

Polycab India Ltd.

(formerly known as Polycab Wires Ltd)

UNAUDITED INTERIM CONDENSED STANDALONE FINANCIAL STATEMENT JUN-19



Polycab India Limited (Formerly known as 'Polycab Wires Limited')
Unaudited Interim Condensed Standalone Financial Statements for the quarter ended June 30, 2019

Index	Page No.
Auditor's Review Report	1
Condensed Balance Sheet.....	3
Condensed Statement of Profit and Loss.....	4
Condensed Statement of Changes in Equity.....	5
Condensed Statement of Cash Flows.....	5
Overview and notes to the financial statements	
1. Overview	
1.1 Corporate information.....	6
1.2 Significant accounting policies.....	6
2. Notes to financial statements	
2.1 Property, plant and equipment.....	9
2.2 Right of use of assets.....	10
2.3 Intangible assets.....	10
2.4 Investment (non-current).....	11
2.5 Inventories.....	11
2.6 Cash and cash equivalents.....	11
2.7 Borrowings (non-current).....	11
2.8 Borrowings (current).....	12
2.9 Trade Payables.....	12
2.10 Revenue from operations.....	12
2.11 Other income.....	13
2.12 Cost of materials consumed.....	13
2.13 Purchases of traded goods.....	13
2.14 Project bought outs and other cost.....	13
2.15 Finance cost.....	13
2.16 Other expenses.....	13
2.17 Earnings per share (EPS).....	14
2.18 Commitments and contingencies.....	14
2.19 Related party transaction.....	15
2.20 List of subsidiaries & joint venture.....	17
2.21 Segment information.....	18
2.22 Fair value measurements.....	19
2.23 Fair value hierarchy.....	20
2.24 Financial risk management objectives and policies.....	21
2.25 Hedging activity and derivatives.....	24
2.26 Provision for investment and loan to subsidiary.....	25
2.27 Others.....	25

B S R & Co. LLP

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Report on Review of Unaudited Condensed Standalone Interim Financial Statements

To the Board of Directors of
Polycab India Limited

Introduction

We have reviewed the accompanying unaudited condensed standalone interim financial statements of Polycab India Limited ("the Company"), which comprise the unaudited interim condensed standalone balance sheet as at 30 June 2019, the unaudited interim condensed standalone statement of profit and loss (including other comprehensive income) for the quarter ended on that date, the unaudited interim condensed standalone statement of cash flows and the unaudited interim condensed standalone statement of changes in equity for the quarter ended on that date and a summary of the significant accounting policies and other selected explanatory information (herein after referred to as "the Statement"). The Company's Board of Directors is responsible for the preparation and fair presentation of the Statement in accordance with the accounting principles generally accepted in India, including the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) 34, Interim Financial Reporting as specified under section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above and referred to below in the Other Matters paragraph, nothing has come to our attention that causes us to believe that the accompanying Statement are not prepared in all material aspects in accordance with Ind AS 34, 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.

Polycab India Limited
Report on Review of Unaudited Condensed Standalone Interim Financial
Statements (*Continued*)

Other Matter

The figures for 3 months ended 30 June 2018 included in the Statement had been audited by the predecessor auditor. The predecessor auditor's opinion dated 24 October 2018 for the 3 months ended 30 June 2018 was qualified with respect to non-inclusion of comparatives figures for 3 months ended 30 June 2017 in accordance with the requirements of Ind AS 34. Our conclusion on the Statement is not modified in respect of the above matter.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration Number: 101248W/W-100022



Bhavesh Dhupelia

Partner

Membership No. 042070

UDIN: 19042070AAAABV9714

Mumbai
26 July 2019

Polycab India Limited (Formerly known as 'Polycab Wires Limited')
Unaudited Interim Condensed Standalone Balance sheet as at 30 June 2019

(₹ million)

	Notes	As at 30 June 2019 (Unaudited)	As at 31 March 2019 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	3	12,462.18	12,515.09
Capital work-in-progress	3	2,521.12	1,858.67
Right of use assets	4	268.61	-
Intangible assets	5	30.21	34.98
Financial assets			
a) Investments	6	461.94	426.94
b) Trade receivables		1,528.54	1,351.27
c) Other financial assets		87.55	49.59
Income tax assets (Net)		97.67	97.67
Other non-current assets		479.98	544.07
		<u>17,937.80</u>	<u>16,878.28</u>
Current assets			
Inventories	7	18,328.47	19,804.31
Financial assets			
a) Investments		4,062.27	-
b) Trade receivables		11,448.89	13,415.91
c) Cash and cash equivalents	8	2,451.41	1,777.44
d) Bank balance other than cash and cash equivalents		2,048.29	1,379.47
e) Loans		176.96	139.34
f) Other current financial assets		274.96	724.68
Other current assets		2,722.72	1,834.52
		<u>41,513.97</u>	<u>39,075.67</u>
Assets classified as held for disposal		0.22	0.22
		<u>41,514.19</u>	<u>39,075.89</u>
Total assets		<u><u>59,451.99</u></u>	<u><u>55,954.17</u></u>
Equity and liabilities			
Equity			
Equity share capital		1,486.46	1,412.06
Other equity		31,823.00	27,077.38
		<u>33,309.46</u>	<u>28,489.44</u>
Liabilities			
Non-current liabilities:			
Financial liabilities			
a) Borrowings	9	476.68	785.83
b) Other non-current financial liabilities		194.36	-
Provisions		200.40	161.90
Deferred tax liabilities (net)		184.35	227.80
Other non-current liabilities		357.29	257.04
		<u>1,413.08</u>	<u>1,432.57</u>
Current liabilities:			
Financial liabilities			
a) Borrowings	10	553.93	1,023.47
b) Trade payables	11	14,592.77	15,099.00
c) Other current financial liabilities		2,070.42	1,774.20
Other current liabilities		5,622.32	6,256.79
Provisions		233.72	208.23
Current tax liabilities (net)		1,656.29	1,670.47
		<u>24,729.45</u>	<u>26,032.16</u>
Total equity and liabilities		<u><u>59,451.99</u></u>	<u><u>55,954.17</u></u>
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	20		
Other notes to accounts	21 to 29		

The accompanying notes are an integral part of the unaudited interim condensed 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 (Formerly known as 'Polycab Wires Limited')
CIN : U31300DL1996PLC266483

Bhavesh Dhupelia
Partner
Membership No. 042070

Inder T. Jaisinghani
Chairman & Managing Director
DIN : 00309108

Ajay T. Jaisinghani
Whole Time Director
DIN : 00276588

Place: Mumbai
Date: 26 July 2019

S. L. Bajaj
CFO & Whole Time Director
DIN : 02734730

S S Narayana
Company Secretary
Membership No. F5221

Place: Panchmahal, Gujarat
Date: 26 July 2019

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Standalone Statement of Profit and Loss for the quarter ended 30 June 2019

(₹ million)

	Notes	Quarter ended 30 June 2019 (Unaudited)	Quarter ended 30 June 2018 (Audited)
Income			
Revenue from operations	12	19,214.69	16,779.06
Other income	13	517.80	227.54
Total income		19,732.49	17,006.60
Expenses			
Cost of materials consumed	14	13,162.40	12,274.09
Purchases of traded goods	15	1,017.46	652.79
Changes in Inventories of finished goods, traded goods and work-in-progress		(728.40)	(638.70)
Project bought outs and other cost	16	771.44	335.70
Employee benefits expense		908.90	704.83
Finance cost	17	120.10	369.36
Depreciation and amortisation expenses		380.05	348.61
Other expenses	18	2,059.31	1,731.94
Total expenses		17,691.26	15,778.62
Profit before tax		2,041.23	1,227.98
Income tax expenses			
Current tax		725.25	453.16
Adjustment of tax relating to earlier periods		(1.49)	-
Deferred tax (credit)/charge		(17.62)	(23.53)
Total tax expense		706.14	429.63
Profit for the year		1,335.09	798.35
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(40.12)	3.28
Income tax related to above item		14.02	(1.14)
Other comprehensive income for the year, net of tax		(26.10)	2.14
Total comprehensive income for the year, net of tax		1,308.99	800.49
Earnings per share	19		
Basic earnings per share (₹)		9.06	5.65
Diluted earnings per share (₹)		9.05	5.65
Corporate Information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	20		
Other notes to accounts	21 to 29		

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For **B S R & Co. LLP**
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S S Narayana
Company Secretary
Membership No. F5221

Place: Panchmahal, Gujarat
Date: 26 July 2019

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Standalone Statement of Changes in Equity for the period ended 30 June 2019

Particulars	Reserves & Surplus							Total Equity	
	Equity Share Capital	Capital Reserve	Securities Premium	General Reserve	ESOP outstanding	Retained Earnings	Total other equity	Total Equity	
As at 1 April 2018	1,412.06	0.13	3,205.60	650.69	-	18,209.73	22,066.15	23,478.21	
Net Profit for the quarter	-	-	-	-	-	798.35	798.35	798.35	
Other comprehensive income									
Other comprehensive income for the quarter, net of tax	-	-	-	-	-	2.14	2.14	2.14	
As at 30 June 2018	1,412.06	0.13	3,205.60	650.69	-	19,010.22	22,866.64	24,278.70	
Net Profit for the nine months	-	-	-	-	-	4,216.04	4,216.04	4,216.04	
Share based payments to employees	-	-	-	-	149.51	-	149.51	149.51	
Share issue expense	-	-	(148.28)	-	-	-	(148.28)	(148.28)	
Other comprehensive income									
Other comprehensive income for the nine months, net of tax	-	-	-	-	-	(6.53)	(6.53)	(6.53)	
As at 31 March 2019	1,412.06	0.13	3,057.32	650.69	149.51	23,219.73	27,077.38	28,489.44	
Impact on account of adoption of Ind AS 116	-	-	-	-	-	(21.99)	(21.99)	(21.99)	
Net Profit for the quarter	-	-	-	-	-	1,335.09	1,335.09	1,335.09	
Share based payments to employees	-	-	-	-	63.83	-	63.83	63.83	
Additions during the quarter	74.40	-	3,932.39	-	-	-	3,932.39	4,006.79	
Other comprehensive income									
Other comprehensive income for the quarter, net of tax	-	-	-	-	-	(26.10)	(26.10)	(26.10)	
Dividends									
Final equity dividend	-	-	-	-	-	(445.94)	(445.94)	(445.94)	
Tax on final equity dividend	-	-	-	-	-	(91.66)	(91.66)	(91.66)	
As at 30 June 2019	1,486.46	0.13	6,989.71	650.69	213.34	23,969.13	31,823.00	33,309.46	

Unaudited Interim Condensed Standalone Statement Of Cash Flows for the period ended 30 June 2019

	Quarter ended	
	30 June 2019	30 June 2018
Profit before tax	2,041.23	1,227.98
Adjustments to reconcile profit before tax to net cash flows:	312.08	673.01
Movements in working capital:	2,059.71	830.01
Income tax paid (including TDS) (net)	(737.94)	(524.45)
Net cash flows from operating activities (A)	3,675.08	2,206.55
Net cash flows from / (used in) investing activities (B)	(5,829.94)	(696.24)
Net cash flows from / (used in) financing activities (C)	2,828.83	(1,473.73)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	673.97	36.58
Cash and cash equivalents at the beginning of the period	1,777.44	67.50
Cash and cash equivalents at the year end - (Refer Note 8)	2,451.41	104.08
Corporate Information and summary of significant accounting policies	1 & 2	
Contingent liabilities and commitments	20	
Other notes to accounts	21 to 29	

The accompanying notes are an integral part of the unaudited interim condensed 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 (Formerly known as 'Polycab Wires Limited')
 CIN : U31300DL1996PLC266483

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Place: Mumbai
 Date: 26 July 2019

S. L. Bajaj
 CFO & Whole Time Director
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S S Narayana
 Company Secretary
 Membership No. F5221

Place: Panchmahal, Gujarat
 Date: 26 July 2019

Polycab India Limited (formerly known as Polycab Wires Limited)

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended
30 June 2019

1. Corporate information

Polycab India Limited ('The Company') is a public limited company (CIN- U31300DL1996PLC266483) domiciled in India and incorporated under the provisions of the Companies Act, 1956. The status of the Company Polycab Wires Private Limited has been changed from Private Limited to Public Limited as per the approval received from Registrar of Companies, Delhi on August 29, 2018 and consequently the name of the Company has been changed to Polycab Wires Limited. The name of the Company has been further changed to Polycab India Limited with Certificate of Incorporation pursuant to change of name dated October 13, 2018. The Registered office of the company is situated at E-554, Greater Kailash-II, New Delhi-110048. The Company is one of the largest manufacturers of various types of cables and wires. The Company is also in the business of Engineering, Procurement and Construction (EPC) projects, Manufacturing and trading of Electrical Wiring Accessories, Electrical Appliances and Agro Pipe and pumps. The Company's manufacturing facilities are located at Daman in Daman and Diu, Halol in Gujarat, Nashik in Maharashtra and Roorkee in Uttarakhand. The Company caters to both domestic and international markets

The Company has entered into the listing agreement with the Securities and Exchange Board of India ('SEBI') on 15 April 2019, pursuant to the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as a result of which its shares have started trading on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on 16 April 2019.

2. Summary of Significant Accounting Policies:

A) Basis of preparation

The Unaudited interim condensed financial statements ('interim financial statements') have been prepared in accordance with the measurement and recognition principles of Ind AS 34 'Interim Financial Reporting', prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. Accordingly, the said interim financial statements do not include all the information required for a complete set of annual Ind AS financial statements and should be read in conjunction with the Company's latest annual Ind AS financial statements and related notes included in the Company's Annual Report for the year ended 31 March 2019. However, selected explanatory notes are included to explain events and transactions that are significant for the understanding of the changes in the Company's financial position and performance since the latest annual Ind AS financial statements.

All the amounts included in financial statements are reported in ₹ in million, except per share data and unless stated otherwise.

B) Use of estimates

The preparation of the financial statements requires the use of certain critical accounting estimates and judgements. It also requires the Management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are the same as those disclosed in the Company's latest annual Ind AS financial statements for the year ended 31 March 2019.

Polycab India Limited (formerly known as Polycab Wires Limited)

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended
30 June 2019

C) Changes in significant accounting policies

Ind AS 116 Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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 recognizes 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) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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 recognized 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 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.

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.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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

Polycab India Limited (formerly known as Polycab Wires Limited)

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended 31 March 2019.

On transition, the adoption of the new standard resulted in recognising a right-of-use asset of ₹ 276.06 million (inclusive of prepaid rentals of ₹ 6.85 million) and a corresponding lease liability of ₹ 303.01 million. The difference of ₹ 21.99 million (net of deferred tax assets created of ₹ 11.81 million) has been adjusted to retained earnings as at 1 April 2019.

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 recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application and low value asset

Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

(₹ million)

3: Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Plant & equipment's	Electrical installations	Furniture & fixtures	Office equipment's	Windmill	Vehicles	Leasehold improvements	Total	Capital Work in Progress
Gross carrying amount (at cost)												
At 01 April 2018	1,005.65	56.55	5,482.74	7,673.24	441.70	105.97	191.90	294.99	90.30	3.19	15,346.23	1,353.96
Additions	17.09	-	921.70	1,011.79	80.65	34.36	61.76	-	20.97	0.70	2,149.02	2,383.61
Transfer (Refer note -c)											-	(1,878.90)
Disposals/Adjustment	(12.75)	-	(3.54)	(10.86)	-	(0.39)	(5.30)	-	(6.02)	-	(38.86)	-
At 31 March 2019	1,009.99	56.55	6,400.90	8,674.17	522.35	139.94	248.36	294.99	105.25	3.89	17,456.39	1,858.67
Additions	2.22	-	0.08	282.09	0.01	5.14	5.16	-	-	-	294.70	801.39
Transfer (Refer note -c)											-	(138.94)
Disposals/Adjustment	-	-	-	-	-	-	(0.30)	-	(0.70)	-	(1.00)	-
At 30 June 2019	1,012.21	56.55	6,400.98	8,956.26	522.36	145.08	253.22	294.99	104.55	3.89	17,750.09	2,521.12
Accumulated depreciation												
At 01 April 2018	-	14.30	528.40	2,679.50	157.80	29.90	87.40	47.10	27.30	2.20	3,573.90	-
Depreciation charge for the year	-	0.47	231.27	1,014.40	56.19	12.72	38.90	15.79	12.41	0.35	1,382.50	-
Disposals/Adjustment	-	-	(0.21)	(6.42)	-	(0.19)	(4.93)	-	(3.35)	-	(15.10)	-
At 31 March 2019	-	14.77	759.46	3,687.48	213.99	42.43	121.37	62.89	36.36	2.55	4,941.30	-
Depreciation charge for the quarter	-	0.11	61.14	250.61	14.35	3.57	10.43	3.91	3.08	0.10	347.30	-
Disposals/Adjustment	-	-	-	-	-	-	(0.28)	-	(0.41)	-	(0.69)	-
At 30 June 2019	-	14.88	820.60	3,938.09	228.34	46.00	131.52	66.80	39.03	2.65	5,287.91	-
Net Book Value												
At 30 June 2019	1,012.21	41.67	5,580.38	5,018.17	294.02	99.08	121.70	228.19	65.52	1.24	12,462.18	2,521.12
At 31 March 2019	1,009.99	41.78	5,641.44	4,986.69	308.36	97.51	126.99	232.10	68.89	1.34	12,515.09	1,858.67

Notes:-

(a) Capital work in progress includes machinery in transit ₹ 159.77 million (31 March 2019 : ₹ 9.27 million.)

(b) All property, plant and equipment are held in the name of the Company, except following :

(i) Title deed for freehold land amounting to ₹ 33.05 million (31 March 2019: ₹ 33.05 million) were not in the name of Company. The Company has initiated process of transferring these properties in its name.

(ii) Title deed for freehold land amounting to ₹ 36.45 million (31 March 2019: ₹ 36.45 million) were not available.

(iii) Title deed is in dispute for freehold land amounting to ₹ 10.48 million (31 March 2019: ₹ 10.48 million) and is pending resolution with government authority at Gujarat. The Company has initiated the process of transferring these properties in its name.

(c) Various assets appearing in capital work in progress and capitalized during the year 30 June 2019 ₹ 138.94 million (31 March 2019 : ₹ 1,878.90 million) have been shown in addition in respective class of Property, Plant and Equipment's and as transfers in CWIP.

(d) There is a first pari passu charge by way of registered mortgage on specific immovable fixed assets at Halol and hypothecation of all movable fixed assets acquired on or after 1 April 2015.

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

(₹ million)

4: Right of Use assets

	ROU Assets
Reclassification on account of adoption of Ind AS 116	
At 01 April 2019	276.06
Additions	20.42
Depreciation	(27.87)
At 30 June 2019	268.61

(₹ million)

5: Intangible assets

	Computer - Software
Gross carrying amount (at cost)	
At 01 April 2018	142.71
Additions	26.15
Disposals	-
At 31 March 2019	168.86
Additions	0.11
At 30 June 2019	168.97
Accumulated amortization	
At 01 April 2018	115.67
Amortisation charge for the year	18.21
At 31 March 2019	133.88
Amortisation charge for the period	4.88
At 30 June 2019	138.76
Net Book Value	
At 30 June 2019	30.21
At 31 March 2019	34.98

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

(₹ million)

6: Investment (non-current)	30 June 2019		31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Investments carried at cost- Unquoted				
(a)Investment in Equity Instruments of Subsidiaries				
Polycab Wires Italy SRL of 1 Euro each fully paid up	1,50,000	10.89	1,50,000	10.89
Tirupati Reels Private Limited of ₹ 10 each fully paid up	33,00,000	33.00	33,00,000	33.00
Dowells Cable Accessories Private Limited of ₹10 each fully paid up	45,90,000	45.90	45,90,000	45.90
(b)Investment in Equity Instruments of Joint Venture				
Ryker Base Private Limited of ₹10 each fully paid up	2,60,10,000	273.45	2,60,10,000	273.45
Techno Electromech Private Limited of ₹10 each fully paid up	8,90,000	105.20	5,40,000	70.20
Total Investments (Gross)		468.44		433.44
Less: Impairment allowance for investment in Polycab Wires Italy SRL Euro 90,000 (31 March 2019 : Euro 90,000)		(6.50)		(6.50)
Total Investments (Net)		461.94		426.94

(₹ million)

7: Inventories (Net)

	30 June 2019	31 March 2019
Raw materials	7,314.71	9,457.67
Traded goods	989.50	918.02
Work-in-progress	2,107.41	1,401.85
Finished goods	6,641.51	6,611.88
Packing materials	294.40	263.14
Scrap materials	119.02	197.29
Stores and spares	168.87	177.49
Project materials for long-term contracts	693.05	776.97
	18,328.47	19,804.31

Note:-

The above includes goods in transit of ₹2959.36 million (31 March 2019 - ₹ 4543.72 million)

(₹ million)

8: Cash and cash equivalents

	30 June 2019	31 March 2019
Cash and cash equivalents (at amortised cost)		
Balances with banks		
In current accounts	469.35	1,281.37
Deposits with original maturity of less than 3 months	1,533.53	494.50
Earmarked balance	445.94	-
Cash in hand	2.59	1.57
	2,451.41	1,777.44

(₹ million)

9: Borrowings (non-current)

	30 June 2019	31 March 2019
Borrowings (at amortised cost)		
External commercial borrowing (secured)		
Foreign currency loan from HSBC Bank (Mauritius) Ltd	459.45	691.71
Rupee loan (secured)		
Indian rupee loan from Citibank N.A.	789.18	867.30
	1,248.63	1,559.01
Less: Current maturities of long-term borrowings	(771.95)	(773.18)
	476.68	785.83

Movement in borrowing schedule

	External commercial borrowing	Rupee loan	Total
Opening balance as on 01 April 2019	691.71	867.30	1,559.01
Less : Repayments	(232.26)	(78.12)	(310.38)
Closing balance as on 30 June 2019	459.45	789.18	1,248.63

The above loans are secured by way of

- First pari passu charge by way of registered mortgage on specific immovable fixed assets at Halol and hypothecation of all movable fixed assets acquired on or after 1 April 2015.
- Second pari passu charge by way of hypothecation of all movable fixed assets appearing in balance sheet as on 31 March 2015 and on all current assets of the Company.
- Charges with respect to above borrowing has been created in favor of lead banker in the consortium. No separate charge created for each of the borrowing.

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

(₹ million)

10: Borrowings (current)

	30 June 2019	31 March 2019
(A) Borrowings (at amortised cost)		
Loan repayable on demand (from banks)		
Buyer's Credit (Secured)	-	516.49
Cash Credit from banks (Secured)	4.91	-
Short-term loan from banks (Unsecured)	535.44	436.16
Packing Credit (Unsecured)	13.58	70.82
	553.93	1,023.47

Note-

- (i) Secured borrowings from banks are secured against pari passu first charge by way of hypothecation of inventories and receivables .
(ii) Pari passu first charge on specific properties , plant and equipment's of the Company such as Daman staff quarters, Daman godown premises, factory land and building at Halol and Daman and office building at Mumbai.
(iii) Pari passu first charge by way of hypothecation of all movable fixed assets appearing in balance sheet as on 31 March 2015.
(iv) Pari passu second charge by way of registered mortgage on all movable assets acquired on or after 1 April 2015.
(v) Charges with respect to above borrowing has been created in favour of lead banker in the consortium. No separate charge has been created for each of the borrowing.

(₹ million)

11: Trade Payables

	30 June 2019	31 March 2019
Acceptances - (Refer note below (i))	9,233.38	8,032.85
Other than acceptances	5,359.39	7,066.15
	14,592.77	15,099.00

(i) 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. These letter of credit are discounted by the vendors with their banks and the payments are made on due date to Banks by the Company along with interest payable as per terms of LCs. Non-fund limits are secured by first pari-passu charge over the present and future current assets of the Company.

(ii) For explanations on the Company's liquidity risk management processes. (Refer note - 26)

(₹ million)

12: Revenue from operations

	Quarter ended 30 June 2019	Quarter ended 30 June 2018
Revenue from contracts with customers		
Sale of products		
Finished goods	16,618.33	15,366.30
Traded goods	1,282.70	796.15
Revenue from construction contracts	963.11	364.06
	18,864.14	16,526.51
Other operating revenue		
Scrap sales	339.04	244.17
Total revenue from contracts with customers	19,203.18	16,770.68
Export incentives	11.51	8.38
Total Revenue from operations	19,214.69	16,779.06
i) Disaggregated revenue information		
Type of Goods or Services	Quarter ended 30 June 2019	Quarter ended 30 June 2018
Wires & Cables		
Wires & Cables	15,839.20	14,925.62
Fast Moving Electrical Goods (FMEG)	2,400.87	1,481.00
Revenue from construction contracts	963.11	364.06
Total revenue from contracts with customers	19,203.18	16,770.68
India	18,734.18	16,324.10
Outside India	469.00	446.58
Total revenue from contracts with customers	19,203.18	16,770.68
Timing of revenue recognition		
Goods transferred at a point in time	18,231.61	16,406.62
Goods and Services transferred over a period of time	971.57	364.06
Total revenue from contracts with customers	19,203.18	16,770.68
Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information		
Total revenue from contracts with customers	19,203.18	16,770.68
Export incentives	11.51	8.38
Other income excluding finance income	402.08	219.19
Total income as per Segment (Refer note -23)	19,616.77	16,998.25

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

(₹ million)

13: Other income	Quarter ended 30 June 2019	Quarter ended 30 June 2018
Interest income on		
Bank deposits	51.53	0.38
Others	12.40	7.97
Gain/loss on Redemption of investment	49.52	-
Fair Valuation MTM of investment	2.27	-
Exchange differences (net)	44.00	85.05
Fair valuation gain on financial asset*	155.23	82.51
Government Grant (Advance Licence and EPCG)	183.41	25.70
Gain on sale of property, plant and equipment	1.17	-
Sundry balances written back	4.13	21.60
Miscellaneous income	14.14	4.33
	517.80	227.54

* Gain on fair valuation of financial instruments at fair value through profit or loss relates to foreign exchange fluctuation on forward contracts that did not qualify for hedge accounting and on embedded derivatives, which have been separated. No ineffectiveness has been recognised on foreign exchange and interest rate hedges.

(₹ million)

14: Cost of materials consumed	Quarter ended 30 June 2019	Quarter ended 30 June 2018
Copper	7,415.75	6,824.90
Aluminium	2,275.95	2,458.80
Steel	626.72	592.40
PVC Compound/HDPE/LDPE/XLPE/Resin	1,719.46	1,737.20
Packing Materials	346.44	265.61
Others	778.08	395.18
	13,162.40	12,274.09

(₹ million)

15: Purchases of traded goods	Quarter ended 30 June 2019	Quarter ended 30 June 2018
Electrical wiring accessories	867.47	49.30
Electrical appliances	70.51	590.00
Others	79.48	13.49
	1,017.46	652.79

(₹ million)

16: Project bought outs and other cost	Quarter ended 30 June 2019	Quarter ended 30 June 2018
Project bought outs	587.19	249.13
Subcontracting expense	184.25	86.57
	771.44	335.70

(₹ million)

17: Finance cost	Quarter ended 30 June 2019	Quarter ended 30 June 2018
Interest	78.16	146.81
Others	41.94	222.55
	120.10	369.36

(₹ million)

18: Other expenses	Quarter ended 30 June 2019	Quarter ended 30 June 2018
Consumption of stores and spares	134.10	113.19
Sub-contracting expenses	363.89	205.05
Power and fuel	271.37	216.24
Rent	15.30	36.14
Advertising and sales promotion	385.57	415.41
Brokerage and commission	58.16	83.95
Travelling and conveyance	68.75	53.67
Legal and professional fees	105.56	49.38
Freight & forwarding expenses	427.24	315.94
Impairment allowance for trade receivable considered doubtful	71.37	78.71
Miscellaneous expenses	158.00	164.26
	2,059.31	1,731.94

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

(₹ million)

19: Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or losses for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares unless the effect of the potential dilutive equity shares is anti-dilutive.

The following reflects the income and share data used in the basic and diluted EPS computations:

		Period ended 30 June 2019	Period ended 30 June 2018
Profit attributable to equity holders for basic earnings:	(A)	1,335.09	798.35
Weighted average number of equity shares for basic EPS	(B)	14,74,19,520	14,12,05,838
Effect of dilution:			
Share options	(C)	1,22,352	-
Weighted average number of Equity shares adjusted for the effect of dilution	(D = B+C)	14,75,41,873	14,12,05,838
Basic earnings per share (₹)	(A/B)	9.06	5.65
Diluted earnings per share (₹)	(A/D)	9.05	5.65

Employee Stock Option Plan 2018

Pursuant to the resolutions passed by our Board on August 30, 2018 and our Shareholders on August 30, 2018, the Company approved the Employee Stock Option Plan 2018 for issue of options to eligible employees which may result in issue of Equity Shares of not more than 35,30,000 Equity Shares. The company reserves the right to increase, subject to the approval of the shareholders, or reduce such numbers of shares as it deems fit.

The exercise of the vested option shall be determined in accordance with the notified scheme under the plan.

Employee Stock Option Performance Scheme 2018 and Employee Stock Option Privilege Scheme 2018

The company also approved Employee Stock Option Performance Scheme 2018 and Employee Stock Option Privilege Scheme 2018 under which the maximum number of options granted to any grantee under "Performance Scheme" together with options granted in any other scheme shall not exceed 1 percent of the total share capital at the time of grant.

(₹ million)

20: Commitments and contingencies

		30 June 2019	31 March 2019
(A) Capital and other commitments			
Estimated amounts of contracts remaining to be executed on account of capital commitments and not provided for (net of advances)		1,950.95	1,880.28
(B) Contingent liabilities (to the extent not provided for)			
a) Guarantees given			
(i) Performance bank guarantee given		6,650.43	6,705.21
(ii) Other guarantee given		6,293.90	6,237.10
b) Other matters for which the Company is contingently liable	Period to which relates		
(i) Taxation matters			
(a) Disputed liability in respect of sales tax /VAT demand & pending sales tax/VAT forms	2007-08 to 2016-17	364.76	370.56
(b) Disputed liability in respect of excise duty demand	2007-08 to 2014-15	45.55	45.55
(c) Disputed liability in respect of custom duty demand	2010-11 and 2016-17	21.67	21.67
(ii) Claims made against the Company, not acknowledged as debts	2018-19	634.21	634.21

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF dated 28th February, 2019. The Company will update its provision, on receiving further clarity on the subject.

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.

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

21: Related party disclosures:

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant period

Related parties where control exists

Polycab Wires Italy SRL (PWISRL)
Tirupati Reels Private Limited (TRPL)
Dowells Cable Accessories Private Limited (DCAPL)
Ryker Base Private Limited (Ryker)
Techno Electromech Private Limited (TEPL)

Enterprises owned or significantly influenced by key managerial personnel

Microcab Industries & Logistics Private Limited (MILPL)
AK Enterprises (A.K)

(A) Transactions with subsidiaries/enterprises significantly influenced

(₹ Million)

Particulars	PWISRL		TRPL		DCAPL		A.K.		TEPL		Ryker	
	Jun-19	Jun-18	Jun-19	Jun-18	Jun-19	Jun-18	Jun-19	Jun-18	Jun-19	Jun-18	Jun-19	Jun-18
Sale of goods	-	-	74.46	57.30	0.43	0.50	-	-	0.26	3.50	2.48	20.60
Purchase of goods	-	-	159.80	48.70	0.05	-	-	-	117.86	196.40	-	-
Job work charges	-	-	-	-	0.08	-	-	-	-	-	125.04	-
Commission	5.96	6.00	-	-	-	-	-	-	-	-	-	-
Rent paid	-	-	-	-	-	-	7.28	7.30	-	-	-	-
Sale of Machinery	-	-	-	-	-	-	-	-	40.86	-	-	-
Investment in subsidiary	-	-	-	-	-	-	-	-	35.00	-	-	-
Loans given	-	-	40.00	-	-	1.50	-	-	-	-	-	-
Loan given repaid	-	-	-	-	1.67	-	-	-	-	-	-	-
Rent received	-	-	-	-	1.88	-	-	-	-	-	0.79	-
Interest received	-	-	0.92	-	0.33	0.50	-	-	3.45	4.20	-	-
Other charges recovered	-	-	0.01	-	0.45	-	-	-	-	-	0.11	-

Particulars	PWISRL		TRPL		DCAPL		A.K.		TEPL		Ryker	
	Jun-19	Mar-19	Jun-19	Mar-19	Jun-19	Mar-19	Jun-19	Mar-19	Jun-19	Mar-19	Jun-19	Mar-19
Balances at the period end												
Loans	30.42	30.17	40.00	-	9.78	11.44	-	-	115.11	115.11	-	-
Provision against loans	30.42	30.17	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	112.66	174.26	1.56	3.29	-	-	67.71	29.28	3.50	17.38
Security Deposits	-	-	-	-	-	-	6.17	6.17	-	-	-	-
Interest accrued	-	-	1.68	1.21	-	0.02	-	-	6.27	3.17	-	-
Trade payables	10.68	5.20	58.32	74.56	0.94	0.68	-	-	42.14	22.62	44.56	51.44

Note :- Company has provided guarantee for credit facility availed by the Ryker Base Private Limited and Tirupati Reels Private Limited, amounting to ₹ 1,137.15 Million (31 March 2019 ₹ 1,141.33 Million) and ₹ 159.10 Million (31 March 2019 ₹ 159.10 Million) respectively. The fair value of corporate guarantee ₹ 13.35 Million (31 March 2019 ₹ 13.35 Million) has been included in carrying cost of investment.

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

21: Related party disclosures**Key management personnel**

Mr. Inder T. Jaisinghani	Chairman and Managing Director
Mr. R. Ramakrishnan	Chief Executive *
Mr. Ramesh T. Jaisinghani	Whole time Director
Mr. Ajay T. Jaisinghani	Whole time Director
Mr. Shyam Lal Bajaj	Chief Financial officer (w.e.f. 25 September 2018) and Whole time Director - Finance (w.e.f. 15 December 2016)
Mr. Radhey Shyam Sharma	Independent Director (w.e.f. 20 September 2018)
Mr. Tilokchand Punamchand Ostwal	Independent Director (w.e.f. 20 September 2018)
Mr. Pradeep Poddar	Independent Director (w.e.f. 20 September 2018)
Ms. Hiroo Mirchandani	Independent Director (w.e.f. 20 September 2018)
Mr. Subramaniam Sai Narayana	Company Secretary and compliance officer

* Mr. R. Ramakrishnan was Key Management personnel and Joint Managing Director of the Company till 23 May 2018.

Relatives of Key management personnel

Mr. Bharat A. Jaisinghani	Son of Mr. Ajay T. Jaisinghani
Mr. Girdhari T. Jaisinghani	Brother of Mr. Inder T. Jaisinghani
Mr. Kunal I. Jaisinghani	Son of Mr. Inder T. Jaisinghani
Mr. Nikhil R. Jaisinghani	Son of Mr. Ramesh T. Jaisinghani

(B) Remuneration paid

(₹ million)

Name of the relative	Quarter ended 30 June 2019	Outstanding at 30 June 2019	Quarter ended 30 June 2018	Outstanding at the year ended 31 March 2019
Mr. Girdhari T. Jaisinghani	2.35	3.34	2.15	2.17
Mr. Bharat A. Jaisinghani	3.31	4.41	2.68	2.58
Mr. Nikhil R. Jaisinghani	3.31	4.41	2.68	2.58
Mr. Kunal Jaisinghani	0.60	0.39	0.31	-

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

21: Related party disclosures

(C) Remuneration of key management personnel (KMP)

Remuneration paid for the quarter ended and outstanding as on 30 June 2019 to key managerial personnel are:

(₹ million)

Particulars	30 June 2019		30 June 2018	31 March 2019
	For the quarter ended	Outstanding at the quarter end	For the quarter ended	Outstanding at the Year end
Mr. Inder T. Jaisinghani	22.17	65.85	15.68	49.65
Mr. Ramesh T. Jaisinghani	6.94	9.92	6.27	6.52
Mr. Ajay T. Jaisinghani	6.94	9.92	6.27	6.52
Mr. R. Ramakrishnan*	-	1.27	3.58	1.27
Mr. Shyam Lal Bajaj	7.04	9.35	5.80	5.60
Mr. Subramaniam Sai Narayana	2.09	0.75	0.78	0.36
Ms. Hiroo Mirchandani	0.56	1.38	-	1.18
Mr. Pradeep Poddar	0.56	1.38	-	1.27
Mr. R S Sharma	0.64	1.38	-	1.35
Mr. T P Ostwal	0.64	1.38	-	1.35
T.P. Ostwal & Associates LLP (excluding GST)	0.40	0.40	-	-
Total	47.98	102.98	38.38	75.07

* Mr. R. Ramakrishnan was Key Management personnel and Joint Managing Director of the Company till 23 May 2018, hence remuneration disclosed till he continued as KMP.

-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 are not included above.

(E) Share based payments to KMP*

(₹ million)

Particulars	30 June 2019	30 June 2018
Mr. Shyam Lal Bajaj	2.56	-
Mr. Subramaniam Sai Narayana	0.32	-

*Represents expense by way of share based payments attributable to directors and KMP

22: List of subsidiaries & joint venture

	Nature	Country of incorporation	Ownership interest (%)	
			30 June 2019	31 March 2019
Polycab Wires Italy SRL	Subsidiary	Italy	100%	100%
Tirupati Reels Private Limited	Subsidiary	India	55%	55%
Dowells Cable Accessories Private Limited	Subsidiary	India	51%	51%
Ryker Base Private Limited	Joint Venture	India	50%	50%
Techno Electromech Private Limited	Joint Venture	India	50%	50%

The principal place of business of all the entities listed above is the same as the respective country of incorporation.

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

23: Segment information

Basis for segmentation

The Company is primarily engaged in the business of manufacture and sale of electric wires and cables. The Company has identified business segments as primary segments, namely electric wires and cables, Fast moving electrical goods & others business. All operating segments' operating results are reviewed regularly by the Company's senior management to make decisions about resources to be allocated to the segments and assess their performance.

The Company has three reportable segments, as described below, which are the Company's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Company's senior management team reviews internal management reports on periodical basis.

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

Reportable segments	Operations
Wires & Cables	- Manufacture and sale of wires and cables.
Fast moving electrical goods (FMEG)	- Electric consumer durable business comprises of business covering electric wiring accessories and electric appliances.
Others	- Other business comprises EPC business which includes design, engineering, supply, execution and commissioning of power distribution, electrification projects and share of interest in joint operations undertaken.

Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's senior management team. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

(A) Primary segment reporting (by business segment)

(₹ million)

Particulars	30 June 2019					30 June 2018				
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Others	Eliminations	Total
Income										
External sales	16,252.79	2,400.87	963.11	-	19,616.77	15,153.19	1,481.00	364.06	-	16,998.25
Inter segment revenue	128.09	-	-	(128.09)	-	87.15	-	-	(87.15)	-
Total income	16,380.88	2,400.87	963.11	(128.09)	19,616.77	15,240.34	1,481.00	364.06	(87.15)	16,998.25
Segment Results										
Segment/Operating results	1,867.05	87.74	90.81	-	2,045.60	1,460.88	137.71	(9.60)	-	1,588.99
Un-allocated items:										
Finance income	-	-	-	-	115.72	-	-	-	-	8.35
Finance costs	-	-	-	-	120.10	-	-	-	-	369.36
Profit before tax					2,041.23					1,227.98
Provision for taxation	-	-	-	-	706.14	-	-	-	-	429.63
Profit for the quarter					1,335.09					798.35
Depreciation & amortisation expenses	356.52	21.89	1.64	-	380.05	273.31	74.70	0.60	-	348.61
Total cost incurred during the year to acquire segment assets (net of disposal)	1,060.92	12.63	-	-	1,073.54	527.52	237.50	-	-	765.02

Other Information

(₹ million)

Particulars	30 June 2019					31 March 2019				
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Others	Eliminations	Total
Segment assets	43,468.85	5,341.49	5,233.26	-	54,043.60	41,288.37	4,993.78	5,984.02	-	52,266.17
Un-allocated assets	-	-	-	-	5,408.39	-	-	-	-	3,688.00
Total assets					59,451.99					55,954.17
Segment liabilities	16,187.84	1,209.75	4,181.33	-	21,578.92	16,682.52	1,002.51	5,013.06	-	22,698.09
Un-allocated liabilities and provisions	-	-	-	-	4,563.61	-	-	-	-	4,766.64
Total liabilities					26,142.53					27,464.73

(B) Secondary segment information

Secondary segmental reporting is based on the geographical location of customer. The geographical segments have been disclosed based on revenues within India (sales to customers in India) and revenues outside India (sales to customer located outside India)

(₹ million)

Particulars	30 June 2019			31 March 2019		
	Within India	Outside India	Total	Within India	Outside India	Total
Segment revenue	19,147.77	469.00	19,616.77	77,329.53	2,582.48	79,912.01
Segment assets	59,254.93	197.06	59,451.99	55,578.77	375.40	55,954.17
Capital expenditure incurred	1,073.54	-	1,073.54	2,714.14	-	2,714.14

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

24: Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair value	
	30 June 2019	31 March 2019	30 June 2019	31 March 2019
(₹ million)				
Financial assets at fair value through profit or loss account (FVTPL)				
Units of mutual funds	4,062.27	-	4,062.27	-
Financial assets at amortised cost				
Trade receivables	1,528.54	1,351.27	1,528.54	1,351.27
Other financial assets	87.55	49.59	87.55	49.59
Embedded Derivative	248.31	-	248.31	-
Derivatives not designated as hedges				
Interest rate and cross currency swap	4.41	7.40	4.41	7.40
Total	5,931.08	1,408.26	5,931.08	1,408.26
Financial liabilities				
Borrowings - External Commercial Borrowings from HSBC	459.45	691.71	459.45	691.71
Borrowings - Rupee loan from Citi bank	789.18	867.30	789.18	867.30
Embedded Derivative	-	54.60	-	54.60
Derivatives not designated as hedges				
Foreign exchange forward contracts	45.46	172.48	45.46	172.48
Fair value of written put options	48.90	48.90	48.90	48.90
Total	1,342.99	1,834.99	1,342.99	1,834.99

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 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 following methods and assumptions were used to estimate the fair values.

Fixed-rate and variable-rate loans are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The non- performance risk as at 30 June 2019 was assessed to be insignificant.

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.

The fair value of put option is determined using Monte Carlo Simulation which assumes a Geometric Brownian Motion for the modelling equity value.

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 . All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Company's own non-performance risk. Mark-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. 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.

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

25: 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 30 June 2019:

(₹ million)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Units of mutual funds	30 June 2019	4,062.27	4,062.27	-	-
Interest rate swap	30 June 2019	4.41	-	4.41	-
Liabilities measured at fair value:					
Derivative financial liabilities :					
Foreign exchange forward contracts	30 June 2019	45.46	-	45.46	-
Fair value of written put options	30 June 2019	48.90	-	-	48.90

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2019:

(₹ million)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Interest rate swap	31 March 2019	7.40	-	7.40	-
Liabilities measured at fair value:					
Derivative financial liabilities :					
Foreign exchange forward contracts	31 March 2019	172.48	-	172.48	-
Fair value of written put options	31 March 2019	48.90	-	-	48.90

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

26: 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 Company's senior management oversees the management of these risks. The Company's senior management' focus is to foresee the unpredictability and minimize 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 manages its interest rate risk by having a fixed and variable rate loans and borrowings. The Company's approach is to keep its majority of borrowings at fixed rates of interest for long term funding. The Company 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 30 June 2019, after taking into account the effect of interest rate swaps, approximately 64 % of the Company's borrowings are at a fixed rate of interest (31 March 2019: 72%).

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	(₹ million) Effect on profit before tax
30 June 2019	654.51		
Increase		+100	(6.55)
Decrease		-100	6.55
31 March 2019	717.68		
Increase		+100	(7.18)
Decrease		-100	7.18

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

26: Financial risk management objectives and policies

(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.

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	30 June 2019		31 March 2019	
	Foreign currency	(₹ Million)	Foreign currency	(₹ Million)
USD	(111.10)	(7,656.84)	(88.78)	(6,141.26)
Euro	(1.35)	(105.64)	(0.39)	(30.46)
GBP	0.03	2.79	0.58	52.38
CHF	(0.01)	(0.65)	(0.01)	(0.74)
AUD	0.00	0.16	0.24	12.07

Figures shown in bracket represent payable .

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, Euro, GBP , CHF 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. The Company'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	(₹Million)			
	30 June 2019		31 March 2019	
	+2%	-2%	+2%	-2%
USD	(153.14)	153.14	(122.83)	122.83
Euro	(2.11)	2.11	(0.61)	0.61
GBP	0.06	(0.06)	1.05	(1.05)
CHF	(0.01)	0.01	(0.01)	0.01
AUD	0.00	(0.00)	0.24	(0.24)

Figures shown in bracket represent payable

(iii) Commodity price risk

The Company's exposure to price risk of copper and aluminium also arises from trade payables of the Company where the prices are linked to LME. Payment is therefore sensitive to changes in copper and aluminium prices. The trade payables are classified in the balance sheet as fair value through profit or loss. The option to fix prices are at future unfixed LME prices to hedge against potential losses in value of inventory of copper and aluminium held by the Company. With effect from 1 April 2016, the Company applies fair value hedge for the copper and aluminium purchased whose price is to be fixed in future. Therefore, there is no impact of the fluctuation in the price of the copper and aluminium on the Company's profit for the period ended 30 June 2019 to the extent of inventory on hand.

Sensitivity analysis for open contracts for the period ended 30 June 2019 and year ended 31 March 2019 are as follows:

Exposure of Company in respective commodities at period end				
	30 June 2019		31 March 2019	
	Exposure in Metric Tonne	Exposure in ₹ Million	Exposure in Metric Tonne	Exposure in ₹ Million
Copper	1,488.12	633.13	16.00	7.64
Aluminium	9,313.28	1,078.65	6,750.66	1,001.50

The following table shows the effect of price changes in commodities:

Impact on profit before tax and equity

	(₹ Million)			
	30 June 2019		31 March 2019	
	+2%	-2%	+2%	-2%
Copper	12.66	(12.66)	0.15	(0.15)
Aluminium	21.57	(21.57)	20.03	(20.03)

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

26: Financial risk management objectives and policies**(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.

(i) Trade receivables

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 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.

(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. Accordingly, no liquidity risk is perceived. The Company closely monitors its liquidity position and maintains adequate source of funding.

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

(₹ million)

	< 1 year	> equal to 1 year	Total
Period ended 30 June 2019			
Borrowings	553.93	476.68	1,030.61
Other financial liabilities	2,070.42	194.36	2,264.78
Trade and other payables	14,592.77	-	14,592.77
	17,217.12	671.04	17,888.16

(₹ million)

	< 1 year	> equal to 1 year	Total
Year ended 31 March 2019			
Borrowings	1,023.47	785.83	1,809.30
Other financial liabilities	1,774.20	-	1,774.20
Trade and other payables	15,099.00	-	15,099.00
	17,896.67	785.83	18,682.50

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

27: Hedging activity and derivatives

Fair value hedge of copper and aluminium price risk in inventory

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management focus is to foresee the unpredictability and minimize 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:

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 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 no longer qualifies for hedge accounting or when the hedged item is sold.

To test the hedge effectiveness between embedded 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 derivative against the changes in fair value of LME price of copper and aluminium attributable to the hedged risk.

The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying embedded derivative is identical to the LME price of Copper and

Aluminium. The hedge ineffectiveness can arise from the difference in timing of embedded derivative and LME strike price of Copper and

Disclosure of effects of fair value hedge accounting on financial position:

Hedged item - Changes in fair value of 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, as described above.

(₹ million)

Commodity price risk	Carrying amount of hedged item		Carrying amount of hedging instrument		Maturity date	Hedge Ratio	Balance sheet classification	Effective portion of Hedge	Ineffective portion of Hedge
	Asset	Liabilities	Asset	Liabilities					
Hedged item - inventory of Copper and aluminium	(252.93)	-	-	-	Range within 3 months	1:1	Inventory	(252.93)	4.62
Hedging instrument: - Embedded derivative in trade payables of Copper and aluminium	-	-	-	(248.31)	Range within 3 months	1:1	Trade Payable		

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

Unaudited Interim Condensed Notes to Standalone Financial Statements for the Quarter ended 30 June 2019

28 : Provision for investment and loan to subsidiary

As at 30 June 2019, the Company has investment of Euro 150,000 (₹ 10.89 million) and loan of Euro 388,276.11 (₹ 30.42 million) in Polycab Italy SRL (PWISRL), a wholly owned subsidiary company situated in Italy.

PWISRL in its financial statement of earlier years had appropriated an amount of Euro 40,000 (₹ 2.90 million) from Share Capital and Euro 438,276.11 (₹ 34.34 million) from loan given by the Company, to accumulated losses of previous years and Capital Reduction Reserve to comply with the applicable Italian accounting requirements in an earlier year.

The company had filed a compounding application with Reserve Bank of India (RBI) in response to which RBI directed our company to comply with alternatives. Currently, the company is in the process of evaluating the alternatives directed by RBI and will be responding in due course. Considering the status, no adjustment is made in the financial statements for the period ended 30 June 2019.

29 : Others

Figures relating to previous years has been regrouped wherever necessary to make them comparable with the current period figures. Figures representing ₹ 0.00 million is 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: 26 July 2019

For and on behalf of the Board of Directors of

Polycab India Limited (Formerly known as 'Polycab Wires Limited')

CIN : U31300DL1996PLC266483

Inder T. Jaisinghani
Chairman & Managing Director
DIN : 00309108

S. L. Bajaj
CFO & Whole Time Director
DIN : 02734730

Place: Panchmahal, Gujarat
Date: 26 July 2019

Ajay T. Jaisinghani
Whole Time Director
DIN : 00276588

S S Narayana
Company Secretary
Membership No. F5221