



Polycab India Limited (Formerly known as 'Polycab Wires Limited')
Standalone Financial Statements for the quarter and nine months ended 31 December 2019

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BSR & Co. LLP

Chartered Accountants

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Report on Review of Unaudited Condensed Standalone Interim Financial Statements

To the Board of Directors of
Polycab India Limited
(Formerly Known as “Polycab Wires Limited”)

Introduction

We have reviewed the accompanying unaudited condensed standalone interim financial statements of Polycab India Limited (Formerly Known as “Polycab Wires Limited”) (“the Company”), which comprise the unaudited interim condensed standalone balance sheet as at 31 December 2019, the unaudited interim condensed standalone statement of profit and loss (including other comprehensive income) for the quarter and year to date period then ended, the unaudited interim condensed standalone statement of cash flows and the unaudited interim condensed standalone statement of changes in equity for the year to date period then ended 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

Attention is drawn to the fact that the figures for quarter ended 31 December 2018 as reported in these financial results are balancing figures between audited figures of year to date period ended 31 December 2018 and reviewed figures for the half year ended 30 September 2018. The corresponding audited figures for year to date period ended 31 December 2018 and audited figures for the year ended 31 March 2019, included in the Statement had been audited by the predecessor auditor vide their audit reports dated 5 February 2019 and 14 May 2019 respectively. Our conclusion on the Statement is not modified in respect of this matter.

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

Chartered Accountants

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

B. H. Dhupelia

Bhavesh Dhupelia

Partner

Membership No. 042070

UDIN: 20042070AAAAAK3988

Mumbai
21 January 2020

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

Unaudited Interim Condensed Standalone Balance sheet as at 31 December 2019



(₹ million)

	Notes	As at 31 Dec 19 (Unaudited)	As at 31 Mar 19 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	3	13,396.55	12,515.09
Capital work-in-progress	3	2,255.26	1,858.67
Right of use assets	4	311.78	-
Intangible assets	5	20.95	34.98
Financial assets			
Investments	6	461.94	426.94
Trade receivables		1,601.77	1,351.27
Other financial assets		55.92	49.59
Income tax assets (Net)		102.70	97.67
Other non-current assets		438.28	544.07
Total Non-Current Assets		18,645.15	16,878.28
Current assets			
Inventories	7	16,293.10	19,804.31
Financial assets			
Investments		4,036.05	-
Trade receivables		12,095.64	13,415.91
Cash and cash equivalents	8	543.04	1,777.44
Bank balance other than cash and cash equivalents		3,052.84	1,379.47
Loans		173.44	139.34
Other financial assets		527.26	724.68
Other current assets		2,297.13	1,834.52
Total Current Assets		39,018.50	39,075.67
Assets classified as held for disposal		0.22	0.22
Total assets		57,663.87	55,954.17
EQUITY AND LIABILITIES			
Equity			
Equity share capital		1,488.30	1,412.06
Other equity		36,069.88	27,077.38
Total Equity		37,558.18	28,489.44
Liabilities			
Non-current liabilities:			
Financial liabilities			
Borrowings	9	44.89	785.83
Other financial liabilities		194.36	-
Provisions		228.85	161.90
Deferred tax liabilities (net)		81.63	227.80
Other non-current liabilities		402.15	257.04
Total Non-Current Assets		951.88	1,432.57
Current liabilities:			
Financial liabilities			
Borrowings	10	800.54	1,023.47
Trade payables	11		
total outstanding dues of micro enterprises and small enterprises		123.53	103.88
total outstanding dues of creditors other than micro enterprises and small enterprises		12,060.86	14,995.12
Other financial liabilities		1,157.86	1,774.20
Other current liabilities		3,254.90	6,256.79
Provisions		221.25	208.23
Current tax liabilities (net)		1,534.87	1,670.47
Total Current liabilities		19,153.81	26,032.16
Total equity and liabilities		57,663.87	55,954.17
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	17		
Other notes to accounts	18 to 26		

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

sd/-

Bhavesh Dhupelia

Partner

Membership No. 042070

Place: Mumbai

Date: 21 January 2020

For and on behalf of the Board of Directors of

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

CIN : L31300DL1996PLC266483

sd/-

Inder T. Jaisinghani

Chairman & Managing Director

sd/-

S. L. Bajaj

CFO & Whole Time Director

Place: Mumbai

Date: 21 January 2020

sd/-

Ajay T. Jaisinghani

Whole Time Director

DIN : 00276588

sd/-

S S Narayana

Company Secretary

Membership No. F5221

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



Unaudited Interim Condensed Standalone Statement of Profit and Loss for the quarter and nine months ended 31 December 2019

(₹ million)

	Notes	Three months ended 31 Dec 19 (Unaudited)	Three months ended 31 Dec 18 (Unaudited)	Nine months ended 31 Dec 19 (Unaudited)	Nine months ended 31 Dec 18 (Audited)
INCOME					
Revenue from operations	12	25,034.74	19,909.77	66,831.34	54,900.90
Other income	13	5.77	240.54	467.64	421.88
Total income		25,040.51	20,150.31	67,298.98	55,322.78
EXPENSES					
Cost of materials consumed		16,347.39	15,495.93	45,333.30	39,803.25
Purchases of traded goods		1,008.20	758.78	3,158.77	2,355.96
Changes in Inventories of finished goods, traded goods and work-in-progress		154.72	(2,465.95)	(1,894.68)	(2,979.05)
Project bought outs and other cost		748.99	360.37	2,414.96	1,259.16
Employee benefits expense		905.81	857.55	2,730.82	2,335.78
Finance cost	14	80.97	168.95	324.38	897.28
Depreciation and amortisation expenses		402.16	352.56	1,173.45	1,061.46
Other expenses	15	2,546.51	1,749.75	6,893.71	5,075.42
Total expenses		22,194.75	17,277.94	60,134.71	49,809.26
Profit before tax		2,845.76	2,872.37	7,164.27	5,513.52
Income tax expenses					
Current tax		727.76	954.11	1,913.48	1,928.96
Adjustment of tax relating to earlier periods		(6.49)	-	(7.98)	-
Deferred tax (credit)/charge		(37.12)	10.69	(159.50)	(46.04)
Total tax expense		684.15	964.80	1,746.00	1,882.92
Profit for the period		2,161.61	1,907.57	5,418.27	3,630.60
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Re-measurement gains / (losses) on defined benefit plans		33.54	(21.55)	(17.31)	(12.65)
Income Tax relating to items that will not be reclassified to Profit or Loss		(8.44)	7.53	4.36	4.42
Items that will be reclassified to profit or loss					
Designated Cash Flow Hedges		103.96	-	-	-
Income tax relating to items that will be reclassified to Profit or Loss		(26.16)	-	-	-
Other comprehensive income for the period, net of tax		102.90	(14.02)	(12.95)	(8.23)
Total comprehensive income for the period, net of tax		2,264.51	1,893.55	5,405.32	3,622.37
Earnings per share (not annualised)					
Basic earnings per share (₹)	16	14.55	13.51	36.55	25.71
Diluted earnings per share (₹)		14.50	13.51	36.47	25.71
Corporate Information and summary of significant accounting policies	1 & 2				
Contingent liabilities and commitments	17				
Other notes to accounts	18 to 26				

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 : L31300DL1996PLC266483

sd/-
 Bhavesh Dhupelia
 Partner
 Membership No. 042070

sd/-
 Inder T. Jaisinghani
 Chairman & Managing Director
 DIN : 00309108

sd/-
 Ajay T. Jaisinghani
 Whole Time Director
 DIN : 00276588

Place: Mumbai
 Date: 21 January 2020

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

sd/-
 S S Narayana
 Company Secretary
 Membership No. F5221

Place: Mumbai
 Date: 21 January 2020

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

Unaudited Interim Condensed Standalone Statement of Changes in Equity for the quarter and nine months ended 31 December 2019

(₹ million)

	Equity Share Capital	Share application money pending allotment	Reserves & Surplus				Retained Earnings	Total other equity	Total Equity
			Capital Reserve	Securities Premium	General Reserve	ESOP outstanding			
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 nine months ended	-	-	-	-	-	-	3,630.60	3,630.60	3,630.60
Share based payments to employees	-	-	-	-	-	101.41	-	101.41	101.41
Other comprehensive income for the nine months ended, net of tax	-	-	-	-	-	-	(8.23)	(8.23)	(8.23)
As at 31 December 2018	1,412.06	-	0.13	3,205.60	650.69	101.41	21,832.10	25,789.93	27,201.99
Net Profit for the three months ended	-	-	-	-	-	-	1,383.79	1,383.79	1,383.79
Share based payments to employees	-	-	-	-	-	48.10	-	48.10	48.10
Share issue expense	-	-	-	(148.28)	-	-	-	(148.28)	(148.28)
Other comprehensive income for the three months ended, net of tax	-	-	-	-	-	-	3.84	3.84	3.84
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	-	-	-	-	-	-	(25.29)	(25.29)	(25.29)
Net Profit for the nine months ended	-	-	-	-	-	-	5,418.27	5,418.27	5,418.27
Share based payments to employees	-	-	-	-	-	141.93	-	141.93	141.93
Adjustment of Share issue expenses	-	-	-	6.79	-	-	-	6.79	6.79
Final equity dividend	-	-	-	-	-	-	(445.94)	(445.94)	(445.94)
Tax on final equity dividend	-	-	-	-	-	-	(91.66)	(91.66)	(91.66)
Transfer from ESOP outstanding	-	55.60	-	-	-	(55.60)	-	-	-
Shares issued on exercise of employee stock options	-	77.60	-	-	-	-	-	77.60	77.60
Additions/(deletion) during the period	76.24	(127.76)	-	4,051.51	-	-	-	3,923.75	3,999.99
Other comprehensive income for the nine months ended, net of tax	-	-	-	-	-	-	(12.95)	(12.95)	(12.95)
As at 31 December 2019	1,488.30	5.44	0.13	7,115.62	650.69	235.84	28,062.16	36,069.88	37,558.18

Unaudited Interim Condensed Standalone Statement Of Cash Flows for the nine months ended 31 December 2019

(₹ million)

	Nine months ended (Unaudited) 31 Dec 19	Nine months ended (Audited) 31 Dec 18
Profit before tax	7,164.27	5,513.52
Adjustments to reconcile profit before tax to net cash flows	1,765.91	2,152.80
Movements in working capital	(1,678.21)	(1,698.49)
Income tax paid (including TDS) (net)	(1,856.36)	(785.15)
Net cash flows generated form / (used in) operating activities (A)	5,395.61	5,182.68
Net cash flows generated form / (used in) investing activities (B)	(7,962.81)	(2,516.58)
Net cash flows generated form / (used in) financing activities (C)	1,332.80	(2,681.18)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1,234.40)	(15.08)
Cash and cash equivalents at the beginning of the period	1,777.44	67.50
Cash and cash equivalents at the period end - (Refer Note 8)	543.04	52.42
Corporate Information and summary of significant accounting policies	1 & 2	
Contingent liabilities and commitments	17	
Other notes to accounts	18 to 26	

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 : L31300DL1996PLC266483

sd/-

Bhavesh Dhupelia

Partner

Membership No. 042070

Place: Mumbai

Date: 21 January 2020

sd/-

Inder T. Jaisinghani

Chairman & Managing Director

DIN : 00309108

sd/-

Ajay T. Jaisinghani

Whole Time Director

DIN : 00276588

sd/-

S. L. Bajaj

CFO & Whole Time Director

DIN : 02734730

sd/-

S S Narayana

Company Secretary

Membership No. F5221

Place: Mumbai

Date: 21 January 2020

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

Notes to Unaudited Interim Condensed Standalone Financial Statements for the nine months ended 31 December 2019

1. Corporate information

Polycab India Limited ('The Company') is a public limited company (CIN - L31300DL1996PLC266483) 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.

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 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 it 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 ₹ 25.29 million (net of deferred tax assets created of ₹ 8.51 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.

D) Recent pronouncement

The Company elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as per the amendment notified in the official Gazette. Accordingly, the Company has recognised Provision for Income Tax for the nine months ended 31 December 2019 and re-measured its Deferred Tax Assets or Liabilities basis the reduced tax rate prescribed in the said section. The impact of the said change recognised in the statement of Profit & Loss for nine months ended 31 December 2019 is ₹ 249.85 million, of which ₹ 7.33 million pertaining to earlier years is recognised in the quarter ended 31 December 2019 and balance ₹ 242.52 million was recorded in the quarter ended 30 September 2019 (of which ₹ 63.73 million is for the previous year's and balance ₹ 178.79 million is for the quarter ended 30 June 2019).

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

Notes to Unaudited Interim Condensed Standalone Financial Statements for the nine months ended 31 December 2019

3: Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Plant and equipment's	Electrical installations	Furniture and fixtures	Office equipment's	Windmill	Vehicles	Leasehold improvements	Total	Capital Work in progress
	(₹ million)											
Gross carrying amount (at cost)												
As 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/Adjustments	(12.75)	-	(3.54)	(10.86)	-	(0.39)	(5.30)	-	(6.02)	-	(38.86)	-
As 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	8.26	-	621.02	1,259.92	47.87	9.05	14.72	-	9.51	-	1,970.35	2,041.51
Transfer (Refer note -c)	-	-	-	-	-	-	-	-	-	-	-	(1,644.92)
Disposals/Adjustments	(0.27)	-	-	(23.52)	-	-	(5.19)	-	(5.34)	-	(34.32)	-
As at 31 December 2019	1,017.98	56.55	7,021.92	9,910.57	570.22	148.99	257.89	294.99	109.42	3.89	19,392.42	2,255.26
Accumulated depreciation												
As 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 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)	-
As 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 period	-	0.33	187.23	780.84	42.48	10.98	31.99	11.81	9.37	0.30	1,075.33	-
Disposals/Adjustment	-	-	-	(13.01)	-	-	(4.90)	-	(2.85)	-	(20.76)	-
As at 31 December 2019	-	15.10	946.69	4,455.31	256.47	53.41	148.46	74.70	42.88	2.85	5,995.87	-
Net carrying amount												
As at 31 December 2019	1,017.98	41.45	6,075.23	5,455.26	313.75	95.58	109.43	220.29	66.54	1.04	13,396.55	2,255.26
As 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 ₹ 37.06 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 ₹ 1.14 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 capitalised during the nine months ended 31 December 2019 ₹ 1,644.92 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')

Notes to Unaudited Interim Condensed Standalone Financial Statements for the nine months ended 31 December 2019

4: Right of Use assets

	(₹ million)
	ROU Assets
Reclassification on account of adoption of Ind AS 116	
As at 01 April 2019	276.06
Additions	126.67
Disposals	(6.98)
Depreciation	(83.97)
As at 31 December 2019	311.78

5: Intangible assets

	(₹ million)
	Computer Software
Gross carrying amount (at cost)	
As at 01 April 2018	142.71
Additions	26.15
As at 31 March 2019	168.86
Additions	0.12
As at 31 December 2019	168.98
Accumulated amortization	
As at 01 April 2018	115.67
Amortisation charge for the year	18.21
As at 31 March 2019	133.88
Amortisation charge for the nine months ended	14.15
As at 31 December 2019	148.03
Net carrying amount	
As at 31 December 2019	20.95
As at 31 March 2019	34.98

6: Investment (non-current)

	31 Dec 19	31 Mar 19
	(₹ million)	
Investments carried at cost (Unquoted)		
Investment in Equity Instruments of Subsidiaries		
1,50,000 (31 March 2019 : 1,50,000) Equity shares of Polycab Wires Italy SRL of 1 Euro each fully paid up (Refer note 25)	10.89	10.89
33,00,000 (31 March 2019 : 33,00,000) Equity shares of Tirupati Reels Private Limited of ₹ 10 each fully paid up	33.00	33.00
45,90,000 (31 March 2019 : 45,90,000) Equity shares of Dowells Cable Accessories Private Limited of ₹ 10 each fully paid up	45.90	45.90
Investment in Equity Instruments of Joint Venture		
2,60,10,000 (31 March 2019 : 2,60,10,000) Equity shares of Ryker Base Private Limited of ₹ 10 each fully paid up	273.45	273.45
8,90,000 (31 March 2019 : 5,40,000) Equity shares of Techno Electromech Private Limited of ₹ 10 each fully paid up	105.20	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

7: Inventories (Net)

	31 Dec 19	31 Mar 19
	(₹ million)	
Raw materials	4,374.94	9,457.67
Work-in-progress	2,422.57	1,401.85
Finished goods	7,396.85	6,611.88
Traded goods	1,019.17	918.02
Stores and spares	239.01	177.49
Packing materials	258.27	263.14
Scrap materials	185.13	197.29
Project materials for long-term contracts	397.16	776.97
	16,293.10	19,804.31

Note:- The above includes goods in transit of ₹ 604.54 million (31 March 2019 - ₹ 4,543.72 million)

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

Notes to Unaudited Interim Condensed Standalone Financial Statements for the nine months ended 31 December 2019

8: Cash and cash equivalents

	31 Dec 19	31 Mar 19
(₹ million)		
Cash and cash equivalents (at amortised cost)		
Balances with banks		
In current accounts	540.04	1,281.37
Deposits with original maturity of less than 3 months	-	494.50
Cash in hand	3.00	1.57
	543.04	1,777.44

9: Borrowings (non-current)

	31 Dec 19	31 Mar 19
(₹ million)		
Borrowings (at amortised cost)		
External commercial borrowing (secured)		
Foreign currency loan from HSBC Bank (Mauritius) Ltd	237.58	691.71
Rupee loan (secured)		
Indian rupee loan from Citibank N.A.	104.74	867.30
	342.32	1,559.01
Less: Current maturities of long-term borrowings	(297.43)	(773.18)
	44.89	785.83

Movement in borrowing schedule

	ECB	Rupee loan	Total
(₹ million)			
As at 01 April 2019	691.71	867.30	1,559.01
Less : Repayments	(455.64)	(762.56)	(1,218.20)
Less : Unrealised foreign exchange loss	1.51	-	1.51
As at 31 December 2019	237.58	104.74	342.32

The above loans are secured by way of

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

10: Borrowings (current)

	31 Dec 19	31 Mar 19
(₹ million)		
Borrowings (at amortised cost)		
Buyer's Credit (Secured)	-	516.49
Short-term loan from banks (Unsecured)	791.48	436.16
Packing Credit (Secured)	9.06	-
Packing Credit (Unsecured)	-	70.82
	800.54	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 quaters, 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.

11: Trade Payables

	31 Dec 19	31 Mar 19
(₹ million)		
Total outstanding dues of micro and small enterprises	123.53	103.88
Total outstanding dues of creditors other than micro and small enterprises		
Acceptances - (Refer note below (i))	6,366.52	8,032.85
Other than acceptances	5,694.34	6,962.27
	12,060.86	14,995.12

(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 - 23 (C).

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



Notes to Unaudited Interim Condensed Standalone Financial Statements for the quarter and nine months ended 31 December 2019

12: Revenue from operations

	(₹ million)			
	Three months ended 31 Dec 19	Three months ended 31 Dec 18	Nine months ended 31 Dec 19	Nine months ended 31 Dec 18
Revenue from contracts with customers				
Sale of products				
Finished goods	21,946.20	17,872.97	58,055.33	49,274.30
Traded goods	1,393.19	949.40	3,917.56	2,620.96
Revenue from construction contracts	1,156.08	647.37	3,404.38	1,840.66
	24,495.47	19,469.74	65,377.27	53,735.92
Other operating revenue				
Scrap sales	287.06	408.72	846.44	971.59
Total revenue from contracts with customers	24,782.53	19,878.46	66,223.71	54,707.51
Export incentives	252.21	31.31	607.63	193.39
Total Revenue from operations	25,034.74	19,909.77	66,831.34	54,900.90
Disaggregated revenue information				
Type of Goods or Services				
Wires & Cables	21,459.27	17,613.65	56,297.42	48,387.30
Fast Moving Electrical Goods (FMEG)	2,167.18	1,617.44	6,521.91	4,479.55
Revenue from construction contracts	1,156.08	647.37	3,404.38	1,840.66
Total revenue from contracts with customers	24,782.53	19,878.46	66,223.71	54,707.51
Location of customer				
India	21,170.88	18,941.57	59,830.55	52,812.35
Outside India	3,611.65	936.89	6,393.16	1,895.16
Total revenue from contracts with customers	24,782.53	19,878.46	66,223.71	54,707.51
Timing of revenue recognition				
Goods transferred at a point in time	23,604.97	19,352.43	62,784.26	52,959.46
Goods and Services transferred over a period of time	1,177.56	526.03	3,439.45	1,748.05
Total revenue from contracts with customers	24,782.53	19,878.46	66,223.71	54,707.51
Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information				
Total revenue from contracts with customers	24,782.53	19,878.46	66,223.71	54,707.51
Export incentives*	252.21	31.31	607.63	193.39
Other income excluding finance income	(97.19)	219.34	109.49	377.21
Total income as per Segment (Refer note -20)	24,937.55	20,129.11	66,940.83	55,278.11

* Includes Government grant on accounts of advance licences, merchandise export from India scheme and deferred income released to the statement of profit and loss on fulfilment of export obligation under the EPCG scheme.

13: Other income

	(₹ million)			
	Three months ended 31 Dec 19	Three months ended 31 Dec 18	Nine months ended 31 Dec 19	Nine months ended 31 Dec 18
Interest income on				
Bank deposits	57.71	6.68	168.49	9.92
Others	15.49	14.52	47.41	34.75
Gain/loss on Redemption of investment	25.57	-	137.80	-
Fair Valuation MTM of investment	4.19	-	4.45	-
Exchange differences (net)	-	103.25	-	221.64
Fair value of put option	-	6.10	-	6.10
Fair valuation gain on financial asset*	(105.28)	60.19	50.52	60.19
Gain on sale of property, plant and equipment	(0.36)	14.99	-	19.60
Gain on termination of Lease	0.13	-	0.59	-
Sundry balances written back	3.38	0.01	27.11	21.61
Miscellaneous income	4.94	34.80	31.27	48.07
	5.77	240.54	467.64	421.88

* Gain on fair valuation of financial instruments at fair value through profit or loss include 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.

14: Finance cost

	(₹ million)			
	Three months ended 31 Dec 19	Three months ended 31 Dec 18	Nine months ended 31 Dec 19	Nine months ended 31 Dec 18
Interest	39.83	120.38	173.22	394.45
Others	41.14	48.57	151.16	502.83
	80.97	168.95	324.38	897.28

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Notes to Unaudited Interim Condensed Standalone Financial Statements for the quarter and nine months ended 31 December 2019

15: Other expenses

(₹ million)

	Three months ended 31 Dec 19	Three months ended 31 Dec 18	Nine months ended 31 Dec 19	Nine months ended 31 Dec 18
Consumption of stores and spares	78.40	102.54	376.58	329.52
Sub-contracting expenses	553.89	290.88	1,376.76	768.49
Power and fuel	349.23	296.79	946.80	758.07
Rent	20.09	46.91	58.00	129.16
Advertising and sales promotion	375.96	157.61	901.40	609.25
Brokerage and commission	145.46	78.23	269.70	251.69
Travelling and conveyance	83.08	45.40	221.28	155.65
Legal and professional fees	98.21	46.28	320.45	168.45
Freight & forwarding expenses	515.49	356.28	1,371.68	983.55
Exchange differences (net)	(50.15)	-	66.06	-
Loss on fair valuation of financial asset*	-	(50.80)	-	-
Loss on sale of fixed asset	0.84	-	0.84	-
Impairment allowance for trade receivable considered doubtful	130.37	207.44	290.44	398.99
Miscellaneous expenses	245.64	172.19	693.72	522.60
	2,546.51	1,749.75	6,893.71	5,075.42

* Loss on fair valuation of financial instruments at fair value through profit or loss include 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.

16: 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 nine months 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:

(₹ million)

		Three months ended 31 Dec 19	Three months ended 31 Dec 18	Nine months ended 31 Dec 19	Nine months ended 31 Dec 18
Profit attributable to equity holders for basic earnings (A)		2,161.61	1,907.57	5,418.27	3,630.60
Weighted average number of equity shares for basic EPS (B)		14,86,14,961	14,12,05,838	14,82,25,593	14,12,05,838
Effect of dilution					
Share options (C)		4,10,378	-	3,33,378	-
Weighted average number of Equity shares adjusted for the effect of dilution (D= B+C)		14,90,25,340	14,12,05,838	14,85,58,971	14,12,05,838
Basic earnings per share (₹) (not annualised) (A/B)		14.55	13.51	36.55	25.71
Diluted earnings per share (₹) (not annualised) (A/D)		14.50	13.51	36.47	25.71

Employee Stock Option Plan 2018

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

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

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

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

17: Commitments and contingencies

(₹ million)

		31 Dec 19	31 Mar 19
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)		1,665.15	1,880.28
B) Contingent liabilities (to the extent not provided for)			
a) Guarantees given *		1,335.12	1,300.43
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	13.05	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

*Till previous year, the Company had voluntarily disclosed performance bank guarantee (31 March 2019 ₹ 11,641.88 million) under contingent liability. However in accordance with the applicable accounting standard under Ind AS the same is not required to be disclosed as contingent liability. Accordingly the said disclosure has been revised.

The Supreme Court of India, through a ruling in February 2019, provided guidelines for interpreting the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. There is significant uncertainty and ambiguity in interpreting and giving effect to the guidelines of Supreme Court. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the Supreme Court Order. The Company will evaluate its position and act as clarity emerges on impact of the ruling.

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.

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18: 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

AK Enterprises (A.K)

(A) Transactions with subsidiaries/enterprises significantly influenced for the quarter and nine months ended

	(₹ million)											
	PWISRL		TRPL		DCAPL		A.K.		TEPL		Ryker	
	Dec 19	Dec 18	Dec 19	Dec 18	Dec 19	Dec 18	Dec 19	Dec 18	Dec 19	Dec 18	Dec 19	Dec 18
Sale of goods*	-	-	318.48	278.58	4.33	8.97	-	-	6.04	3.52	5.21	39.77
Purchase of goods*	-	-	604.65	290.97	1.44	0.49	-	-	470.28	707.33	0.57	0.54
Job work charges	-	-	-	-	0.08	-	-	-	7.93	-	514.92	-
Commission	-	8.93	-	-	-	-	-	-	-	-	-	-
Rent paid	-	-	-	-	-	-	21.85	24.26	-	-	-	-
Purchase of machinery	-	-	-	-	-	-	-	-	-	30.71	11.57	-
Sale of machinery	-	-	-	-	-	-	-	-	50.39	-	-	-
Investment in subsidiary	-	-	-	-	-	18.87	-	-	35.00	-	-	-
Loans given	-	-	40.00	-	-	-	-	-	-	-	-	-
Loan given repaid	-	-	-	40.00	5.15	4.31	-	-	-	18.11	-	-
Rent received	-	-	-	-	5.63	3.13	-	-	-	-	2.71	2.04
Interest received	-	-	3.34	-	0.83	1.43	-	-	10.42	12.09	-	-
Other charges recovered	-	-	0.02	-	1.41	-	-	-	-	-	1.43	-
Testing charges paid	-	-	-	-	-	-	-	-	1.42	-	-	-

*Gross of GST

Transactions with subsidiaries/enterprises significantly influenced for the three months ended

	(₹ million)											
	PWISRL		TRPL		DCAPL		A.K.		TEPL		Ryker	
	Dec 19	Dec 18	Dec 19	Dec 18	Dec 19	Dec 18	Dec 19	Dec 18	Dec 19	Dec 18	Dec 19	Dec 18
Sale of goods*	-	-	107.75	61.36	3.10	5.67	-	-	2.72	0.04	0.00	9.46
Purchase of goods*	-	-	223.29	123.35	0.91	0.23	-	-	190.83	233.13	-	0.17
Job work charges	-	-	-	-	-	-	-	-	7.93	-	197.77	-
Commission	-	0.03	-	-	-	-	-	-	-	-	-	-
Rent paid	-	-	-	-	-	-	7.29	8.99	-	-	-	-
Purchase of machinery	-	-	-	-	-	-	-	-	-	-	11.57	-
Sale of machinery	-	-	-	-	-	-	-	-	9.53	-	-	-
Investment in subsidiary	-	-	-	-	-	8.93	-	-	-	-	-	-
Loan given repaid	-	-	-	40.00	1.77	0.32	-	-	-	-	-	-
Rent received	-	-	-	-	1.88	1.88	-	-	-	-	1.12	0.77
Interest received	-	-	1.21	-	0.22	0.42	-	-	3.48	3.69	-	-
Other charges recovered	-	-	0.02	-	0.53	-	-	-	-	-	-	-
Testing charges paid	-	-	-	-	-	-	-	-	0.15	-	-	-

*Gross of GST

Balances at the period end

	(₹ million)											
	PWISRL		TRPL		DCAPL		A.K.		TEPL		Ryker	
	Dec 19	Mar 19	Dec 19	Mar 19	Dec 19	Mar 19	Dec 19	Mar 19	Dec 19	Mar 19	Dec 19	Mar 19
Loans	31.02	30.17	40.00	-	6.29	11.44	-	-	115.21	115.11	-	-
Provision against loans	31.02	30.17	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	197.43	174.26	3.84	3.29	-	-	72.39	29.28	1.34	17.38
Security deposits	-	-	-	-	-	-	6.17	6.17	-	-	-	-
Interest accrued	-	-	0.72	1.21	-	0.02	-	-	9.30	3.17	-	-
Trade payables	4.72	5.20	149.75	74.56	1.28	0.68	-	-	26.35	22.62	36.54	51.44

Note :- The Company has provided guarantee for credit facility availed by the Ryker Base Private Limited and Tirupati Reels Private Limited, amounting to ₹ 1,176.02 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.

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Notes to Unaudited Interim Condensed Standalone Financial Statements for the quarter and nine months ended 31 December 2019

18: Related party disclosures (Contd.)
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. R S Sharma	Independent director (w.e.f. 20 September 2018)
Mr. T P 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.

(A) Transactions with subsidiaries/enterprises significantly influenced for the quarter and nine months ended

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

(B) Remuneration paid

Name of the relative	₹ million					
	Three months ended 31 Dec 19	Three months ended 31 Dec 18	Nine months ended 31 Dec 19	Nine months ended 31 Dec 18	Outstanding as at 31 Dec 19	Outstanding as at 31 Mar 19
Mr. Girdhari T. Jaisinghani	2.32	2.32	6.94	6.94	1.63	2.17
Mr. Bharat A. Jaisinghani	3.32	2.88	9.95	8.62	2.23	2.58
Mr. Nikhil R. Jaisinghani	3.32	2.88	9.95	8.62	2.23	2.58
Mr. Kunal Jaisinghani	0.61	0.32	1.81	0.95	0.01	-

(C) Remuneration of key management personnel (KMP)

Remuneration paid for the nine months ended and outstanding as on 31 December 2019 to key managerial personnel are:

Name of KMP and relative	₹ million					
	Three months ended 31 Dec 19	Three months ended 31 Dec 18	Nine months ended 31 Dec 19	Nine months ended 31 Dec 18	Outstanding as at 31 Dec 19	Outstanding as at 31 Mar 19
Mr. Inder T. Jaisinghani	31.80	28.28	84.02	63.74	53.60	49.65
Mr. Ramesh T. Jaisinghani	8.07	6.96	23.67	20.85	5.63	6.52
Mr. Ajay T. Jaisinghani	8.07	6.96	23.67	20.85	5.63	6.52
Mr. R. Ramakrishnan*	-	-	-	3.58	-	1.27
Mr. Shyam Lal Bajaj	7.04	6.34	24.12	19.01	4.63	5.60
Mr. Subramaniam Sai Narayana	0.77	0.83	3.72	2.37	0.31	0.36
Ms. Hiroo Mirchandani	0.56	-	1.67	-	1.13	1.18
Mr. Pradeep Poddar	0.56	-	1.75	-	1.13	1.27
Mr. R S Sharma	0.64	-	1.83	-	1.13	1.35
Mr. T P Ostwal	0.64	-	1.83	-	1.13	1.35
T.P. Ostwal & Associates LLP (excluding GST)	0.35	-	1.09	-	0.55	-
Total	58.50	49.37	167.37	130.40	74.87	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 KMP are not included above.

(D) Recovery of Share issue expense (Net of GST) from KMP and relatives of KMP

Name of KMP	₹ million
	31 Dec 19 Actual
Mr. Inder T. Jaisinghani	41.46
Mr. Ramesh T. Jaisinghani	41.11
Mr. Ajay T. Jaisinghani	41.11
Mr. Girdhari T. Jaisinghani	41.26
Mr. Bharat A. Jaisinghani	10.50
Mr. Nikhil R. Jaisinghani	10.50
Total	185.94

The Company had disclosed provisional amounts of recovery in the financial statement for the year ended Mar-19 which has now actualised as detailed above.

(E) Share based payments to KMP*

Name of KMP	₹ million			
	Three months ended 31 Dec 19	Three months ended 31 Dec 18	Nine months ended 31 Dec 19	Nine months ended 31 Dec 18
Mr. Shyam Lal Bajaj	2.00	2.56	6.39	3.46
Mr. Subramaniam Sai Narayana	0.20	0.32	0.75	0.43

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

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19: List of subsidiaries & joint venture

	Nature	Country of incorporation	Ownership interest (%)	
			31 Dec 19	31 Mar 19
Polycab Wires Italy SRL	Subsidiary	Italy	100%	100%
Tirupati Reels Pvt. Ltd.	Subsidiary	India	55%	55%
Dowells Cable Accessories Pvt. Ltd.	Subsidiary	India	51%	51%
Ryker Base Pvt. Ltd.	Joint Venture	India	50%	50%
Techno Electromech Pvt. Ltd.	Joint Venture	India	50%	50%

20: 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) for the nine months ended

(₹ million)

	31 Dec 19					31 Dec 2018				
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Others	Eliminations	Total
Income										
External sales	57,012.33	6,523.10	3,405.40	-	66,940.83	48,957.90	4,479.55	1,840.66	-	55,278.11
Inter segment revenue	280.64	-	-	(280.64)	-	469.15	-	-	(469.15)	-
Total income	57,292.97	6,523.10	3,405.40	(280.64)	66,940.83	49,427.05	4,479.55	1,840.66	(469.15)	55,278.11
Segment Results										
External	6,461.16	167.15	502.19	-	7,130.50	6,272.01	60.24	33.88	-	6,366.13
Inter segment	31.85	-	-	(31.85)	-	-	-	-	-	-
Segment/Operating results	6,493.01	167.15	502.19	(31.85)	7,130.50	6,272.01	60.24	33.88	-	6,366.13
Un-allocated items:										
Finance income	-	-	-	-	358.15	-	-	-	-	44.67
Finance costs	-	-	-	-	324.38	-	-	-	-	897.28
Profit before tax					7,164.27					5,513.52
Provision for taxation	-	-	-	-	1,746.00	-	-	-	-	1,882.92
Profit for the nine months ended					5,418.27					3,630.60
Depreciation & amortisation expenses	1,103.91	65.91	3.63	-	1,173.45	1,000.69	60.24	0.53	-	1,061.46
Total cost incurred during the nine months to acquire segment assets (net of disposal)	2,246.21	114.40	-	-	2,360.61	1,737.82	269.52	-	-	2,007.34

Primary segment reporting (by business segment) for the three months ended

(₹ million)

	31 Dec 19					31 Dec 2018				
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Others	Eliminations	Total
Income										
External sales	21,615.46	2,166.01	1,156.08	-	24,937.55	17,864.30	1,617.44	647.37	-	20,129.11
Inter segment revenue	76.29	-	-	(76.29)	-	228.51	-	-	(228.51)	-
Total income	21,691.75	2,166.01	1,156.08	(76.29)	24,937.55	18,092.81	1,617.44	647.37	(228.51)	20,129.11
Segment Results										
External	2,574.69	13.96	235.12	-	2,823.77	3,052.40	(49.68)	17.40	-	3,020.12
Inter segment	9.29	-	-	(9.29)	-	-	-	-	-	-
Segment/Operating results	2,583.98	13.96	235.12	(9.29)	2,823.77	3,052.40	(49.68)	17.40	-	3,020.12
Un-allocated items:										
Finance income	-	-	-	-	102.96	-	-	-	-	21.20
Finance costs	-	-	-	-	80.97	-	-	-	-	168.95
Profit before tax					2,845.76					2,872.37
Provision for taxation	-	-	-	-	684.15	-	-	-	-	964.80
Profit for the three months ended					2,161.61					1,907.57
Depreciation & amortisation expenses	379.17	22.30	0.69	-	402.16	331.78	20.59	0.19	-	352.56
Total cost incurred during the three months to acquire segment assets (net of disposal)	509.95	50.80	-	-	560.75	575.29	3.48	-	-	578.77

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20: Segment information (Contd.)
Primary segment reporting (by business segment) for the period ended
Other Information

	31 Dec 19				31 Mar 19				(₹ million)	
	Wires & Cables	FMEG	Others	Total	Wires & Cables	FMEG	Others	Eliminations	Total	
Segment assets	38,120.88	5,165.17	5,860.65	-	49,146.70	41,288.37	4,993.78	5,984.02	-	52,266.17
Un-allocated assets	-	-	-	-	8,517.17	-	-	-	-	3,688.00
Total assets					57,663.87					55,954.17
Segment liabilities	10,916.32	1,659.21	4,417.21	-	16,992.74	16,682.52	1,002.51	5,013.06	-	22,698.09
Un-allocated liabilities and provisions	-	-	-	-	3,112.95	-	-	-	-	4,766.64
Total liabilities					20,105.69					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)

	31 Dec 19			31 Mar 19			(₹ million)
	Within India	Outside India	Total	Within India	Outside India	Total	
Segment revenue	60,547.67	6,393.16	66,940.83	77,429.53	2,482.48	79,912.01	
Segment assets	55,872.16	1,791.71	57,663.87	55,578.77	375.40	55,954.17	
Capital expenditure incurred	2,360.61	-	2,360.61	2,714.14	-	2,714.14	

21: 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		(₹ million)
	31 Dec 19	31 Mar 19	31 Dec 19	31 Mar 19	
Financial assets					
Measured at fair value through profit or loss account (FVTPL)					
Units of mutual funds	4,036.05	-	4,036.05	-	
Measured at amortised cost					
Trade receivables	1,601.77	1,351.27	1,601.77	1,351.27	
Other financial assets	55.92	49.59	55.92	49.59	
Derivatives not designated as hedges					
Interest rate and cross currency swap	2.80	7.40	2.80	7.40	
Total	5,696.54	1,408.26	5,696.54	1,408.26	
Financial liabilities					
Measured at fair value through profit or loss account (FVTPL)					
Obligations under lease	343.83	-	343.83	-	
Embedded Derivative	183.36	54.60	183.36	54.60	
Derivative contracts not designated as cash flow hedge	46.70	-	46.70	-	
Measured at amortised cost					
Borrowings - External Commercial Borrowings from HSBC	237.58	691.71	237.58	691.71	
Borrowings - Rupee loan from Citi	104.74	867.30	104.74	867.30	
Derivatives not designated as hedges					
Foreign exchange forward contracts	-	172.48	-	172.48	
Fair value of written put options	48.90	48.90	48.90	48.90	
Total	965.11	1,834.99	965.11	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 31 December 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.

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

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22: 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 December 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	31 Dec 19	4,036.05	4,036.05	-	-
Derivatives not designated as hedges					
Interest rate and cross currency swap	31 Dec 19	2.80	-	2.80	-
Liabilities measured at fair value:					
Obligations under lease	31 Dec 19	343.83	-	-	343.83
Derivative contracts not designated as cash flow hedge	31 Dec 19	46.70	-	46.70	-
Embedded derivative	31 Dec 19	183.36	183.36	-	-
Derivative financial liabilities :					
Fair value of written put options	31 Dec 19	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 Mar 19	7.40	-	7.40	-
Liabilities measured at fair value:					
Derivative financial liabilities :					
Foreign exchange forward contracts	31 Mar 19	172.48	-	172.48	-
Fair value of written put options	31 Mar 19	48.90	-	-	48.90

23: 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 31 December 2019, after taking into account the effect of interest rate swaps, approximately 31 % 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:

(₹ million)

	Exposure to interest rate risk (Principal amount of loan)	Increase/ decrease in basis points	Effect on profit before tax
31 Dec 19	791.48		
Increase		+100	(7.91)
Decrease		-100	7.91
31 Mar 19	717.68		
Increase		+100	(7.18)
Decrease		-100	7.18

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Notes to Unaudited Interim Condensed Standalone Financial Statements for the nine months ended 31 December 2019

23: Financial risk management objectives and policies (Contd.)

(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:

(₹ million)

Currency	Currency Symbol	31 Dec 19		31 Mar 19	
		Foreign currency	Indian Rupees	Foreign currency	Indian Rupees
United States Dollar	USD	(89.25)	(6,360.94)	(88.78)	(6,141.26)
EURO	Euro	(0.47)	(37.32)	(0.39)	(30.46)
Great Britain	GBP	(0.01)	(1.34)	0.58	52.38
Swiss Franc	CHF	0.00	0.04	(0.01)	(0.74)
Japanese yen	JYP	2.65	173.88	-	-
Australian Dollar	AUD	(0.00)	(0.06)	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

(₹ million)

Currency	Currency Symbol	31 Dec 19		31 Mar 19	
		+2%	-2%	+2%	-2%
United States Dollar	USD	(127.22)	127.22	(122.83)	122.83
EURO	Euro	(0.75)	0.75	(0.61)	0.61
Great Britain	GBP	(0.03)	0.03	1.05	(1.05)
Swiss Franc	CHF	0.00	(0.00)	(0.01)	0.01
Japanese yen	JYP	3.48	(3.48)	-	-
Australian Dollar	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 arises from:

A) 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 trade payables are 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.

B) 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.

Therefore, there is no significant impact of the fluctuation in the price of the copper and aluminium on the Company's profit for the nine months ended 31 December 2019 to the extent of inventory on hand.

Sensitivity analysis for open contracts for the nine months ended 31 December 2019 and year ended 31 March 2019 are as follows:-

Exposure of Company in Inventory

Metal	31 Dec 19				31 Mar 19			
	Exposure in Metric Tonne	Exposure in ₹ million	Impact in Profit before tax +2%	-2%	Exposure in Metric Tonne	Exposure in ₹ million	Impact in Profit before tax +2%	-2%
Copper	2,413	1,058.12	21.16	(21.16)	16	7.64	0.15	(0.15)
Aluminium	12,413	1,811.64	36.23	(36.23)	6,751	1,001.50	20.03	(20.03)

Exposure of Company against highly probable future purchases

Metal	31 Dec 19				31 Mar 19			
	Exposure in Metric Tonne	Exposure in ₹ million	Impact in Profit before tax +2%	-2%	Exposure in Metric Tonne	Exposure in ₹ million	Impact in Profit before tax +2%	-2%
Copper	3,675	1,595.71	31.91	(31.91)	-	-	-	-

(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

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.

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Notes to Unaudited Interim Condensed Standalone Financial Statements for the quarter and nine months ended 31 December 2019

23: Financial risk management objectives and policies (Contd.)

(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.

	31 Dec 19			31 Mar 19		
	< 1 year	> equal to 1 year	Total	< 1 year	> equal to 1 year	Total
Borrowings	800.54	44.89	845.43	1,023.47	785.83	1,809.30
Other financial liabilities	1,157.86	194.36	1,352.22	1,774.20	-	1,774.20
Trade and other payables	12,184.39	-	12,184.39	15,099.00	-	15,099.00
	14,142.79	239.25	14,382.04	17,896.67	785.83	18,682.50

(₹ million)

24: Hedging activity and derivatives

(A) Fair value hedge of copper and aluminium price risk in inventory

(i) The Company enters into contracts to purchase copper and aluminium wherein the Company has the option to fix the purchase price based on LME price of copper and aluminium during a stipulated time period. Accordingly, these contracts are considered to have an embedded derivative that is required to be separated. Such feature is kept to hedge against exposure in the value of 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.

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

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/ derivative, as described above.

(B) Cash flow hedge associated with highly probable forecasted purchases of copper and aluminium:

The Company has purchases of copper and aluminium which results in exposure to price risk due to ongoing movement in rates quoted on LME which affects the profitability and financial position of the Company. The risk management strategy is to use the Buy future contracts linked to LME to hedge the variation in cash flows of highly probable future purchases. The Company's policy is to designate the monthly copper and aluminium purchases as a highly probable forecasted transaction in a hedging relationship based on the risk management strategy of the Company. The Company has started designating these contracts starting from 01 July 2019.

Commodity price risk	Commodity price risk	Carrying amount			Maturity date	Hedge Ratio	Balance sheet classification	Effective portion of Hedge	Effective portion of Hedge
		Asset	Liabilities	Equity					
Hedged item	Inventory of Copper and aluminium	70.16	-	-	Range within 1 to 6 months	1:1	Inventory		
	Highly probable future purchases	-	-	-	Range within 1 to 6 months	1:1	Cash flow hedge Reserve		
Hedging instrument	Embedded derivative in trade payables of Copper and aluminium	-	183.36	-	Range within 1 to 6 months	1:1	Trade Payable	70.16	165.60
	Buy Derivative Position	-	19.36	-	Range within 1 to 6 months	1:1	Current financial liabilities		
	Sell Derivative Position	-	33.03	-	Range within 1 to 6 months	1:1	Current financial liabilities		

(₹ million)

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

Notes to Unaudited Interim Condensed Standalone Financial Statements for the quarter and nine months ended 31 December 2019

25 : Provision for investment and loan to subsidiary

As at 31 December 2019, the Company has investment of Euro 150,000 (₹ 10.89 million) and loan of Euro 3,88,276.11 (₹ 31.02 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 4,38,276.11 (₹ 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 made application to RBI through Citi bank (A.D. Bank) for winding up of PWISRL. 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 nine months ended 31 December 2019.

26 : Others

The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable. 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

sd/-

Bhavesh Dhupelia

Partner

Membership No. 042070

Place: Mumbai

Date: 21 January 2020

For and on behalf of the Board of Directors of

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

CIN : L31300DL1996PLC266483

sd/-

Inder T. Jaisinghani

Chairman & Managing Director

DIN : 00309108

sd/-

S. L. Bajaj

CFO & Whole Time Director

DIN : 02734730

Place: Mumbai

Date: 21 January 2020

sd/-

Ajay T. Jaisinghani

Whole Time Director

DIN : 00276588

sd/-

S S Narayana

Company Secretary

Membership No. F5221

Unaudited Interim Condensed Consolidated Financial Statement

31 December 2019





Polycab India Limited (Formerly known as 'Polycab Wires Limited')
Consolidated Financial Statements for the quarter and nine months ended 31 December 2019

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B S R & Co. LLP

Chartered Accountants

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Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

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Report on Review of Unaudited Condensed Consolidated Interim Financial Statements

To Board of Directors of
Polycab India Limited
(Formerly Known as "Polycab Wires Limited")

Introduction

We have reviewed the accompanying unaudited condensed consolidated interim financial statements of Polycab India Limited (Formerly Known as "Polycab Wires Limited") ("the Parent"), its subsidiaries as listed in paragraph below (the Parent and its subsidiaries together referred to as 'the Group') and its joint ventures, which comprise the unaudited interim condensed consolidated balance sheet as at 31 December 2019, the unaudited interim condensed consolidated statement of profit and loss (including other comprehensive income) for the quarter and year to date period then ended, the unaudited interim condensed consolidated statement of cash flows and the unaudited interim condensed consolidated statement of changes in equity for the year to date period then ended and a summary of the significant accounting policies and other selected explanatory information (herein after referred to as "the Statement"). The Parent'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.

The Statement includes the financial statements of the following entities:

Sr. No.	Name of the Company	Relationship
1	Techno Electromech Private Limited	Joint Venture Company
2	Ryker Base Private Limited	Joint Venture Company
3	Dowells Cable Accessories Private Limited	Subsidiary Company
4	Polycab Wires Italy SRL	Subsidiary Company
5	Tirupati Reels Private Limited	Subsidiary Company

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.

Polycab India Limited

Report on Review of Unaudited Condensed Consolidated Interim Financial Statements (*Continued*)

Conclusion

Based on our review conducted as above and based on the consideration of reports of the other auditors and based on the audited interim financial information of subsidiaries and joint ventures, 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.

Other Matters

1. We did not review the interim financial statements of three subsidiary Companies included in the unaudited quarter and year to date period then ended consolidated financial statements, whose interim financial statements reflect the Group's share of total assets of Rs 890.18 million as at 31 December 2019 and total revenues of Rs 353.96 million and Rs 973.79 million, total net profit after tax (net) of Rs 56.40 million and Rs 112.61 million and total comprehensive income (net) of Rs 56.40 million and Rs 112.61 million, for the quarter ended 31 December 2019 and for the period from 1 April 2019 to 31 December 2019, respectively, and cash inflow (net) of Rs 6.97 million for the period from 1 April 2019 to 31 December 2019, as considered in the consolidated unaudited financial statements. The consolidated unaudited financial statements also include the Group's share of net (loss) after tax (net) of Rs 1.87 million and Rs 16.20 million and total comprehensive loss (net) of Rs 1.90 million and Rs 16.30 million for the quarter ended 31 December 2019 and for the period 1 April 2019 to 31 December 2019, respectively, as considered in the Statement, in respect of two joint ventures, whose interim financial statements have not been reviewed by us. These interim financial statements have been audited by other auditors whose reports have been furnished to us by the management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated in Scope of Review above.

One of these subsidiary Company which is located outside India whose annual financial statement and other financial information have been prepared in accordance with the accounting principles generally accepted in their respective country and which have been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Parent's management has converted the annual financial statement and other financial information of such subsidiary Company located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary Company located outside India is based on the report of other auditor and the conversion adjustments prepared by the Management of the Parent and reviewed by us.

Our opinion on the unaudited quarterly and year to date consolidated financial statements is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.



Polycab India Limited

Report on Review of Unaudited Condensed Consolidated Interim Financial Statements *(Continued)*

2. Attention is drawn to the fact that the figures for quarter ended 31 December 2018 as reported in these financial results are balancing figures between audited figures of year to date period ended 31 December 2018 and reviewed figures for the half year ended 30 September 2018. The corresponding audited figures for year to date period ended 31 December 2018 and audited figures for the year ended 31 March 2019, included in the Statement had been audited by the predecessor auditor vide their audit reports dated 5 February 2019 and 14 May 2019 respectively. Our conclusion on the Statement is not modified in respect of this matter.

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

Chartered Accountants

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



Bhavesh Dhupelia

Partner

Membership No. 042070

UDIN: 20042070AAAAAJ5526

Mumbai

21 January 2020

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

Unaudited Interim Condensed Consolidated Balance sheet as at 31 December 2019



(₹ million)

	Notes	As at 31 Dec 19 (Unaudited)	As at 31 Mar 19 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	3	13,661.35	12,720.86
Capital work-in-progress	3	2,264.54	1,929.97
Right of use assets	4	314.89	-
Intangible assets	5	20.95	34.98
Investment in joint ventures	6	312.58	293.85
Financial assets			
Trade receivables		1,601.77	1,351.27
Other financial assets		57.31	50.88
Income tax assets (net)		109.96	105.84
Other non-current assets		438.30	544.09
Total Non-current Assets		18,781.65	17,031.74
Current assets			
Inventories	7	16,461.33	19,957.85
Financial assets			
Investments		4,036.05	-
Trade receivables		12,003.68	13,343.16
Cash and cash equivalents	8	563.16	1,790.59
Bank balance other than cash and cash equivalents		3,067.59	1,385.28
Loans		177.69	178.34
Other financial assets		527.62	724.87
Other current assets		2,342.98	1,870.90
Total current Assets		39,180.10	39,250.99
Assets classified as held for disposal		0.22	0.22
Total assets		57,961.97	56,282.95
Equity and liabilities			
Equity			
Equity share capital		1,488.30	1,412.06
Other equity		36,082.98	27,057.49
Total Equity		37,571.28	28,469.55
Non-controlling interests		137.75	84.25
		37,709.03	28,553.80
Liabilities			
Non-current liabilities:			
Financial liabilities			
Borrowings	9	131.46	889.25
Other financial liabilities		197.50	-
Provisions		229.75	162.42
Deferred tax liabilities (Net)		77.83	231.02
Other non-current liabilities		402.15	257.04
Total Non-Current liabilities		1,038.69	1,539.73
Current liabilities:			
Financial liabilities			
Borrowings	10	800.54	1,030.71
Trade payables	11		
(i) Total outstanding dues of micro enterprises and small enterprises		172.11	158.41
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		12,006.74	15,043.41
Other financial liabilities		1,197.31	1,813.64
Other current liabilities		3,271.61	6,262.63
Provisions		221.25	208.71
Current tax liabilities (Net)		1,544.69	1,671.91
Total current liabilities		19,214.25	26,189.42
Total equity and liabilities		57,961.97	56,282.95
Corporate information & summary of significant accounting policies	1 - 2		
Contingent liabilities and commitments	17		
Other notes to accounts	18 to 25		

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

Sd/-
Inder T. Jaisinghani
Chairman & Managing Director

Sd/-
Ajay T. Jaisinghani
Whole Time Director
DIN : 00276588

Sd/-
Bhavesh Dhupelia
Partner
Membership No. 042070

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

Sd/-
S S Narayana
Company Secretary
Membership No. F5221

Place: Mumbai
Date: 21 January 2020

Place: Mumbai
Date: 21 January 2020

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



Unaudited Interim Condensed Consolidated Statement of Profit and Loss for the quarter and nine months ended 31 December 2019

(₹ million)

	Notes	Three months ended 31 Dec 19 (Unaudited)	Three months ended 31 Dec 18 (Unaudited)	Nine months ended 31 Dec 19 (Unaudited)	Nine months ended 31 Dec 18 (Audited)
Income					
Revenue from operations	12	25,073.07	20,248.38	67,005.74	55,219.09
Other income	13	3.46	238.24	463.35	420.85
Total Income		25,076.53	20,486.62	67,469.09	55,639.94
Expenses					
Cost of materials consumed		16,185.23	15,779.53	45,071.66	40,024.55
Purchases of traded goods		1,108.39	758.78	3,317.24	2,355.96
Changes in Inventories of finished goods, traded goods and work-in-progress		147.12	(2,466.67)	(1,887.00)	(2,997.15)
Project bought outs and other cost		748.99	360.37	2,414.96	1,259.16
Employee benefits expense		914.81	865.69	2,758.87	2,358.32
Finance cost	14	85.81	171.59	336.10	904.94
Depreciation and amortisation expense		406.77	355.95	1,187.07	1,071.38
Other expenses	15	2,577.41	1,776.54	6,985.47	5,125.78
Total Expenses		22,174.53	17,601.78	60,184.37	50,102.94
Profit before share of profit/(loss) of joint ventures		2,902.00	2,884.84	7,284.72	5,537.00
Share of profit/(loss) of joint ventures (net of tax)		(2.29)	18.81	(16.27)	(46.06)
Profit before tax		2,899.71	2,903.65	7,268.45	5,490.94
Income tax expenses					
Current tax		736.46	956.26	1,938.25	1,934.21
Adjustment of tax relating to earlier periods		(6.49)	-	(7.98)	-
Deferred tax (credit)/charge		(44.28)	11.15	(166.52)	(44.62)
Total tax expense		685.69	967.41	1,763.75	1,889.59
Profit for the period		2,214.02	1,936.24	5,504.70	3,601.35
Profit for the quarter attributable to					
Equity shareholders of parent company		2,187.80	1,933.36	5,451.20	3,593.21
Non controlling interests		26.22	2.88	53.50	8.14
		2,214.02	1,936.24	5,504.70	3,601.35
Other Comprehensive Income					
Items that will not be reclassified to profit or loss					
Re-measurement gains / (losses) on defined benefit plans		33.54	(21.55)	(17.31)	(12.65)
Income Tax relating to items that will not be reclassified to Profit or Loss		(8.44)	7.53	4.36	4.42
Items that will be reclassified to profit or loss					
Exchange difference on translation of foreign operations		1.11	(1.10)	0.79	(0.42)
Designated Cash Flow Hedges		103.96	-	-	-
Income tax relating to items that will be reclassified to Profit or Loss		(26.16)	-	-	-
Other comprehensive income for the period, net of tax		104.01	(15.12)	(12.16)	(8.65)
Total comprehensive income for the period, net of tax		2,318.03	1,921.12	5,492.54	3,592.70
Total comprehensive Income attributable to					
Equity shareholders of parent company		2,291.81	1,918.24	5,439.04	3,584.56
Non controlling interests		26.22	2.88	53.50	8.14
		2,318.03	1,921.12	5,492.54	3,592.70
Earnings per share					
Basic earnings per share (₹)	16	14.73	13.69	36.78	25.45
Diluted earnings per share (₹)		14.67	13.69	36.69	25.45
Corporate information and summary of changes in significant accounting policies	1 - 2				
Contingent liabilities and commitments	17				
Other notes to accounts	18 to 25				

The accompanying notes are an integral part of the unaudited interim condensed 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 (formerly known as 'Polycab Wires Limited')
CIN : L31300DL1996PLC266483

Sd/-
 Bhavesh Dhupelia
 Partner
 Membership No. 042070
 Place: Mumbai
 Date: 21 January 2020

Sd/-
 Inder T. Jaisinghani
 Chairman & Managing Director
 DIN : 00309108

Sd/-
 Ajay T. Jaisinghani
 Whole Time Director
 DIN : 00276588

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

Sd/-
 S S Narayana
 Company Secretary
 Membership No. F5221

Place: Mumbai
 Date: 21 January 2020

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

Unaudited Interim Condensed Consolidated Statement of Changes in Equity for the ended 31 December 2019



(₹ million)

Particulars	Equity Share Capital	Share application money pending allotment	Reserves & Surplus			Retained Earnings	Foreign Currency translation reserve	Total other equity	Total equity	Non Controlling Interest
			General Reserve	Securities Premium	ESOP outstanding					
As at 1 April 2018	1,412.06	-	614.00	3,205.60	-	18,242.59	1.94	22,064.13	23,476.19	40.49
Net Profit for the nine month ended	-	-	-	-	-	3,593.21	-	3,593.21	3,593.21	8.14
Share based payments to employees	-	-	-	-	101.41	-	-	101.41	101.41	-
Other comprehensive income for the nine months ended, net of tax	-	-	-	-	-	(8.23)	(0.42)	(8.65)	(8.65)	-
Share issued to minority	-	-	-	-	-	-	-	-	-	18.13
As at 31 December 2018	1,412.06	-	614.00	3,205.60	101.41	21,827.57	1.52	25,750.10	27,162.16	66.76
Net Profit for the three months ended	-	-	-	-	-	1,403.82	-	1,403.82	1,403.82	(2.11)
Share based payments to employees	-	-	-	-	48.10	-	-	48.10	48.10	-
Share issue expense	-	-	-	(148.28)	-	-	-	(148.28)	(148.28)	-
Other comprehensive income for the three months ended, net of tax	-	-	-	-	-	3.84	(0.09)	3.75	3.75	-
Share issued to minority	-	-	-	-	-	-	-	-	-	19.60
As at 31 March 2019	1,412.06	-	614.00	3,057.32	149.51	23,235.23	1.43	27,057.49	28,469.55	84.25
Impact on account of adoption of Ind AS 116	-	-	-	-	-	(26.02)	-	(26.02)	(26.02)	-
Net Profit for the nine months ended	-	-	-	-	-	5,451.20	-	5,451.20	5,451.20	53.50
Share based payments to employees	-	-	-	-	141.93	-	-	141.93	141.93	-
Adjustment of Share issue expenses	-	-	-	6.79	-	-	-	6.79	6.79	-
Transfer from ESOP outstanding	-	55.60	-	-	(55.60)	-	-	-	-	-
Shares issued on exercise of employee stock options	-	77.60	-	-	-	-	-	77.60	77.60	-
Additions/deletions during the nine months ended	76.24	(127.76)	-	4,051.51	-	-	-	3,923.75	3,999.99	-
Other comprehensive income for the nine months ended, net of tax	-	-	-	-	-	(12.95)	0.79	(12.16)	(12.16)	-
Final equity dividend	-	-	-	-	-	(445.94)	-	(445.94)	(445.94)	-
Tax on final equity dividend	-	-	-	-	-	(91.66)	-	(91.66)	(91.66)	-
As at 31 December 2019	1,488.30	5.44	614.00	7,115.62	235.84	28,109.86	2.22	36,082.98	37,571.28	137.75

Unaudited Interim Condensed Consolidated Statement of Cash Flows for the nine months ended 31 December 2019

(₹ million)

	Nine months ended (Unaudited) 31 Dec 19	Nine months ended (Audited) 31 Dec 18
Profit before tax	7,268.45	5,490.94
Adjustments to reconcile profit before tax to net cash flows:	1,809.83	2,218.22
Movements in working capital:	(1,780.18)	(1,704.64)
Income tax paid (including TDS) (net)	(1,871.84)	(787.75)
Net cash flows generated from / (used in) operating activities (A)	5,426.26	5,216.77
Net cash flows generated from / (used in) investing activities (B)	(7,955.93)	(2,555.06)
Net cash flows generated from / (used in) financing activities (C)	1,302.24	(2,667.98)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1,227.43)	(6.27)
Cash and cash equivalents at the beginning of the period	1,790.59	82.32
Cash and cash equivalents at the period end -Refer Note 8	563.16	76.05
Corporate information and summary of changes in significant accounting policies	1 - 2	
Contingent liabilities and commitments	17	
Other notes to accounts	18 to 25	

The accompanying notes are an integral part of the unaudited interim condensed 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 (Formerly known as 'Polycab Wires Limited')
CIN : L31300DL1996PLC266483

Sd/-
Bhavesh Dhupelia
Partner
Membership No. 042070

Place: Mumbai
Date: 21 January 2020

Sd/-
Inder T. Jaisinghani
Chairman & Managing Director
DIN : 00309108

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

Place: Mumbai
Date: 21 January 2020

Sd/-
Ajay T. Jaisinghani
Whole Time Director
DIN : 00276588

Sd/-
S S Narayana
Company Secretary
Membership No. F5221

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

Notes to Unaudited Interim Condensed Consolidated Financial Statements for the nine months ended 31 December 2019

1. Corporate information

Polycab India Limited ('The Parent Company') is a public limited company (CIN - L31300DL1996PLC266483) 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 type 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 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 Parent 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 consolidated financial statements ('interim consolidated 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 consolidated 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 Group's latest annual Ind AS consolidated financial statements and related notes included in the Group'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 Group'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 financial statements requires the use of certain accounting estimates and judgements. It also requires the Management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to financial statements, or areas involving a higher degree of judgement or complexity, are the same as those disclosed in the Group's latest annual Ind AS financial statements for the year ended 31 March 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 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 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 Group 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.

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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.

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

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 recognized on a straight line basis over the term of the relevant lease.

Transition

Effective April 1, 2019, the Group 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 Group 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 Group'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 recognition of right-of-use asset of ₹ 279.72 Million (inclusive of prepaid rentals of ₹ 6.85 Million) and a corresponding lease liability of ₹ 307.39 Million. The difference of ₹ 26.02 Million (net of deferred tax assets created of ₹ 8.51 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.

D) Recent pronouncement

The group elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as per the amendment notified in the official Gazette . Accordingly, the Company has recognised Provision for Income Tax for the nine months ended 31 December 2019 and re-measured its Deferred Tax Assets or Liabilities basis the reduced tax rate prescribed in the said section. The impact of the said change recognised in the statement of Profit & Loss for nine months ended 31 December 2019 is ₹ 249.85 million, of which ₹ 7.33 million pertaining to earlier years is recognised in the quarter ended 31 December 2019 and balance ₹ 242.52 million was recorded in the quarter ended 30 September 2019 (of which ₹ 63.73 million is for the previous year's and balance ₹ 178.79 million is for the quarter ended 30 June 2019).

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3: Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Plant & equipments	Electrical installations	Furniture & fixtures	Office equipments	Windmill	Vehicles	Leasehold improvements	Total	Capital Work in Progress
(₹ million)												
Gross carrying amount (at cost)												
As at 1 April 2018	1,005.68	56.47	5,550.87	7,778.85	448.17	106.73	192.97	295.04	94.52	3.25	15,532.55	1,359.93
Additions	17.08	-	927.22	1,050.28	80.77	35.37	63.11	-	22.01	0.69	2,196.53	2,493.39
Transfer (Refer note -c)	-	-	-	-	-	-	-	-	-	-	-	(1,923.35)
Disposals/Adjustment	(12.76)	-	(3.54)	(10.84)	-	(0.39)	(5.44)	-	(6.02)	-	(38.99)	-
As at 31 March 2019	1,010.00	56.47	6,474.55	8,818.29	528.94	141.71	250.64	295.04	110.51	3.94	17,690.09	1,929.97
Additions	8.26	-	621.39	1,328.52	48.13	9.17	15.08	-	12.06	-	2,042.61	2,041.94
Transfer (Refer note -c)	-	-	-	-	-	-	-	-	-	-	-	(1,707.37)
Disposals/Adjustment	(0.27)	-	-	(23.52)	-	(0.13)	(5.34)	-	(5.34)	-	(34.60)	-
As at 31 December 2019	1,017.99	56.47	7,095.94	10,123.29	577.07	150.75	260.38	295.04	117.23	3.94	19,698.10	2,264.54
Accumulated depreciation												
As at 1 April 2018	-	14.37	532.47	2,688.19	158.58	29.99	87.69	47.14	27.73	2.16	3,588.32	-
Depreciation charge for the year	-	0.44	233.68	1,024.30	56.61	12.84	39.29	15.72	12.99	0.37	1,396.24	-
Disposals/Adjustments	-	-	(0.24)	(6.48)	-	(0.19)	(5.07)	-	(3.35)	-	(15.33)	-
As at 31 March 2019	-	14.81	765.91	3,706.01	215.19	42.64	121.91	62.86	37.37	2.53	4,969.23	-
Depreciation charge for the nine months	-	0.33	188.98	790.45	42.88	11.12	32.54	11.81	9.99	0.30	1,088.40	-
Disposals	-	-	-	(13.01)	-	(0.08)	(4.94)	-	(2.85)	-	(20.88)	-
As at 31 December 2019	-	15.14	954.89	4,483.45	258.07	53.68	149.51	74.67	44.51	2.83	6,036.75	-
Net carrying Value												
As at 31 December 2019	1,017.99	41.33	6,141.05	5,639.84	319.00	97.07	110.87	220.37	72.72	1.11	13,661.35	2,264.54
As at 31 March 2019	1,010.00	41.66	5,708.64	5,112.28	313.75	99.07	128.73	232.18	73.14	1.41	12,720.86	1,929.97

Notes:

(a) Capital work in progress includes machinery in transit ₹ 37.06 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 ₹ 1.14 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 capitalised during the nine months ended 31 December 2019 ₹ 1707.37 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.

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4: Right of Use assets

	(₹ million)
	ROU Assets
Reclassification on account of adoption of Ind AS 116	
As at 01 April 2019	279.72
Additions	126.67
Disposals	(6.98)
Depreciation	(84.52)
As at 31 December 2019	314.89

5: Intangible assets

	(₹ million)
	Computer Software
Gross carrying amount (at cost)	
As at 01 April 2018	142.76
Additions	26.15
Disposals	-
As at 31 March 2019	168.91
Additions	0.12
As at 31 December 2019	169.03
Accumulated amortization	
As at 01 April 2018	115.72
Amortisation charge for the year	18.21
As at 31 March 2019	133.93
Amortisation charge for the nine months ended	14.15
As at 31 December 2019	148.08
Net carrying Value	
As at 31 December 2019	20.95
As at 31 March 2019	34.98

6: Investment in Joint Venture

	31 Dec 19	31 Mar 19
	(₹ million)	
Investments carried at cost		
Investment in Equity Instruments of Joint Venture		
2,60,10,000 (31 March 2019 : 2,60,10,000) Equity shares of Ryker Base Private Limited of ₹ 10 each fully paid up	205.39	239.36
Add: Corporate guarantee given during the period	-	3.80
Less: Corporate Guarantee Amortised	-	(0.75)
Add: Share in current period profit/(loss)	(10.86)	(37.02)
	194.53	205.39
8,90,000 (31 March 2019 : 5,40,000) Equity shares of Techno Electromech Private Limited of ₹ 10 each fully paid up	40.36	26.60
Add: Investment in current period	35.00	-
Add: Share in current period profit/(loss)	(5.41)	13.76
	69.95	40.36
Goodwill on acquisition	48.10	48.10
	118.05	88.46
Total Investments (Net)	312.58	293.85

7: Inventories (Net)

	31 Dec 19	31 Mar 19
	(₹ million)	
Raw materials	4,480.45	9,540.53
Traded goods	1,037.79	939.18
Work-in-progress	2,424.23	1,416.42
Finished goods	7,437.10	6,643.47
Packing materials	257.88	262.78
Scrap materials	187.57	200.64
Stores and spares	239.15	177.86
Project materials for long-term contracts	397.16	776.97
	16,461.33	19,957.85

Note:- The above includes goods in transit of ₹ 652.67 Million (31 March 2019 - ₹ 4,540.01 Million)

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8: Cash and cash equivalents

	31 Dec 19	31 Mar 19
(₹ million)		
Cash and cash equivalents (at amortised cost)		
Balances with banks		
In current accounts	559.94	1,294.42
Deposits with original maturity of less than 3 months	-	494.50
Cash in hand	3.22	1.67
	563.16	1,790.59

9: Borrowings (non-current)

	31 Dec 19	31 Mar 19
(₹ million)		
Borrowings (at amortised cost)		
External commercial borrowing (secured)		
Foreign currency loan from HSBC Bank (Mauritius) Ltd	237.58	691.71
Rupee loan (secured)		
Indian rupee loan from HDFC Bank	124.06	134.47
Indian rupee loan from Citibank N.A.	104.74	867.30
	466.38	1,693.48
Less: Current maturities of long-term borrowings	(334.92)	(804.23)
	131.46	889.25

Movement in borrowing schedule

	(₹ million)		
	External	Rupee loan	Total
As at 01 April 2019	691.71	1,001.77	1,693.48
Less : Repayments	(455.64)	(772.97)	(1,228.61)
Less : Unrealised foreign exchange loss	1.51	-	1.51
As at 31 December 2019	237.58	228.80	466.38

The above loans are secured by way of

- i) First pari passu charge by way of registered mortgage on specific immovable fixed assets at Halol and hypothecation of all movable fixed assets acquired on or after 1 April 2015.
- ii) Second pari passu charge by way of hypothecation of all movable fixed assets appearing in balance sheet as on 31 March 2015 and on all current assets of the Group.
- iii) 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.

10: Borrowings (current)

	31 Dec 19	31 Mar 19
(₹ million)		
Borrowings (at amortised cost)		
Buyer's Credit (Secured)	-	516.49
Cash Credit from banks (Secured)	-	7.15
Short-term loan from banks (Unsecured)	791.48	436.25
Packing Credit (Secured)	9.06	-
Packing Credit (Unsecured)	-	70.82
	800.54	1,030.71

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.

11: Trade Payables

	31 Dec 19	31 Mar 19
(₹ million)		
Trade Payable (at amortised cost)		
Total outstanding dues of micro and small enterprises	172.11	158.41
Total outstanding dues of creditors other than micro and small enterprises		
Acceptances - (Refer note below (i))	6,366.52	8,032.85
Other than acceptances	5,640.22	7,010.56
	12,006.74	15,043.41

(i) Acceptances represent amount 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. These letter of credit are discounted by the vendors with their banks and the payments are made on due date to Banks by the group 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 Group.

(ii) For explanations on the Group's liquidity risk management processes. (Refer Note 22(C))

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Notes to Unaudited Interim Condensed Consolidated Financial Statements for the quarter and nine months ended 31 December 2019

12: Revenue from operations

	(₹ million)			
	Three months ended 31 Dec 19	Three months period ended 31 Dec 18	Nine months ended 31 Dec 19	Nine months ended 31 Dec 18
Revenue from contracts with customers				
Sale of products				
Finished goods	21,816.72	18,211.35	58,036.07	49,591.88
Traded goods	1,554.98	949.40	4,102.50	2,620.96
Revenue from construction contracts	1,156.08	647.37	3,404.38	1,840.66
	24,527.78	19,808.12	65,542.95	54,053.50
Other operating revenue				
Scrap sales	293.08	408.95	855.16	972.20
Total revenue from contracts with customers	24,820.86	20,217.07	66,398.11	55,025.70
Export incentives	252.21	31.31	607.63	193.39
Total Revenue from operations	25,073.07	20,248.38	67,005.74	55,219.09
Disaggregated revenue information				
Type of Goods or Services				
Wires & Cables	21,207.53	17,613.65	56,052.16	48,387.30
Fast Moving Electrical Goods (FMEG)	2,173.66	1,617.44	6,521.91	4,479.55
Revenue from construction contracts	1,156.08	647.37	3,404.38	1,840.66
Others	283.59	338.61	419.66	318.19
Total revenue from contracts with customers	24,820.86	20,217.07	66,398.11	55,025.70
Location of customer				
India	20,427.62	19,280.17	60,004.95	53,130.54
Outside India	4,393.24	936.90	6,393.16	1,895.16
Total revenue from contracts with customers	24,820.86	20,217.07	66,398.11	55,025.70
Timing of revenue recognition				
Goods transferred at a point in time	23,643.29	19,569.70	62,958.66	53,185.04
Goods and Services transferred over a period of time	1,177.57	647.37	3,439.45	1,840.66
Total revenue from contracts with customers	24,820.86	20,217.07	66,398.11	55,025.70
Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information				
Total revenue from contracts with customers	24,820.86	20,217.07	66,398.11	55,025.70
Export incentives*	252.21	31.31	607.63	193.39
Other income excluding finance income	(98.34)	217.30	104.91	377.39
Total income as per Segment (Refer Note 19)	24,974.73	20,465.68	67,110.65	55,596.48

* Includes Government grant on accounts of advance licences, merchandise export from India scheme and deferred income released to the statement of profit and loss on fulfilment of export obligation under the EPCG scheme.

13: Other income

	(₹ million)			
	Three months ended 31 Dec 19	Three months period ended 31 Dec 18	Nine months ended 31 Dec 19	Nine months ended 31 Dec 18
Interest income on				
Bank deposits	58.05	6.85	168.83	10.14
Others	13.99	14.09	47.36	33.32
Gain/loss on Redemption of investment	25.57	-	137.80	-
Fair Valuation MTM of investment	4.19	-	4.45	-
Exchange differences (net)	0.03	103.89	0.03	222.28
Fair value of put option	-	6.10	-	6.10
Fair valuation gain on financial asset*	(105.28)	60.19	50.52	60.19
Gain on sale of property, plant and equipment	-	14.99	-	19.60
Gain on termination of Lease	0.13	-	0.59	-
Sundry balances written back	3.38	0.01	27.11	21.61
Miscellaneous income	3.40	32.12	26.66	47.61
	3.46	238.24	463.35	420.85

* Gain on fair valuation of financial instruments at fair value through profit or loss includes 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.

14: Finance cost

	(₹ million)			
	Three months ended 31 Dec 19	Three months period ended 31 Dec 18	Nine months ended 31 Dec 19	Nine months ended 31 Dec 18
Interest	42.87	122.84	182.72	401.82
Others	42.94	48.75	153.38	503.12
	85.81	171.59	336.10	904.94

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15: Other expenses

	(₹ million)			
	Three months ended 31 Dec 19	Three months period ended 31 Dec 18	Nine months ended 31 Dec 19	Nine months ended 31 Dec 18
Consumption of stores and spares	78.96	102.98	377.87	330.69
Sub-contracting expenses	566.20	301.09	1,414.92	791.13
Power and fuel	351.75	298.20	953.63	761.76
Rent	20.09	46.95	58.00	130.23
Advertising and sales promotion	376.08	157.81	901.71	609.45
Brokerage and commission	145.46	78.26	269.70	242.79
Travelling and conveyance	82.88	45.88	223.27	157.48
Legal and professional fees	99.80	49.47	324.21	172.41
Freight & forwarding expenses	525.68	363.08	1,397.64	999.31
Loss on sale of fixed asset	1.21	-	2.97	-
Loss on fair valuation of financial asset*	-	(50.80)	-	-
Impairment allowance for trade receivable considered doubtful	130.48	207.58	290.91	399.13
Exchange differences (net)	(50.32)	-	65.86	-
Miscellaneous expenses	249.14	176.04	704.78	531.40
	2,577.41	1,776.54	6,985.47	5,125.78

* Loss on fair valuation of financial instruments at fair value through profit or loss includes 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.

16: 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 nine months 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:

	(₹ million)			
	Three months ended 31 Dec 19	Three months period ended 31 Dec 18	Nine months ended 31 Dec 19	Nine months ended 31 Dec 18
Profit attributable to equity holders for basic earnings (A)	2,187.80	1,933.36	5,451.20	3,593.21
Weighted average number of equity shares for basic EPS (B)	14,86,14,961	14,12,05,838	14,82,25,593	14,12,05,838
Effect of dilution				
Share options (C)	4,10,378	-	3,33,378	-
Weighted average number of Equity shares adjusted for the effect of dilution (D= B+C)	14,90,25,340	14,12,05,838	14,85,58,971	14,12,05,838
Basic earnings per share (₹) (not annualised) (A/B)	14.73	13.69	36.78	25.45
Diluted earnings per share (₹) (not annualised) (A/D)	14.67	13.69	36.69	25.45

Employee Stock Option Plan 2018

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

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

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

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

17: Commitments and contingencies

	(₹ million)	
	31 Dec 19	31 Mar 19
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)	1,665.15	1,880.28
B) Contingent liabilities (to the extent not provided for)		
a) Guarantees given*	1,335.12	1,300.43
b) Other matters for which the Group 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	13.05
(b) Disputed liability in respect of excise duty demand	2007-08 to 2014-15	45.55
(c) Disputed liability in respect of custom duty demand	2010-11 and 2016-17	21.67
(ii) Claims made against the Group, not acknowledged as debts	2018-19	634.21

Till previous year, the group had voluntarily disclosed performance bank guarantee (31 March 2019 ₹ 11,649.74 Million) under contingent liability. However in accordance with the applicable accounting standard under Ind AS the same is not required to be disclosed as contingent liability. Accordingly the said disclosure has been revised.

The Supreme Court of India, through a ruling in February 2019, provided guidelines for interpreting the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. There is significant uncertainty and ambiguity in interpreting and giving effect to the guidelines of Supreme Court. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the Supreme Court Order. The Company will evaluate its position and act as clarity emerges on impact of the ruling.

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.

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18: 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

Ryker Base Private Limited (Ryker)
Techno Electromech Private Limited (TEPL)

Enterprises owned or significantly influenced by key managerial personnel

AK Enterprises (A.K)
Dowells Elektro Werke (DEW)
Dowells Electricals (DE)
D J Electricals Private Limited (DJEPL)
Tirupati Tradelinks Private Limited (TTPL)

(A) Transactions with subsidiaries/fellow subsidiaries/enterprises significantly influenced for nine months ended

	DEW		DE		DJEPL		TTPL		A.K		TEPL		Ryker	
	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18
Sale of goods*	-	-	-	-	-	-	-	-	-	-	6.04	3.52	5.21	39.77
Purchase of goods & service*	-	-	1.51	3.80	1.52	2.18	143.08	98.42	-	-	470.28	707.33	0.57	0.54
Job work charges	-	-	-	0.50	-	0.02	3.48	0.36	-	-	7.93	-	514.92	-
Rent paid	-	-	-	-	-	-	-	-	21.85	24.26	-	-	-	-
Sale of machinery	-	-	-	-	-	-	-	-	-	-	50.39	-	-	-
Investment in subsidiary	-	-	-	-	-	-	-	-	-	-	35.00	-	-	-
Loan given repaid	-	-	-	-	-	-	-	-	-	-	-	18.11	-	-
Rent received	-	-	-	-	-	-	-	-	-	-	-	-	2.71	2.04
Interest received	-	-	-	-	-	-	-	-	-	-	10.42	12.09	-	-
Purchase of machinery	-	-	-	0.12	-	4.07	-	-	-	-	-	30.71	11.57	-
Reimbursement of expenses	0.01	-	-	0.05	-	0.02	-	-	-	-	1.42	-	1.43	-

*Gross of GST

Transactions with subsidiaries/fellow subsidiaries/enterprises significantly influenced for three months ended

	DEW		DE		DJEPL		TTPL		A.K		TEPL		Ryker	
	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18
Sales of Goods	-	-	-	-	-	-	-	-	-	-	2.72	0.04	0.00	9.46
Purchase of Goods	-	-	1.51	2.72	1.52	1.14	47.37	52.61	-	-	190.83	233.13	-	0.17
Job work charges	-	-	-	0.50	-	0.02	1.37	0.36	-	-	7.93	-	197.77	-
Rent paid	-	-	-	-	-	-	-	-	7.29	8.99	-	-	-	-
Sale of Machinery	-	-	-	-	-	-	-	-	-	-	9.53	-	-	-
Loan given repaid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent received	-	-	-	-	-	-	-	-	-	-	-	-	1.12	0.77
Interest received	-	-	-	-	-	-	-	-	-	-	3.48	3.69	-	-
Purchase of machinery	-	-	-	-	-	-	-	-	-	-	-	-	11.57	-
Reimbursement of Expenses	-	-	-	0.04	-	-	-	-	-	-	0.15	-	-	-

Balances at the period end

	DEW		DE		DJEPL		TTPL		A.K		TEPL		Ryker	
	Dec-19	Mar-19	Dec-19	Mar-19	Dec-19	Mar-19	Dec-19	Mar-19	Dec-19	Mar-19	Dec-19	Mar-19	Dec-19	Mar-19
Loans	-	-	-	-	-	-	-	-	-	-	115.21	115.11	-	-
Receivables	-	-	-	-	-	-	-	-	-	-	72.39	29.28	1.34	17.38
Interest accrued	-	-	-	-	-	-	-	-	-	-	9.30	3.17	-	-
Security deposits	-	-	-	-	-	-	-	-	6.17	6.17	-	-	-	-
Trade payable	0.90	1.30	0.30	0.32	6.04	23.96	46.91	52.41	-	-	26.35	22.62	36.54	51.44

Note :- Company has provided guarantee for credit facility availed by Ryker Base Private Limited amounting to ₹ 1,176.02 Million (31 March 2019 ₹ 1,141.33 Million). The fair value of corporate guarantee ₹ 13.35 Million (31 March 2019 ₹ 13.35 Million) has been included in carrying cost of investment.

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18: Related party disclosures (Contd.)
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. R S Sharma	Independent director (w.e.f. 20 September 2018)
Mr. T P 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. Jayantibhai S. Patel	Managing Director (Dowells Cable Accessories Private Limited)
Ms. Divyaprabha J. Patel	Director (Dowells Cable Accessories Private Limited)
Mr. Suresh Kumar Jajodia	Whole time Director (Tirupati Reels Private Limited)
Mr. Pratik Suresh Jajodia	Whole time Director (Tirupati Reels Private Limited)

* 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. Ajay T. Jaisinghani & Mr. Ramesh T. Jaisinghani
Mr. Kunal I. Jaisinghani	Son of Mr. Inder T. Jaisinghani
Mr. Nikhil R. Jaisinghani	Son of Mr. Ramesh T. Jaisinghani
Ms. Anita Devi Jajodia	Wife of Mr. Suresh Kumar Jajodia
Mr. Nikhil Jajodia	Son of Mr. Suresh Kumar Jajodia

(B) Remuneration paid

Name of the relative	Three months period ended 31 Dec 19	Three months period ended 31 Dec 18	Nine months period ended 31 Dec 2019	Nine months period ended 31 Dec 2018	Outstanding at 31 Dec 2019	Outstanding as at 31 Mar 2019
Mr. Girdhari T. Jaisinghani	2.32	2.32	6.94	6.94	1.63	2.17
Mr. Bharat A. Jaisinghani	3.32	2.88	9.95	8.62	2.23	2.58
Mr. Nikhil R. Jaisinghani	3.32	2.88	9.95	8.62	2.23	2.58
Mr. Kunal Jaisinghani	0.61	0.32	1.81	0.95	0.01	-
Mr. Nikhil Jajodia	0.57	-	1.01	0.24	-	-

(₹ Million)

(C) Rent paid

Name of the relative	Three months period ended 31 Dec 19	Three months period ended 31 Dec 18	Nine months period ended 31 Dec 2019	Nine months period ended 31 Dec 2018	Outstanding at 31 Dec 2019	Outstanding as at 31 Mar 2019
Ms. Anita Devi Jajodia	0.43	0.13	0.63	0.33	-	-
Mr. Nikhil Jajodia	0.26	0.06	0.38	0.18	-	-
Mr. Pratik Suresh Jajodia	0.13	0.03	0.19	0.09	-	-
Mr. Suresh Kumar Jajodia	0.23	0.07	0.33	0.17	-	-

(₹ Million)

(D) Expenses reimbursed

Name of the relative	Three months period ended 31 Dec 19	Three months period ended 31 Dec 18	Nine months period ended 31 Dec 2019	Nine months period ended 31 Dec 2018	Outstanding at 31 Dec 2019	Outstanding as at 31 Mar 2019
Mr. Jayantibhai S. Patel	-	-	0.10	0.31	-	-
Mr. Prateek Suresh Jajodia	1.85	-	5.69	-	-	-
Mr. Nikhil Jajodia	-	-	0.97	-	1.20	0.61

(₹ Million)

(E) Repayment of expenses reimbursed

Name of the relative	Three months period ended 31 Dec 19	Three months period ended 31 Dec 18	Nine months period ended 31 Dec 2019	Nine months period ended 31 Dec 2018	Outstanding at 31 Dec 2019	Outstanding as at 31 Mar 2019
Mr. Jayantibhai S. Patel	-	-	-	0.82	-	-

(₹ Million)

(F) Contribution Received from Minority Interest for Right Issue

Name of the relative	Three months period ended 31 Dec 19	Three months period ended 31 Dec 18	Nine months period ended 31 Dec 2019	Nine months period ended 31 Dec 2018	Outstanding at 31 Dec 2019	Outstanding as at 31 Mar 2019
Mr. Jayantibhai S. Patel	-	9.07	-	9.07	-	-
Ms. Divyaprabha J. Patel	-	9.07	-	9.07	-	-

(₹ Million)

(G) Share based payments to KMP*

Name of the KMP	Three months period ended 31 Dec 19	Three months period ended 31 Dec 18	Nine months period ended 31 Dec 2019	Nine months period ended 31 Dec 2018
Mr. Shyam Lal Bajaj	2.00	2.56	6.39	3.46
Mr. Subramaniam Sai Narayana	0.20	0.32	0.75	0.43

(₹ Million)

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

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18: Related party disclosures (Contd.)

(H) Remuneration of key management personnel (KMP)

Remuneration paid for quarter and nine months ended and outstanding as on 31 December 2019 to key managerial personnels

Name of the KMP	(₹ Million)					
	Three months period ended 31 Dec 19	Three months period ended 31 Dec 18	Nine months period ended 31 Dec 2019	Nine months period ended 31 Dec 2018	Outstanding at 31 Dec 2019	Outstanding as at 31 Mar 2019
Mr. Inder T. Jaisinghani	31.80	28.28	84.02	63.74	53.60	49.65
Mr. Ramesh T. Jaisinghani	8.07	6.96	23.67	20.85	5.63	6.52
Mr. Ajay T. Jaisinghani	8.07	6.96	23.67	20.85	5.63	6.52
Mr. R. Ramakrishnan*	-	-	-	3.58	-	1.27
Mr. Shyam Lal Bajaj	7.04	6.34	24.12	19.01	4.63	5.60
Mr. Subramaniam Sai Narayana	0.77	0.83	3.72	2.37	0.31	0.36
Ms. Hiroo Mirchandani	0.56	-	1.67	-	1.13	1.18
Mr. Pradeep Poddar	0.56	-	1.75	-	1.13	1.27
Mr. R S Sharma	0.64	-	1.83	-	1.13	1.35
Mr. T P Ostwal	0.64	-	1.83	-	1.13	1.35
T.P. Ostwal & Associates LLP (excluding GST)	0.35	-	1.09	-	0.55	-
Mr Jayantibhai S. Patel	2.85	-	8.55	-	0.63	0.85
Mr. Pratik Suresh Jajodia	0.54	0.31	1.16	0.93	-	-
Total	61.89	49.68	177.08	131.33	75.50	75.92

* 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 Group as a whole, the amounts pertaining to the KMP's are not included above.

(I) Recovery of Share issue expense (Including GST) from KMP and relatives of KMP

Name of KMP/Relative	(₹ Million)	
	31 Dec 19	Actual
Mr.Inder T. Jaisinghani	41.46	
Mr.Ramesh T. Jaisinghani	41.11	
Mr.Ajay T. Jaisinghani	41.11	
Mr.Girdhari T. Jaisinghani	41.26	
Mr.Bharat A. Jaisinghani	10.50	
Mr.Nikhil R. Jaisinghani	10.50	
Total	185.94	

The Company had disclosed provisional amounts of recovery in the financial statement for the year ended Mar-19 which has now actualised as detailed above.

(J) Payables to related parties

Name of KMP/Relative	(₹ Million)	
	Outstanding at 31 Dec 2019	Outstanding as at 31 Mar 2019
Mr Jayantibhai S. Patel	0.37	1.27
Mr. Nikhil Jajodia	0.36	0.05
Mr. Suresh Kumar Jajodia	0.02	-
Ms. Anita Devi Jajodia	0.03	-
Mr Pratik Suresh Jajodia	0.83	0.29

(K) Receivable from related parties

Name of KMP/Relative	(₹ Million)	
	Outstanding at 31 Dec 2019	Outstanding as at 31 Mar 2019
Mr Jayantibhai S. Patel	50.40	50.40

19: Segment information

Basis for segmentation

The Group is primarily engaged in the business of manufacture and sale of electric wires and cables. The Group 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 Group's senior management to make decisions about resources to be allocated to the segments and assess their performance.

The Group has three reportable segments, as described below, which are the Group'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 Group's chairman reviews internal management reports on periodical basis.

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

Reportable segments	Operations
Wires & Cables	- Manufacture and sale of electric 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 & rural electrification projects. It also comprises manufacture of cable accessories, equipments, wooden pallets, outer Laggings and cable drums and share of interests in the joint operation undertaken.

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19: Segment information (Contd.)
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 Group's chairman. 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) for nine months ended

Particulars	31 Dec 19					31 Dec 18				
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Others	Eliminations	Total
Income										
External sales	56,758.52	6,523.10	3,829.03	-	67,110.65	48,663.23	4,479.55	2,453.70	-	55,596.48
Inter segment revenue	534.45	-	544.39	(1,078.84)	-	763.82	-	-	(763.82)	-
Total income	57,292.97	6,523.10	4,373.42	(1,078.84)	67,110.65	49,427.05	4,479.55	2,453.70	(763.82)	55,596.48
Segment results										
External	6,444.67	167.15	650.56	-	7,262.38	6,271.14	60.24	67.10	-	6,398.48
Inter segment	37.09	-	87.39	(124.48)	-	-	-	-	-	-
Segment/Operating results	6,481.76	167.15	737.95	(124.48)	7,262.38	6,271.14	60.24	67.10	-	6,398.48
Un-allocated items:										
Financial income	-	-	-	-	358.44	-	-	-	-	43.46
Finance costs	-	-	-	-	336.10	-	-	-	-	904.94
Profit before tax					7,284.72					5,537.00
Provision for taxation	-	-	-	-	1,763.75	-	-	-	-	1,889.59
Profit for the nine months ended					5,520.97					3,647.41
Share of profit/(loss) of joint venture (net of tax)	-	(5.41)	(10.86)	-	(16.27)	-	9.84	(55.90)	-	(46.06)
Profit after tax after share of joint of venture					5,504.70					3,601.35
Depreciation & Amortisation expenses	1,103.91	65.91	17.25	-	1,187.07	1,000.59	60.24	10.55	-	1,071.38
Total cost incurred during the nine months to acquire segment assets (net of disposal)	2,278.39	82.22	18.53	-	2,379.14	1,737.84	269.52	42.85	-	2,050.21

Primary segment reporting (by business segment) for the three months ended

Particulars	31 Dec 19					31 Dec 18				
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Others	Eliminations	Total
Income										
External sales	21,502.49	2,166.01	1,306.23	-	24,974.73	17,956.24	1,617.44	892.00	-	20,465.68
Inter segment revenue	193.90	-	203.88	(397.78)	-	354.05	-	-	(354.05)	-
Total income	21,696.39	2,166.01	1,510.11	(397.78)	24,974.73	18,310.29	1,617.44	892.00	(354.05)	20,465.68
Segment Results										
External	2,571.48	13.96	300.57	-	2,886.01	3,055.96	(49.68)	29.21	-	3,035.49
Inter segment	11.74	-	37.92	(49.66)	-	-	-	-	-	-
Segment/Operating results	2,583.22	13.96	338.49	(49.66)	2,886.01	3,055.96	(49.68)	29.21	-	3,035.49
Un-allocated items:										
Financial income	-	-	-	-	101.80	-	-	-	-	20.94
Finance costs	-	-	-	-	85.81	-	-	-	-	171.59
Profit before tax					2,902.00					2,884.84
Provision for taxation	-	-	-	-	685.69	-	-	-	-	967.41
Profit for the three months ended					2,216.31					1,917.43
Share of profit/(loss) of joint venture (net of tax)	-	3.25	(5.54)	-	(2.29)	-	4.73	14.08	-	18.81
Profit after tax after share of joint of venture					2,214.02					3,601.35
Depreciation & Amortisation expenses	379.18	22.30	5.29	-	406.77	331.64	20.59	3.72	-	355.95
Total cost incurred during the three months to acquire segment assets (net of disposal)	542.13	18.62	4.93	-	565.68	575.30	3.48	-	-	563.36

Primary segment reporting (by business segment) for period ended
Other Information

Particulars	31 Dec 19					31 Mar 19				
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Others	Eliminations	Total
Segment assets	37,877.78	5,165.17	6,551.20	-	49,594.15	41,044.74	4,993.78	6,689.52	-	52,728.04
Un-allocated assets	-	-	-	-	8,055.24	-	-	-	-	3,261.06
Investment in Joint venture	-	-	-	-	312.58	-	-	-	-	293.85
Total assets					57,961.97					56,282.95
Segment liabilities	10,982.06	1,659.21	4,767.32	-	17,408.59	16,595.20	1,002.51	5,364.81	-	22,962.52
Un-allocated liabilities & provisions	-	-	-	-	2,844.35	-	-	-	-	4,766.63
Total liabilities					20,252.94					27,729.15

(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)

Particulars	31 Dec 19			31 Mar 19		
	Within India	Outside India	Total	Within India	Outside India	Total
Segment revenue	60,717.49	6,393.16	67,110.65	77,882.94	2,482.48	80,365.42
Segment assets	56,121.98	1,839.99	57,961.97	55,853.70	429.25	56,282.95
Capital expenditure incurred	2,379.14	-	2,379.14	2,813.53	-	2,813.53

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Notes to Unaudited Interim Condensed Consolidated Financial Statements for the nine months ended 31 December 2019

20: Fair values measurements

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

	Carrying value		Fair value	
	31 Dec 19	31 Mar 19	31 Dec 19	31 Mar 19
(₹ million)				
Financial assets				
Measured at fair value through profit or loss account (FVTPL)				
Units of mutual funds	4,036.05	-	4,036.05	-
Measured at amortised cost				
Trade receivables	1,601.77	1,351.27	1,601.77	1,351.27
Other financial assets	57.31	50.88	57.31	50.88
Derivatives not designated as hedges				
Interest rate and cross currency swap	2.80	7.40	2.80	7.40
Total	5,697.93	1,409.55	5,697.93	1,409.55
Financial liabilities				
Measured at fair value through profit or loss account (FVTPL)				
Obligations under lease	347.70	-	347.70	-
Embedded Derivative	183.36	54.60	183.36	54.60
Derivative contracts not designated as cash flow Hedges	46.70	-	46.70	-
Measured at amortised cost				
Borrowings - External Commercial Borrowings from HSBC	237.58	691.71	237.58	691.71
Borrowings - Rupee loan from Citi bank	104.74	867.30	104.74	867.30
Borrowings - Rupee loan from HDFC bank	124.06	134.47	124.06	134.47
Derivatives not designated as hedges				
Foreign exchange forward contracts	-	172.48	-	172.48
Fair value of written put options	48.90	48.90	48.90	48.90
Total	1,139.74	1,969.46	1,139.74	1,969.46

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 Group 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 Group'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 31 December 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.

21: 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 December 2019:

	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)
(₹ million)					
Assets measured at fair value:					
Units of mutual funds	31 Dec 19	4,036.05	4,036.05	-	-
Derivatives not designated as hedges					
Interest rate and cross currency swap	31 Dec 19	2.80	-	2.80	-
Liabilities measured at fair value:					
Obligations under lease	31 Dec 19	347.70	-	-	347.70
Derivative contracts not designated as cash flow hedge	31 Dec 19	46.70	-	46.70	-
Embedded derivative	31 Dec 19	183.36	183.36	-	-
Derivative financial liabilities :					
Fair value of written put options	31 Dec 19	48.90	-	-	48.90

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

	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)
(₹ million)					
Assets measured at fair value:					
Interest rate swap	31 Mar 19	7.40	-	7.40	-
Liabilities measured at fair value:					
Derivative financial liabilities :					
Foreign exchange forward contracts	31 Mar 19	172.48	-	172.48	-
Fair value of written put options	31 Mar 19	48.90	-	-	48.90

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22: 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 Group's senior management oversees the management of these risks. The Group's senior management' focus is to foresee the unpredictability and minimize 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 manages its interest rate risk by having a fixed and variable rate loans and borrowings. The Group's approach is to keep its majority of borrowings at fixed rates of interest for long term funding. The Group also enters into interest rate swaps for long term foreign currency borrowings, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 December 2019, after taking into account the effect of interest rate swaps, approximately 38% of the Group's borrowings are at a fixed rate of interest (31 March 2019: 74%)

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:

	(₹ million)		
	Exposure to interest rate risk (Principal amount of loan)	Increase/ decrease in basis points	Effect on profit before tax
31 Dec 19	791.48		
Increase		+100	(7.91)
Decrease		-100	7.91
31 Mar 19	717.68		
Increase		+100	(7.18)
Decrease		-100	7.18

(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.

To some extent the Group manages its foreign currency risk by hedging transactions.

Particulars of unhedged foreign currency exposures as at the reporting date:

Currency	Currency Symbol	31 Dec 19		31 Mar 19	
		Foreign currency	Indian Rupees	Foreign currency	Indian Rupees
United States Dollar	USD	(89.25)	(6,360.94)	(88.78)	(6,141.26)
EURO	Euro	(0.47)	(37.32)	(0.39)	(30.46)
Great Britain	GBP	(0.01)	(1.34)	0.58	52.38
Swiss Franc	CHF	0.00	0.04	(0.01)	(0.74)
Japense Yen	JPY	2.65	173.88	-	-
Australian Dollar	AUD	(0.00)	(0.06)	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, JPY and AUD 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 Dec 19		31 Mar 19	
		+2%	-2%	+2%	-2%
United States Dollar	USD	(127.22)	127.22	(122.83)	122.83
EURO	Euro	(0.75)	0.75	(0.61)	0.61
Great Britain	GBP	(0.03)	0.03	1.05	(1.05)
Swiss Franc	CHF	0.00	(0.00)	(0.01)	0.01
Japense Yen	JPY	3.48	(3.48)	-	-
Australian Dollar	AUD	(0.00)	0.00	0.24	(0.24)

Figures shown in bracket represent payable.

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

Notes to Unaudited Interim Condensed Consolidated Financial Statements for the nine months ended 31 December 2019

(iii) Commodity price risk

The Group's exposure to price risk of copper and aluminium arises from :

A) 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 trade payables are 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.

B) 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.

Therefore, there is no significant impact of the fluctuation in the price of the copper and aluminium on the Group's profit for nine months ended 31 December 2019 to the extent of inventory on hand.

Sensitivity analysis for open contracts for the nine months ended 31 December 2019 and year ended 31 March 2019 are as follows:-

Exposure of Group in Inventory

Metal	31 Dec 19				31 Mar 19			
	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	2,413	1,058.12	21.16	(21.16)	16	7.64	0.15	(0.15)
Aluminium	12,413	1,811.64	36.23	(36.23)	6,751	1,001.50	20.03	(20.03)

Exposure of Group against highly probable future purchases

Metal	31 Dec 19				31 Mar 19			
	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	3,675	1,595.71	31.91	(31.91)	-	-	-	-

(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

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 alongwith management's estimates.

The group has channel finance arrangements with banks for providing credit to its dealers. Evaluation is made as per the terms of the contracts 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 arrangements with the banks.

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

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

(₹ million)

	31 Dec 19			31 Mar 19		
	< 1 year	> equal to 1 year	Total	< 1 year	> equal to 1 year	Total
Borrowings	800.54	131.46	932.00	1,030.71	889.25	1,919.96
Other financial liabilities	1,197.31	197.50	1,394.81	1,813.64	-	1,813.64
Trade and other payables	12,178.85	-	12,178.85	15,201.82	-	15,201.82
	14,176.70	328.96	14,505.66	18,046.17	889.25	18,935.42

23: Hedging activity and derivatives

(A) Fair value hedge of copper and aluminium price risk in inventory

(i) The Group enters into contracts to purchase copper and aluminium wherein the Group has the option to fix the purchase price based on LME price of copper and aluminium during a stipulated time period. Accordingly, these contracts are considered to have an embedded derivative that is required to be separated. Such feature is kept to hedge against exposure in the value of inventory of copper and aluminium due to volatility in copper and aluminium prices. 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.

(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.

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23: Hedging activity and derivatives (Contd.)

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

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/ derivative, 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. The Group has started designating these contracts starting from

01 July 2019.

Commodity price risk	Commodity price risk	Carrying amount			Maturity date	Hedge Ratio	Balance sheet classification	Effective portion of Hedge	Effective portion of Hedge
		Asset	Liabilities	Equity					
Hedged item	Inventory of Copper and aluminium	70.16	-	-	Range within 1 to 6 months	1:1	Inventory		
	Highly probable future purchases	-	-	-	Range within 1 to 6 months	1:1	Cash flow hedge Reserve		
Hedging instrument	Embedded derivative in trade payables of Copper and aluminium	-	183.36	-	Range within 1 to 6 months	1:1	Trade Payable	70.16	165.60
	Buy Derivative Position	-	19.36	-	Range within 1 to 6 months	1:1	Current financial liabilities		
	Sell Derivative Position	-	33.03	-	Range within 1 to 6 months	1:1	Current financial liabilities		

(₹ million)

24 : Provision for investment and loan to subsidiary

As at 31 December 2019, the Parent Company has investment of Euro 150,000 (₹ 10.89 Million) and loan of Euro 388,276.11 (₹ 31.02 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 Parent Company, to accumulated losses of previous years and Capital Reduction Reserve to comply with the applicable Italian accounting requirements in an earlier year.

The Parent Company had made application to RBI through Citi bank (A.D. Bank) for winding up of PWISRL. 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 nine months period ended 31 December 2019.

25 : Others

The figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make them comparable. 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

Sd/-

Bhavesh Dhupelia

Partner

Membership No. 042070

Place: Mumbai

Date: 21 January 2020

For and on behalf of the Board of Directors of

Polycab India Limited (Formerly known as 'Polycab Wires Limited')
CIN : L31300DL1996PLC266483

Sd/-

Inder T. Jaisinghani

Chairman & Managing Director

DIN : 00309108

Sd/-

S. L. Bajaj

CFO & Whole Time Director

DIN : 02734730

Place: Mumbai

Date: 21 January 2020

Sd/-

Ajay T. Jaisinghani

Whole Time Director

DIN : 00276588

Sd/-

S S Narayana

Group Secretary

Membership No. F5221