2,739.87
Payments to auditor (Refer note (a) below)	11.88	11.12
Sundry advances written off	3.77	44.59
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 and 13)	(31.16)	(150.04)
CSR expenditure (Refer note (c) below)	228.58	194.00
Miscellaneous expenses	918.07	528.15
	12,879.96	10,662.58

Notes:

(a) Payments to auditor:

	(₹ million)	
	31 March 2023	31 March 2022
As auditor		
(i) Audit fee	10.85	10.32
(ii) Certification fees	0.25	0.25
(iii) Out of pocket expenses	0.78	0.55
	11.88	11.12

- (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 Consolidated Financial Statements

for the year ended 31 March 2023

(c) Details of Corporate Social Responsibility expenses incurred by Parent Company:

		(₹ million)	
		31 March 2023	31 March 2022
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)	213.33	185.48
Gross amount spent by the Parent Company during the year			
(i) Construction / acquisition of any asset		-	-
(ii) On purposes other than (i) above:			
Rural and Community Development		10.12	9.38
Education		28.06	73.43
Health Care		99.55	89.09
Environment		57.76	17.51
Social Empowerment		17.23	-
National Heritage Art & Culture		7.27	-
Administration cost		4.80	2.48
Total CSR spent in actual	(B)	224.79	191.89
Shortfall/(Excess)	(A-B)	(11.46)	(6.41)
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)		224.79	191.89
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 2022 aggregating to ₹36.20 million was deposited in separate CSR unspent accounts by PSWF. Total amount of ₹38.38 million has been spent during the current financial year ended 31 March 2023 by utilising the above balance and the excess spent is out of surplus income during financial year ending 31 March 2023.

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 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 3,530,000 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 2023	31 March 2022
Continuing Operations				
Profit for the year	₹ in million	A	12,699.50	8,365.24
Weighted average number of equity shares for basic earning per share *	Number	B	149,631,506	149,268,712
Earnings per shares - Basic (one equity share of ₹10 each)	₹ per share	(A/B)	84.87	56.04
Discontinuing Operations				
Profit for the year	₹ in million	A	-	720.53
Weighted average number of equity shares for basic earning per share *	Number	B	149,631,506	149,268,712
Earnings per shares - Basic (one equity share of ₹10 each)	₹ per share	(A/B)	-	4.83
Continuing Operations and Discontinuing Operations				
Profit for the year	₹ in million	A	12,699.50	9,085.77
Weighted average number of equity shares for basic earning per share *	Number	B	149,631,506	149,268,712
Earnings per shares - Basic (one equity share of ₹10 each)	₹ per share	(A/B)	84.87	60.87

(b) Diluted Earnings per share

			31 March 2023	31 March 2022
Weighted average number of equity shares for basic earning per share *	Number	A	149,631,506	149,268,712
Effect of dilution				
Share options	Number	B	468,199	654,432
Weighted average number of equity shares adjusted for effect of dilution	Number	C=(A+B)	150,099,705	149,923,144
Continuing Operations				
Profit for the year	₹ in million	A	12,699.50	8,365.24
Weighted average number of equity shares for basic earning per share *	Number	B	150,099,705	149,923,144
Earnings per shares - Basic (one equity share of ₹10 each)	₹ per share	(A/B)	84.61	55.80
Discontinuing Operations				
Profit for the year	₹ in million	A	-	720.53
Weighted average number of equity shares for basic earning per share *	Number	B	150,099,705	149,923,144
Earnings per shares - Basic (one equity share of ₹10 each)	₹ per share	(A/B)	-	4.81
Continuing Operations and Discontinuing Operations				
Profit for the year	₹ in million	A	12,699.50	9,085.77
Weighted average number of equity shares for basic earning per share *	Number	B	150,099,705	149,923,144
Earnings per shares - Basic (one equity share of ₹10 each)	₹ per share	(A/B)	84.61	60.60

* Refer note 15(a) for movement of shares

Note: There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

35. Discontinued Operations

During the financial year 2021-22, the Group had 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 had recognised as discontinuing operations and related comparatives were restated in accordance with the applicable Ind-AS. Statement of Profit and Loss is prepared after elimination of intercompany transactions. Being a discontinued operation, that segment is no longer presented in the segment note.

All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

	(₹ million) 01 April 2021 to 17 November 2021
INCOME	
Revenue from operations	3,452.76
Other income	28.81
Total income	3,481.57
EXPENSES	
Cost of materials consumed	2,813.11
Changes in inventories of finished goods, stock-in-trade and work-in-progress	2.92
Employee benefits expense	52.14
Finance cost	119.82
Depreciation and amortisation expense	72.87
Other expenses	284.68
Total expenses	3,345.54
Profit before share of profit/(loss) of joint ventures	136.03
Share of profit/(loss) of joint ventures (net of tax)	-
Profit before tax and exceptional items	136.03
Gain on disposal of discontinued operations	817.22
Profit before tax	953.25
Tax expenses	
Current tax	197.60
Deferred tax charge	35.12
Total tax expense	232.72
Profit for the year from discontinuing operations	720.53
Other comprehensive income	
Items that will not be reclassified to profit or loss	
Re-measurement gains / (losses) on defined benefit plans	(0.18)
Income tax relating to items that will not be reclassified to Profit or Loss	0.04
Other comprehensive income of discontinuing operations for the year, net of tax	(0.14)
Total comprehensive income of discontinuing operations for the year, net of tax	720.39

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) 01 April 2021 to 17 November 2021
Operating	456.49
Investing	(99.69)
Financing	(432.48)
	(75.68)

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

Earnings per share

	(₹ million)
	01 April 2021 to 17 November 2021
Discontinuing Operations	
Basic (₹)	4.83
Diluted (₹)	4.81

36. 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 its 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 2023
	31 March 2022
(i) Taxation matters	
Disputed liability in respect of sales tax /VAT demand and pending sales tax/VAT forms	0.64
Disputed liability in respect of service tax duty demand	18.17
Disputed liability in respect of excise duty demand	8.60
Disputed liability in respect of custom duty demand	17.08
(ii) Customs Duty on Capital goods imported under Export Promotion Capital Goods Scheme, against which export obligation is to be fulfilled	42.77
(iii) Customs Duty on Raw Materials imported under Advance License, against which export obligation is to be fulfilled	209.59
	190.07

Notes:

- 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.
- 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 2023
	31 March 2022
(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	4,285.95
	2,281.66

Note: For Lease commitments, refer note 4

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

37. Related party disclosure

(A) Enterprises where control exists

	Country of incorporation	Ownership interest (%)	
		31 March 2023	31 March 2022
Joint Ventures			
Techno Electromech Private Limited (TEPL)	India	50%	50%

(B) Enterprises owned or significantly influenced by Key Management Personnel

AK Enterprises (AK)
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
Bootbhavani Fabricators
S.B. Enterprise
T.P. Ostwal & Associates LLP

(C) Key Management Personnel

(i) Executive Directors

Mr. Inder T. Jaisinghani	Chairman and Managing Director
Mr. Ramesh T. Jaisinghani	Whole-time Director (up to 12 May 2021)
Mr. Ajay T. Jaisinghani	Whole-time Director (up to 12 May 2021)
Mr. Shyam Lal Bajaj	Whole-time Director (up to 12 May 2021)
Mr. Rakesh Talati	Whole-time Director (w.e.f. 13 May 2021)
Mr. Bharat A. Jaisinghani	Whole-time Director (w.e.f. 13 May 2021)
Mr. Nikhil R. Jaisinghani	Whole-time Director (w.e.f. 13 May 2021)
Mr. Gandharv Tongia ^(a)	Executive Director and Chief Financial Officer

(ii) Non- Executive Directors

Mr. R S Sharma	Independent Director
Mr. T P Ostwal	Independent Director
Mr. Pradeep Poddar	Independent Director
Ms. Sutapa Banerjee	Independent Director (w.e.f. 13 May 2021)
Ms. Manju Agarwal	Independent Director (w.e.f. 19 January 2023)
Ms. Hiroo Mirchandani	Independent Director (upto 12 May 2021)

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(iii) Key Management Personnel

Ms. Manita Carmen A. Gonsalves

Company secretary and Head legal

(iii) Relatives of Key Management Personnel

Mr. Kunal I. Jaisinghani

Son of Mr. Inder T. Jaisinghani

Ms. Ritika Nikhil Jaisinghani

Wife of Mr. Nikhil R. Jaisinghani

Ms. Kiara Duhlani

Daughter of Mr. Ajay T. Jaisinghani

Ms. Deepika Sehgal

Daughter of Mr. Ramesh T. Jaisinghani

Ms. Jayshriben Talati

Wife of Mr. Rakesh Talati

(a) Appointed as Executive director w.e.f. 19 January 2023.

(D) Transactions with Group companies

		(₹ million)	
		Year ended 31 March 2023	Year ended 31 March 2022
(i) Sale of goods (including GST)			
Techno Electromech Private Limited	Joint Venture	0.02	36.79
(ii) Purchase of goods (including GST)			
Techno Electromech Private Limited	Joint Venture	700.78	951.04
(iii) Sub-contracting expense (including GST)			
Techno Electromech Private Limited	Joint Venture	4.49	23.33
(iv) Interest received			
Techno Electromech Private Limited	Joint Venture	9.00	13.32
(v) Testing charges paid (including GST)			
Techno Electromech Private Limited	Joint Venture	0.15	0.81
(vi) Loan given repaid			
Techno Electromech Private Limited	Joint Venture	-	15.21

(E) Outstanding as at the year end

		(₹ million)	
		Year ended 31 March 2023	Year ended 31 March 2022
(i) Loans given			
Techno Electromech Private Limited	Joint Venture	100.00	100.00
(ii) Trade Receivables			
Techno Electromech Private Limited	Joint Venture	33.48	33.67
(iii) Interest accrued on loan given			
Techno Electromech Private Limited	Joint Venture	2.00	2.91
(iv) Others Receivables			
Techno Electromech Private Limited	Joint Venture	85.19	85.19
(v) Advance given for material and services			
Techno Electromech Private Limited	Joint Venture	169.10	-
(vi) Trade Payables			
Techno Electromech Private Limited	Joint Venture	34.92	50.59

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(F) Transactions with KMP

(i) Remuneration paid for the year ended and outstanding as on: ^(a)

(₹ million)

	31 March 2023		31 March 2022	
	For the year ended	Outstanding as at the year end	For the year ended	Outstanding as at the year end
CMD and Whole-time director				
Salaries, wages, bonus, commission and other benefits	292.13	182.55	203.81	103.10
Contribution to PF, Family Pension and ESI	1.06	-	0.77	-
ESOP Expenses	1.84	-	3.06	-
Independent director				
Director sitting fees	4.42	-	9.36	-
Commission	10.63	10.63	6.00	9.00
Key management personnel (excluding CMD and WTD)				
Salaries, wages, bonus, commission and other benefits	30.54	6.05	26.03	5.00
Contribution to PF, Family Pension and ESI	0.04	-	0.04	-
ESOP Expenses	1.23	-	2.76	-
Remuneration to other related parties				
Salaries, wages, bonus, commission and other benefits	2.04	0.01	4.73	0.51
Contribution to PF, Family Pension and ESI	0.07	-	0.02	-

(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) Sale of fixed assets to KMP (including GST)

(₹ million)

	31 March 2023		31 March 2022	
	For the year ended	Outstanding as at the year end	For the year ended	Outstanding as at the year end
Mr. Inder T. Jaisinghani	-	-	2.63	-
Mr. Ajay T. Jaisinghani	-	-	3.18	-
Mr. Bharat A. Jaisinghani	-	-	1.14	-
Mr. Girdhari T. Jaisinghani	-	-	2.23	-
Mrs. Ritika Nikhil Jaisinghani	-	-	4.08	-

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(iii) Transactions with enterprises owned or significantly influenced by key managerial personnel

(₹ million)

	Nature of transaction	31 March 2023		31 March 2022	
		For the year ended	Outstanding as at the year end	For the year ended	Outstanding as at the year end
Polycab Social Welfare Foundation	Donation	224.79	-	191.89	-
Transigo Fleet LLP	Professional fees	19.12	4.37	16.91	1.46
AK Enterprises	Reimbursement of Electricity Expense	1.42	-	1.34	-
AK Enterprises*	Rent paid (including GST)	29.17	-	29.17	2.33
Bootbhavani Fabricators	Purchase of goods (including GST)	0.14	-	-	-
Bootbhavani Fabricators	Purchase of Plant and equipments	89.39	-	-	-
S.B. Enterprise	Purchase of goods (including GST)	5.26	-	-	-
S.B. Enterprise	Purchase of Plant and equipments	22.50	-	-	-
Shreeji Traders	Purchase of goods (including GST)	-	-	0.02	-
T.P. Ostwal & Associates LLP	Professional fees for tax advisory	-	-	0.16	-
Tirupati Tradelinks Private Limited	Sub Contracting Exp (Net)	-	-	0.19	-
Tirupati Tradelinks Private Limited	Purchase of goods	293.53	26.90	203.28	60.24
Tirupati Tradelinks Private Limited	Interest paid	-	-	0.07	0.07
Newland Global Group Pty Ltd	Professional fees	1.21	-	0.55	-
EPMR Australia Pty Ltd	Commission paid	-	-	2.47	-
EPMR Australia Pty Ltd	Advertising and sales promotion	-	-	0.34	-
Asia Trade-Link Corporation	Sale of goods	-	-	2.76	-
Dowells Elektro Werke	Other Receivables	-	-	-	0.05

*Security deposit given to AK Enterprises amounting to ₹6.17 million (31 March 2022 : ₹6.17 million).

(G) Transactions with relatives of KMP:

Rent paid for the period ended and outstanding as at:

(₹ million)

	31 March 2023		31 March 2022	
	For the year ended	Outstanding as at the year end	For the year ended	Outstanding as at the year end
Mrs. Jayshriben Talati	0.59	-	0.49	-

(H) Terms and conditions of transactions with related parties:

- 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.
- Guarantees are issued by the Group in accordance with Section 186 of the Companies Act, 2013 read with rules issued thereunder.
- For the year ended 31 March 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related party.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

38. 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 (Discontinued 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(A) The following summary describes the operations in each of the Group's reportable segments:

	31 March 2023					31 March 2022					
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Copper*	Others	Eliminations	Total
External sales	125,368.92	12,511.57	3,584.34	-	141,464.83	106,953.30	12,543.83	-	2,942.79	-	122,439.92
Inter segment revenue	2,406.11	95.80	1,062.74	(3,564.65)	-	984.76	-	-	759.03	(1,743.79)	-
Total Income	127,775.03	12,607.37	4,647.08	(3,564.65)	141,464.83	107,938.06	12,543.83	-	3,701.82	(1,743.79)	122,439.92
Segment Results											
External	16,446.66	(62.37)	432.27	-	16,816.55	10,405.22	196.22	-	437.66	-	11,039.11
Inter segment results	277.65	6.32	84.83	(368.80)	-	139.57	-	-	61.32	(200.89)	-
Segment/Operating results	16,724.31	(56.05)	517.10	(368.80)	16,816.55	10,544.79	196.22	-	498.98	(200.89)	11,039.11
Un-allocated items:											
Finance income					946.21						496.92
Finance costs					597.57						351.90
Share of profit/(loss) of joint venture (Net of tax)	-	(92.63)	-	-	(92.63)	-	(25.55)	-	-	-	(25.55)
Exceptional items					-						-
Profit before tax					17,072.56						11,158.58
Tax expenses											
Current tax					4,121.20						2,809.27
Deferred tax charge/(credit)					128.83						(103.00)
Profit for the year from continuing operations					12,822.53						8,452.31
Profit for the year from discontinuing operations					-						720.53
Profit for the year					12,822.53						9,172.84
Depreciation & amortisation expenses	1,834.52	225.94	31.18	-	2,091.64	1,773.78	212.70	-	28.71	-	2,015.19
Non-cash expenses/(income) other than depreciation	20.87	39.84	(13.27)	-	47.44	50.14	64.71	-	1.72		116.57
Total cost incurred during the year to acquire segment assets (net of disposal)	3,157.10	1,329.38	97.67	-	4,584.18	4,048.15	1,091.27	-	60.61	-	5,200.03

* Discontinued operation

(B) Revenue by Geography

The amount of its revenue from external customers analysed by the country, in which customers are located, are given below:

	Year ended 31 March 2023	Year ended 31 March 2022
Within India	127,629.60	113,210.66
Outside India	13,835.23	9,229.26
	141,464.83	122,439.92

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(C) Segment assets

(₹ million)

	31 March 2023					31 March 2022					
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Copper*	Others	Eliminations	Total
Segment assets	57,421.60	7,496.62	4,531.18	-	69,449.40	49,395.56	7,754.41	-	3,491.26	-	60,641.23
Unallocated assets:											
Investment accounted for using the equity method					-						92.63
Current investments					13,504.95						7,640.51
Income tax assets (net)					251.89						479.46
Deferred tax assets (net)					13.45						0.09
Cash and cash equivalents and bank balance					6,958.86						4,197.41
Loans					103.47						126.80
Goodwill					46.22						46.22
Other unallocable assets					3,926.52						894.71
Total assets					94,254.76						74,119.06

(D) Segment liabilities

(₹ million)

	31 March 2023					31 March 2022					
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Copper*	Others	Eliminations	Total
Segment liabilities	18,500.79	2,462.44	2,355.51	-	23,318.74	10,280.46	2,697.31	-	2,726.23	-	15,704.00
Unallocated liabilities:											
Borrowings (Non-Current and Current, including Current Maturity)					1,551.43						831.35
Current tax liabilities (net)					348.87						159.52
Deferred tax liabilities (net)					422.68						271.84
Other unallocable liabilities					1,927.90						1,464.24
Total liabilities					27,569.62						18,430.95

* 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:

(₹ million)

	Year ended 31 March 2023	Year ended 31 March 2022
Within India	24,557.05	21,741.78
Outside India	-	-
	24,557.05	21,741.78

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

39. Information for Consolidated Financial Statement pursuant to Schedule III of the Companies Act, 2013

For the year ended 31 March 2023

	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	98.54%	65,714.87	98.81%	12,670.46	90.68%	30.55	98.79%	12,701.01
Subsidiaries								
Indian								
Tirupati Reels Private Limited	0.28%	188.09	0.36%	46.07	0.12%	0.04	0.36%	46.11
Dowells Cable Accessories Private Limited	0.49%	329.45	1.00%	127.99	0.00%	-	1.00%	127.99
Steel Matrix Private Limited	0.00%	0.73	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Uniglobus electricals and electronics Private Limited	0.04%	28.85	-0.29%	(37.48)	-0.09%	(0.03)	-0.29%	(37.51)
Silvan Innovation Labs Private Limited	0.02%	11.80	-0.21%	(26.76)	0.21%	0.07	-0.21%	(26.69)
Polycab Support Force Private Limited	0.00%	1.60	0.01%	0.71	0.00%	-	0.01%	0.71
Polycab Electricals And Electronics Private Limited	0.00%	0.80	0.00%	(0.19)	0.00%	-	0.00%	(0.19)
Foreign								
Polycab Australia Pty Limited	0.05%	35.18	0.09%	11.34	8.96%	3.02	0.11%	14.36
Investment accounted for using the equity method								
Techno Electromech Private Limited	0.00%	-	-0.72%	(92.63)	0.00%	-	-0.72%	(92.63)
Non controlling interest								
Indian								
Tirupati Reels Private Limited	0.23%	153.89	0.29%	37.70	0.12%	0.04	0.29%	37.74
Dowells Cable Accessories Private Limited	0.33%	219.63	0.67%	85.33	0.00%	-	0.66%	85.33
Steel Matrix Private Limited	0.00%	0.25	0.00%	-	0.00%	-	0.00%	-
TOTAL	100.00%	66,685.14	100.00%	12,822.53	100.00%	33.69	100.00%	12,856.22

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 Private Limited	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 Private Limited	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 Limited	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

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

40. Financial Instruments and Fair Value measurements

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 and Loss, transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. 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 and Loss (i.e. fair value through Statement of Profit and 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 and 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 and 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 and Loss.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised when:

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

- (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.

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 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 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

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 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 and 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 recognised 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

- (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 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 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

(₹ million)

	Carrying value		Fair value	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Financial assets				
Measured at amortised cost				
Trade receivables	12,992.33	13,763.25	12,992.33	13,763.25
Cash and cash equivalents	1,527.52	1,216.91	1,527.52	1,216.91
Bank balance other than cash and cash equivalents	5,424.91	2,854.27	5,424.91	2,854.27
Loans	103.47	126.80	103.47	126.80
Other financial assets	357.95	351.47	357.95	351.47
Measured at fair value through profit or loss account (FVTPL)				
Investment in mutual funds	13,504.95	7,640.51	13,504.95	7,640.51
Derivative assets	8.36	238.84	8.36	238.84
	33,919.49	26,192.05	33,919.49	26,192.05
Financial liabilities				
Measured at amortised cost				
Borrowings - long term including current maturities and short term	1,551.43	831.35	1,555.65	836.59
Trade payables	20,326.44	12,175.30	20,326.44	12,175.30
Creditors for capital expenditure	563.85	476.22	563.85	476.22
Obligations under lease	363.29	350.13	387.17	357.01
Other financial liabilities	163.49	71.46	163.49	71.46
Measured at fair value through profit or loss account (FVTPL)				
Derivative liabilities	129.32	138.42	129.32	138.42
	23,097.82	14,042.88	23,125.92	14,055.00

- (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 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 2023

(₹ 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 2023	13,504.95	13,504.95	-	-
Derivative assets					
Forward contract	31 March 2023	8.36	-	8.36	-
Liabilities measured at fair value:					
Derivative liabilities					
Embedded derivatives	31 March 2023	26.18	-	26.18	-
Commodity contracts	31 March 2023	76.17	-	76.17	-
Foreign exchange forward contract	31 March 2023	26.97	-	26.97	-

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2022:

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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:

- the date of the event or change in circumstances that caused the transfer
- the beginning of the reporting period
- 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 2023 (31 March 2022: None).

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

41. 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 mechanism. 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 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 2023, after taking into account the effect of interest rate swaps, none of the Group's borrowings at the year end are at a fixed rate of interest (31 March 2022: ₹0.3 million). Total borrowings as on 31 March 2023 are ₹1,551.43 million (31 March 2022 ₹831.35 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 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
(₹ million)			
31 March 2023	889.76		
Increase		+100	(8.90)
Decrease		-100	8.90
31 March 2022	812.36		
Increase		+100	(8.12)
Decrease		-100	8.12

(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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and 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:

Currency	Currency Symbol	31 March 2023		31 March 2022	
		Foreign currency	Indian Rupees	Foreign currency	Indian Rupees
United States Dollar	USD	(74.94)	(6,161.08)	(59.45)	(4,506.67)
EURO	EUR	12.09	1,082.94	1.19	101.05
Pound	GBP	2.85	290.24	0.53	53.08
Swiss Franc	CHF	0.03	2.40	0.29	24.12
Ruble	RUB	(7.38)	(7.83)	-	-
Chinese Yuan	CNY	0.09	1.10	-	-
Japanese yen	JPY	-	-	(0.32)	(0.20)
Australian Dollar	AUD	5.43	299.92	0.43	24.58
Singapore Dollar	SGD	(0.00)	(0.13)	-	-

(₹ million)

Note: 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, RUB, JPY, AUD and SGD 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:

Impact on profit before tax and equity

Currency	Currency Symbol	31 March 2023		31 March 2022	
		+2%	-2%	+2%	-2%
United States Dollar	USD	(123.22)	123.22	(90.13)	90.13
EURO	Euro	21.66	(21.66)	2.02	(2.02)
Pound	GBP	5.80	(5.80)	1.06	(1.06)
Swiss Franc	CHF	0.05	(0.05)	0.48	(0.48)
Ruble	RUB	(0.16)	0.16	-	-
Chinese Yuan	CNY	0.02	(0.02)	-	-
Japanese yen	JPY	-	-	(0.00)	0.00
Australian Dollar	AUD	6.00	(6.00)	0.49	(0.49)
Singapore Dollar	SGD	(0.00)	0.00	-	-

(₹ million)

Note: Figures shown in brackets represent payables.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

(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. There are no outstanding buy future contracts link to LME as of 31 March 2023 and 31 March 2022.

Sensitivity analysis for unhedged exposure for the year ended 31 March are as follows:

Exposure of Company in Inventory:

Metal	Hedge instruments	31 March 2023				31 March 2022			
		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	5,400	3,992.49	(79.85)	79.85	2,870	2,257.50	(45.15)	45.15
Aluminium	Embedded derivative	-	-	-	-	84	23.76	(0.48)	0.48

(₹ million)

(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 facility 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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.

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 ₹821.25 million (31 March 2022: ₹765.42 million).

Trade receivables (net of expected credit loss allowance) of ₹12,465.93 million as at 31 March 2023 (31 March 2022: ₹12,963.94 million) 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 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 of 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.

The expected credit loss allowance for trade receivables of ₹1,163.08 million as at 31 March 2023 (31 March 2022: ₹1,249.16 million) is considered adequate.

The same assessment is done in respect of contract assets of ₹141.19 million as at 31 March 2023 (31 March 2022: ₹106.91 million) while arriving at the level of provision that is required. The expected credit loss allowance for contract assets of ₹5.65 million as at 31 March 2023 (31 March 2022: ₹11.82 million) 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

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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 18).

Corporate guarantees given on behalf of Group Companies might affect the liquidity of the Group if they are payable. However, the Group has adequate liquidity to cover the risk (Refer note 36(A)).

Maturity analysis

The table below summarises the maturity profile of the Group's financial assets and financial liabilities based on contractual undiscounted payments.

	31 March 2023			31 March 2022		
	< 1 year	> equal to 1 year	Total	< 1 year	> equal to 1 year	Total
Financial assets:						
Investments	13,504.95	-	13,504.95	7,640.51	-	7,640.51
Trade receivables	12,465.96	526.37	12,992.33	12,963.94	799.31	13,763.25
Cash & cash equivalents	1,527.52	-	1,527.52	1,216.91	-	1,216.91
Bank balance other than cash & cash equivalents	5,424.91	-	5,424.91	2,854.27	-	2,854.27
Loans	103.47	-	103.47	126.80	-	126.80
Other financial assets	295.91	70.40	366.31	409.45	166.52	575.97
	33,322.72	596.77	33,919.49	25,211.88	965.83	26,177.71
Financial liabilities:						
Borrowings	1,509.35	42.08	1,551.43	805.38	31.27	836.65
Lease liability	164.77	256.99	421.75	148.93	311.17	460.10
Other financial liabilities	856.66	-	856.66	686.10	-	686.10
Trade payables	20,326.44	-	20,326.44	12,175.30	-	12,175.30
	22,857.22	299.07	23,156.28	13,815.71	342.44	14,158.15

(₹ million)

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

42. Hedging activity and derivatives

The Group uses the following hedging types:

- (i) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- (ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

(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 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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

As at 31 March 2023

(₹ million)

	Commodity price risk	Carrying amount			Maturity date	Hedge Ratio	Balance sheet classification	Effective portion of Hedge -Gain/ (loss)	Ineffective portion of Hedge -Gain/ (loss)
		Asset-increase/ (decrease)	Liabilities-increase/ (decrease)	Equity-increase/ (decrease)					
Fair Value Hedge									
Hedged item	Inventory of Copper and aluminium	76.85	-	-	Range within 1 to 6 months	1:1	Inventory	(76.85)	25.92
	Highly probable future purchases	-	-	-			Cash flow hedge reserve		
Hedging instrument	Embedded derivative in trade payables of Copper and aluminium	-	26.18	-		1:1	Current financial assets		
	Buy Derivative Position	-	-	-		1:1	Current financial liabilities		
	Sell future contracts	-	76.17	-		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

(₹ million)

	As at 31 March 2023			
	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	(59.71)	-	-	(59.71)
Sell Future Contracts- Aluminium	0.01	-	-	0.01

As at 31 March 2022

(₹ million)

	Commodity price risk	Carrying amount			Maturity date	Hedge Ratio	Balance sheet classification	Effective portion of Hedge - Gain/ (loss)	Ineffective portion of Hedge - Gain/ (loss)
		Asset-increase/ (decrease)	Liabilities-increase/ (decrease)	Equity-increase/ (decrease)					
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		

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

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

(₹ million)

	As at 31 March 2022			
	Cash Flow hedge release to P&L			Total
	Less than 3 Months	3 Months to 6 Months	6 Months to 12 Months	
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

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 2023	31 March 2022
Foreign exchange forward contracts - Buy	4,498.70	3,834.67
Foreign exchange forward contracts - Sale	(1,640.44)	(6,148.67)
	2,858.26	(2,314.00)
Fair valuation gain on foreign exchange forward contracts	11.65	(42.37)

43. Financial Performance Ratios

A Performance ratios

	Numerator	Denominator	31 March 2023	31 March 2022	Variance
A Performance Ratios					
Net Profit ratio	Profit after tax	Revenue from operations	9.09%	7.52%	1.6%
Net Capital turnover ratio	Revenue from operations	Working capital	3.29	3.59	-8.2%
Return on capital employed	Profit before interest and tax	Capital employed	25.74%	20.27%	5.5%
Return on equity ratio	Profit after tax	Average shareholder's equity	20.96%	17.74%	3.2%
Return on investment (i)	Closing less opening market price	Opening market price	21.81%	70.66%	-48.9%
Debt Service Coverage ratio (ii)	Earnings available for debt services	Debt service	31.22	23.33	33.8%
B Leverage Ratios					
Debt-Equity ratio (iii)	Total Debt	Shareholder's Equity	0.02	0.01	55.8%
C Liquidity Ratios					
Current Ratio	Current assets	Current liabilities	2.63	2.95	-10.9%
D Activity Ratio					
Inventory turnover ratio	Cost of goods sold	Average inventory	4.08	4.52	-9.7%
Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	11.10	8.93	24.3%
Trade Payables turnover ratio	Net credit purchases	Average trade payable	6.81	7.48	-9.0%

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

Notes: Explanation for change in ratio by more than 25%

- (i) Return on investment movement is in line with fair market value of investments.
- (ii) Improvement in debt service coverage ratio/debt-equity ratio largely on account of improved profitability
- (iii) Increase in Debt-Equity Ratio is on account of additional borrowings in subsidiaries.

44. 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.

45. 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, lease liabilities and other payables, less cash and cash equivalents and current investments.

	(₹ million)	
	31 March 2023	31 March 2022
Borrowings (Refer note 18)	1,551.43	831.35
Lease liabilities (Refer note 19)	363.29	350.13
Other payables (Refer note 21)	856.66	686.10
Less: Cash and cash equivalents (Refer note 8)	(1,527.52)	(1,216.91)
Less: Current investments (Refer note 6B)	(13,504.95)	(7,640.51)
Net debt	(12,261.09)	(6,989.84)
Equity (Refer note 15, 16 and 17)	66,685.14	55,688.11
Total capital	66,685.14	55,688.11
Capital and net debt	54,424.05	48,698.27
Gearing ratio	-22.53%	-14.35%

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 and year ended 31 March 2022.

Notes to Consolidated Financial Statements

for the year ended 31 March 2023

46. Environmental, Social and Governance (ESG)

As a socially and environmentally responsible business, committed to the highest standards of corporate governance, the Company is focused on growing sustainably to build long-term stakeholder value by embracing sustainable development. The Company aims to deliver value to its employees, customers, suppliers, partners, shareholders and society as a whole. In this regard, the Company has developed a robust ESG framework that will align it to the best global standards and serve as a guide for the implementation of sustainable business practices.

- 47.** The Board of Directors of the Company at their meeting held on 18 October 2022 had approved the Scheme of Amalgamation between the Company and Silvan Innovation Laboratories Private Limited, a wholly owned subsidiary of the Company on a going concern basis. The Appointed date of the Scheme is 1 April 2022 or such other date as may be approved by NCLT or any other appropriate authority. The Scheme will be given effect on receipt of requisite regulatory approvals and filing of such approvals with the ROC.

48. Events after the reporting period

No significant adjusting event occurred between the balance sheet date and date of the approval of these consolidated financial statements by the Board of Directors of the Group requiring adjustment or disclosure.

49. 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

Bhavesh Dhupelia

Partner

Membership No. 042070

Place: Mumbai

Date: 12 May 2023

For and on behalf of the Board of Directors of

Polycab India Limited

CIN: L31300GJ1996PLC114183

Inder T. Jaisinghani

Chairman & Managing Director

DIN: 00309108

Gandharv Tongia

Executive Director & CFO

DIN: 09038711

Nikhil R. Jaisinghani

Whole-time Director

DIN: 00742771

Place: Mumbai

Date: 12 May 2023

Bharat A. Jaisinghani

Whole-time Director

DIN: 00742995

Manita Gonsalves

Company Secretary

Membership No. A18321

Standalone Independent Auditor's Report

for the year ended 31 March 2023

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 2023, 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 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Revenue recognition - Wires and Cables and Fast-Moving Electrical Goods (FMEG) business

See Note 23 to standalone financial statements

The key audit matter

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.

Accordingly, timing of recognition of revenue is a key audit matter.

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 we have obtained 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 judgment, 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.

How the matter was addressed in our audit

Our audit procedures over the recognition of revenue included the following:

- 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;
- 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;
- 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;
- 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
- 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

See Note 14 to standalone financial statements

The key audit matter

- 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.
- Inventories are measured at the lower of cost and net realizable 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.

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.

How the matter was addressed in our audit

Our audit procedures over inventory valuation included the following:

- 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;
- 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;
- On a sample basis, tested the hedging relationship of eligible hedging instruments and hedged items;
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
- 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 financial statements and 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 judgments 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.

Standalone Independent Auditor's Report

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 judgment 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.

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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 Auditors) 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 2023 on its financial position in its standalone financial statements - Refer Note 34 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 20 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 the Note 10(G) to the standalone financial statements, 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 directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Standalone Independent Auditor's Report

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 10(G) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 15(f) to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is

subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- 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
ICAI UDIN:23042070BGYGLS4997

Place: Mumbai
Date: 12 May 2023

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Polycab India Limited

for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (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 assets.
- (i) (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 discrepancy was 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 millions)	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 the 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) 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 companies, firms, limited liability partnership or any other parties. The Company has granted loans to Companies during the year in respect of which the requisite information is as below. The Company has not provided any guarantee or security, granted any loans or advances in the nature of loans, secured or unsecured, to limited liability partnership or any other parties during the year.

Standalone Independent Auditor's Report

- (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:

Particulars	Guarantees	Loans
Aggregate amount during the year		
Subsidiaries*	-	73.65 million
Joint ventures*	-	-
Balance outstanding as at balance sheet date		
Subsidiaries*	520 million	57 million
Joint ventures*	-	100 million

*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the grant of loans and guarantees provided during the year 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, in our opinion 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, in our opinion following instances of loans falling due during the year were renewed or extended or settled by fresh loans:

Name of the parties	Aggregate amount of loans granted during the year	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Techno Electromech Private Limited	-	100 million	64%
Silvan Innovation Labs Private Limited	6.50 million	45.50 million	29%

- (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 accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods 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 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, 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 millions)	Amount paid under protest (₹ in millions)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Excise Act, 1944	Excise Duty	125.87	21.39	2007-2017	High Court/ Adjudicating authority/ CESTAT	Nil
Service Tax (Finance Act, 1994)	Service tax	18.18	1.07	2017	Supreme Court/ Adjudicating authority	Nil
State & Central Sales Tax, 1956	Tax, Interest& Penalty	101.94	39.87	2014-2015, 2015-16 & 2017-18	High Court, Commissioner, Appel late Authority	Nil
Customs Act, 1962	Custom duty	16.63	16.31	2010-2011, 2011-2012, 2020-2021	CESTAT-Customs	Nil
Central Goods and Services Tax Act, 2017	Tax, Interest& Penalty	154.03	100.87	2017-2021	High Court/ Appellate Authority	Nil

- (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 any lender.
- (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) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

- (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 standalone 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 the Act.

Standalone Independent Auditor's Report

- (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 or joint venture (as defined under the Act).
- (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 Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the Whistle-Blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (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 Act, 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 Act are not applicable to the Company.
- (xvi) (a) 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) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) 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) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are 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 standalone 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 the 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.

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

(xx) 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. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

Place: Mumbai
Date: 12 May 2023

Bhavesh Dhupelia
Partner
Membership No.: 042070
ICAI UDIN:23042070BGYGLS4997

Annexure B to the Independent Auditor's Report on the Standalone financial statements of Polycab India Limited

for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(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 financial statements of Polycab India Limited ("the Company") as of 31 March 2023 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 financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to 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 and Board of Directors' Responsibilities 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 financial controls with reference to financial statements criteria established by the 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to 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 include 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 standalone 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial

statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Bhavesh Dhupelia

Partner

Membership No.: 042070

ICAI UDIN:23042070BGYGLS4997

Place: Mumbai

Date: 12 May 2023



Standalone Balance Sheet

as at 31 March 2023

		(₹ million)	
	Notes	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	19,737.86	15,837.01
Capital work-in-progress	3	2,492.69	3,744.81
Right of use assets	4	357.43	345.18
Other intangible assets	5	20.14	9.01
Financial assets			
(a) Investment in Subsidiaries	6A	386.29	386.29
(b) Investment in Joint Venture	6A	105.20	105.20
(c) Trade receivables	7	526.05	798.90
(d) Other financial assets	11A	50.79	158.77
Non-current tax assets (net)	12D	147.33	369.94
Other non-current assets	13A	1,078.12	651.67
		24,901.90	22,406.78
Current assets			
Inventories	14	28,668.06	21,472.95
Financial assets			
(a) Investments	6B	13,504.95	7,640.51
(b) Trade receivables	7	12,204.17	12,925.37
(c) Cash and cash equivalents	8	1,218.57	1,138.27
(d) Bank balance other than cash and cash equivalents	9	5,239.00	2,766.97
(e) Loans	10	160.47	174.11
(f) Other financial assets	11B	302.70	412.23
Other current assets	13B	6,150.60	4,135.77
		67,448.52	50,666.18
Total assets		92,350.42	73,072.96
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	1,497.65	1,494.43
(b) Other equity	16	64,593.68	53,714.57
		66,091.33	55,209.00
Liabilities			
Non-current liabilities			
Financial liabilities			
(a) Lease liabilities	18A	221.46	239.92
Provisions	21A	445.60	255.66
Deferred tax liabilities (net)	12G	401.02	240.60
Other non-current liabilities	22A	169.07	207.05
		1,237.15	943.23
Current liabilities			
Financial liabilities			
(a) Borrowings	17	821.25	765.42
(b) Lease liabilities	18B	136.99	103.34
(c) Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		547.96	636.77
Total outstanding dues of creditors other than micro enterprises and small enterprises		19,409.54	11,156.78
(d) Other financial liabilities	20	827.50	655.78
Other current liabilities	22B	2,665.99	3,197.15
Provisions	21B	266.67	252.38
Current tax liabilities (net)	12D	346.04	153.11
		25,021.94	16,920.73
Total equity and liabilities		92,350.42	73,072.96
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	34		
Other notes to accounts	35 to 46		

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: 12 May 2023

Gandharv Tongia

Executive Director & CFO

DIN: 09038711

Place: Mumbai

Date: 12 May 2023

Manita Gonsalves

Company Secretary

Membership No. A18321

Standalone Statement of Profit & Loss

for the year ended 31 March 2023

			(₹ million)
	Notes	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	23	139,115.69	120,979.09
Other income	24	1,360.84	905.03
Total income		140,476.53	121,884.12
EXPENSES			
Cost of materials consumed	25	97,441.36	91,765.28
Purchases of stock-in-trade	26	4,563.15	6,000.10
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	590.27	(4,686.15)
Project bought outs and subcontracting cost	28	1,351.53	1,114.72
Employee benefits expense	29	4,428.59	3,948.43
Finance costs	30	560.64	334.20
Depreciation and amortisation expense	31	2,023.89	1,965.58
Other expenses	32	12,630.17	10,436.86
Total expenses		123,589.60	110,879.02
Profit before tax and exceptional items		16,886.93	11,005.10
Exceptional items	6A	-	1,243.25
Profit before tax		16,886.93	12,248.35
Tax expenses	12		
Current tax		4,019.27	3,037.67
Deferred tax charge/ (credit)		151.79	(102.04)
Total tax expenses		4,171.06	2,935.63
Profit for the year		12,715.87	9,312.72
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains on defined benefit plans	29	34.90	19.27
Tax relating to items that will not be reclassified to Profit or Loss	12	(8.78)	(4.85)
Items that will be reclassified to profit or loss			
Effective portion of (losses)/gains on hedging instrument in cash flow hedges		(0.58)	0.58
Tax relating to items that will be reclassified to Profit or Loss	12	0.15	(0.15)
Other comprehensive income for the year, net of tax		25.69	14.85
Total comprehensive income for the year, net of tax		12,741.56	9,327.57
Earnings per share	33		
Basic (Face value ₹10 each)		84.98	62.39
Diluted (Face value ₹10 each)		84.72	62.12
Weighted average equity shares used in computing earnings per equity share	33		
Basic		149,631,506	149,268,712
Diluted		150,099,705	149,923,144
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	34		
Other notes to accounts	35 to 46		

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

Bhavesdh 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: 12 May 2023

Gandharv Tongia
 Executive Director & CFO
 DIN: 09038711

Place: Mumbai
 Date: 12 May 2023

Manita Gonsalves
 Company Secretary
 Membership No. A18321



Standalone Statement of Changes in Equity

for the year ended 31 March 2023

A) Equity Share Capital

	31 March 2023	31 March 2022
Balance at the beginning of the year	1,494.43	1,491.19
Issue of equity shares on exercise of employee stock options	3.22	3.24
Balance at the end of the year	1,497.65	1,494.43

B) Other Equity

	Share application money pending allotment	Reserves & Surplus					Effective portion of Cash Flow Hedges	Total other equity
		Capital Reserve	Securities Premium	General Reserve	ESOP outstanding	Retained Earnings		
As at 1 April 2021	4.96	0.13	7,318.10	650.69	286.92	37,320.31	-	45,581.11
Profit after tax for the year ended	-	-	-	-	-	9,312.72	-	9,312.72
Items of OCI for the year ended, 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)	-	-	-
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
Profit after tax for the year ended	-	-	-	-	-	12,715.87	-	12,715.87
Items of OCI for the year ended, net of tax								
Re-measurement gains / (losses) on defined benefit plans	-	-	-	-	-	26.12	-	26.12
Effective portion of gains/ (losses) on hedging instrument in cash flow hedges	-	-	-	-	-	-	(0.43)	(0.43)
Final equity dividend	-	-	-	-	-	(2,094.49)	-	(2,094.49)
Share-based payments to employees	-	-	-	-	107.61	-	-	107.61
Exercise of employee stock option	137.98	-	-	-	(137.98)	-	-	-
Amount received on exercise of employee stock options	127.65	-	-	-	-	-	-	127.65
Issue of equity share on exercise of employee stock options	(270.83)	-	267.61	-	-	-	-	(3.22)
As at 31 March 2023	2.78	0.13	7,822.56	651.69	313.17	55,803.35	-	64,593.68

Refer note 16 for nature and purpose of reserves.

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: 12 May 2023

Gandharv Tongia

Executive Director & CFO

DIN: 09038711

Place: Mumbai

Date: 12 May 2023

Manita Gonsalves

Company Secretary

Membership No. A18321

Standalone Statement of Cash Flows

for the year ended 31 March 2023

Accounting policy

Cashflows are reported using the indirect method as set out in Ind AS 7, 'Statement of Cash Flows', 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 cashflows. 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-8).

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 2023	Year ended 31 March 2022
A. Cash Flows From Operating Activities		
Profit before tax	16,886.93	12,248.35
Adjustments for:		
Depreciation and amortisation expense	2,023.89	1,965.58
(Gain)/Loss on disposal of property, plant and equipment	(97.88)	11.83
Gain on termination of lease	(3.29)	(5.79)
Interest income	(292.79)	(270.64)
Gain on redemption of investment	(614.32)	(224.10)
Fair valuation Mark-To-Market ('MTM') of investment	(36.83)	(3.52)
Finance cost	560.64	334.20
Employees share based payment expenses	107.61	161.16
(Gain)/Loss on fair valuation of financial assets	(29.62)	85.82
Liabilities / provisions no longer required written off / (written back)	0.04	(12.49)
Impairment allowance for trade receivable considered doubtful	(31.74)	(150.98)
Exceptional items	-	(1,243.25)
Loss on unrealised foreign exchange	186.21	37.35
Sundry balances written-off	2.17	42.60
Operating profit before working capital changes	18,661.02	12,976.12
Movements in working capital:		
Decrease in trade receivables	1,066.88	1,934.49
Increase in inventories (net)	(7,195.11)	(1,961.17)
Decrease/(Increase) in financial assets	127.08	(185.40)
Increase in non-financial assets (including contract assets)	(2,195.88)	(2,554.82)
Increase/(Decrease) in trade payables	7,992.44	(1,296.51)
Decrease in financial liabilities	(52.56)	(1,026.53)
Increase in provisions	239.13	44.39
Decrease in non-financial liabilities (including contract liabilities)	(569.14)	(40.54)
Cash generated from operations	18,073.86	7,890.03
Income tax paid (net of refunds)	(3,603.73)	(3,281.19)
Net cash generated from operating activities (A)	14,470.13	4,608.84
B. Cash Flows From Investing Activities		
Purchase of property, plant and equipment (including CWIP)	(4,659.77)	(5,014.97)
Purchase of other intangible assets	(20.04)	(1.12)
Proceeds from sale of property, plant and equipment	209.39	27.22
Investment in mutual funds	(96,467.28)	(92,681.54)
Proceeds from sale of mutual funds	91,253.99	91,499.92
Bank deposits placed	(4,568.80)	(3,844.08)
Bank deposits matured	2,215.26	4,421.26
Investment made in equity shares of subsidiaries	-	(294.73)
Proceeds from redemption of investments	-	1,778.91
Loan (given to)/repaid by related parties	(9.55)	293.38
Loan repaid by/(given to) employees	4.15	(0.17)
Loan repaid by/(given to) supplier	19.04	(19.04)
Interest received	199.77	235.47
Net cash used in investing activities (B)	(11,823.84)	(3,599.49)



Standalone Statement of Cash Flows Contd.

for the year ended 31 March 2023

	(₹ million)	
	Year ended 31 March 2023	Year ended 31 March 2022
C. Cash Flows From Financing Activities		
Amount received on exercise of employee stock options	127.65	132.88
Payment of principal portion of lease liabilities	(124.82)	(136.70)
Payment of interest on lease liabilities	(32.55)	(32.74)
Repayment of long term borrowings	-	(29.93)
Repayment of short term borrowings	-	(5.24)
Interest and other finance cost paid	(441.78)	(281.87)
Payment of dividends	(2,094.49)	(1,491.60)
Net cash used in financing activities (C)	(2,565.99)	(1,845.20)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	80.30	(835.85)
Cash and cash equivalents at the beginning of the year	1,138.27	1,974.12
Cash and cash equivalents at end of the year (Refer below note (i))	1,218.57	1,138.27
Supplementary Information		
(a) Cash Transactions from operating activities:		
Spent towards Corporate Social Responsibility	224.79	191.89
(b) Non-Cash Transactions from Investing and Financing Activities:		
Acquisition of property, plant and equipment by means of Government Grant	133.07	57.07
(c) Acquisition of right of use assets	173.45	189.33
(d) Termination of right of use assets	138.41	178.33
(i) Cash and cash equivalents comprises of		
Balances with banks		
In current accounts	1,018.00	985.12
Deposits with original maturity of less than 3 months	200.00	152.04
Cash in hand	0.57	1.11
Cash and cash equivalents in Cash Flow Statement	1,218.57	1,138.27
Net debt reconciliation	Refer note no. 18	
Net lease liabilities reconciliation	Refer note no. 4	
Corporate information and summary of significant accounting policies	1 & 2	
Contingent liabilities and commitments	36	
Other notes to accounts	37 to 49	

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: 12 May 2023

Gandharv Tongia
Executive Director & CFO
DIN: 09038711

Place: Mumbai
Date: 12 May 2023

Manita Gonsalves
Company Secretary
Membership No. A18321

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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 Narpura, Taluka Halol, Panchmahal, Gujarat 389350.

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 25 manufacturing facilities, located across the states of Gujarat, Maharashtra, Uttarakhand, Tamil Nadu and U.T. Daman.

The Board of Directors approved the Standalone Financial Statements for the year ended 31 March 2023 and authorised for issue on 12 May 2023.

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 Indian Accounting Standards (“Ind AS”) specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the presentation requirements of Division II of Schedule III of Companies Act, 2013 (Ind AS compliant Schedule III). These Standalone financial statements includes

Balance Sheet as at 31 March 2023, 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 2023, 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 2023 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 (Refer note 37 for accounting policy regarding financial instruments)
- (b) Certain financial assets and liabilities (Refer note 37 for accounting policy regarding financial instruments)
- (c) Net defined benefit plan (Refer note 29 for accounting policy)
- (d) Share Based Payments (Refer note 29 for accounting policy)

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

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 2022, except for adoption of new standard or any pronouncements effective from 1 April 2022.

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

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

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, as per para 66 and 69 of Ind AS 1 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:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- 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:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- 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. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements.

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 prospectively.

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

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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 judgments 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 37 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

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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 its 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.

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 judgment. 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) New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 01 April 2022.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23 March 2022, to amend the following Ind AS which are effective from 01 April 2022.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable cost of meeting the obligations under the contract (i.e., the costs that the Company cannot avoid because it has the contract) exceeds the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The Company applied the amendments to the contracts for which it had not fulfilled all of its obligations at the beginning of the reporting period. The Company did not have any significant impact on the standalone financial statements due to this amendment.

(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to Ind AS 103 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the Company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the standalone financial statements of the Company as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the year.

(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the standalone financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(iv) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

In accordance with the transitional provisions, the Company applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment (the date of initial application). These amendments had no impact on the standalone financial statements of the Company as there were no modifications of the Company's financial instruments during the year.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

E) Recent Indian Accounting Standards (Ind AS) issued not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01 April 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require

items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

- F) The significant accounting policies used in preparation of the standalone 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 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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 realizable 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 qualifying assets 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

The changes in the carrying value of Property, plant and equipment for the year ended 31 March 2023 are as follows:

(₹ million)

	Freehold land	Buildings	Plant and equipments	Electrical installations	Furniture and fixtures	Office equipments	Windmill	Vehicles	Lease-hold improvements	Total	Capital Work-in-Progress
Gross carrying value (at cost)											
As at 01 April 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
Additions	18.47	3,523.64	1,901.61	176.72	90.62	178.42	-	6.81	-	5,896.29	3,892.24
Transfer	-	-	-	-	-	-	-	-	-	-	(5,144.36)
Disposals/Adjustments	(26.21)	(82.86)	(103.57)	-	-	(8.70)	-	(9.36)	-	(230.70)	-
As at 31 March 2023	1,047.01	12,488.83	15,062.77	1,211.84	291.66	614.07	294.99	35.23	3.42	31,049.82	2,492.69
Accumulated depreciation											
As at 01 April 2022	-	1,629.40	7,058.06	405.45	86.94	241.31	110.05	13.12	2.89	9,547.22	-
Depreciation charge for the year	-	336.39	1,353.18	89.47	18.49	65.54	15.72	4.93	0.21	1,883.93	-
Disposals/Adjustment	-	(10.45)	(94.29)	-	-	(8.11)	-	(6.34)	-	(119.19)	-
As at 31 March 2023	-	1,955.34	8,316.95	494.92	105.43	298.74	125.77	11.71	3.10	11,311.96	-
Net carrying value											
As at 31 March 2023	1,047.01	10,533.49	6,745.82	716.92	186.23	315.33	169.22	23.52	0.32	19,737.86	2,492.69

The changes in the carrying value of Property, plant and equipment for the period ended 31 March 2022 are as follows:

(₹ million)

	Freehold land	Buildings	Plant and equipments	Electrical installations	Furniture and fixtures	Office equipments	Windmill	Vehicles	Lease-hold 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

Notes:

(a) Capital Work-in-Progress includes machinery in transit ₹193.97 million (31 March 2022 : ₹ Nil).

Notes to Standalone Financial Statements

for the year ended 31 March 2023

- (b) All property, plant and equipment are held in the name of the Company, except which are shown below:

As at 31 March 2023

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 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

- (c) Title deed is in dispute for freehold land amounting to ₹10.48 million (31 March 2022: ₹10.48 million) and is pending resolution with government authority at Gujarat.
- (d) CWIP aging schedule as at 31 March 2023

	(₹ million)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Cable & Wire Projects	958.33	174.44	19.73	70.71	1,223.21
FMEG Projects	574.27	86.44	2.34	-	663.05
Backward Integration Projects	224.27	235.07	-	20.30	479.64
Other Projects	112.87	8.90	3.50	1.52	126.79
	1,869.74	504.85	25.57	92.53	2,492.69

CWIP aging 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

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	Lease-hold improvements	Total
FY 2022-23	18.47	424.30	224.21	7.77	22.18	48.19	-	6.81	-	751.93
FY 2021-22	26.54	-	220.50	9.35	10.35	24.72	-	6.33	-	297.79

Notes to Standalone Financial Statements

for the year ended 31 March 2023

- (f) CWIP completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan: None (31 March 2022 : None)
- (g) Assets pledged and hypothecated against borrowings: Refer note 17(a)(ii).
- (h) 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.
- (i) For capital expenditures contracted but not incurred - Refer note 34(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 leases with low value assets. 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 amortized 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. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

- (d) The effective interest rate for lease liabilities is 9.0% p.a., with maturity between financial year 2022-2030.

Following are the changes in the carrying value of right of use for the year ended 31 March 2023:

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. 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 financial year 2019-20.

iv. 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 short term leases, variable lease and leases of low value assets.
- (c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

	Category of ROU asset		Total
	Leasehold Land	Buildings	
Gross carrying value			
As at 01 April 2022	41.74	477.94	519.68
Additions	-	173.45	173.45
Disposals	-	(138.41)	(138.41)
As at 31 March 2023	41.74	512.98	554.72
Accumulated depreciation			
As at 01 April 2022	1.42	173.08	174.50
Depreciation charge for the year	0.54	130.51	131.05
Disposals	-	(108.26)	(108.26)
As at 31 March 2023	1.96	195.33	197.29
Net carrying value			
As at 31 March 2023	39.78	317.65	357.43

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 for the year ended 31 March 2022:

	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 2021	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

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the statement of Profit and Loss.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

The following is the break-up of current and non-current lease liabilities for the year ended 31 March 2023

	(₹ million)	
	31 March 2023	31 March 2022
Non-current lease liabilities	221.46	239.92
Current lease liabilities	136.99	103.34
	358.45	343.26

The following is the movement in lease liabilities for the year ended 31 March 2023

	(₹ million)	
	31 March 2023	31 March 2022
Balance at the beginning of the year	343.26	335.22
Additions	169.53	186.08
Finance cost incurred during the year	32.55	32.74
Deletions	(29.52)	(41.34)
Payment of lease liabilities	(157.37)	(169.44)
	358.45	343.26

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 2023	31 March 2022
Less than one year	160.28	146.59
One to five years	246.16	265.23
More than five years	7.56	32.64
	414.00	444.46

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 2023	31 March 2022
Depreciation expense of right-of-use assets	131.05	146.61
Interest expense on lease liabilities	32.55	32.74
Interest income on fair value of security deposit	(2.64)	(2.65)
Expense relating to short-term leases (included in other expenses)	38.76	48.10
Expense relating to leases of low-value assets (included in other expenses)	7.69	6.46
Variable lease payments (included in other expenses)	5.50	4.91
	212.91	236.17

Lease contracts entered by the Company majorly pertains for warehouse taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

The Company had total cash outflows for leases of ₹157.37 million in 31 March 2023 (₹169.44 million in 31 March 2022).

Company as a lessor

Future undiscounted minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

	(₹ million)	
	31 March 2023	31 March 2022
Less than one year	16.17	17.26
One to five years	9.12	24.36
More than five years	-	-
	25.29	41.62

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.

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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 166 number as on 31 March 2023 (144 number as on 31 March 2022) 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

Expenditure on research and development activities is recognised in the Statement of Profit and Loss as incurred. Development expenditure is capitalized 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. During the year, the Company has incurred Capital R&D expenditure amounting to ₹150.95 million (31 March 2022 ₹60.31 million) which have been included in property, plant and equipment. Further, Revenue R&D expenditure incurred amounting to ₹191.86 million (31 March 2022 ₹162.47 million) which have been charged to the respective revenue accounts.

iv. De-recognition of other intangible assets

Other intangible asset is derecognised on disposal or when no future economic benefits are expected from use. 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 2023

The changes in the carrying value of Other intangible assets for the year ended 31 March 2023 are as follows:

	(₹ million)
	Computer Software
Gross carrying value (at cost)	
As at 01 April 2022	109.24
Additions	20.04
Disposals/Adjustments	-
As at 31 March 2023	129.28
Accumulated amortisation	
As at 01 April 2022	100.23
Amortisation charge for the year	8.91
Disposals/ Adjustments	-
As at 31 March 2023	109.14
Net carrying value	
As at 31 March 2023	20.14

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	(3.86)
As at 31 March 2022	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 2022	100.23
Net carrying value	
As at 31 March 2022	9.01

Note: The Other intangible assets include license and software of Gross carrying amount of ₹92.78 million (31 March 2022: ₹92.46 million) which has been fully amortized over the past periods and are being used by the Company.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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.

A Non-current investments

(₹ million)					
	Face Value Per Unit	Number 31 March 2023		Number 31 March 2022	
Investments carried at amortised cost (Unquoted)					
Investment in Equity Instruments of Subsidiaries (Fully paid-up)					
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	5,400,000	67.67
Uniglobus Electricals and Electronics Private Limited	₹10	9,000,000	90.00	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	260,000	2.60
Steel Matrix Private Limited	₹10	75,000	0.75	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) (Refer (f))	₹100	101,956	8.95	101,956	8.95
Silvan Innovation Labs Private Limited (0.1% Compulsorily convertible preference shares (Refer (f)))	₹10	291,177	39.03	291,177	39.03
Silvan Innovation Labs Private Limited (0.1% Compulsorily convertible preference shares(Class A1) (Refer (f)))	₹200	1,451	2.07	1,451	2.07
Silvan Innovation Labs Private Limited (0.1% Compulsorily convertible preference shares(Class A2) (Refer (f)))	₹200	4,353	6.22	4,353	6.22
Silvan Innovation Labs Private Limited (0.1% Compulsorily convertible preference shares(Class A3) (Refer (f)))	₹200	13,236	17.02	13,236	17.02
Silvan Innovation Labs Private Limited (0.1% Compulsorily convertible preference shares(Class B) (Refer (f)))	₹200	10,864	28.25	10,864	28.25
Compulsorily Convertible Debentures Silvan Innovation Labs Private Limited (in nature of equity) (Refer (f))	₹100	780,700	78.07	780,700	78.07
			386.29		386.29
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		491.49
Aggregate amount of unquoted investments			491.49		491.49
Aggregate amount of impairment value of investments			-		-

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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:

	31 March 2023	31 March 2022
Investment in Ryker at amortised cost	-	514.15
Less: Divestment	-	(549.93)
Add : Guarantee provided on credit facility	-	35.78
	-	-

- (b) During the previous year ended 31 March 2022, 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 previous 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 35A for information on financial information, principal place of business, activities and the Company's ownership interest in the above subsidiaries and joint venture.
- (f) Refer note 44 for scheme of amalgamation between the Company and Silvan Innovation Laboratories Private Limited.

	31 March 2023	31 March 2022
Investments measured at FVTPL (Quoted)		
Held for sale		
Investments in Liquid/ Overnight Mutual Funds	13,504.95	7,640.51
	13,504.95	7,640.51
Aggregate amount of quoted investments - At cost	13,456.13	7,628.52
Aggregate amount of quoted investments - At market value	13,504.95	7,640.51

Notes :

- (a) Refer note 37 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 ended 31 March 2023 (31 March 2022: Nil).

Notes to Standalone Financial Statements

for the year ended 31 March 2023

7. Trade receivables

	(₹ million)	
	31 March 2023	31 March 2022
Unsecured (at amortised cost)		
Non Current		
Trade receivables - Considered Good (Unsecured)	526.05	798.90
Non-current Trade receivables	526.05	798.90
Current		
Trade receivables - Considered Good (Unsecured)	12,355.29	13,371.17
Trade receivables - Credit Impaired	455.50	384.00
Receivables from related parties - Considered Good (Unsecured) (Refer note - 35)	552.76	413.96
Trade receivables (Gross)	13,363.55	14,169.13
Less: Impairment allowance for trade receivables	(1,159.38)	(1,243.76)
Current Trade receivables (Net)	12,204.17	12,925.37

The following table summarizes the change in impairment allowance measured using the life time expected credit loss model:

	(₹ million)	
	31 March 2023	31 March 2022
At the beginning of year	1,243.76	1,423.68
Provision during the year	(31.74)	(150.98)
Bad debts written off (net)	(52.64)	(28.94)
At the end of the year	1,159.38	1,243.76

Notes:

- 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 charges interest for delayed payments in certain cases depending on factors, such as, market conditions and past realisation trend.
- For EPC business trade receivables are non-interest bearing and credit terms are specific to contracts.
- For explanations on the Company's credit risk management processes, refer note 38(B).
- The Company follows life time expected credit loss model. Accordingly, deterioration in credit risk is not required to be evaluated annually.
- Trade receivables have been pledged as security against bank borrowings, the terms relating to which have been described in note 17.
- Refer note 37 for accounting policies on financial instruments.
- 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 35(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. Refer note 35 for the terms and conditions pertaining to related party disclosures.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(h) Trade receivables ageing schedule - Current

As at 31 March 2023

(₹ million)

	Not due	Outstanding for following periods from due date of payment					TOTAL
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	9,445.98	2,464.36	239.63	534.56	100.68	122.44	12,907.65
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	75.92	111.80	187.72
(iii) Disputed Trade Receivables - considered good	-	-	-	0.40	-	-	0.40
(iv) Disputed Trade Receivables - Credit Impaired	-	-	-	-	15.00	252.78	267.78
	9,445.98	2,464.36	239.63	534.96	191.60	487.02	13,363.55
Less: Impairment allowance for trade receivables							(1,159.38)
Total Current trade receivable							12,204.17

As at 31 March 2022

(₹ million)

	Not Due	Outstanding for following periods from due date of payment					TOTAL
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(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							(1,243.76)
Total Current trade receivable							12,925.37

Trade receivables ageing schedule - Non-current

As at 31 March 2023

(₹ million)

	Not due	Outstanding for following periods from due date of payment					TOTAL
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	-	303.06	56.15	84.50	47.25	35.09	526.05

As at 31 March 2022

(₹ million)

	Not Due	Outstanding for following periods from due date of payment					TOTAL
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	-	56.21	77.01	202.08	192.59	271.01	798.90

Notes to Standalone Financial Statements

for the year ended 31 March 2023

8. Cash and cash equivalents

	(₹ million)	
	31 March 2023	31 March 2022
At amortised cost		
Balances with banks		
In current accounts ⁽ⁱ⁾	1,018.00	985.12
Deposits with original maturity of less than 3 months ⁽ⁱⁱ⁾	200.00	152.04
Cash on hand	0.57	1.11
	1,218.57	1,138.27

- (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.

9. Bank balance other than cash and cash equivalents

	(₹ million)	
	31 March 2023	31 March 2022
At amortised cost		
Deposits with original maturity for more than 3 months but less than 12 months ⁽ⁱ⁾	5,237.44	2,764.10
Earmarked balance ⁽ⁱⁱ⁾	1.56	2.87
	5,239.00	2,766.97

- (i) Fixed deposit of ₹12.69 million (31 March 2022: ₹16.60 million) is restricted for withdrawal, as it is lien against project specific advance.
- (ii) Earmarked balances with banks relate to unclaimed dividends (Refer note 20).

10. Loans

Loans - Current

	(₹ million)	
	31 March 2023	31 March 2022
At amortised cost		
Loans Receivables (Considered good – Unsecured)		
Loans to supplier	-	19.04
Loans to related party (Refer note - 35)	157.00	147.45
Loans to employees	3.47	7.62
	160.47	174.11

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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:

(₹ million)					
	Interest Rate	Outstanding as at		Maximum amount outstanding during the year	
		31 March 2023	31 March 2022	31 March 2023	31 March 2022
(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
Polycab Support Force Private Limited (has utilised this loan for general corporate purpose)	8.75%	5.00	-	12.50	-
Uniglobus Electricals and Electronics Private Limited (has utilised this loan for general corporate purpose)	8.75% and 11.25%	-	1.95	56.61	71.44
Silvan Innovation Labs Private Limited(has utilised this loan for general corporate purpose)	11.25%	52.00	45.50	52.00	45.50
Polycab Australia Pty Ltd (has utilised this loan for general corporate purpose)	LIBOR + 400 BP	-	-	-	25.07
(ii) Joint Venture					
Unsecured, considered good					
Techno Electromech Private Limited (has utilised this loan for general corporate purpose)	9.00%	100.00	100.00	100.00	115.21

(B) Amount of loans/ advances in the nature of loans outstanding from Subsidiaries and Joint Venture:

	31 March 2023		31 March 2022	
		%		%
(₹ million)				
(i) Subsidiaries				
Unsecured, considered good				
Uniglobus Electricals and Electronics Private Limited	-	0%	1.95	1%
Polycab Support Force Private Limited	5.00	3%	-	0%
Silvan Innovation Labs Private Limited	52.00	33%	45.50	31%
(ii) Joint Venture				
Unsecured, considered good				
Techno Electromech Private Limited	100.00	64%	100.00	68%

(C) Details of investments made are given in Note 6A and 35D.

(D) Details of guarantee issued and outstanding are given in Note 35E. 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.

(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.

(H) Loan has been given to related parties are repayable on demand.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

11. Other financial assets

A Other financial assets - Non-current

	31 March 2023	31 March 2022
(₹ million)		
At amortised cost		
Unsecured, considered good		
Security deposits and Earnest money deposits	15.31	15.22
Rental deposits		
Others	35.48	23.75
Deposits with bank having maturity period of more than 12 months	-	119.80
	50.79	158.77

B Other financial assets - Current

	31 March 2023	31 March 2022
(₹ million)		
At amortised cost		
Unsecured, considered good		
Security deposits and Earnest money deposits (A)	24.83	11.43
Rental deposits, unsecured, considered good		
Related Parties (Refer note - 35)	6.17	6.17
Others	23.82	14.04
	29.99	20.21
Interest accrued on bank deposits	142.92	52.69
Interest receivables		
Related Parties (Refer note - 35)	6.85	3.65
Other than Related Parties	1.02	1.43
Others	89.23	84.08
	240.02	141.85
At FVTPL		
Derivative Assets (Refer below note) (D)	7.86	238.74
(A+B+C+D)	302.70	412.23

Note:

Derivative Assets

	31 March 2023	31 March 2022
(₹ million)		
Embedded derivatives	-	196.27
Forward contract	7.86	42.47
	7.86	238.74



Notes to Standalone Financial Statements

for the year ended 31 March 2023

12. Income taxes

Accounting policy

Income tax expenses comprise current tax and deferred 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.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax is recognised using the balance sheet approach. Deferred 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 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 realized.

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 realized. 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 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 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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 2023	31 March 2022
Current tax:		
In respect of current year	4,017.43	3,058.47
Adjustments of tax relating to earlier years	1.84	(20.80)
	4,019.27	3,037.67
Deferred tax:		
Relating to origination and reversal of temporary differences	152.84	(65.00)
Adjustments of tax relating to earlier years	(1.05)	(37.04)
	151.79	(102.04)
	4,171.06	2,935.63

B OCI section - Deferred tax related to items recognised in OCI during the year:

	(₹ million)	
	31 March 2023	31 March 2022
Net loss/(gain) on remeasurements of defined benefit plans	8.78	4.85
Net loss/(gain) on Designated Cash Flow Hedges	(0.15)	0.15
	8.63	5.00

C Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate:

	(₹ million)	
	31 March 2023	31 March 2022
Profit before tax	16,886.93	12,248.35
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expenses	4,250.10	3,082.66
Effect of differential tax impact due to the following (tax benefit)/ tax expenses:		
CSR expenses	56.58	48.29
Deferred government grants	(35.29)	(5.21)
Others	(101.12)	(132.27)
Adjustments of tax relating to earlier years	0.79	(57.84)
	4,171.06	2,935.63

D The details of tax assets / (liabilities) as at 31 March 2023

	(₹ million)	
	31 March 2023	31 March 2022
Non-current tax assets (net of provision for taxation)	147.33	369.94
Current tax liabilities (net of advance tax)	(346.04)	(153.11)
Net current tax asset / (liability) at the end of the year	(198.71)	216.83

Notes to Standalone Financial Statements

for the year ended 31 March 2023

E The movement in the net current tax assets/ (liability) for the year ended 31 March 2023

(₹ million)

	31 March 2023	31 March 2022
Net current tax asset / (liability) at the beginning	216.83	2.21
Income tax paid	3,603.73	3,281.19
Effect of interest on income-tax order	-	13.90
Interest liability adjusted against advance tax	-	(42.80)
Current tax expense	(4,017.43)	(3,058.47)
Adjustments of tax relating to earlier years	(1.84)	20.80
Net current tax asset / (liability) at the end	(198.71)	216.83

F The movement in net deferred tax assets and liabilities

For the year ended 31 March 2023

(₹ million)

	Carrying value as at 01 April 22	Changes through profit and loss	Changes through OCI	Carrying value as at 31 March 2023
Deferred tax assets / (liabilities) in relation to				
Property, plant and equipment and other intangible assets	(652.24)	(104.21)	-	(756.45)
Provision for employee benefits	93.26	30.77	(8.78)	110.40
Cash flow hedges	(0.15)	-	0.15	-
Receivables, financial assets at amortised cost	310.03	(46.62)	-	263.41
Lease liabilities	1.15	2.23	-	3.38
Others	7.35	(33.96)	-	(21.76)
Total deferred tax assets / (liabilities)	(240.60)	(151.79)	(8.63)	(401.02)

For the year ended 31 March 2022

(₹ million)

	Carrying value as at 01 April 21	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	(4.85)	88.41
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	-	12.20
Total deferred tax assets / (liabilities)	(337.64)	102.04	(5.00)	(240.60)

G Reconciliation of deferred tax assets/ liabilities (net):

(₹ million)

	31 March 2023	31 March 2022
Net deferred tax asset / (liability) at the beginning	(240.60)	(337.64)
Tax (income)/expense on adjustment of tax relating to earlier year	1.05	37.04
Tax (income)/expense recognised in profit or loss	(152.84)	65.00
Tax (income)/expense recognised in OCI	(8.63)	(5.00)
Net deferred tax asset / (liability) at the end of the year	(401.02)	(240.60)

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 2022 ₹ 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

13. Other assets

A Other assets - Non-current

		(₹ million)
	31 March 2023	31 March 2022
Capital advances		
Unsecured, considered good	786.85	541.45
Unsecured, considered doubtful	136.62	6.62
Gross Capital Advances	923.47	548.07
Less : Impairment allowance for doubtful advance (Refer note (a) below)	(136.62)	(6.62)
Net Capital Advances (A)	786.85	541.45
Advances other than capital advances		
Unsecured, considered good		
Prepaid expenses	75.73	12.97
Balances with statutory/government authorities	215.54	97.25
(B)	291.27	110.22
(A)+(B)	1,078.12	651.67

Note:

(a) Change in impairment allowance for doubtful advances

		(₹ million)
	31 March 2023	31 March 2022
At the beginning of year	6.62	6.62
Provision during the year	130.00	-
At the end of the year	136.62	6.62

B Other assets - Current

		(₹ million)
	31 March 2023	31 March 2022
Advances other than capital advances		
Unsecured, considered good		
Advances for materials and services	2,875.42	3,173.95
Advances for materials and services - Related parties (Refer note 35)	169.10	-
Contract asset (Refer below note(a))		
Unsecured, considered good	135.54	95.09
Credit Impaired	5.65	11.82
Less: Impairment allowance for Contract assets - Credit impaired (Refer below note (b))	(5.65)	(11.82)
	135.54	95.09
Others		
Unsecured, considered good		
Prepaid expenses	28.63	59.80
Balances with statutory/government authorities	2,630.05	495.77
Export incentive receivable	25.67	23.92
Right of return assets (Refer below note (c))	286.19	287.24
	6,150.60	4,135.77

Notes:

(a) Reconciliation of Contract assets:

		(₹ million)
	31 March 2023	31 March 2022
At the beginning of year	95.09	141.02
Unbilled revenue	153.54	353.09
Billed to customer	(106.92)	(399.02)
Impairment allowance	(6.17)	-
At the end of the year	135.54	95.09

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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.

(b) Change in impairment allowance:

	(₹ million)	
	31 March 2023	31 March 2022
At the beginning of year	11.82	11.82
Provision during the year	(6.17)	-
At the end of the year	5.65	11.82

(c) Reconciliation of Right of return assets:

	(₹ million)	
	31 March 2023	31 March 2022
At the beginning of the year	287.24	222.21
Arising during the year	314.30	289.25
Utilised during the year	(315.35)	(224.22)
At the end of the year	286.19	287.24

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 realizable value ("NRV") after providing for obsolescence and other losses, where considered necessary on an item-by-item basis. 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.

Cost of work-in-progress and finished goods includes direct materials as aforesaid, direct labour cost and a proportion of manufacturing overheads based on total manufacturing overheads to raw materials consumed.

Cost of stock-in-trade 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 realizable 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 39).

Notes to Standalone Financial Statements

for the year ended 31 March 2023

	31 March 2023	31 March 2022
Raw materials	12,435.12	5,356.31
Work-in-progress	2,174.94	2,168.67
Finished goods	11,088.30	11,179.73
Stock-in-trade	1,198.64	1,610.56
Stores and spares	322.12	258.53
Packing materials	385.04	284.10
Scrap materials	429.91	523.10
Project materials for long-term contracts	633.99	91.95
	28,668.06	21,472.95

Notes:

- (a) The above includes goods in transit as under:

	31 March 2023	31 March 2022
Raw Material	557.34	232.14
Stock-in-trade	23.17	51.24
Stores and spares	11.40	0.51
Project materials for long-term contracts	3.58	6.16

- (b) The above includes inventories held by third parties amounting to ₹5,212.98 million (31 March 2022 - ₹320.55 million)
- (c) During the year ended 31 March 2023, ₹4.32 million (31 March 2022 - ₹1.93 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 17).

15. Equity Share Capital

	31 March 2023	31 March 2022
Authorised share capital		
Equity shares, ₹10 per value 186,250,000 (186,250,000) equity shares*	1,862.50	1,862.50
Issued, subscribed and fully paid-up shares		
Equity shares, ₹10 per value 149,765,278 (149,443,040) equity shares	1,497.65	1,494.43
	1,497.65	1,494.43

* Number of equity shares reserved for issue under employee share based payment Number 786,160 (31 March 2022 : Number 1,265,159)

Notes:

- (a) **The reconciliation of shares outstanding and the amount of share capital as at 31 March 2023 and 31 March 2022 are as follow:**

	31 March 2023		31 March 2022	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	149,443,040	1,494.43	149,118,814	1,491.19
Add: Shares issued on exercise of employee stock option	322,238	3.22	324,226	3.24
At the end of the year	149,765,278	1,497.65	149,443,040	1,494.43

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(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 2023 and 31 March 2022 are as follows:

	31 March 2023		31 March 2022		% Change during the year
	Number of Shares	Total share	Number of Shares	Total share	
Mr. Inder T. Jaisinghani	18,873,976	12.60%	19,383,976	13.00%	-0.40%
Mr. Girdhari T. Jaisinghani	14,736,283	9.84%	15,181,283	10.18%	-0.34%
Mr. Ajay T. Jaisinghani	17,870,747	11.93%	19,347,247	12.97%	-1.04%
Mr. Ramesh T. Jaisinghani	17,525,008	11.70%	18,485,008	12.40%	-0.70%

(d) The details of shareholders holding more than 5% shares as at 31 March 2023 and 31 March 2022 are as follows:

	31 March 2023		31 March 2022	
	Number of Shares	Amount	Number of Shares	Amount
Mr. Inder T. Jaisinghani	18,873,976	12.60%	19,383,976	13.00%
Mr. Girdhari T. Jaisinghani	14,736,283	9.84%	15,181,283	10.18%
Mr. Ajay T. Jaisinghani	17,870,747	11.93%	19,347,247	12.97%
Mr. Ramesh T. Jaisinghani	17,525,008	11.70%	18,485,008	12.40%

(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. 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 2023	31 March 2022
Dividend on equity shares declared and paid during the year		
Final dividend of ₹14.00 per share for FY 2021-22 paid in FY 2022-23 (Proposed by Board of Directors in the meeting held on 10 May 2022 and was approved by Shareholders in the meeting held on 29 June 2022)	2,094.49	1,491.60
	2,094.49	1,491.60

Notes to Standalone Financial Statements

for the year ended 31 March 2023

Proposed dividend on equity share

The Board of Directors in their meeting on 12 May 2023 recommended a final dividend of ₹20 /- per equity share for the financial year ended 31 March 2023. 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 ₹2,995 million. It is not recognised as a liability as at 31 March 2023.

(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 3,387,750 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/-.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

Subject to terms and condition of the scheme, options are classified into six categories:

	Performance Scheme					Privilege Scheme
	I	II	III	IV	V	VI
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	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	₹1,612.90	₹1,612.90	₹1,612.90	₹1,612.90	₹1,612.90	₹1,612.90
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)	479	479	479	479	479	NIL

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

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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 2023		31 March 2022	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
ESOP Performance Scheme				
Outstanding at the beginning	1,254,909	405	1,538,192	405
Granted	34,000	405	256,200	405
Exercised and allotted	309,438	405	313,801	405
Exercised and pending allotment	3,740	405	10,800	405
Transfer to general reserve	-	405	3,050	405
Forfeited	197,821	405	211,832	405
Outstanding at the end	777,910	405	1,254,909	405
ESOP Privilege Scheme				
Outstanding at the beginning	10,250	405	13,750	405
Exercised and allotted	2,000	405	3,500	405
Exercised and pending allotment	-	405	-	405
Outstanding at the end	8,250	405	10,250	405

Shares allotted under ESOP during the year

	31 March 2023		31 March 2022	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
FY 2022-23				
ESOP Performance Scheme	309,438	405	313,801	405
ESOP Privilege Scheme	2,000	405	3,500	405
FY 2021-22				
ESOP Performance Scheme	10,800	405	5,925	405
ESOP Privilege Scheme	-	405	1,000	405
	322,238		324,226	

Notes to Standalone Financial Statements

for the year ended 31 March 2023

Options Vested but not exercised

	31 March 2023	31 March 2022
ESOP Performance Scheme	139,940	149,759
ESOP Privilege Scheme	8,250	10,250

(₹ million)

The break-up of employee stock compensation expense is as follow:

	31 March 2023	31 March 2022
Granted to		
KMP and Executive Directors	3.07	5.82
Employees other than KMP and Executive Directors	104.54	155.34
	107.61	161.16

(₹ million)

16. Other equity

	31 March 2023	31 March 2022
Share application money pending allotment	2.78	7.98
Capital reserve	0.13	0.13
Securities premium	7,822.56	7,554.95
General reserve	651.69	651.69
ESOP outstanding	313.17	343.54
Retained earnings	55,803.35	45,155.85
Cash flow hedging reserve	-	0.43
	64,593.68	53,714.57

(₹ million)

Notes:

(a) Capital Reserve:

The Company has created the reserve pursuant to amalgamation in an earlier years.

(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

	31 March 2023	31 March 2022
Opening balance	7,554.95	7,318.10
Add: Adjustment for exercise of stock option	267.61	236.85
	7,822.56	7,554.95

(₹ million)

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(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.

	31 March 2023	31 March 2022
Opening balance	651.69	650.69
Add: Transfer on account of employee stock options not exercised	-	1.00
	651.69	651.69

(₹ million)

(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.

	31 March 2023	31 March 2022
Opening balance	343.54	286.92
Add: ESOP charge during the year	107.61	161.16
Add: ESOP charge recovered from group companies	-	6.68
Less: Transfer on account of employee stock options not exercised	-	(1.00)
Less: Adjustment for exercise of stock option	(137.98)	(110.22)
	313.17	343.54

(₹ million)

(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.

	31 March 2023	31 March 2022
Opening balance	0.43	-
Add: Other Comprehensive Income for the year	(0.43)	0.43
	-	0.43

(₹ million)

(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.

	31 March 2023	31 March 2022
Opening balance	45,155.85	37,320.31
Add: Profit during the year	12,741.99	9,327.14
Less: Final equity dividend	(2,094.49)	(1,491.60)
	55,803.35	45,155.85

(₹ million)

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(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.

	31 March 2023	31 March 2022
Opening balance	7.98	4.96
Add: Adjustment for exercise of stock option	137.98	110.22
Add: Amount received on exercise of employee stock options	127.65	132.88
Less: Transfer to equity share capital & securities premium for fresh issue	(270.83)	(240.08)
	2.78	7.98

17. Borrowings

	31 March 2023	31 March 2022
Others		
At amortised cost		
Short-term loan from banks (Unsecured) (Refer note - 37B)	821.25	765.42
	821.25	765.42

Notes:

(a) For secured loans, charge created by way of:

- First ranking pari passu charge by way of hypothecation over the entire current assets including but not limited to Stocks and Receivables.
- Pari passu first charge by way of hypothecation on the entire movable fixed assets.
- 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.
- All charges are registered with ROC within statutory period by the Company.
- Funds raised on short term basis have not been utilised for long term purposes and spent for the purpose it were obtained.
- Bank returns / stock statements filed by the Company with its bankers are in agreement with books of account.

(b) Credit facilities

The Company has fund based and non-fund based revolving credit facilities amounting to ₹40,250.40 million (31 March 2022: ₹38,564.30 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:

	31 March 2023	31 March 2022
Fund based	4,438.81	4,364.30
Non-fund based	4,198.06	17,057.60
	8,636.87	21,421.90

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(c) Reconciliation of movement in borrowings to cash flows from financing activities

	31 March 2023	(₹ million) 31 March 2022
Opening balance		
Short term borrowings (excluding Cash Credit from banks)	765.42	918.72
	765.42	918.72
Cash flow movements		
Repayment of long term borrowings	-	(29.93)
Repayment of short term borrowings	-	(5.24)
	-	(35.17)
Non-cash movements		
Other adjustment	55.83	(118.13)
	55.83	(118.13)
Closing Balance		
Short term borrowings (excluding Cash Credit from banks)	821.25	765.42
	821.25	765.42

Refer note 4 for reconciliation of movement in lease liabilities to cash flows from financing activities.

18. Lease liabilities

A Lease liabilities - Non-current

	31 March 2023	(₹ million) 31 March 2022
At amortised cost	221.46	239.92
	221.46	239.92

B Lease liabilities - Current

	31 March 2023	(₹ million) 31 March 2022
At amortised cost	136.99	103.34
	136.99	103.34

Notes to Standalone Financial Statements

for the year ended 31 March 2023

19. Trade payables

Accounting policy

These amounts represent liabilities for goods and services provided to the Company during the year and are unpaid at the year end. 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 2023	31 March 2022
At amortised cost		
Total outstanding dues of micro and small enterprises		
Trade payables to related parties (Refer Note - 35)	28.95	51.60
Trade payables - Others	519.01	585.17
	547.96	636.77
Total outstanding dues of creditors other than micro and small enterprises		
Acceptances (Refer note below (a))	12,257.56	6,173.58
Other than acceptances		
Trade payables to related parties (Refer note - 35)	260.70	172.09
Trade payables - Others (Refer note below (b))	6,891.28	4,811.11
	19,409.54	11,156.78

Notes:

- 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.
- 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.
- For the terms and conditions with related parties, refer note 35.
- For explanations on the Company's liquidity risk management processes refer note 38(C).
- 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 2023 and year ended 31 March 2022 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.

	(₹ million)	
	31 March 2023	31 March 2022
(i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
Principal	545.54	634.96
Interest	2.42	1.81
(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.	1.81	2.89
(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	2.42	1.81
(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	-	-

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(f) Trade Payables ageing schedule

As at 31 March 2023

	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	418.16	129.80	-	-	-	547.96
(ii) Others						
Acceptances	12,257.56	-	-	-	-	12,257.56
Other than acceptances	2,241.53	876.67	6.47	2.81	7.56	3,135.04
(iii) Disputed dues - Others	-	-	-	-	-	-
	14,499.09	876.67	6.47	2.81	7.56	15,392.60
(iv) Accrued expenses						4,016.94
						19,409.54

(₹ million)

As at 31 March 2022

	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

(₹ million)

20. Other financial liabilities - Current

	31 March 2023	31 March 2022
At amortised cost		
Security deposit	44.11	45.02
Interest accrued but not due	88.82	2.51
Creditors for capital expenditure	563.69	466.96
Unclaimed dividend (Refer below note (b))	1.56	2.87
At FVTPL		
Derivative liability (Refer below note (a))	129.32	138.42
	827.50	655.78

(₹ million)

Notes:-

(a) Derivative Liability

	31 March 2023	31 March 2022
Forward contract	26.97	-
Embedded derivatives	26.18	-
Commodity contracts	76.17	138.42
	129.32	138.42

(₹ million)

- (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 Tirupati Reels Private Limited, amounting to ₹520.00 million (31 March 2022 : ₹520.00 million).

Notes to Standalone Financial Statements

for the year ended 31 March 2023

21. Provisions

Accounting policy:

A provision is recognised when the Company has a present obligation (legal or constructive) 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 the total warranty-related costs will be 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

	31 March 2023	31 March 2022
(₹ million)		
Provision for employee benefits (Refer note 29)		
Gratuity	145.93	132.92
Compensated absences	137.14	122.74
Others (Refer note below)	162.53	-
	445.60	255.66

Note: Reconciliation of Others:

	31 March 2023	31 March 2022
(₹ million)		
At the beginning of the year	-	-
Arising during the year	162.53	-
Utilised during the year	-	-
At the end of the year	162.53	-

Others includes matters relating to indirect tax matters.

B Provisions - Current

	31 March 2023	31 March 2022
(₹ million)		
Provision for employee benefits (Refer note 29)		
Gratuity	127.38	117.39
Compensated absences	30.27	26.35
Provision for warranty (Refer note below)	109.02	108.64
At the end of the year	266.67	252.38

Note: Reconciliation of Warranty provision:

	31 March 2023	31 March 2022
(₹ million)		
At the beginning of the year	108.64	107.23
Arising during the year	99.20	78.23
Utilised during the year	(98.82)	(76.82)
At the end of the year	109.02	108.64

Notes to Standalone Financial Statements

for the year ended 31 March 2023

22. Other liabilities

A Other liabilities- Non-current

	31 March 2023	31 March 2022
Deferred government grant (Refer below note (a))	143.77	160.07
Deferred liability	25.30	46.98
	169.07	207.05

(₹ million)

B Other liabilities- Current

	31 March 2023	31 March 2022
Advance from customers	329.07	398.36
Advance from customers - Related Party (Refer note 35)	114.86	-
Contract liability (Refer below note (b))	905.32	1,435.57
Deferred liability	25.30	23.49
Refund liability (Refer below note (c))	629.37	629.38
Other statutory dues		
Employee recoveries and employer contributions	23.53	19.18
Taxes payable (Other than Income tax)	638.54	691.17
	2,665.99	3,197.15

(₹ million)

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 Statement of Profit & Loss 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:

	31 March 2023	31 March 2022
At the beginning of the year	160.07	123.72
Grants received during the year	133.07	57.07
Grants recognised for the year	(149.37)	(20.72)
At the end of the year	143.77	160.07

(₹ million)

(b) Reconciliation of Contract liabilities:

	31 March 2023	31 March 2022
At the beginning of year	1,435.57	1,805.39
Contract liability recognised during the year	2,437.34	816.45
Revenue recognised from amount included in contract liabilities	(2,967.59)	(1,186.27)
At the end of the year	905.32	1,435.57

(₹ million)

(c) Reconciliation of Refund liability:

	31 March 2023	31 March 2022
At the beginning of the year	629.38	487.49
Arising during the year	719.45	663.87
Utilised during the year	(719.46)	(521.98)
At the end of the year	629.37	629.38

(₹ million)

Notes to Standalone Financial Statements

for the year ended 31 March 2023

23. 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) Performance obligations

(a) 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 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.

(b) 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".

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(iii) 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.

(iv) 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 such as credit notes, tours, kind etc. Revenue from contract with customer is presented deducting cost of all these schemes.

(v) 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.

(vi) 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 21. 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 separate 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 contract liability at the time of recognition of revenue. Revenue allocated towards service-type warranty is recognised over a period of time on a basis appropriate to the nature of the contract and services to be rendered.

(vii) 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.

(viii) 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(ix) 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.

(x) Cost to obtain a contract

Any costs to obtain a contract or incremental costs to fulfil a contract are recognised as an asset if certain criteria are met as per Ind AS 115.

The Company applies the optional practical expedient to immediately expense costs to obtain a contract if the amortisation period of the asset that would have been recognised is one year or less.

(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, its recognition as income in the Statement of Profit & Loss is linked to fulfillment of associated export obligations.

The export incentive and grants received are in the nature of other operating revenue in the Statement of Profit & Loss.

Revenue from operations

	(₹ million)	
	31 March 2023	31 March 2022
Revenue from contracts with customers		
Revenue on Sale of Products		
Finished goods	126,753.72	109,613.81
Traded goods	7,193.76	7,598.01
Revenue from Construction Contracts	3,636.05	1,888.49
	137,583.53	119,100.31
Other operating revenue		
Job work income	0.56	4.28
Scrap sales	1,196.15	1,666.99
Total revenue from contracts with customers	138,780.24	120,771.58
Export incentives	21.09	24.07
Government grant	314.36	183.44
Total Revenue from operations	139,115.69	120,979.09

Notes to Standalone Financial Statements

for the year ended 31 March 2023

Notes:

(a) Disaggregated revenue information

	(₹ million)	
	31 March 2023	31 March 2022
Type of Goods or Services		
Wires & Cables	123,328.21	106,401.04
Fast Moving Electrical Goods (FMEG)	11,815.98	12,482.05
Revenue from construction contracts	3,636.05	1,888.49
Total revenue from contracts with customers	138,780.24	120,771.58
Location of customer		
India	124,823.01	111,492.73
Outside India	13,957.23	9,278.85
Total revenue from contracts with customers	138,780.24	120,771.58
Timing of revenue recognition		
Goods transferred at a point in time	135,123.77	118,839.08
Goods and Services transferred over a period of time	3,656.47	1,932.50
Total revenue from contracts with customers	138,780.24	120,771.58
Revenue from B2B and B2C Vertical		
Business to Consumer	46,334.00	46,240.89
Business to Business	90,241.00	73,577.51
Others (i)	2,205.24	953.18
Total revenue from contracts with customers	138,780.24	120,771.58

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 2023	31 March 2022
Total revenue from contracts with customers	138,780.24	120,771.58
Export incentives (i)	21.09	24.07
Government grant (ii)	314.36	183.44
Other income excluding finance income	389.84	406.77
Total income as per Segment (Refer note 36)	139,505.53	121,385.86

Notes:

- (i) Export incentive includes 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.

(c) Reconciliation between revenue with customers and contracted price as per Ind AS 115:

	(₹ million)	
	31 March 2023	31 March 2022
Revenue as per contracted price	140,697.82	123,390.31
Adjustments:		
Price adjustments such as Discounts, Rebates and Sales Promotion Schemes	(2,501.97)	(1,187.90)
Contract liabilities (excess billing over revenue recognised as per applicable Ind-AS)	530.25	(1,435.57)
Provisions for expected sales return	-	(141.90)
Other adjustments	19.86	39.73
Contract assets (Unbilled Revenue - EPC)	34.28	106.91
Revenue from contract with customers	138,780.24	120,771.58

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(d) Disclosure in terms of Ind AS 115 on the accounting of construction contract is as under:

	(₹ million)	
	31 March 2023	31 March 2022
Contract revenue recognised for the year ended	3,636.05	1,888.49
Contract that are in progress as on reporting date		
(i) Contract costs incurred and recognised profits (less recognised losses)	3,636.05	1,888.49
(ii) Amount of retentions*	523.73	796.10
(iii) Contract balances recognised and included in financial statement as:		
Contract asset	135.54	95.09
Contract liabilities	905.32	1,435.57

*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/ (derecognised) during the year of ₹(31.74) million (31 March 2022: ₹(150.98) 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 2023 and 31 March 2022.
- (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 increase in contract assets as on 31 March 2023 is on account of unbilled revenue booked for which the billing will be done subsequently. During the year ₹6.17 million (31 March 2022: ₹ Nil) was reduced from the 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 decreased in FY 2022-23 due to the revenue recognition against the advance from customers received in the previous years for the projects which got closed in the current year.
- (i) Set out below is the amount of revenue recognised from:

	(₹ million)	
	31 March 2023	31 March 2022
Amounts included in contract liabilities at the beginning of the year	2,967.59	1,186.27
Performance obligations satisfied in previous years	106.92	399.02

- (j) Right of return assets and refund liabilities as at year end:

	(₹ million)	
	31 March 2023	31 March 2022
Right of return assets	286.19	287.24
Refund liabilities	629.37	629.38

- (k) Allocation of the transaction price to the remaining performance obligations:

	(₹ million)	
	31 March 2023	31 March 2022
Within one year	7,607.29	2,868.67
More than one year	6,455.57	3,649.41
	14,062.86	6,518.08

Notes to Standalone Financial Statements

for the year ended 31 March 2023

24. 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 2023	31 March 2022
(a) Interest income on financial assets		
Carried at amortised cost		
Bank deposits	227.77	172.88
Others (refer note (i) below)	62.38	84.16
Carried at FVTPL		
Others	2.64	13.60
(b) Income from Investments designated at FVTPL		
Gain on liquid/overnight mutual funds	614.32	224.10
Fair valuation on gain on overnight mutual funds	36.83	3.52
(c) Dividend income	27.06	-
(d) Fair value gain / loss on financial instruments		
Derivatives at FVTPL (refer note (ii) below)	29.62	-
(e) Other non-operating income		
Exchange differences (net)	184.39	310.51
Gain on sale of property, plant and equipment	97.88	-
Gain on termination of lease	3.29	5.79
Sundry balances written back	1.35	15.32
Miscellaneous income	73.31	75.15
	1,360.84	905.03

- (i) Includes interest on Income Tax refund of ₹1.03 million (31 March 2022: ₹13.90 million).
- (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 2023

25. Cost of materials consumed

(₹ million)

	31 March 2023	31 March 2022
Inventories at the beginning of the year	5,640.41	8,256.39
Add: Purchases	104,621.11	89,149.30
	110,261.52	97,405.69
Less: Inventories at the end of the year	(12,820.16)	(5,640.41)
Cost of materials consumed	97,441.36	91,765.28

Notes:

Details of material consumed

(₹ million)

	31 March 2023	31 March 2022
Copper	56,806.32	53,869.93
Aluminium	17,143.53	16,310.49
Steel	3,459.72	2,731.56
PVC Compound/HDPE/LDPE/XLPE/Resin	12,883.64	11,768.86
Packing Materials	2,529.32	2,001.98
Others *	4,618.83	5,082.46
	97,441.36	91,765.28

* Others includes Raw material for consumer products

26. Purchases of stock-in-trade

(₹ million)

	31 March 2023	31 March 2022
Electrical wiring accessories	243.94	284.54
Electrical appliances	4,013.48	4,711.46
Others	305.73	1,004.10
	4,563.15	6,000.10

27. Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ million)

	31 March 2023	31 March 2022
Inventory at the beginning 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
Inventory at the end of the year		
Finished goods	11,088.30	11,179.73
Stock-in-trade	1,198.64	1,610.56
Scrap materials	429.91	523.10
Work-in-progress	2,174.94	2,168.67
	14,891.79	15,482.06
Changes in Inventories	590.27	(4,686.15)

28. Project bought outs and sub-contracting cost

(₹ million)

	31 March 2023	31 March 2022
Project bought outs	1,042.00	779.34
Sub-contracting expenses for EPC	309.53	335.38
	1,351.53	1,114.72

Notes to Standalone Financial Statements

for the year ended 31 March 2023

29. 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 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 ESOP outstanding account (Refer note 15(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 33).

Notes to Standalone Financial Statements

for the year ended 31 March 2023

Employee benefits expense

	(₹ million)	
	31 March 2023	31 March 2022
Salaries, wages and bonus	3,946.83	3,471.72
Employees share based payment expenses	107.61	161.16
Contribution to provident and other funds	235.75	198.94
Staff welfare expense	138.40	116.61
	4,428.59	3,948.43

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on a preliminary assessment, the Company believes the impact of the change will not be significant.

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(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 2023 by 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.

Statement of profit and loss

Net employee benefits expense recognised in profit or loss:

	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	76.09	68.26
Net interest cost	17.15	17.36
Net benefits expense	93.24	85.62

(₹ million)

Net remeasurement (gain)/ loss on defined benefit plans recognised in Other comprehensive income for the year:

	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial (gain) /loss on obligations	(35.63)	(5.74)
Return on plan assets, excluding interest income	0.73	(13.53)
Net (Income)/Expense for the year recognised in OCI	(34.90)	(19.27)

(₹ million)

Balance sheet

Benefits liability

	Year ended 31 March 2023	Year ended 31 March 2022
Present value of defined benefit obligation	(675.68)	(630.18)
Fair value of plan assets	402.37	379.85
Plan liability	(273.31)	(250.33)

(₹ million)

Notes to Standalone Financial Statements

for the year ended 31 March 2023

Changes in the present value of the defined benefit obligation are as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
(₹ million)		
Opening defined benefit obligation	630.18	577.07
Interest cost	43.07	37.45
Current service cost	76.11	68.26
Liability Transferred In/ Acquisitions	4.87	-
Benefits paid	(42.92)	(46.87)
Actuarial (gains)/losses on obligations		
Due to change in demographics assumptions	-	0.42
Due to change in financial assumptions	(26.03)	(16.78)
Due to experience	(9.60)	10.63
Closing defined benefit obligation	675.68	630.18

Changes in the fair value of plan assets are as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
(₹ million)		
Opening fair value of plan assets	379.85	309.44
Interest Income	25.92	20.08
Contribution by employer	40.25	83.67
Benefits paid	(42.92)	(46.87)
Actuarial gains	(0.73)	13.53
Closing fair value of plan assets	402.37	379.85

The Company expects to contribute ₹127.38 million towards gratuity in the next year (31 March 2022: ₹117.39 million).

Current & non-current bifurcation of provision for gratuity as per actuarial valuation is as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
(₹ million)		
Non-current	145.93	132.92
Current	127.38	117.39

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
(₹ million)		
Investment with insurer	100%	100%

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate	7.39%	6.85%
Expected rate of return on plan assets	7.39%	6.85%
Employee turnover	10.00%	10.00%
Salary escalation	11.00%	11.00%
Weighted average duration	8	9
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Mortality rate after employment	N.A.	N.A.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

The average expected future service as at 31 March 2023 is 7 years (31 March 2022 - 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 2023 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

	Year ended 31 March 2023	(₹ million) Year ended 31 March 2022
Projected benefit obligation on current assumptions	675.68	630.16
Delta effect of +1% change in rate of discounting	(45.29)	(42.64)
Delta effect of -1% change in rate of discounting	48.13	48.71
Delta effect of +1% change in rate of salary increase	45.95	46.32
Delta effect of -1% change in rate of salary increase	(44.32)	(41.49)
Delta effect of +1% change in rate of employee turnover	(12.69)	(12.33)
Delta effect of -1% change in rate of employee turnover	10.79	13.77

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:

	Year ended 31 March 2023	(₹ million) Year ended 31 March 2022
1st following year	63.16	53.65
2nd following year	58.81	53.14
3rd following year	63.96	56.69
4th following year	71.17	63.05
5th following year	68.02	65.71
Sum of years 6 to 10	304.07	267.95
Sum of years 11 years and above	656.17	608.01

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(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 ₹85.39 million (31 March 2022: ₹62.11 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 ₹13.99 million (31 March 2022: ₹12.27 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 as at balance sheet date except for Halol workers. The actuarial valuation done as per Project Unit Credit Method except for Halol workers.

The leave obligation covers the Company's liability for earned leave. The amount of the provision of ₹137.14 million (31 March 2022: ₹122.74 million) is presented as non-current and ₹30.27 million (31 March 2022: ₹26.35 million) is presented as current. The Company has recognised contribution of ₹37.40 million (31 March 2022: ₹51.62 million) for Compensated absences in the Statement of Profit and Loss.

30. 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 its premium and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

	(₹ million)	
	31 March 2023	31 March 2022
Interest expense on financial liabilities at amortised cost (i)	380.19	116.16
Interest expense on financial liabilities at FVTPL	32.55	32.74
Other borrowing costs (ii)	147.90	185.30
	560.64	334.20

- (i) Interest expense includes ₹12.79 million (31 March 2022: ₹16.03 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

31. Depreciation and amortisation expenses

	31 March 2023	31 March 2022
Depreciation of property, plant and equipment (Refer note 3)	1,883.93	1,807.28
Depreciation of right-of-use assets (Refer note 4)	131.05	146.61
Amortisation of other intangible assets (Refer note 5)	8.91	11.69
	2,023.89	1,965.58

32. Other expenses

	31 March 2023	31 March 2022
Consumption of stores and spares	700.37	709.62
Sub-contracting expenses	2,327.78	2,118.37
Power and fuel	1,814.92	1,421.83
Rent	51.95	59.47
Rates and taxes	103.29	85.04
Insurance	95.52	87.79
Repairs and maintenance		
Plant and machinery	36.57	34.19
Buildings	47.16	112.76
Others	103.77	96.96
Advertising and sales promotion	1,236.92	818.86
Brokerage and commission	523.75	396.96
Travelling and conveyance	495.70	371.84
Communication Cost	40.24	31.40
Legal and professional fees	875.73	702.19
Director Sitting Fees	4.42	5.36
Freight & forwarding expenses	3,065.55	2,670.42
Payments to auditor (Refer note (a) below)	11.88	11.12
Sundry advances written off	2.17	42.60
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 13)	(31.74)	(150.98)
CSR expenditure (Refer note (c) below)	224.79	191.89
Miscellaneous expenses	899.43	521.52
	12,630.17	10,436.86

Notes:

(a) Payments to auditor:

	31 March 2023	31 March 2022
As auditor		
(i) Audit fee	10.85	10.32
(ii) Certification fees	0.25	0.25
(iii) Out of pocket expenses	0.78	0.55
	11.88	11.12

- (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 2023

(c) Details of Corporate Social Responsibility Expenses:

		(₹ million)	
		31 March 2023	31 March 2022
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)	213.33	185.48
Gross amount spent by the Company during the year			
(i) Construction / acquisition of any asset		-	-
(ii) On purposes other than (i) above:			
Rural Development		10.12	9.38
Education		28.06	73.43
Health Care		99.55	89.09
Environment		57.76	17.51
Social Empowerment		17.23	-
National Heritage Art & Culture		7.27	-
Administration cost		4.80	2.48
Total CSR spent in actual	(B)	224.79	191.89
Shortfall/(Excess)	(A-B)	(11.46)	(6.41)
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)		224.79	191.89
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 2022 aggregating to ₹36.20 million was deposited in separate CSR unspent accounts by PSWF. Total amount of ₹38.38 million has been spent during the current financial year ended 31 March 2023 by utilising the above balance and the excess spent is out of surplus income during financial year ended 31 March 2023.

33. 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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 3,530,000 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.

(a) Basic Earnings Per Share

			31 March 2023	31 March 2023
Profit for the year	₹ in million	A	12,715.87	9,312.72
Weighted average number of equity shares for basic earning per share *	Number	B	149,631,506	149,268,712
Earnings per shares - Basic (one equity share of ₹10 each)	₹ per share	(A/B)	84.98	62.39

(b) Diluted Earnings Per Share

			31 March 2023	31 March 2023
Profit for the year	₹ in million	A	12,715.87	9,312.72
Weighted average number of equity shares for basic earning per share *	Number	B	149,631,506	149,268,712
Effect of dilution				
Share options	Number	C	468,199	654,432
Weighted average number of equity shares adjusted for effect of dilution	Number	D=(B+C)	150,099,705	149,923,144
Earnings per shares - Diluted (one equity share of ₹10 each)	₹ per share	(A/D)	84.72	62.12

* Refer note 15(a) for movement of shares.

Note: There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

34. 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 its existence in the Financial Statements.

Capital Commitments includes the amount of purchase orders (net of advances) issued to parties for completion of assets.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(A) Contingent liabilities (to the extent not provided for)

		(₹ million)	
		31 March 2023	31 March 2022
(i)	Outstanding corporate guarantees given on behalf of subsidiaries and Joint venture's (Refer note 35 (E))	520.00	520.00
(ii)	Taxation matters		
	Disputed liability in respect of sales tax /VAT demand & pending sales tax/VAT forms	0.64	1.86
	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	17.08
(iii)	Customs Duty on Capital goods imported under Export Promotion Capital Goods Scheme, against which export obligation is to be fulfilled	42.77	46.23
(iv)	Customs Duty on Raw Materials imported under Advance License, against which export obligation is to be fulfilled	183.10	175.02

Notes:

- 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.
- 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 2023	31 March 2022
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		4,177.52	2,236.78

Notes: For lease commitments, refer note 4.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

35. Related party disclosure

(A) Enterprises where control exists

		Principal activities	Country of incorporation	Ownership interest (%)	
				31 March 2023	31 March 2022
(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%	60%
	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) (Ceased to be a Wholly-Owned Subsidiary w.e.f. 18 November 2021)	Manufacturing of Copper Rods on Job work basis	India	-	-
	Polycab Australia Pty Ltd	Trading business of electrical cables and wires, optical fibre cables and consumer electrical goods	Australia	100%	100%
	Polycab Support Force Private Limited (PSFPL)	Manpower services	India	100%	100%
	Uniglobus Electricals and Electronics Private Limited (UEEPL)	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%	75%
	Silvan Innovation Labs Private Limited (*)	Development and maintenance of business and software applications on all popular and mainframe and minicomputer platforms	India	100%	100%
(ii)	Joint Ventures				
	Techno Electromech Private Limited (TEPL)	Manufacturing of light emitting diodes, lighting and luminaires, and LED drivers	India	50%	50%

(*) acquired on 18 June 2021

(B) Enterprises owned or significantly influenced by Key Management Personnel

AK Enterprises (A K)

Polycab Social Welfare Foundation (PSWF)

Transigo Fleet LLP

Boothbhavani Fabricators

S.B. Enterprise

Shreeji Traders

T.P. Ostwal & Associates LLP

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(C) Key Management Personnel

(i) Executive Directors

Mr. Inder T. Jaisinghani	Chairman and Managing Director
Mr. Ramesh T. Jaisinghani	Whole-time Director (up to 12 May 2021)
Mr. Ajay T. Jaisinghani	Whole-time Director (up to 12 May 2021)
Mr. Shyam Lal Bajaj	Whole time Director (up to 12 May 2021)
Mr. Rakesh Talati	Whole-time Director (w.e.f. 13 May 2021)
Mr. Bharat A. Jaisinghani	Whole-time Director (w.e.f. 13 May 2021)
Mr. Nikhil R. Jaisinghani	Whole-time Director (w.e.f. 13 May 2021)
Mr. Gandharv Tongia ^(a)	Executive Director and Chief Financial Officer

(ii) Non-Executive Directors

Mr. R.S. Sharma	Independent Director
Mr. T.P. Ostwal	Independent Director
Mr. Pradeep Poddar	Independent Director
Ms. Sutapa Banerjee	Independent Director (w.e.f. 13 May 2021)
Ms. Manju Agarwal	Independent Director (w.e.f. 19 January 2023)
Ms. Hiroo Mirchandani	Independent Director (upto 12 May 2021)

(iii) Key Management Personnel

Ms. Manita Carmen A. Gonsalves	Company Secretary and Head legal
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(iv) Relatives of Key Management Personnel

Mr. Kunal I. Jaisinghani	Son of Mr. Inder T. Jaisinghani
Ms. Ritika Nikhil Jaisinghani	Wife of Mr. Nikhil R. Jaisinghani
Ms. Kiara Duhlani	Daughter of Mr. Ajay T. Jaisinghani
Ms. Deepika Sehgal	Daughter of Mr. Ramesh T. Jaisinghani
Ms. Jayshriben Talati	Wife of Mr. Rakesh Talati

(a) Appointed as Executive director w.e.f. 19 January 2023

(D) Transactions with group companies :

(₹ million)

		Year ended 31 March 2023	Year ended 31 March 2022
(i) Sale of goods (including GST)			
Dowells Cable Accessories Private Limited	Subsidiary	5.05	4.17
Ryker Base Private Limited	Subsidiary	-	1,167.52
Techno Electromech Private Limited	Joint Venture	0.02	36.79
Uniglobus Electricals and Electronics Private Limited	Subsidiary	37.66	2.25
Polycab Australia PTY Ltd	Subsidiary	744.08	848.82
Silvan Innovation Labs Private Limited	Subsidiary	2.48	-
(ii) Purchase of goods (including GST)			
Tirupati Reels Private Limited	Subsidiary	1,183.99	843.19
Dowells Cable Accessories Private Limited	Subsidiary	1.35	6.07
Ryker Base Private Limited	Subsidiary	-	906.50
Uniglobus Electricals and Electronics Private Limited	Subsidiary	104.45	0.10
Techno Electromech Private Limited	Joint Venture	700.78	951.01

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(₹ million)

		Year ended 31 March 2023	Year ended 31 March 2022
(iii) Sub-contracting expense (including GST)			
Ryker Base Private Limited	Subsidiary	-	321.53
Techno Electromech Private Limited	Joint Venture	4.49	23.33
Polycab Support Force Private Limited	Subsidiary	28.67	-
Uniglobus Electricals and Electronics Private Limited	Subsidiary	0.77	-
(iv) Job work Income (including GST)			
Ryker Base Private Limited	Subsidiary	-	4.40
Dowells Cable Accessories Private Limited	Subsidiary	0.72	-
(v) Recovery for Employee Stock Options granted			
Ryker Base Private Limited	Subsidiary	-	6.68
(vi) Reimbursement of Expense			
Ryker Base Private Limited	Subsidiary	-	7.53
Uniglobus Electricals and Electronics Private Limited	Subsidiary	1.39	-
(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	8.26
Ryker Base Private Limited	Subsidiary	-	0.37
Polycab Support Force Private Limited	Subsidiary	0.02	-
Uniglobus Electricals and Electronics Private Limited	Subsidiary	2.79	1.07
Silvan Innovation Labs Private Limited	Subsidiary	2.57	0.67
(ix) Interest received			
Silvan Innovation Labs Private Limited	Subsidiary	5.86	2.91
Ryker Base Private Limited	Subsidiary	-	17.09
Polycab Australia PTY Ltd	Subsidiary	-	0.56
Uniglobus Electricals and Electronics Private Limited	Subsidiary	1.59	1.56
Techno Electromech Private Limited	Joint Venture	9.00	13.32
Polycab Support Force Private Limited	Subsidiary	0.51	-
(x) Testing charges paid (including GST)			
Techno Electromech Private Limited	Joint Venture	0.15	0.81
(xi) Other charges recovered (including GST)			
Dowells Cable Accessories Private Limited	Subsidiary	7.33	5.98
Ryker Base Private Limited	Subsidiary	-	0.52
Uniglobus Electricals and Electronics Private Limited	Subsidiary	3.50	0.68
Polycab Support Force Private Limited	Subsidiary	0.40	0.55
Silvan Innovation Labs Private Limited	Subsidiary	5.78	-
(xii) Purchase of Fixed Assets (including GST)			
Ryker Base Private Limited	Subsidiary	-	47.23
(xiii) Investment made			
Dowells Cable Accessories Private Limited	Subsidiary	-	21.77
Polycab Support Force Private Limited	Subsidiary	-	2.60
Uniglobus Electricals and Electronics Private Limited	Subsidiary	-	90.00
Steel Matrix Private Limited	Subsidiary	-	0.75

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(₹ million)

		Year ended 31 March 2023	Year ended 31 March 2022
(xiv) Investment made Compulsorily Convertible Debentures			
Silvan Innovation Labs Private Limited	Subsidiary	-	78.07
(xv) Loans given			
Silvan Innovation Labs Private Limited	Subsidiary	6.50	45.50
Uniglobus Electricals and Electronics Private Limited	Subsidiary	54.65	73.39
Polycab Support Force Private Limited	Subsidiary	12.50	-
(xvi) Loan given repaid			
Polycab Support Force Private Limited	Subsidiary	7.50	-
Ryker Base Private Limited	Subsidiary	-	300.56
Techno Electromech Private Limited	Joint Venture	-	15.21
Polycab Australia PTY Ltd	Subsidiary	-	25.07
Uniglobus Electricals and Electronics Private Limited	Subsidiary	56.61	71.44
(xvii) Fair value corporate guarantee			
Ryker Base Private Limited	Subsidiary	-	9.94
(xviii) Recovery of manpower charges			
Dowells Cable Accessories Private Limited	Subsidiary	15.02	2.58
Tirupati Reels Private Limited	Subsidiary	4.83	1.39
Uniglobus Electricals and Electronics Private Limited	Subsidiary	3.87	5.47

(E) Outstanding as at the year end :

(₹ million)

		Year ended 31 March 2023	Year ended 31 March 2022
(i) Loans given			
Silvan Innovation Labs Private Limited	Subsidiary	52.00	45.50
Uniglobus Electricals and Electronics Private Limited	Subsidiary	-	1.95
Techno Electromech Private Limited	Joint Venture	100.00	100.00
Polycab Support Force Private Limited	Subsidiary	5.00	-
(ii) Trade Receivables			
Tirupati Reels Private Limited	Subsidiary	-	2.01
Techno Electromech Private Limited	Joint Venture	33.48	33.67
Polycab Australia PTY Ltd	Subsidiary	482.09	369.00
Uniglobus Electricals and Electronics Private Limited	Subsidiary	37.19	9.28
(iii) Others Receivables			
Tirupati Reels Private Limited	Subsidiary	1.20	-
Techno Electromech Private Limited	Joint Venture	85.19	85.19
Dowells Cable Accessories Private Limited	Subsidiary	3.74	3.06
Silvan Innovations Labs Pvt. Ltd.	Subsidiary	4.90	-
Polycab Support Force Private Limited	Subsidiary	0.02	0.55
(iv) Advance given for material and services			
Techno Electromech Private Limited	Joint Venture	169.10	-
(v) Advance received for material and services			
Polycab Australia PTY Ltd	Subsidiary	114.86	-

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(₹ million)

		Year ended 31 March 2023	Year ended 31 March 2022
(vi) Interest accrued on loan given			
Techno Electromech Private Limited	Joint Venture	2.00	2.91
Silvan Innovation Labs Private Limited	Subsidiary	4.39	0.72
Uniglobus Electricals and Electronics Private Limited	Subsidiary	-	0.02
Polycab Support Force Private Limited	Subsidiary	0.46	-
(vii) Trade Payables			
Tirupati Reels Private Limited	Subsidiary	28.95	51.60
Dowells Cable Accessories Private Limited	Subsidiary	-	0.02
Polycab Support Force Private Limited	Subsidiary	5.26	-
Uniglobus Electricals and Electronics Private Limited	Subsidiary	16.91	0.10
Techno Electromech Private Limited	Joint Venture	34.92	50.59

Note:

Company had provided a guarantee for credit facility availed by the Tirupati Reels Private Limited, amounting to ₹ 520.00 million (31 March 2022: ₹ 520.00 million).

(F) Transactions with KMP:

(i) Remuneration paid for the year ended and outstanding as on: ^(a)

(₹ million)

	31 March 2023		31 March 2022	
	For the year ended	Outstanding as at the year end	For the year ended	Outstanding as at the year end
CMD and Whole-time director				
Salaries, wages, bonus, commission and other benefits	292.13	182.55	203.81	103.10
Contribution to PF, Family Pension and ESI	1.06	-	0.77	-
ESOP Expenses	1.84	-	3.06	-
Independent director				
Director sitting fees	4.42	-	9.36	-
Commission	10.63	10.63	6.00	9.00
Key management personnel (excluding CMD and WTD)				
Salaries, wages, bonus, commission and other benefits	30.54	6.05	26.03	5.00
Contribution to PF, Family Pension and ESI	0.04	-	0.04	-
ESOP Expenses	1.23	-	2.76	-
Remuneration to other related parties				
Salaries, wages, bonus, commission and other benefits	2.04	0.01	4.73	0.51
Contribution to PF, Family Pension and ESI	0.07	-	0.02	-

(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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(ii) Sale of fixed assets to KMP (Including GST)

(₹ million)

	31 March 2023		31 March 2022	
	For the year ended	Outstanding as at the year end	For the year ended	Outstanding as at the year end
Mr. Inder T. Jaisinghani	-	-	2.63	-
Mr. Ajay T. Jaisinghani	-	-	3.18	-
Mr. Bharat A. Jaisinghani	-	-	1.14	-
Mr. Girdhari T. Jaisinghani	-	-	2.23	-
Mrs. Ritika Nikhil Jaisinghani	-	-	4.08	-

(iii) Transactions with enterprises owned or significantly influenced by key managerial personnel

(₹ million)

		31 March 2023		31 March 2022	
		For the year ended	Outstanding as at the year end	For the year ended	Outstanding as at the year end
Polycab Social Welfare Foundation	Donation	224.79	-	191.89	-
Transigo Fleet LLP	Professional fees	19.12	4.37	16.91	1.46
AK Enterprises	Reimbursement of Electricity Expense	1.42	-	1.34	-
AK Enterprises*	Rent paid (including GST)	29.17	-	29.17	2.33
Bootbhavani Fabricators	Purchase of goods (including GST)	0.14	-	-	-
Bootbhavani Fabricators	Purchase of Plant and equipments	89.39	-	-	-
S.B. Enterprise	Purchase of goods (including GST)	5.26	-	-	-
S.B. Enterprise	Purchase of Plant and equipments	22.50	-	-	-
Shreeji Traders	Purchase of goods (including GST)	-	-	0.02	-
T.P. Ostwal & Associates LLP	Professional fees (excluding GST)	-	-	0.16	-

*Security deposit given to AK Enterprises amounting to ₹6.17 million (31 March 2022 : ₹6.17 million).

(G) Transactions with relatives of KMP:

Rent paid for the period ended and outstanding as at:

(₹ million)

	31 March 2023		31 March 2022	
	For the year ended	Outstanding as at the year end	For the year ended	Outstanding as at the year end
Mrs. Jayshriben Talati	0.59	-	0.49	-

(H) Terms and conditions of transactions with related parties:

- 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.
- Guarantees are issued by the Company in accordance with Section 186 of the Companies Act, 2013 read with rules issued thereunder.
- For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2022: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

36 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.

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(A) The following summary describes the operations in each of the Company's reportable segments:

(₹ million)

	31 March 2023					31 March 2022				
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Others	Eliminations	Total
External sales	123,987.45	11,879.75	3,638.33	-	139,505.53	107,003.75	12,484.03	1,898.08	-	121,385.86
Inter segment revenue	1,559.04	-	-	(1,559.04)	-	105.70	-	-	(105.70)	-
Total Income	125,546.49	11,879.75	3,638.33	(1,559.04)	139,505.53	107,109.45	12,484.03	1,898.08	(105.70)	121,385.86
Segment Results										
External	16,052.88	2.68	421.01	-	16,476.57	10,273.04	242.86	325.14	-	10,841.04
Inter segment results	202.72	-	-	(202.72)	-	10.19	-	-	(10.19)	-
Segment/Operating results	16,255.60	2.68	421.01	(202.72)	16,476.57	10,283.23	242.86	325.14	(10.19)	10,841.04
Un-allocated items:										
Finance income					971.00					498.26
Finance costs					560.64					334.20
Exceptional items					-					1,243.25
Profit before tax					16,886.93					12,248.35
Tax expenses										
Current tax					4,019.27					3,037.67
Deferred tax charge/ (credit)					151.79					(102.04)
Profit for the year					12,715.87					9,312.72
Depreciation & amortisation expenses	1,834.54	185.03	4.32	-	2,023.89	1,773.77	187.95	3.86	-	1,965.58
Non-cash expenses/ (Income) other than depreciation	20.87	39.16	(8.34)	-	51.69	49.55	65.15	4.81	-	119.51
Total cost incurred during the year to acquire segment assets (net of disposal)	3,157.11	1,312.74	0.58	-	4,470.42	3,948.44	1,040.43	-	-	4,988.87

(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 2023	Year ended 31 March 2022
Within India	125,548.30	112,107.01
Outside India	13,957.23	9,278.85
	139,505.53	121,385.86

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(C) Segment assets

(₹ million)

	31 March 2023					31 March 2022				
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Others	Eliminations	Total
Segment assets	57,414.91	6,891.32	3,582.55	-	67,888.78	49,288.73	7,543.93	2,579.07	-	59,411.73
Unallocated assets:										
Investments (Non-current and Current)					13,996.44					8,132.00
Income Tax assets (net)					147.33					369.94
Cash and cash equivalents and bank balance other than cash and cash equivalents					6,457.57					4,025.04
Loans					160.47					174.11
Other unallocable assets					3,699.83					960.14
Total assets					92,350.42					73,072.96

(D) Segment liabilities

(₹ million)

	31 March 2023					31 March 2022				
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Others	Eliminations	Total
Segment liabilities	18,528.78	2,056.03	2,237.15	-	22,821.96	10,323.95	2,655.57	2,221.90	-	15,201.42
Unallocated liabilities:										
Borrowings (Non-Current and Current, including Current Maturity)					821.25					765.42
Current tax liabilities (net)					346.04					153.11
Deferred tax liabilities (net)					401.02					240.60
Other unallocable liabilities					1,868.82					1,503.41
Total liabilities					26,259.09					17,863.96

(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 2023	Year ended 31 March 2022
Within India	23,833.57	20,957.62
Outside India	-	-
	23,833.57	20,957.62

Notes to Standalone Financial Statements

for the year ended 31 March 2023

37. 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. However, trade receivables that do not contain a significant financing component are measured at transaction price. 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) *Financial assets at fair value*

(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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(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:

Notes to Standalone Financial Statements

for the year ended 31 March 2023

- 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 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 Company's financial instruments:

	Carrying value		Fair value	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
(₹ million)				
Financial assets				
Measured at amortised cost				
Trade receivables	12,730.22	13,724.27	12,730.22	13,724.27
Cash and cash equivalents	1,218.57	1,138.27	1,218.57	1,138.27
Bank balance other than cash and cash equivalents	5,239.00	2,766.97	5,239.00	2,766.97
Loans	160.47	174.11	160.47	174.11
Other financial assets	345.63	332.26	345.63	332.26
Measured at fair value through profit or loss account (FVTPL)				
Investment in mutual funds	13,504.95	7,640.51	13,504.95	7,640.51
Derivative assets	7.86	238.74	7.86	238.74
	33,206.70	26,015.13	33,206.70	26,015.13
Financial liabilities				
Measured at amortised cost				
Borrowings	821.25	765.42	821.25	765.42
Trade payables	19,957.50	11,793.55	19,957.50	11,793.55
Creditors for capital expenditure	563.69	466.96	563.69	466.96
Lease liabilities	358.45	343.26	361.77	350.58
Other financial liabilities	134.49	50.40	134.49	50.40
Measured at fair value through profit or loss account (FVTPL)				
Derivative liabilities	129.32	138.42	129.32	138.42
	21,964.70	13,558.01	21,968.02	13,565.33

- 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).
- 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.
- 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.
- 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 fair values of the mutual funds are based on NAV at the reporting date.
- The fair value of interest rate swaps are based on MTM bank rates as on reporting date.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

- (g) 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.

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 2023:

(₹ 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 2023	13,504.95	13,504.95	-	-
Derivative assets					
Forward contract	31 March 2023	7.86	-	7.86	-
Liabilities measured at fair value:					
Derivative liabilities					
Embedded derivatives	31 March 2023	26.18	-	26.18	-
Commodity contracts	31 March 2023	76.17	-	76.17	-
Foreign exchange forward contract	31 March 2023	26.97	-	26.97	-

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	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	42.47	-	42.47	-
Liabilities measured at fair value:					
Derivative liabilities					
Commodity contracts	31 March 2022	138.42	-	138.42	-

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:

- the date of the event or change in circumstances that caused the transfer
- the beginning of the reporting period
- the end of the reporting period

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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 2023 (31 March 2022: None)

38. 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 2023, 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 2022: None). Total borrowings as on 31 March 2023 are ₹821.25 million (31 March 2022 ₹765.42 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:

	Exposure to interest rate risk (Principal amount of loan)	Increase/decrease in basis points	Effect on profit before tax
(₹ million)			
31 March 2023	821.25		
Increase		+100	(8.21)
Decrease		-100	8.21
31 March 2022	765.42		
Increase		+100	(7.65)
Decrease		-100	7.65

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(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:

Currency	Currency Symbol	₹ million			
		31 March 2023		31 March 2022	
		Foreign currency	Indian Rupees	Foreign currency	Indian Rupees
United States Dollar	USD	(74.60)	(6,133.18)	(59.15)	(4,483.64)
EURO	Euro	15.19	1,361.18	2.20	185.85
Pound	GBP	2.85	290.24	0.53	53.08
Swiss Franc	CHF	0.03	2.40	0.29	24.12
Ruble	RUB	(7.38)	(7.83)	-	-
Chinese Yuan	CNY	0.09	1.10	-	-
Japanese yen	JPY	-	-	(0.32)	(0.20)
Australian Dollar	AUD	7.16	394.06	6.13	346.52

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, RUB, 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

Currency	Currency Symbol	₹ million			
		31 March 2023		31 March 2022	
		+2%	-2%	+2%	-2%
United States Dollar	USD	(122.66)	122.66	(89.67)	89.67
EURO	Euro	27.22	(27.22)	3.72	(3.72)
Pound	GBP	5.80	(5.80)	1.06	(1.06)
Swiss Franc	CHF	0.05	(0.05)	0.48	(0.48)
Ruble	RUB	(0.16)	0.16	-	-
Chinese Yuan	CNY	0.02	(0.02)	-	-
Japanese yen	JPY	-	-	(0.00)	0.00
Australian Dollar	AUD	7.88	(7.88)	6.93	(6.93)

Figures shown in brackets represent payables.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(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 2023 and 31 March 2022.

Sensitivity analysis for unhedged exposure for the year ended 31 March are as follows:

Exposure of Company in Inventory

Metal	Hedge instruments	31 March 2023				31 March 2022			
		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	5,400	3,992.49	(79.85)	79.85	2,870	2,257.50	45.15	(45.15)
Aluminium	Embedded derivative	-	-	-	-	84	23.76	0.48	(0.48)

(₹ million)

(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 17(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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

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.

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 ₹821.25 million (31 March 2023: ₹765.42 million).

Trade receivables (net of expected credit loss allowance) of ₹12,204.17 million as at 31 March 2023 (31 March 2022: ₹12,925.37 million) 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 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.

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 non-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 ₹1,159.38 million as at 31 March 2023 (31 March 2022 ₹1,243.76 million) is considered adequate.

The same assessment is done in respect of contract assets of ₹141.19 million as at 31 March 2023 (31 March 2022 ₹106.91 million) while arriving at the level of provision that is required. The expected credit loss allowance for contract assets of ₹5.65 million as at 31 March 2023 (31 March 2022 ₹11.82 million) 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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(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 17).

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 34(A)).

Maturity analysis

The table below summarises the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted payments.

	31 March 2023			31 March 2022		
	< 1 year	> equal to 1 year	Total	< 1 year	> equal to 1 year	Total
Financial assets:						
Investments	13,504.95	-	13,504.95	7,640.51	-	7,640.51
Trade receivables	12,204.17	526.05	12,730.22	12,925.37	798.90	13,724.27
Cash & cash equivalents	1,218.57	-	1,218.57	1,138.27	-	1,138.27
Bank balance other than cash & cash equivalents	5,239.00	-	5,239.00	2,766.97	-	2,766.97
Loans	160.47	-	160.47	174.11	-	174.11
Other financial assets	302.70	53.21	355.91	412.23	158.77	571.00
	32,629.86	579.26	33,209.12	25,057.46	957.67	26,015.13
Financial liabilities:						
Borrowings	821.25	-	821.25	765.42	-	765.42
Lease liability	160.28	253.72	414.00	146.59	297.87	444.46
Other financial liabilities	827.50	-	827.50	655.78	-	655.78
Trade payables	19,957.50	-	19,957.50	11,793.55	-	11,793.55
	21,766.53	253.72	22,020.25	13,361.34	297.87	13,659.21

(₹ million)

Notes to Standalone Financial Statements

for the year ended 31 March 2023

39. Hedging activity and derivatives

The company uses the following hedging types:

- (i) Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- (ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

(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.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

(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.

As at 31 March 2023

(₹ million)

(€ million)									
	Commodity price risk	Carrying amount			Maturity date	Hedge Ratio	Balance sheet classification	Effective portion of Hedge -Gain/ (loss)	Ineffective portion of Hedge -Gain/ (loss)
		Asset-increase/ (decrease)	Liabilities-increase/ (decrease)	Equity-increase/ (decrease)					
Fair Value Hedge									
Hedged item	Inventory of Copper and aluminium	76.85	-	-	Range within 1 to 6 months	1:1	Inventory	(76.85)	25.92
	Highly probable future purchases	-	-	-		1:1	Cash flow hedge Reserve		
Hedging instrument	Embedded derivative in trade payables of Copper and aluminium	-	26.18	-		1:1	Trade payables		
	Buy Derivative Position	-	-	-		1:1	Current financial liabilities		
	Sell Derivative Position	-	76.17	-		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

(₹ million)

	As at 31 March 2023			
	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				
Sell Future Contracts- Copper	(59.71)	-	-	(59.71)
Sell Future Contracts- Aluminium	0.01	-	-	0.01

Notes to Standalone Financial Statements

for the year ended 31 March 2023

As at 31 March 2022

(₹ million)									
	Commodity price risk	Carrying amount			Maturity date	Hedge Ratio	Balance sheet classification	Effective portion of Hedge -Gain/ (loss)	Ineffective portion of Hedge -Gain/ (loss)
		Asset-increase/ (decrease)	Liabilities-increase/ (decrease)	Equity-increase/ (decrease)					
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		1:1	Cash flow hedge Reserve		
Hedging instrument	Embedded derivative in trade payables of Copper and aluminium	-	(196.27)	-		1:1	Current financial liabilities		
	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 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	(139.31)	-	-	(139.31)
Buy Future Contracts- Aluminium	0.58	-	-	0.58
Sell Future Contracts- Aluminium	0.31	-	-	0.31

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 2023	31 March 2022
Foreign exchange forward contracts- Buy	4,498.70	3,807.07
Foreign exchange forward contracts- Sale	(1,576.27)	(6,121.16)
	2,922.43	(2,314.09)
Fair valuation loss/ (gain) on foreign exchange forward contracts	11.25	(42.47)

Notes to Standalone Financial Statements

for the year ended 31 March 2023

40. Financial performance ratios:

	Numerator	Denominator	31 March 2023	31 March 2022	Variance
A Performance Ratios					
Net Profit ratio	Profit after tax	Revenue from operations	9.14%	7.70%	1.4%
Net Capital turnover ratio	Revenue from operations	Working capital	3.28	3.59	-8.5%
Return on Capital employed	Profit before interest and tax	Capital employed	25.92%	22.38%	3.5%
Return on Equity Ratio	Profit after tax	Average shareholder's equity	20.97%	18.21%	2.8%
Return on investment (i)	Closing less opening market price	Opening market price	21.81%	70.66%	-48.9%
Debt Service Coverage ratio	Earnings available for debt services	Debt Service	25.54	23.89	6.9%
B Leverage Ratios					
Debt-Equity Ratio	Total Debt	Shareholder's equity	0.01	0.01	-10.4%
C Liquidity Ratios					
Current Ratio	Current Assets	Current Liabilities	2.70	2.99	-10.0%
D Activity Ratio					
Inventory turnover ratio	Cost of goods sold	Average inventory	4.15	4.60	-9.8%
Trade Receivables turnover ratio	Revenue from operations	Average trade receivables	11.07	8.88	24.6%
Trade Payables turnover ratio	Net credit purchases	Average trade payable	6.88	7.66	-10.2%

Note: Explanation for change in ratio by more than 25%

(i) Return on investment movement is in line with fair market value of investments.

41. 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.

42. 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, lease liabilities and other payables, less cash and cash equivalents and current investments.

Notes to Standalone Financial Statements

for the year ended 31 March 2023

	(₹ million)	
	31 March 2023	31 March 2022
Borrowings (Refer note 17)	821.25	765.42
Other payables (Refer note 20)	827.50	655.78
Lease liabilities (Refer note 18)	358.45	343.26
Less: Cash and cash equivalents (Refer note 8)	(1,218.57)	(1,138.27)
Less: Current investments (Refer note 6B)	(13,504.95)	(7,640.51)
Net debt	(12,716.32)	(7,014.32)
Equity (Refer note 15 and 16)	66,091.33	55,209.00
Total capital	66,091.33	55,209.00
Capital and net debt	53,375.01	48,194.68
Gearing ratio	-23.82%	-14.55%

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 and year ended 31 March 2022.

43. Environmental, Social and Governance (ESG)

As a socially and environmentally responsible business, committed to the highest standards of corporate governance, the Company is focused on growing sustainably to build long-term stakeholder value by embracing sustainable development. The Company aims to deliver value to its employees, customers, suppliers, partners, shareholders and society as a whole. In this regard, the Company has developed a robust ESG framework that will align it to the best global standards and serve as a guide for the implementation of sustainable business practices.

44. The Board of Directors of the Company at their meeting held on 18 October 2022 had approved the Scheme of Amalgamation between the Company and Silvan Innovation Laboratories Private Limited, a wholly owned subsidiary of the Company on a going concern basis. The Appointed date of the Scheme is 1 April 2022 or such other date as may be approved by NCLT or any other appropriate authority. The Scheme will be given effect on receipt of requisite regulatory approvals and consent from shareholders and filing of such approvals with the ROC.

45. Events after the reporting period

No significant adjusting event occurred between the balance sheet date and date of the approval of these standalone financial statements by the Board of Directors of the Company requiring adjustment or disclosure.

46. Others

Figures representing ₹0.00 million are below ₹5,000.

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: 12 May 2023

For and on behalf of the Board of Directors of

Polycab India Limited

CIN: L31300GJ1996PLC114183

Inder T. Jaisinghani

Chairman & Managing Director

DIN: 00309108

Gandharv Tongia

Executive Director & CFO

DIN: 09038711

Nikhil R. Jaisinghani

Whole-time Director

DIN: 00742771

Place: Mumbai

Date: 12 May 2023

Bharat A. Jaisinghani

Whole-time Director

DIN: 00742995

Manita Gonsalves

Company Secretary

Membership No. A18321