S R B C & CO LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

# INDEPENDENT AUDITOR'S REPORT

To the Members of Polycab India Limited (Formerly known as Polycab Wires Limited)

## Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying standalone Ind AS financial statements of Polycab India Limited (Formerly known as Polycab Wires Limited) ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information which includes one Joint Operation.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the joint operations, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on work we have performed, we conclude that there is material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

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**Responsibilities of Management for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matters**

The financial statements and financial information include the Company's share of total assets of Rs. 782.78 million as at March 31, 2019, and revenues of Rs. 67.22 million and net cash inflows of Rs. 376.12 million in respect of a joint operation, for the year ended March 31, 2019. The Ind AS financial statements and other financial information of the said joint operation have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our report on the standalone Ind AS financial statements of the Company, in so far as it relates to the amounts and disclosures included in respect of the said joint operation, is based solely on the reports of the such other auditor. Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 33 (C) to the standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per Sudhir Soni**
Partner
Membership Number: 41870
Place of Signature: Mumbai
Date: May 14, 2019

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**Annexure 1 referred to in paragraph 1 under the section, 'Report on Other Legal and Regulatory Requirements' of our report of even date**

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company except the following: -

i) title deeds of freehold land amounting to Rs. 33.05 million are not in the name of the Company. The Company has initiated the process of transferring these properties in its name;
ii) title deeds of freehold land amounting to Rs. 36.45 million are not available;
iii) title deeds of freehold land amounting to Rs. 10.48 million is in dispute and is pending resolution with the government authority in Gujarat

(ii) The management has conducted physical verification of inventory except for inventory lying with third parties aggregating to Rs. 1787.77 million as at year end, which have not been verified during or at the end of the year. In our opinion, the frequency of verification is reasonable. Inventories lying with third parties have been confirmed by them as at year end. No material discrepancies were noticed on such physical verification.

(iii) (a) The Company has granted loans to three companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.

(c) There are no amounts of loans granted to Companies listed in the register maintained under Section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

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(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of electric wires and cables, electric appliances, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, customs duty, goods and service tax, cess and other statutory dues have been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of professional tax.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, dues outstanding of income tax, sales tax, service tax, duty of excise, customs duty and value added tax which have not been deposited on account of any dispute, are as follows:

| Name of the Statute | Nature of the Dues | Amount (Rs. in millions) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Central Excise Act, 1944 and Service Tax | Duty | 99.00 | 2006-07, 2010-2011, 2012-2016, 2017-18 | Asst. Comm / Comm / Comm (Appeals)/ GST Division |
| | | 17.00 | 2007-11 | Tribunal |
| State & Central Sales Tax, 1956 | Tax, Interest & Penalty | 435.70 | 2000-01, 2007-08, 2008-09, 2009-10, 2013-14, 2014-15, 2015-16, 2016-17 | Asst. Comm / Comm /Dy. Comm Appeal / Jt Comm (Appeal) / Comm Tax officer /Comm Tax Inspector/ Asst. Officer |
| | | 3.90 | 2014-15 | West Bengal Appellant and Revision Board |
| | | 140.10 | 2010-11 | Tribunal |
| Customs Act, 1962 | Duty | 6.20 | 2010-11 | Comm of Customs |
| Income Tax Act, 1961 | Tax & Interest | 125.45 | 2016-17 | CIT (Appeals) |
| | | 90.85* | 2017-18 | Deputy Commissioner of Income Tax |

* Rectification application filed on 9th April 2019 by the management on the grounds that the demand is erroneous.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. There are no borrowings from government or dues to debenture holders.

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(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer during the year ended March 31, 2019. Accordingly, we have not commented on the utilisation of the same. The Company has not raised any money through debt instruments and term loans, hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

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**per Sudhir Soni**
Partner
Membership No.: 41870
Place of signature: Mumbai
Date: May 14, 2019

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF Polycab India Limited (Formerly known as Polycab Wires Limited)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Polycab India Limited (Formerly known as Polycab Wires Limited) ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

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CHARTERED ACCOUNTANTS

**per Sudhir Soni**
Partner
Membership Number: 41870
Place of Signature: Mumbai
Date: May 14, 2019

**Polycab India Limited (Formerly known as 'Polycab Wires Limited')**
Standalone Balance sheet as at 31 March 2019

(₹ Million)

| | Notes | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | **12,515.09** | 11,772.33 |
| Capital work-in-progress | 3 | **1,858.67** | 1,353.96 |
| Intangible assets | 4 | **34.98** | 27.04 |
| Financial assets | 5 | | |
| a) Investments | | **426.94** | 386.02 |
| b) Trade receivables | | **1,351.27** | 880.00 |
| c) Other financial assets | | **49.59** | 57.40 |
| Income tax assets (Net) | 6 | **97.67** | 312.01 |
| Other non-current assets | 7 | **544.07** | 302.10 |
| | | **16,878.28** | 15,090.86 |
| **Current assets** | | | |
| Inventories | 8 | **19,804.31** | 13,559.00 |
| Financial assets | 9 | | |
| a) Trade receivables | | **13,415.91** | 12,912.44 |
| b) Cash and cash equivalents | | **1,777.44** | 67.50 |
| c) Bank balance other than cash and cash equivalents | | **1,379.47** | 24.10 |
| d) Loans | | **139.34** | 168.80 |
| e) Other current financial assets | | **724.68** | 184.30 |
| Other current assets | 10 | **1,834.52** | 2,225.57 |
| | | **39,075.67** | 29,141.71 |
| Assets classified as held for disposal | 11 | **0.22** | 2.70 |
| | | **39,075.89** | 29,144.41 |
| **Total Assets** | | **55,954.17** | 44,235.27 |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity Share Capital | 12 | **1,412.06** | 1,412.06 |
| Other Equity | 13 | **27,077.38** | 22,066.15 |
| | | **28,489.44** | 23,478.21 |
| **Liabilities** | | | |
| **Non-current liabilities:** | | | |
| Financial liabilities | 14 | | |
| - Borrowings | | **785.83** | 1,517.70 |
| Provisions | 15 | **161.90** | 95.10 |
| Deferred tax liabilities (net) | 16 | **227.80** | 552.19 |
| Other non-current liabilities | 17 | **257.04** | 182.19 |
| | | **1,432.57** | 2,347.18 |
| **Current liabilities:** | | | |
| Financial liabilities | 18 | | |
| a) Borrowings | | **1,023.47** | 5,669.00 |
| b) Trade payables | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | | **103.88** | 77.70 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | **14,995.12** | 9,067.11 |
| c) Other current financial liabilities | | **1,774.20** | 1,360.04 |
| Other current liabilities | 19 | **6,256.79** | 1,037.06 |
| Provisions | 20 | **208.23** | 375.77 |
| Current tax liabilities (net) | 21 | **1,670.47** | 823.20 |
| | | **26,032.16** | 18,409.88 |
| **Total Equity and liabilities** | | **55,954.17** | 44,235.27 |
| Corporate Information and Summary of significant accounting policies | 1 & 2 | | |
| Contingent liabilities and Commitments | 33 | | |
| Other Notes to Accounts | 34 to 48 | | |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

per Sudhir Soni
Partner
Membership No. 41870

Place: Mumbai
Date: 14 May 2019

For and on behalf of the Board of Directors of
**Polycab India Limited (Formerly known as 'Polycab Wires Limited')**
**CIN : U31300DL1996PLC266483**

Inder T. Jaisinghani
Chairman & Managing Director
DIN : 00309108

Ramesh T. Jaisinghani
Whole Time Director
DIN : 00309314

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

S S Narayana
Company Secretary
Membership No. F5221

Polycab India Limited

Place: Mumbai
Date: 14 May 2019

**Polycab India Limited (Formerly known as 'Polycab Wires Limited')**
Standalone Statement of Profit and Loss for the year ended 31 March 2019

(₹ Million)

| | Notes | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 22 | 79,105.53 | 69,024.40 |
| Other income | 23 | 935.22 | 671.30 |
| **Total Income** | | 80,040.75 | 69,695.70 |
| **Expenses** | | | |
| Cost of materials consumed | 24 | 54,634.21 | 47,696.96 |
| Purchases of traded goods | 25 | 3,237.14 | 2,384.47 |
| Changes in Inventories of finished goods, traded goods and work-in-progress | 26 | (1,056.84) | 702.08 |
| Excise duty | | - | 1,437.51 |
| Project bought outs and other cost | 27 | 2,543.04 | 1,247.03 |
| Employee benefits expense | 28 | 2,969.87 | 2,561.54 |
| Finance cost | 29 | 1,157.72 | 921.70 |
| Depreciation and amortisation expenses | 30 | 1,400.71 | 1,319.70 |
| Other expenses | 31 | 7,589.02 | 5,756.54 |
| **Total Expenses** | | 72,474.87 | 64,027.53 |
| **Profit before tax** | | 7,565.88 | 5,668.17 |
| **Income tax expenses** | 16 | | |
| Current tax | | 2,947.07 | 2,172.43 |
| Adjustment of tax relating to earlier periods | | (73.55) | (320.63) |
| Deferred tax (credit)/charge | | (322.03) | 232.50 |
| **Total tax expense** | | 2,551.49 | 2,084.30 |
| **Profit for the year** | | 5,014.39 | 3,583.87 |
| **Other Comprehensive Income** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Re-measurement gains / (losses) on defined benefit plans | | (6.75) | 26.50 |
| Income tax related to above item (refer note - 16 (B)) | | 2.36 | (9.20) |
| **Other comprehensive income for the year, net of tax** | | (4.39) | 17.30 |
| **Total Comprehensive Income for the year, net of tax** | | 5,010.00 | 3,601.17 |
| Earnings per share | 32 | | |
| Basic earnings per share (₹) | | 35.51 | 25.38 |
| Diluted earnings per share (₹) | | 35.51 | 25.38 |
| Corporate Information and Summary of significant accounting policies | 1 & 2 | | |
| Contingent liabilities and Commitments | 33 | | |
| Other Notes to Accounts | 34 to 48 | | |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sudhir Soni
Partner
Membership No. 41870

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 14 May 2019

For and on behalf of the Board of Directors of
**Polycab India Limited (Formerly known as 'Polycab Wires Limited')**
**CIN : U31300DL1996PLC266483**

Inder T. Jaisinghani
Chairman & Managing Director
DIN : 00309108

Ramesh T. Jaisinghani
Whole Time Director
DIN : 00309314

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

S S Narayana
Company Secretary
Membership No. F5221

Place: Mumbai
Date: 14 May 2019

Polycab India Limited

**Polycab India Limited (Formerly known as 'Polycab Wires Limited')**
Standalone Statement Of Cash Flows for the year ended 31 March 2019

(₹ Million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| **A. CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| **Profit before tax** | 7,565.88 | 5,668.17 |
| Adjustments to reconcile profit before tax to net cash flows: | | |
| Depreciation and amortisation expense | 1,400.71 | 1,319.70 |
| (Gain)/Loss on disposal of property, plant and equipment | (21.06) | (80.60) |
| Finance income | (128.74) | (28.20) |
| Interest and other finance cost | 1,157.72 | 921.70 |
| ESOP Compensation Expense | 149.51 | - |
| Fair valuation of Financial asset | 136.32 | (8.60) |
| Liabilities / provisions no longer required written back | (13.67) | (103.50) |
| Impairment allowance for trade receivable considered doubtful | 548.50 | 421.00 |
| Share issue expense | 17.05 | - |
| Unrealised foreign exchange (gain)/loss | 186.75 | 213.28 |
| Fair value of written put options | (6.10) | 55.00 |
| Sundry advances written-off | 24.89 | 8.00 |
| **Operating profit before working capital changes** | 11,017.76 | 8,385.95 |
| **Movements in working capital:** | | |
| (Increase)/decrease in trade receivables | (1,518.51) | (1,717.81) |
| (Increase)/decrease in other financial and non-financial assets | 194.96 | 1,125.87 |
| (Increase)/decrease in inventories | (6,245.31) | 1,614.33 |
| Increase /(decrease) in trade payables, other financial and non-financial liabilities and provisions | 10,603.38 | (4,495.40) |
| **Cash generated from operations** | 14,052.28 | 4,912.94 |
| Income tax paid (including TDS) (net) | (1,811.91) | (1,392.98) |
| **Net cash flows from operating activities (A)** | 12,240.37 | 3,519.96 |
| **B. CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Proceeds from sale of property, plant and equipment including assets held for disposal | 47.30 | 155.60 |
| Purchase of property, plant and equipment (including Capital work in progress) and Intangible assets | (2,761.44) | (1,870.84) |
| Proceeds from sale of Mutual funds | 1.40 | - |
| Investment in equity shares of subsidiaries | (39.64) | (5.48) |
| Proceeds/(Repayment) of loan from/to related parties | 31.05 | (150.88) |
| Maturity/ (Investment) made in bank deposits (having original maturity of more than 3 months) | (1,354.87) | 60.41 |
| Interest received (finance income) | 118.73 | 31.20 |
| **Net cash flows from / (used in) investing activities (B)** | (3,957.47) | (1,779.99) |
| **C. CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Interest and other finance cost paid | (773.53) | (928.47) |
| Share issue expenses | (91.04) | - |
| Repayment of long term borrowings | (740.08) | (333.60) |
| Proceeds from long term borrowings | - | 679.60 |
| Proceeds/(Repayment) from short term borrowings | (4,939.56) | (1,134.05) |
| Payment of dividend and Dividend distribution tax | (28.75) | (169.87) |
| **Net cash flows from / (used in) financing activities (C)** | (6,572.96) | (1,886.39) |
| **Net increase / (decrease) in cash and cash equivalents (A+B+C)** | 1,709.94 | (146.42) |
| Cash and cash equivalents at the beginning of the period | 67.50 | 213.92 |
| **Cash and cash equivalents at the year end -Refer Note 9(B)** | 1,777.44 | 67.50 |
| **Non-cash investing and financing transaction** | | |
| Gain/(loss) on fair valuation of Financial asset | (32.51) | (8.57) |
| Gain/(loss) on fair valuation of Financial liability | 6.10 | (55.00) |

| | |
|---|---|
| Corporate Information and Summary of significant accounting policies | 1 & 2 |
| Contingent liabilities and Commitments | 33 |
| Other Notes to Accounts | 34 to 48 |

Notes:-
- Figures in brackets indicates outflows.

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sudhir Soni
Partner
Membership No. 41870

Place: Mumbai
Date: 14 May 2019

For and on behalf of the Board of Directors of
**Polycab India Limited** (Formerly known as 'Polycab Wires Limited')

**CIN : U31300DL1996PLC266483**

Inder T. Jaisinghani
Chairman & Managing Director
DIN : 00309108

Ramesh T. Jaisinghani
Whole Time Director
DIN : 00309314

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

S S Narayana
Company Secretary
Membership No. F5221

Place: Mumbai
Date: 14 May 2019

**Polycab India Limited (Formerly known as 'Polycab Wires Limited')**
Standalone Statement of Changes in Equity for the year ended 31 March 2019

(₹ Million) (Except for No. of Shares)

A) Equity Share Capital:

| Particulars | Numbers | Amount |
|---|---|---|
| At 1 April 2018 | 14,12,05,838 | 1,412.06 |
| Changes in equity share capital during the year | - | - |
| At 31 March 2019 | 14,12,05,838 | 1,412.06 |

B) Other Equity: (` Million)

| Particulars | Reserves & Surplus | | | | | Total other equity |
|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium | General Reserve | ESOP outstanding | Retained Earnings | |
| As at 1 April 2017 | 0.13 | 3,205.60 | 650.69 | - | 14,778.52 | 18,634.94 |
| Net Profit for the year | | | | | 3,583.87 | 3,583.87 |
| Other comprehensive income | | | | | | |
| Other comprehensive income for the year, net of tax | | | | | 17.30 | 17.30 |
| Total comprehensive income | - | - | - | - | 3,601.17 | 3,601.17 |
| Dividends | | | | | | |
| Interim equity dividend | | | | | (141.21) | (141.21) |
| Tax on interim equity dividend | | | | | (28.75) | (28.75) |
| As at 31 March 2018 | 0.13 | 3,205.60 | 650.69 | - | 18,209.73 | 22,066.15 |
| Net Profit for the year | | | | | 5,014.39 | 5,014.39 |
| Share based payments to employees | | | | 149.51 | | 149.51 |
| Share issue expense (Refer note 12(D)) | | (148.28) | | | | (148.28) |
| Other comprehensive income | | | | | | |
| Other comprehensive income for the year, net of tax | | | | | (4.39) | (4.39) |
| Total comprehensive income | - | (148.28) | - | 149.51 | 5,010.00 | 5,011.23 |
| As at 31 March 2019 | 0.13 | 3,057.32 | 650.69 | 149.51 | 23,219.73 | 27,077.38 |

| | |
|---|---|
| Corporate Information and Summary of significant accounting policies | 1 & 2 |
| Contingent liabilities and Commitments | 33 |
| Other Notes to Accounts | 34 to 48 |

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

S R B C & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

per Sudhir Soni
Partner
Membership No. 41870

Place: Mumbai
Date: 14 May 2019

For and on behalf of the Board of Directors of
Polycab India Limited (Formerly known as 'Polycab Wires Limited')

CIN : U31300DL1996PLC266483

Inder T. Jaisinghani
Chairman & Managing Director
DIN : 00309108

Ramesh T. Jaisinghani
Whole Time Director
DIN : 00309314

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

S S Narayana
Company Secretary
Membership No. F5221

Place: Mumbai
Date: 14 May 2019

Polycab India Limited

## 1. Corporate information

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

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

## 2. Significant Accounting Policies

### 2.1 Basis of preparation

The Company prepared its financial statements to comply with the accounting standards specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. These financial statements includes Standalone Balance Sheet as at 31 March 2019, the Standalone statement of Profit and Loss including Other Comprehensive Income and Standalone cash flows and Standalone statement of changes in equity for the year ended 31 March 2019, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as " Standalone Financial Statements" or "financial statements").

The Standalone Financial Information for the year ended 31 March 2019 and year ended 31 March 2018 has been prepared on an accrual basis and a historical cost convention, except for the following financial assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The annual financial statements for the year ended 31 March 2018 were prepared in ₹ in crores, however these financial statements have been prepared in ₹ in Millions herein.

Accounting policies and methods of computation followed in the Standalone Financial Statements are same as compared with the annual financial statements for the year ended 31 March 2018, except for adoption of new standard or any pronouncements effective from 1 April 2018.

The Consolidated financial statements are presented in Indian Rupees ("₹") and all values are rounded to the nearest million upto two decimal places, except otherwise indicated.

Ind AS 115 Revenue from Contracts with Customers, became mandatory for reporting periods beginning on or after 01 April 2018 replaces the existing revenue recognition standards. The Company has applied the modified retrospective approach and accordingly has included the impact of Ind AS 115 applicable to the interim period

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resented in these Standalone Financial Statements. The Company has adopted following accounting policy for revenue recognition.

## 2.2 Summary of significant accounting policies

### a. Investment in subsidiaries and joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Company's investments in its subsidiaries and joint venture is initially recognized at cost. The Company determines whether it is necessary to recognise an impairment loss on its investment in its subsidiary or joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiary or joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary or joint venture and its carrying value and recognises the impairment loss in the statement of Standalone Statement of Profit & Loss.

### b. Joint Operation

The Company recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the separate Ind AS financial statements under the appropriate headings.

The Company being a joint operator has recognised its share of assets, liabilities, income and expenses of these joint operations incurred jointly with other partner, along with its share of income from the sale of the output and any assets, liabilities and expenses that it has incurred in relation to joint operation.

### c. Current versus non-current classification

The Company presents assets and liabilities in the Standalone Balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**d. Fair value measurement**

The Company measures financial instruments, such as, derivatives, mutual funds etc. at fair value at each Standalone Balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the assets or liability and the level of fair value hierarchy as explained above.

**e. Property, plant and equipment and capital work-in-progress**

Property, plant and equipments are stated at cost, net of accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Standalone Statement of Profit & Loss for the period in which such expenses are incurred.

Capital work-in-progress comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

Gains or losses arising from derecognition of property, plant and equipments are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Standalone Statement of Profit & Loss when the asset is derecognized.

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Depreciation on Property, plant and equipment's is calculated on pro rata basis on straight-line method using the management assessed useful lives of the assets which is in line with the manner prescribed in Schedule II of the Companies Act, 2013. The useful life is as follows:

**Property, plant and equipment**

| Assets | Useful life (In Years) |
|---|---|
| Buildings | 30-60 |
| Plant & equipments | 3-15 |
| Electrical installations | 10 |
| Furniture & fixtures | 10 |
| Office equipments | 3-6 |
| Windmill | 22 |
| Vehicles | 8-10 |

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Leasehold lands are amortized over the period of lease.

Lease hold Improvements are depreciated on straight line basis over their initial agreement period.

**f. Intangible assets**

Intangible assets are stated at cost, net of accumulated amortisation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Standalone Statement of Profit & Loss when the asset is derecognized.

Amortisation on intangible assets is calculated on pro rata basis on straight-line method using the useful lives of the assets and in the manner prescribed in Schedule II of the Companies Act, 2013. The useful life is as follows:

| Assets | Useful life (In Years) |
|---|---|
| Computer software | 3 |

The residual values, useful lives and methods of depreciation of Intangible assets are reviewed at each financial year end and adjusted prospectively.

**g. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

**Company as a Lessee:**
Operating lease payments are recognised as an expense in the statement of Standalone Statement of Profit & Loss as per the contractual terms over the lease period.

Finance lease are capitalised at the commencement of the lease and depreciated over the period of lease.

**h. Borrowing costs**

Borrowing cost includes interest, exchange differences arising from the foreign currency borrowings and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**i. Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each Standalone Balance sheet date, if there is any indication of impairment based on internal / external factors. Impairment Loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Impairment losses are recognised in the statement of Standalone Statement of Profit & Loss.

**j. Non- Current assets held for sale**
The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. The Company is committed to the sale expected within one year from the date of classification.
Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the Standalone Balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

**k. Inventories**
Raw materials, traded goods, work in progress, finished goods, packing materials, project material for long term contracts, scrap materials and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials, and stores and spares is determined on a First In-First Out (FIFO) basis and includes all applicable costs incurred in bringing goods to their present location and condition.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials as aforesaid, direct labour cost and a proportion of manufacturing overheads based on total manufacturing overheads to raw materials consumed.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories at their location and condition. Cost is determined on a weighted average basis.

The stocks of scrap materials have been taken at net realisable value.

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Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The Company enters into purchase of contract of copper and aluminium, in which the amount payable is not fixed on the date of purchase and the same is affected by changes in LME prices in future. Such transactions are entered into to protect the Company against the risk of price movement in the purchased copper and aluminium with respect to realisation of the price of product. Fair value hedges are mainly used to hedge the exposure to change in fair value of commodity price risks. The fair value adjustment remains part of the carrying value of inventory and taken to Standalone Statement of Profit & Loss when the inventory is sold.

**l. Revenue recognition**

Revenue from contracts with customers for sale of goods, construction contracts and its related provision of services.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:
a) The Company's performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.
b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.
For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability. In case of multiple performance obligation revenue for each performance obligation is recognized when it is satisfied.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.
The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. Taxes collected on behalf of the government are excluded from revenue.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Variable consideration includes volume discounts, price concessions, liquidity damages, incentives, etc. The Company estimates the variable consideration with respect to above based on an analysis of accumulated historical experience. The Company adjust estimate of revenue at the earlier of when the most likely amount of consideration we expect to receive changes or when the consideration becomes fixed.

**Sale of goods**

Performance obligation in case of Revenue from sale of goods is satisfied at a point in time and is recognized when the performance obligation is satisfied and control as per Ind AS 115 is transferred to the customer. The Company collects GST on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Revenue is disclosed net of discounts, incentives and returns, as applicable.

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**Revenue from Construction contracts**
Performance obligation in case of revenue from long - term contracts is satisfied over the period of time. Since the company creates an asset that the customer controls as the asset is created and the company has an enforceable right to payment for performance completed to date if it meets the agreed specifications. Revenue from long term contracts, where the outcome can be estimated reliably and 10% of the project cost is incurred, is recognized under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities". Retention money receivable from project customers does not contain any significant financing element, these are retained for satisfactory performance of contract.

Warranty
The Company typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty. In certain contracts, the Company provides warranty for an extended period of time and includes rectification of defects that existed at the time of sale and are normally bundled together with the main contract. Such bundled contracts include two performance obligations because the promises to transfer the goods and services and the provision of service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a liability. Revenue is recognised over the period in which the service-type warranty is provided on a basis appropriate to the nature of the contract and services to be rendered.

Right to return
When a contract provides a customer with a right to return the goods within a specified period, the Company estimates the expected returns using a probability-weighted average amount approach similar to the expected value method under Ind AS 115.
Under Ind AS 115, the consideration received from the customer is variable because the contract allows the customer to return the products. The Company used the expected value method to estimate the goods that will not be returned. For goods expected to be returned, the Company presented a refund liability and an asset for the right to recover products from a customer separately in the balance sheet.

**Export incentives**
Export incentives under various schemes notified by the Government have been recognised on the basis of applicable regulations, and when reasonable assurance to receive such revenue is established.

**Interest**
For all financial asset measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

**Dividends**
Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

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**m. Foreign currency translation**

The Company's Standalone Financial Statements are presented in Indian rupee (INR) which is also the Company's functional currency.

Foreign currency transaction are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

**Measurement of foreign currency item at the Standalone Balance sheet date**
Foreign currency monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing on the reporting date.

**Exchange differences**

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the statement of Standalone Statement of Profit & Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**n. Employee benefits**

**i. Employee benefits**

All short-term employee benefits such as salaries, incentives, special awards, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits are charged to the Standalone Statement of Profit & Loss account.

The Company has revised its leave policy applicable to all employees except for certain categories of employees in Daman factory location effective 1 April 2019. The Company estimates and provides the liability for such short-term and long term benefits based on the terms of the policy. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated advances are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains/losses on defined benefit plans are immediately taken to the Statement of Standalone Statement of Profit & Loss and are not deferred.

**ii. Defined contribution plans**

Retirement benefit in the form of provident fund and 'Employer-Employee Scheme' are defined contribution schemes. The Company recognises contribution payable to the provident fund and 'Employer Employee' scheme as an expenditure, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the funds. The Company's contributions to defined contribution plans are charged to the statement of Standalone Statement of Profit & Loss as incurred.

**iii. Defined benefit plan**
The Company operates a defined benefit gratuity plan for its employees. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding

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amounts included in net interest on the net defined benefit liability), are recognised immediately in the Standalone Balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Standalone Statement of Profit & Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

### iv. Share based payment

Equity settled share based payments to employees and other providing similar services are measured at fair value of the equity instruments at grant date.

The fair value determined at the grant date of the equity-settled share based payment is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any is, recongised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the shared option outstanding account.

No expense is recognised for options that do not ultimately vest because non market performance and/ or service conditions have not been met.

The dilutive effect, if any of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## o. Income taxes

Tax expenses comprise current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside Standalone Statement of Profit & Loss is recognised outside Standalone Statement of Profit & Loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax relating to items recognised outside Standalone Statement of Profit & Loss is recognised outside Standalone Statement of Profit & Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax is measured using the tax rates and the tax laws enacted or substantially enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

**p. Segment reporting**

**Identification of segments**
The Company's operating businesses are organized and managed separately according to the nature of products and services with each segment representing a strategic business unit that offers different products & serves different markets,

**Inter-segment transfers**
The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

**Allocation of common costs/ Assets & liabilities**
Common allocable costs/ assets & liabilities are allocated to each segment are consistently allocated amongst the segments on appropriate basis.

**Unallocated items**
Unallocated items include general corporate income & expense items which are not allocated to any business segment.

**Segment accounting policies**
The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Standalone Financial Statements of the Company as a whole.

**q. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

**r. Provisions, Contingent liabilities and capital commitments**
A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the

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statement of Standalone Statement of Profit & Loss. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Standalone Financial Statements.
Capital Commitments includes the amount of purchase orders (net of advances) issued to parties for completion of assets.

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

**s. Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, cheques in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of cash flow statement consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**t. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

***Initial recognition and measurement***

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Standalone Statement of Profit & Loss, transaction costs that are attributable to the acquisition of the financial asset.
Financial assets are classified at the initial recognition as financial assets measured at fair value or as financials assets measured at amortised cost.

***Subsequent measurement***

For purposes of subsequent measurement, financial assets are classified in two broad categories:

- Financials assets at amortised cost
- Financials assets at fair value

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of Standalone Statement of Profit & Loss (i.e., fair value through Standalone Statement of Profit & Loss), or recognised in other comprehensive income (i.e., fair value through other comprehensive income).

**a. Financials assets carried at amortised cost**

A financials assets that meets the following two conditions is measured at amortised cost (net of Impairment) unless the asset is designated at fair value through Standalone Statement of Profit & Loss under the fair value option.

- Business Model test: The objective of the Company's business model is to hold the financial assets to collect the contractual cash flow (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

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**b. Financials assets at fair value through other comprehensive income**

Financials assets is subsequently measured at fair value through other comprehensive income if it is held with in a business model whose objective is achieved by both collections contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dated to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of  Standalone Statement of Profit & Loss

**c. Financials assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories is subsequently fair valued through Standalone Statement of Profit & Loss.

***Derecognition***

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

a) The rights to receive cash flows from the asset have expired, or
b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

***Impairment of financial assets***

The Company assesses impairment based on expected credit losses (ECL) model for the following:

a) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.
b) Other financial assets such as deposits, advances etc.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

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The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

As a practical expedient, the Company uses the provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and its adjusted forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) during the period is recognized as other expense in the statement of Standalone Statement of Profit & Loss.

**Financial liabilities**

***Initial recognition and measurement***

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

***Subsequent measurement***

The measurement of financial liabilities depends on their classification, as described below:

a. **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

b. **Gains or losses on liabilities held for trading are recognised in the profit or loss.**

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

c. **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

***Derecognition***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the

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derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**u. Derivative financial instruments**

The Company enters into derivative contracts with an intention to hedge its foreign exchange price risk and interest risk. Derivative contracts which are linked to the underlying transactions are recognised in accordance with the contract terms. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

**v. Acceptances**

The Company enters into arrangements for purchase under usance Letter of credit issued by banks under non-fund based working capital limits of the Company. Considering these arrangements are majorly for raw materials with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as Acceptances under Trade and other payables.

**w. Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a unconsolidated derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified variable. The Company enters into purchase contract of copper and aluminum, in which the amount payable is not fixed on the date of purchase, but instead is affected by changes in LME prices in future. Such transactions are entered into to protect against the risk of price movement in the purchased copper and aluminum. Accordingly, such unfixed payables are considered to have an embedded derivative.

**Hedge Accounting: Fair Value Hedges**

The Company designates the copper and aluminum price risk in such instruments as hedging instruments, with copper and aluminum inventory considered to be the hedged item. The hedged risk is copper and aluminum spot prices. At the inception of a hedge relationship, with effect from 1 April 2016, The Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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**x. Business combination under common control**

Common control business combination includes transactions such as transfer of subsidiaries or business between entities within a group.

Business combinations involving entities or business under common control are accounted for using the pooling interest method. Under pooling interest method, the assets and liabilities of combining entities are reflected at their carrying amount, the only adjustments that are made are to harmonise accounting policies.

The financials information in the Standalone Financial Statements in respect of prior period are restated as if the business combination had occurred from the beginning of the preceding period in the Standalone Financial Statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosures of its nature and purposes in the notes.

**y. Government grants:**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it's recognition as income in the statement of Standalone Statement of Profit & Loss is linked to fulfilment of associated export obligations.

The Company has chosen to present grants received to income as other income in the statement of Standalone Statement of Profit & Loss.

## 2.3 Significant accounting judgements, estimates and assumptions

In the course of applying the policies outlined in all notes, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

### (a) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Standalone Financial Statements:

**Leasehold land arrangement**

The Company has entered into land lease arrangement at various locations. Terms of such lease ranges from 30-90 years. In case of lease of land for 90 years and above, it is likely that such leases meet the criteria that at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset. Accordingly, such lease is classified as finance lease. Other land lease are classified as operating leases.

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**(b) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the Standalone Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(i) Cost to complete**

The Company's management estimate the cost to complete for each project for the purpose of revenue recognition and recognition of anticipated losses of the projects, if any. In the process of calculating the cost to complete, Management conducts regular and systematic reviews of actual results and future projections with comparison against budget. The process requires monitoring controls including financial and operational controls and identifying major risks facing the Company and developing and implementing initiative to manage those risks. The Company's Management is confident that the costs to complete the project are fairly estimated.

**(ii) Impairment of investments in subsidiaries and joint- ventures**

Determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future market conditions and other parameters that affect the operations of these entities.

**(iii) Provisions and liabilities**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(iv) Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

**(v) Fair value measurements:**

When the fair values of financial assets or financial liabilities recorded or disclosed in the Standalone Financial Statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including multiples and the Discounted Cash flow (DCF model). The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

**(vi) Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

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**(vii) Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If an indication exists, or when the annual impairment testing of the asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets. When the carrying amount of an asset or CGU exceeds it recoverable amount, the asset is considered as impaired and it's written down to its recoverable amount.

**(viii) Defined benefit plans**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

The Company recognize the following changes in the net defined benefit obligation under Employee benefit expenses in statement of Standalone Statement of Profit & Loss:

a) Service cost comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements.
b) Net interest expense or Income.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Standalone Balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

**2.4 Standards Issued but not Effective:**

The Company has applied the Companies (Indian Accounting Standards), Amendment Rules 2018 which is effective from 01 April 2018, while preparing the restated Ind AS financial statements.
Accordingly, the Company has applied the standards and interpretations issued which are not effective to the reporting period presented. Thus, all the Ind AS applicable till date have been applied, and there are no standards which are issued but not yet effective. (refer note 47)

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**Polycab India Limited (Formerly known as 'Polycab Wires Limited')**
Notes to Standalone Financial Statements for the year ended 31 March 2019

(₹ Million)

**3: Property, plant and equipment**

| | Freehold land | Leasehold land | Buildings | Plant & equipment's | Electrical installations | Furniture & fixtures | Office equipment's | Windmill | Vehicles | Leasehold improvements | Total | Capital Work in Progress |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount (at cost)** | | | | | | | | | | | | |
| At 01 April 2017 | 1,007.15 | 56.55 | 4,967.54 | 6,295.94 | 428.60 | 95.87 | 139.20 | 294.99 | 78.40 | 3.09 | 13,367.33 | 1,648.77 |
| Additions | 62.80 | - | 515.20 | 1,381.40 | 13.10 | 15.10 | 56.40 | - | 12.50 | 0.10 | 2,056.60 | 1,532.89 |
| Transfer (Refer note -c) | - | - | - | - | - | - | - | - | - | - | - | (1,827.70) |
| Disposals/Adjustment | (64.30) | - | - | (4.10) | - | (5.00) | (3.70) | - | (0.60) | - | (77.70) | - |
| **At 31 March 2018** | 1,005.65 | 56.55 | 5,482.74 | 7,673.24 | 441.70 | 105.97 | 191.90 | 294.99 | 90.30 | 3.19 | 15,346.23 | 1,353.96 |
| Additions | 17.09 | - | 921.70 | 1,011.79 | 80.65 | 34.36 | 61.76 | - | 20.97 | 0.70 | 2,149.02 | 2,383.61 |
| Transfer (Refer note -c) | | | | | | | | | | | - | (1,878.90) |
| Disposals/Adjustment | (12.75) | - | (3.54) | (10.86) | - | (0.39) | (5.30) | - | (6.02) | | (38.86) | |
| **At 31 March 2019** | 1,009.99 | 56.55 | 6,400.90 | 8,674.17 | 522.35 | 139.94 | 248.36 | 294.99 | 105.25 | 3.89 | 17,456.39 | 1,858.67 |
| | | | | | | | | | | | | |
| **Accumulated depreciation** | | | | | | | | | | | | |
| At 01 April 2017 | - | 13.20 | 319.90 | 1,739.90 | 102.30 | 20.80 | 56.20 | 31.40 | 17.00 | 1.40 | 2,302.10 | - |
| Depreciation charge for the year | - | 1.10 | 208.50 | 940.90 | 55.50 | 11.50 | 33.80 | 15.70 | 10.70 | 0.80 | 1,278.50 | - |
| Disposals/Adjustment | - | - | - | (1.30) | - | (2.40) | (2.60) | - | (0.40) | - | (6.70) | - |
| **At 31 March 2018** | - | 14.30 | 528.40 | 2,679.50 | 157.80 | 29.90 | 87.40 | 47.10 | 27.30 | 2.20 | 3,573.90 | - |
| Depreciation charge for the year | - | 0.47 | 231.27 | 1,014.40 | 56.19 | 12.72 | 38.90 | 15.79 | 12.41 | 0.35 | 1,382.50 | - |
| Disposals/Adjustment | - | - | (0.21) | (6.42) | - | (0.19) | (4.93) | - | (3.35) | - | (15.10) | - |
| **At 31 March 2019** | - | 14.77 | 759.46 | 3,687.48 | 213.99 | 42.43 | 121.37 | 62.89 | 36.36 | 2.55 | 4,941.30 | - |
| **Net Book Value** | | | | | | | | | | | | |
| **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 |
| At 31 March 2018 | 1,005.65 | 42.25 | 4,954.34 | 4,993.74 | 283.90 | 76.07 | 104.50 | 247.89 | 63.00 | 0.99 | 11,772.33 | 1,353.96 |

Notes:-

(a) Capital work in progress includes machinery in transit ₹ 9.27 million (31 March 2018 : ₹ 36.5 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 2018: ₹ 25.16 million) were not in the name of Company. The Company has initiated process of transferring these properties in its name.

(ii) Title deed for freehold land amounting to ₹ 36.45 million (31 March 2018: ₹ 42.00 million) were not available.

(iii) Title deed is in dispute for freehold land amounting to ₹ 10.48 million (31 March 2018: ₹ 10.48 million) and is pending resolution with government authority at Gujarat. The Company has initiated the process of transferring these properties in its name.

(c) Various assets appearing in capital work in progress and capitalized during the year 31 March 2019 ₹ 1,878.90 million ( 31 March 2018 : ₹ 1827.70 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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(₹ Million)

## 4: Intangible assets

| | Computer - Software |
|---|---|
| Gross carrying amount (at cost) | |
| **At 01 April 2017** | **134.77** |
| Additions | 7.94 |
| **At 31 March 2018** | **142.71** |
| Additions | 26.15 |
| **At 31 March 2019** | **168.86** |
| | |
| **Accumulated amortization** | |
| **At 01 April 2017** | **74.52** |
| Amortisation charge for the year | 41.15 |
| **At 31 March 2018** | **115.67** |
| Amortisation charge for the year | 18.21 |
| **At 31 March 2019** | **133.88** |
| | |
| **Net Book Value** | |
| **At 31 March 2019** | **34.98** |
| At 31 March 2018 | 27.04 |

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(₹ Million)

**5: Non-current financial assets**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **(A) Investments** | | |
| **I. Investments (at fair value through profit or loss (FVTPL) (fully paid))- Unquoted** | | |
| Investment in Mutual Funds | - | 1.40 |
| **Total FVTPL Investments** | - | 1.40 |
| **II. Investments carried at cost- Unquoted** | | |
| **(a)Investment in Equity Instruments of Subsidiaries** | | |
| 1,50,000 (31 March 2018 : 1,50,000) Equity shares of Polycab Wires Italy SRL of 1 Euro each fully paid up | **10.89** | 10.89 |
| 33,00,000 (31 March 2018 : 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 2018 : 6,63,000) Equity shares of Dowells Cable Accessories Private Limited of ₹10 each fully paid up | **45.90** | 6.63 |
| **(b)Investment in Equity Instruments of Joint Venture** | | |
| 2,60,10,000 (31 March 2018 : 2,60,10,000) Equity shares of Ryker Base Private Limited of ₹10 each fully paid up (refer note - 2 & 3 below) | **273.45** | 270.40 |
| 5,40,000 (31 March 2018 : 5,40,000) Equity shares of Techno Electromech Private Limited of ₹10 each fully paid up | **70.20** | 70.20 |
| **Total Investments (Gross)** | **433.44** | 391.12 |
| Less: Impairment allowance for investment in Polycab Wires Italy SRL Euro 90,000 (31 March 2018 : Euro 90,000) | **(6.50)** | (6.50) |
| **Total Investments (Net)** | **426.94** | **386.02** |
| Aggregate market value of unquoted mutual fund investment (Refer note -40 & 41) | - | 1.40 |

Note:
1. Investments at fair value through profit or loss (fully paid) reflect investment in unquoted mutual fund. Refer note 41 for determination of their fair values.
2. The fair value of corporate guarantee ₹ 13.35 Million (31 March 2018 ₹ 10.30 Million) has been included in carrying cost of investment in Ryker base Private Limited. The movement of the investment in Ryker base Private Limited is given as under:

| | | |
|---|---|---|
| Investment in Ryker | 260.10 | 260.10 |
| Add : Guarantee provided on credit facility | 13.35 | 10.30 |
| | 273.45 | 270.40 |

3. Joint Venture partner of the Ryker base Private Limited has the option to put their entire shareholding to the company at any time after a lock in period i.e. earlier of
(a) Fifth anniversary of the date on which the Plant commences production;
(b) The date failing six years and six months after the completion date at a price being higher of:
• Fair market value of the shares or sum of:
· Subscription price paid by Joint Venture partner and
· Additional Finance amounts contributed by Joint Venture partner from time to time

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **(B) Trade receivables (at amortised cost)** | | |
| Trade receivables (Unsecured, considered good) | 1,351.27 | 880.00 |
| **Total Trade receivables** | 1,351.27 | **880.00** |
| **(C) Other financial assets (at amortised cost)** | | |
| Earnest money deposits and Security deposits | **49.59** | 56.90 |
| Deposits with bank having maturity period of more than 12 months | - | 0.50 |
| **Total other financial assets** | **49.59** | **57.40** |

(₹ Million)

**6: Non-current income tax assets (Net)**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Advance income-tax (net of provision for taxation) | **97.67** | 312.01 |
| | **97.67** | **312.01** |

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(₹ Million)

**7: Other non-current assets**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Capital advances - Unsecured, considered good | **386.37** | 208.70 |
| Capital advances - Unsecured, considered doubtful | **65.99** | 41.11 |
| Prepaid expenses | **59.60** | 6.90 |
| Balances with Statutory/Government authorities | **98.10** | 86.50 |
| | **610.06** | 343.21 |
| Less : Impairment allowance of capital advances, considered doubtful | **(65.99)** | (41.11) |
| | **544.07** | 302.10 |

(₹ Million)

**8: Inventories (Net)**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Raw materials | **9,457.67** | 4,890.73 |
| Traded goods | **918.02** | 458.70 |
| Work-in-progress | **1,401.85** | 1,031.50 |
| Finished goods | **6,611.88** | 6,447.30 |
| Packing materials | **263.14** | 85.70 |
| Scrap materials | **197.29** | 134.70 |
| Stores and spares | **177.49** | 80.99 |
| Project materials for long-term contracts | **776.97** | 429.38 |
| | **19,804.31** | **13,559.00** |

Notes:-

| (i) The above includes goods in transit as under: | | |
|---|---|---|
| Raw Material | **4,447.72** | 1,215.22 |
| Traded goods | **3.71** | 58.32 |
| Packing Material | **39.85** | - |
| Project materials for long-term contracts | **52.44** | 48.20 |

(ii) The above includes inventories held by third parties amouting to ₹ 1787.77 million (31 March 2018 - ₹ 29.80 million)

(iii) During the year ended 31 March 2019, ₹ 39.04 million (31 March 2018 - ₹ 13.00 million ) was recognised as an expense for inventories carried at net realisable value.

(iv) Inventories are hypothecated with the bankers against working capital limits. (Refer note - 18(A))

(v) The Company enters into purchase contract of copper and aluminium, in which the amount payable is not fixed on the date of purchase and the same is affected by changes in LME prices in future. Such transactions are entered into to protect the Company against the risk of price movement in the purchased copper and aluminium. This is designated as a fair value hedge as it is taken to hedge the exposure to changes in fair value due to commodity price risks. The open hedge exposures are valued at the fair value and the impact is adjusted to the value of the inventory to the extent the hedged is considered effective. (Refer Note 42 (A)(iii))

(₹ Million)

**9: Current financial assets**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **(A) Trade receivables (at amortised cost)** | | |
| Considered Good - Unsecured | **14,092.77** | 13,438.93 |
| Receivables - Credit Impaired | **548.79** | 544.41 |
| Receivables from related parties (Refer note - 37(A)) | **224.21** | 144.60 |
| **Trade receivables (Gross)** | **14,865.77** | 14,127.94 |
| Less: Impairment allowance for trade receivables | **(1,449.86)** | (1,215.50) |
| | **13,415.91** | 12,912.44 |

**Notes:-**

- Trade receivables are non-interest bearing and are generally on credit terms up to 90 days except EPC business.
- For EPC business trade receivables are non-interest bearing and credit terms are specific to contracts.
- For explanations on the Company's credit risk management processes, refer note 42(B)
- The Company follows life time expected credit loss model. Accordingly, deterioration in credit risk is not required to be evaluated annually.

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

| | | |
|---|---|---|
| At the beginning of period | **1,215.50** | 947.60 |
| Provision during the period/ year | **540.94** | 421.00 |
| Bad debts written off (net) | **(306.58)** | (153.10) |
| At the end of the period/ year | **1,449.86** | 1,215.50 |

| **(B) Cash and cash equivalents (at amortised cost)** | | |
|---|---|---|
| Balances with banks | | |
| In current accounts | **1,281.37** | 62.67 |
| Deposits with original maturity of less than 3 months | **494.50** | - |
| Cash in hand | **1.57** | 0.89 |
| Cheques in hand | **-** | 3.94 |
| | **1,777.44** | 67.50 |

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(₹ Million)

**9: Current financial assets**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **(C) Bank balance other than cash and cash equivalents (at amortised cost)** | | |
| Deposits with original maturity for more than 12 months | 3.67 | 8.10 |
| Deposits with original maturity for more than 3 months but less than 12 months | 1,375.00 | 16.00 |
| Margin money deposit | 0.80 | - |
| | 1,379.47 | 24.10 |
| **(D) Loans (at amortised cost)** | | |
| **Unsecured, considered good unless stated otherwise** | | |
| Loans to employees | 12.79 | 11.20 |
| Loans to related party | | |
| Considered Good - Unsecured | 126.55 | 157.60 |
| Credit Impaired | 30.17 | 30.50 |
| **Total Loans (Gross)** | 169.51 | 199.30 |
| Less: Impairment allowance for loan recoverable form Polycab Wires Italy SRL (Refer Note - 45) | (30.17) | (30.50) |
| | 139.34 | 168.80 |
| **(E) Other financial assets** | | |
| **At amortised cost** | | |
| Earnest money deposits and Security deposits# | 28.90 | 33.00 |
| Contract asset | 260.51 | 140.26 |
| Insurance claim receivables | 35.43 | 6.50 |
| Interest accrued on bank deposits | 11.25 | 1.24 |
| Public issue expense recoverable from selling shareholders | 388.77 | - |
| **At fair value through profit or loss** | | |
| Derivative instruments | | |
| Interest rate and cross currency swap | 7.40 | 3.30 |
| | 732.26 | 184.30 |
| Less: Impairment allowance for Contract Assets considered doubtful | (7.58) | - |
| | 724.68 | 184.30 |
| #Includes deposits given to Related Parties (Refer Note - 37(A)) | 6.17 | 6.17 |

(₹ Million)

**10: Other current assets**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Advances for materials and services# | 852.71 | 735.41 |
| Prepaid expenses | 73.03 | 85.62 |
| Balances with statutory/government authorities | 612.95 | 1,173.80 |
| Export incentive receivable | 39.48 | 48.80 |
| Refund Assets | 242.34 | 168.54 |
| Others | 14.01 | 13.40 |
| | 1,834.52 | 2,225.57 |
| #Includes advance given to Related Parties (Refer Note - 37(A)) | - | 66.50 |

(₹ Million)

**11: Assets classified as held for disposal**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Assets held for disposal | 0.22 | 2.70 |
| | 0.22 | 2.70 |

On 31 March 2019, the Company classified certain property, plant and equipment ₹ 0.22 million (31 March 2018 ₹ 2.58 million) and other asset Nil (31 March 2018 ₹ 0.12 million) retired from active use and held for sale recognised and measured in accordance with Ind-AS 105 "Non Current Assets Held For Sale and Discontinued Operations "at lower of its carrying amount and fair value less cost to sell. The Company expects to complete the sale in financial year 2019-20.

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12: Share capital

| (A) Authorised share capital | Equity shares | |
|---|---|---|
| (Equity shares of ₹ 10 each) | Numbers | (₹ Million) |
| **At 1 April 2017** | 186,250,000 | 1,862.50 |
| Increase during the year | - | - |
| **At 31 March 2018** | 186,250,000 | 1,862.50 |
| Increase during the year | - | - |
| **At 31 March 2019** | 186,250,000 | 1,862.50 |

| (B) Issued, subscribed and fully paid-up shares | | |
|---|---|---|
| (Equity shares of ₹ 10 each) | Numbers | (₹ Million) |
| **At 1 April 2017** | 141,205,838 | 1,412.06 |
| **Changes during the year** | - | - |
| **At 31 March 2018** | 141,205,838 | 1,412.06 |
| Changes during the year | - | - |
| **At 31 March 2019** | 141,205,838 | 1,412.06 |

**(C) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company, the Board of Directors has recommended a final dividend of ₹ 3/- per equity share of ₹ 10/- each (30%) for the financial year 2018-19. During the year ended 31 March 2018, the amount of per share interim dividend recognized and paid to equity shareholders ₹ 1 per share.

**(D) Details of shareholders holding more than 5% shares in the Company**

| Name of the shareholder | At 31 March 2019 | | As at 31 March 2018 | |
|---|---|---|---|---|
| | No. of Shares | % holding | No. of Shares | % holding |
| Polycab India Ltd. Escrow Account - IPO * | **21,817,870** | **15.45%** | - | 0.00% |
| Mr. Inder T. Jaisinghani | **20,854,229** | **14.77%** | 23,778,779 | 16.84% |
| Mr. Girdhari T. Jaisinghani | **20,750,512** | **14.70%** | 23,661,833 | 16.76% |
| Mr. Ajay T. Jaisinghani | **20,678,935** | **14.64%** | 23,580,806 | 16.70% |
| Mr. Ramesh T. Jaisinghani | **20,676,393** | **14.64%** | 23,578,264 | 16.70% |
| International Finance Corporation (IFC) | **12,704,096** | **9.00%** | 21,176,446 | 15.00% |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares, including shares held in the name of individual's trust.

* During the year ended 31 March 2019, 2,18,17,870 equity shares were transferred to an escrow account by the shareholders in a Pre - Initial Public Offer (IPO) sale in the proportion mentioned below. These shareholders continue to be the beneficial owners of the shares until the completion of the IPO process.

| Name of the shareholder | At 31 March 2019 | |
|---|---|---|
| | No. of Shares | % holding |
| Mr. Inder T. Jaisinghani | 2,686,550 | **1.90%** |
| Mr. Girdhari T. Jaisinghani | 2,663,871 | **1.89%** |
| Mr. Ajay T. Jaisinghani | 2,663,871 | **1.89%** |
| Mr. Ramesh T. Jaisinghani | 2,673,321 | **1.89%** |
| Mr. Bharat A Jaisinghani | 680,662 | **0.48%** |
| Mr. Nikhil R Jaisinghani | 680,662 | **0.48%** |
| Mr. R.Ramakrishnan | 636,994 | **0.45%** |
| Mr. Anil Hariani | 659,589 | **0.47%** |
| International Finance Corporation (IFC) | 8,472,350 | **6.00%** |
| | 21,817,870 | 15.45% |

Further, during the financial year 2019-20, the Company has completed the initial public offer (IPO), pursuant to which shares were issued as under and shares in excess of those offered for sale were transferred from Polycab India Ltd. Escrow Account - IPO back to the respective selling shareholders:

| No. of shares | Offer for sale | Fresh Issue | Total |
|---|---|---|---|
| General Public | 17,459,009 | 7,388,058 | 24,847,067 |
| Employee Quota | 122,991 | 52,009 | 175,000 |
| Total | 17,582,000 | 7,440,067 | 25,022,067 |

The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) via ID POLYCAB and BSE Limited (BSE) via ID 542652 on 16 April 2019.

The Company has estimated ₹ 554.10 million as IPO related expenses and allocated such expenses between the Company ₹ 165.33 million and selling shareholders ₹ 388.77 million in proportion to the equity shares allotted to the public as fresh issue by the Company and under offer for sale by selling shareholders respectively. As at 31 March 2019, the total amount attributable to the Company amounting to ₹ 148.28 million has been adjusted to securities premium and balance amount ₹ 17.05 million charged off to Profit and Loss account.

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(₹ Million)

**13: Other equity**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| (A) Capital reserve | 0.13 | 0.13 |
| | | |
| (B) Securities premium* | | |
| Opening balance | 3,205.60 | 3,205.60 |
| Less: Share issue expenses | (148.28) | - |
| | 3,057.32 | 3,205.60 |
| | | |
| (C) General reserve** | 650.69 | 650.69 |
| | | |
| (D) ESOP Outstanding# | 149.51 | - |
| | | |
| (E) Retained earnings | | |
| Opening balance | 18,209.73 | 14,778.52 |
| Add: Profit during the period | 5,010.00 | 3,601.17 |
| Less: Interim equity dividend | - | (141.21) |
| Less: Tax on interim equity dividend | - | (28.75) |
| | 23,219.73 | 18,209.73 |
| | | |
| Total ( A+B+C+D+E) | 27,077.38 | 22,066.15 |

* Securities premium represents the surplus of proceeds received over the face value of share at the time of issue of shares. The Company's share of IPO expenses has been adjusted with securities premium account considering the successful completion of IPO process on 16 April 2019.
** General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit or loss.

\# The Company has two stock option schemes under which options to subscribe for the Company's shares have been granted to certain employees. The ESOP Outstanding is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 36(C) for further details of these plans.

(₹ Million)

**14: Non-current financial liabilities**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Borrowings (at amortised cost) | | |
| External commercial borrowing (secured) | | |
| Foreign currency loan from HSBC Bank (Mauritius) Ltd | 691.71 | 1,084.10 |
| Rupee loan (secured) | | |
| Indian rupee loan from Citibank N.A. | 867.30 | 1,137.30 |
| | 1,559.01 | 2,221.40 |
| Less: Current maturities of long-term borrowings (Refer Note - 18(C)) | (773.18) | (703.70) |
| | 785.83 | 1,517.70 |

**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 favor of lead banker in the consortium. No separate charge created for each of the borrowing.

**Maturity profile of non-current borrowings**

(₹ Million)

| | Remark | < 1 Year | 1-3 Years | 3-5 Years |
|---|---|---|---|---|
| External commercial borrowing (secured) | | | | |
| Foreign currency loan from HSBC Bank (Mauritius) Ltd | Repayable in 6 instalment in 3 year | 460.68 | 231.03 | - |
| Rupee loan (secured) | | | | |
| Indian rupee loan from Citibank N.A. | Repayable in 16 quarterly instalment | 312.50 | 512.32 | 42.48 |
| As At 31 March 2019 | | 773.18 | 743.35 | 42.48 |
| As At 31 March 2018 | | 703.70 | 1,275.40 | 242.30 |

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(₹ Million)

**15: Non Current provisions**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (Refer Note - 36(A)) | 95.19 | 95.10 |
| Compensated absences | 66.71 | - |
| | 161.90 | 95.10 |

(₹ Million)

**16: Income taxes**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **(A) Income tax expense in the statement of profit and loss comprises:** | | |
| **Current income tax:** | | |
| In respect of current year | 2,947.07 | 2,172.43 |
| Adjustments of tax relating to earlier years | (73.55) | (320.63) |
| **Deferred tax:** | | |
| Relating to origination and reversal of temporary differences | (322.03) | 232.50 |
| **Income tax expense reported in the statement of profit or loss** | 2,551.49 | 2,084.30 |
| **(B) OCI section - Deferred tax related to items recognised in OCI during in the year:** | | |
| Net loss/(gain) on remeasurements of defined benefit plans | (2.36) | 9.20 |
| **Income tax expense charged to OCI** | (2.36) | 9.20 |
| **(C) Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate:** | | |
| **Profit before tax** | 7,565.88 | 5,668.17 |
| Applicable Tax rate | 34.94% | 34.61% |
| Tax using applicable tax rate | 2,643.82 | 1,961.64 |
| **Effect of:** | | |
| Expense not allowed for tax purpose | 48.83 | 506.69 |
| Income not considered for tax purpose | (35.88) | (32.90) |
| Tax exempt income | (31.73) | (30.50) |
| Adjustments of tax relating to earlier years | (73.55) | (320.63) |
| **Income tax charged to statement of profit and loss account** | 2,551.49 | 2,084.30 |

**(D) Deferred tax liabilities comprises:**

(₹ Million)

| | Balance Sheet | | Statement of profit and loss | |
|---|---|---|---|---|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| **Deferred tax liability** | | | | |
| Property Plant & Equipment's: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | 833.53 | 889.39 | (55.86) | 48.70 |
| Duties and taxes allowable under Income Tax Act on payment basis | 133.08 | 318.00 | (184.92) | 318.00 |
| **Gross deferred tax liability** | 966.61 | 1,207.39 | (240.78) | 366.70 |
| **Deferred tax asset** | | | | |
| Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis | 237.99 | 234.50 | (3.49) | (32.30) |
| Provision for expected credit loss (ECL) | 500.82 | 420.70 | (80.12) | (92.70) |
| Tax on re-measurement gains / (losses) on defined benefit plans | | | 2.36 | (9.20) |
| **Gross deferred tax asset** | 738.81 | 655.20 | (81.25) | (134.20) |
| **Deferred tax expense/(income)** | - | - | (322.03) | 232.50 |
| **Deferred tax liability (net)** | 227.80 | 552.19 | | |

**(E) Reconciliation of deferred tax assets/ liabilities (net):**

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| At the beginning of the year | 552.19 | 310.50 |
| Tax (income)/expense during the period recognised in profit or loss | (322.03) | 232.49 |
| Tax (income)/expense during the period recognised in OCI | (2.36) | 9.20 |
| At the end of year | 227.80 | 552.19 |

**Notes:-**

(i) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relating to income taxes levied by the same tax authority.

(ii) The Company has received CIT(A) order dated 09 March 2018 for AY 2012-13, 2013-14, 2014-15 and 2015-16 allowing Company's major claims relating to sales tax subsidy as capital receipt, additional depreciation, disallowance u/s 14A read with rule 8D and consequently carry forward losses and payment of tax under MAT. Company's claim was partly allowed, Income Tax Dept has filed appeals in the tribunal against the Company and Company has also filed appeal against disallowance in these orders, Since subject matter is pending in the higher courts and therefore Company has not accounted for refund received / receivable on these orders which is ₹ 1,003.42 million including interest ₹ 163.89 .00 million u/s 234B and 234C of the Income Tax Act, 1961

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(₹ Million)

**17: Other non-current liabilities**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Deferred government grant | **163.29** | 182.19 |
| Deferred liability | **93.75** | - |
| | **257.04** | 182.19 |

**Note:-**

Under Ind AS government grants are recorded as deferred liabilities to the extent of unfulfilled export obligations. This amount has been recognised against deferred government grant and accrued to P&L subsequently on fulfilment of export obligation.

(₹ Million)

**18: Current financial liabilities**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **(A) Borrowings (at amortised cost)** | | |
| **Loan repayable on demand (from banks)** | | |
| Buyer's Credit (Secured) | **516.49** | 4,156.15 |
| Cash Credit from banks (Secured) | - | 40.77 |
| Short-term loan from banks (Secured) | **436.16** | 1,087.03 |
| Packing Credit (Secured) | - | 351.25 |
| Packing Credit (Unsecured) | **70.82** | 33.80 |
| | **1,023.47** | **5,669.00** |

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.

| | | |
|---|---|---|
| **(B) Trade Payable (At amortised cost)** | | |
| Total outstanding dues of micro and small enterprises - (Refer note below (iii)) | **103.88** | 77.70 |
| Total outstanding dues of creditors other than micro and small enterprises | | |
| Acceptances - (Refer note below (i)) | **8,032.85** | 4,603.20 |
| Other than acceptances | | |
| Trade payables - Others | **6,807.77** | 4,413.12 |
| Trade payables to related parties (Refer Note - 37(A)) | **154.50** | 50.79 |
| | **14,995.12** | **9,067.11** |

(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 Group's liquidity risk management processes. (Refer note - 42 (C) )

(iii) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31 March 2019 and year ended 31 March 2018 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

| | | |
|---|---|---|
| a) Principal amount and interest due thereon remaining unpaid to any supplier covered under | | |
| Principal | **103.88** | 77.70 |
| Interest | **1.94** | 2.50 |
| b) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act. | - | - |
| d) The amount of interest accrued and remaining unpaid at the end of each accounting year. | **1.94** | 2.50 |
| e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 | - | - |

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(₹ Million)

### 18: Current financial liabilities

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **(C) Other current financial liabilities** | | |
| **At amortised cost** | | |
| Current maturities of long-term borrowings (refer note- 14) | 773.18 | 703.70 |
| Security deposit | 40.13 | 42.00 |
| Interest accrued but not due on borrowings | 24.03 | 15.44 |
| Interest accrued and due on borrowings | 5.37 | 1.50 |
| Creditors for capital expenditure | 340.65 | 219.66 |
| **At fair value through profit and loss (FVTPL)** | | |
| Derivative liability | 221.38 | 66.50 |
| Refund liability | 318.33 | 222.54 |
| Deferred liability | 38.15 | 78.40 |
| Other (refer note below) | 12.98 | 10.30 |
| | 1,774.20 | 1,360.04 |

Note :- Company has provided a guarantee for credit facility availed by the Ryker Base Private Limited and Tirupati Reels Private Limited, amounting to ₹ 1,141.33 Million (31 March 2018 ₹ 780.50 Million) and ₹ 159.10 Million (31 March 2018 ₹ 159.10 Million) respectively. The fair value of corporate guarantee ₹ 13.35 Million (31 March 2018 ₹ 10.30 Million) has been included in carrying cost of investment.

(₹ Million)

### 19: Other current liabilities

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Advance from customers | 4,075.47 | 213.43 |
| Contract Liability | 1,415.23 | 777.02 |
| Other statutory dues | 766.09 | 46.61 |
| | 6,256.79 | 1,037.06 |

(₹ Million)

### 20: Current provisions

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (Refer Note - 36(A) ) | 100.30 | 87.81 |
| Compensated absences | 24.39 | 195.54 |
| Tax on interim equity dividend | - | 28.75 |
| Provision for warranty (Refer note below) | 83.54 | 63.67 |
| | 208.23 | 375.77 |

Note :-
A provision is recognised for expected warranty claims and after sales services on products sold , based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will have been incurred within warranty period after the reporting date. Assumptions used to calculate the provisions for warranties were based on current sales levels and current information available about returns during the warranty period for all products sold.

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| At the beginning of the year | 63.67 | 31.37 |
| Arising during the year | 58.04 | 45.00 |
| Utilised during the year | (38.17) | (12.70) |
| At the end of the year | 83.54 | 63.67 |

(₹ Million)

### 21: Current tax liabilities (Net)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Provision for Current Tax (Net of advance tax) | 1,670.47 | 823.20 |
| | 1,670.47 | 823.20 |

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(₹ Million)

**22: Revenue from operations**

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| **Revenue from contracts with customers** | | |
| Sale of products | | |
| Finished goods | **70,334.75** | 62,534.12 |
| Traded goods | **3,684.03** | 3,076.36 |
| Revenue from construction contracts | **3,795.50** | 2,063.59 |
| | **77,814.28** | 67,674.07 |
| **Other operating revenue** | | |
| Scrap sales | **1,238.93** | 1,281.99 |
| **Total revenue from contracts with customers** | **79,053.21** | **68,956.06** |
| Export incentives | 52.32 | 68.34 |
| **Total Revenue from operations** | **79,105.53** | **69,024.40** |

| i) Disaggregated revenue information | **Year ended 31 March 2019** | **Year ended 31 March 2018** |
|---|---|---|
| **Type of Goods or Services** | | |
| Wires & Cables | 68,841.65 | 62,039.62 |
| Fast Moving Electrical Goods (FMEG) | 6,416.06 | 4,852.85 |
| Revenue from construction contracts | 3,795.50 | 2,063.59 |
| **Total revenue from contracts with customers** | **79,053.21** | **68,956.06** |
| | | |
| India | 76,570.73 | 65,365.28 |
| Outside India | 2,482.48 | 3,590.78 |
| **Total revenue from contracts with customers** | **79,053.21** | **68,956.06** |
| | | |
| **Timing of revenue recognition** | | |
| Goods transferred at a point in time | 75,207.48 | 66,892.47 |
| Goods and Services transferred over a period of time | 3,845.73 | 2,063.59 |
| **Total revenue from contracts with customers** | **79,053.21** | **68,956.06** |
| | | |
| **Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information** | | |
| **Total revenue from contracts with customers** | **79,053.21** | **68,956.06** |
| Export incentives | 52.32 | 68.34 |
| Other income excluding finance income | 806.48 | 643.10 |
| **Total income as per Segment** | **79,912.01** | **69,667.50** |

ii) Revenue from contracts with customers includes excise duty collected of ₹ Nil (31 March 2018: ₹ 1,437.51 Million). Revenue from contracts with customers net of applicable taxes is ₹ 79,053.21 Million (31 March 2018: ₹ 67,518.55 million). Revenue from operations for previous periods up to 30 June 2017 includes excise duty. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended 31 March 2019 is not comparable with 31 March 2018.

**iii) Reconciliation between revenue with customers and contracted price as per Ind AS 115:**

| **Revenue reconciliation** | **Year ended 31 March 2019** | **Year ended 31 March 2018** |
|---|---|---|
| Revenue as per contracted price | **81,964.69** | **70,740.52** |
| **Less : Adjustments** | | |
| Price adjustments such as Discounts, Rebates and Sales Promotion Schemes | (1,607.45) | (1,015.30) |
| Excess Revenue - EPC | (1,415.23) | (777.02) |
| Provisions for expected sales return | (95.79) | (54.00) |
| Other adjustments | (53.52) | (78.40) |
| **Add : Adjustments** | | |
| Unbilled Revenue - EPC | 260.51 | 140.26 |
| **Revenue from contract with customers** | **79,053.21** | **68,956.06** |

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(₹ Million)

**22: Revenue from operations**

iv) Contract Balances as at:

| Contract Balances | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Trade Receivables | **14,767.18** | 13,792.44 |
| Contract Assets | **260.51** | 140.26 |
| Contract Liabilities | **1,415.23** | 777.02 |

v) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 31 March 2019, ₹ 540.92 Million (31 March 2018: ₹ 421.00 Million) was recognised as provision for expected credit losses on trade receivables.
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.

vi) Contract assets are initially recognised for revenue earned from installation services as receipt of consideration is conditional on successful completion of installation. Upon completion of installation and acceptance / certifications by the customer, the amounts recognised as contract assets are reclassified to trade receivables. . The increase in contract assets in March 2019 is the result of the increase in ongoing installation services at the end of the year. In March 2019, ₹ 7.58 Million (March 2018: ₹ Nil) was recognised as provision for expected credit losses on contract assets.

vii) Contract liabilities include advances received towards EPC projects as well as transaction price allocated to unexpired service contracts. The outstanding balances of these accounts increased in 2018-19 due to the continuous increase in the Company's customer base and contracts where billing is in excess of revenue.

| viii) Set out below is the amount of revenue recognised from: | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Amounts included in contract liabilities at the beginning of the year | 390.75 | 286.06 |
| Performance obligations satisfied in previous years | 140.28 | 100.58 |

| **ix) Refund assets and refund liabilities** | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Refund assets | 242.34 | 168.54 |
| Refund liabilities | 318.33 | 222.54 |

**x) Performance obligation**

Aggregate amount of the transaction price (net of tax) allocated to long-term construction contracts that are partially or fully unsatisfied as at 31 March 2019 ₹ 14,431.36 Million (31 March 2018 ₹ 8,518.78 Million). The unsatisfied performance obligation is expected to be recognised within 24 months.

Based on the general trend of period of contract and its period of execution approximately 54% of the unsatisfied performance obligation amount is expected to be satisfied within one year. The remaining amount is expected to be realised within the next 12-24 months.

In certain contract, where the company has extended warranty / maintenance services obligation, a separate performance obligation is identified and the transaction price is allocated accordingly.

**xi) Impact of Ind AS 115**

Ind AS 115 " Revenue from Contracts with Customers" is mandatory for reporting periods beginning on or after 1 April 2018 and has replaced existing Ind AS related thereto. The Company has adopted the modified retrospective approach under the standard. Under this approach, no adjustments were required to be made to the retained earning as at 1 April 2018. Also the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related Items In the financial results for the year 31 March 2019.

**xi) Disclosure in terms of Ind AS 111 on the accounting of Joint operation**

The Company has 50% interest in a joint operation with GTPL hathway Limited for an EPC project of ₹ 10,738.40 million, which has been awarded by Gujarat Fibre Grid Network Limited (GFGNL) during the FY 2018-19. The principle place of Joint operation is in India.

The arrangements require unanimous consent from all parties for all relevant activities and hence it is classified as joint operation. The partners to the agreement have direct right to the assets and are jointly and severally liable for the liabilities incurred by the un- incorporated joint operation. In accordance with Ind AS 111 on "Joint Arrangements", the financial statements of the Company includes the Company's share in the assets, liabilities, incomes and expenses relating to joint operations based on the financial statements received from the respective operators. The income, expenditure, assets and liabilities of the joint operations are merged on line by line basis according to the participating interest with the similar items in the Financial Statements of the Company.

The table below provides summarized financial information of the company's share of assets, liabilities, income and expenses in the joint operations.

| Particulars | Year ended 31 March 2019 |
|---|---|
| Property, plant and equipment | 0.08 |
| Current Assets | 406.58 |
| Cash and Bank Balances | 376.12 |
| Current & Non Current Liabilities/Provisions | 782.78 |
| Expenses | 134.43* |
| Income | 134.43* |

* No margin has been recognised on the project as the percentage of completion is less than 10%.

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(₹ Million)

**23: Other income**

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Interest income on | | |
| Bank deposits | **27.50** | 4.30 |
| Others | **101.24** | 23.90 |
| Sundry balances written back | **60.48** | 103.50 |
| Miscellaneous income | **38.97** | 27.00 |
| Gain on sale of property, plant and equipment | **21.06** | 80.60 |
| Government Grant | **295.69** | 128.20 |
| Exchange differences (net) | **384.18** | 295.20 |
| Fair value of put option | **6.10** | - |
| Fair valuation gain on financial asset* | **-** | 8.60 |
| | **935.22** | 671.30 |

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

(₹ Million)

**24: Cost of materials consumed**

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Copper | **30,643.89** | 27,090.10 |
| Aluminium | **9,386.00** | 8,703.30 |
| Steel | **2,813.05** | 2,268.30 |
| PVC Compound/HDPE/LDPE/XLPE/Resin | **7,491.96** | 6,494.90 |
| Packing Materials | **1,305.96** | 1,114.10 |
| Others | **2,993.35** | 2,026.26 |
| | **54,634.21** | 47,696.96 |

(₹ Million)

**25: Purchases of traded goods**

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Electrical wiring accessories | **362.20** | 275.92 |
| Electrical appliances | **2,838.40** | 1,965.28 |
| Others | **36.54** | 143.27 |
| | **3,237.14** | 2,384.47 |

(₹ Million)

**26: Changes in Inventories of finished goods, traded goods and work-in-progress**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Inventory at the beginning of the year | | |
| Work-in-progress | **1,031.50** | 1,263.49 |
| Finished goods | **6,447.30** | 6,883.94 |
| Traded goods | **458.70** | 514.05 |
| Scrap materials | **134.70** | 112.80 |
| | **8,072.20** | 8,774.28 |
| Inventory at the end of the year | | |
| Work-in-progress | **1,401.85** | 1,031.50 |
| Finished goods | **6,611.88** | 6,447.30 |
| Traded goods | **918.02** | 458.70 |
| Scrap materials | **197.29** | 134.70 |
| | **9,129.04** | 8,072.20 |
| **(Increase)/ Decrease in Inventories of finished goods, traded goods and work-in-progress** | **(1,056.84)** | 702.08 |

(₹ Million)

**27: Project bought outs and other cost**

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Project bought outs | **1,589.57** | 867.73 |
| Subcontracting expense | **953.47** | 379.30 |
| | **2,543.04** | 1,247.03 |

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(₹ Million)

**28: Employee benefits expense**

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Salaries, wages and bonus | 2,577.83 | 2,305.44 |
| Expense on employee stock option scheme (Refer Note: 36(C)) | 149.51 | - |
| Contribution to provident and other funds (Refer Note: 36(A & B)) | 152.13 | 163.60 |
| Staff welfare expense | 90.40 | 92.50 |
| | 2,969.87 | 2,561.54 |

(₹ Million)

**29: Finance cost**

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Interest | 577.70 | 725.30 |
| Others | 580.02 | 196.40 |
| | 1,157.72 | 921.70 |

(₹ Million)

**30: Depreciation and amortization expense**

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Depreciation of tangible assets ( Refer note -3) | 1,382.50 | 1,278.50 |
| Amortization of intangible assets (Refer note -4) | 18.21 | 41.20 |
| | 1,400.71 | 1,319.70 |

(₹ Million)

**31: Other expenses**

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Consumption of stores and spares | 460.58 | 502.30 |
| Sub-contracting expenses | 920.55 | 665.90 |
| Increase/(Decrease) in excise duty on stock of finish goods | - | (740.96) |
| Power and fuel | 1,071.17 | 893.10 |
| Rent | 175.88 | 154.70 |
| Rates and taxes | 17.19 | 19.20 |
| Insurance | 29.86 | 34.80 |
| Repairs and maintenance | | - |
| Plant and machinery | 43.39 | 40.50 |
| Buildings | 33.20 | 33.20 |
| Others | 248.24 | 195.20 |
| Advertising and sales promotion | 1,157.43 | 935.70 |
| Brokerage and commission | 329.90 | 390.20 |
| Travelling and conveyance | 218.07 | 203.90 |
| Communication Cost | 33.37 | 27.50 |
| Legal and professional fees | 355.84 | 386.90 |
| Director Sitting Fees | 5.31 | - |
| Freight & forwarding expenses | 1,475.35 | 1,239.20 |
| Payment to auditor (Refer Note below) | 12.70 | 18.50 |
| Sundry advances written off | 24.89 | 8.00 |
| Loss on fair valuation of financial asset * | 136.32 | - |
| Impairment allowance for trade receivable considered doubtful | 548.50 | 421.00 |
| Public Issue Expenditure | 17.05 | - |
| Fair value of written put options | - | 55.00 |
| CSR expenditure (Refer Note 35) | 34.94 | 58.60 |
| Miscellaneous expenses | 239.29 | 214.10 |
| | 7,589.02 | 5,756.54 |

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

**Note:**

**Payments to the auditor (excluding applicable taxes):**

| | | |
|---|---|---|
| **As auditor** | | |
| Audit fee | 11.95 | 17.57 |
| Certification fees | 0.75 | 0.93 |
| | 12.70 | 18.50 |
| Other services | 9.00 | - |
| | 21.70 | 18.50 |

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(₹ Million)

**32: Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.
For the purpose of calculating diluted earnings per share, the net profit or losses for the year attributable to the equity shareholders and the weighted average number of shares outstanding during the year 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: | | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|---|
| Profit attributable to equity holders for basic earnings: | (A) | 5,014.39 | 3,583.87 |
| Weighted average number of equity shares for basic EPS | (B) | 141,205,838 | 141,205,838 |
| Effect of dilution: | | | |
| Share options | (C) | 6,575 | - |
| Weighted average number of Equity shares adjusted for the effect of dilution | (D = B+C) | 141,212,413 | 141,205,838 |
| Basic earnings per share (₹) | (A/B) | 35.51 | 25.38 |
| Diluted earnings per share (₹) | (A/D) | 35.51 | 25.38 |

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

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

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

(₹ Million)

**33: Commitments and contingencies**

(A) **Leases**

**Operating lease: Company as lessee**
The Company has taken industrial premises, residential building, land (space for godowns) under various lease agreements. There are no restrictions placed upon the Company by entering into these leases. There are no clauses on contingent rent.
Future minimum rentals payable under non-cancellable operating leases are as follows:

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Expense for the year | 175.88 | 154.70 |
| Within one year | 37.33 | 41.20 |
| After one year but not more than five years | 78.55 | 147.05 |
| More than five years | 62.56 | 108.10 |

(B) **Capital and other commitments**

| | | |
|---|---|---|
| Estimated amounts of contracts remaining to be executed on account of capital commitments and not provided for (net of advances) | 1,880.28 | 1,177.30 |

(C) **Contingent liabilities (to the extent not provided for)**

| | | | |
|---|---|---|---|
| **a) Guarantees given** | | 12,942.31 | 4,849.00 |
| **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 | 370.56 | 359.14 |
| (b) Disputed liability in respect of excise duty demand | 2007-08 to 2014-15 | 45.55 | 45.60 |
| (c) Disputed liability in respect of custom duty demand | 2010-11 and 2016-17 | 21.67 | 15.50 |
| (ii) Claims made against the Company, not acknowledged as debts | 2018-19 | 634.21 | - |

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

In respect of the items above, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements/decisions pending at various forums/authority. The Company doesn't expect the outcome of matters stated above to have a material adverse effect on the Company's financial conditions, result of operations or cash flows.

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(₹ Million)

**34: Disclosure in terms of Ind AS 115 on the accounting of construction contract is as under**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| a) Contract revenue recognised for the year ( Net of tax) | 3,795.50 | 2,063.59 |
| b) Contract that are in progress as on reporting date | | |
| (i) Contract costs incurred and recognised profits (less recognised losses) | 3,795.50 | 2,063.59 |
| (ii) Amount of retentions* | 1,240.14 | 792.20 |
| (iii) Recognised and included in financial statement as: | | |
| Contract Asset | 260.51 | 140.26 |
| Contract Liability | 1,415.23 | 777.02 |

*Retentions are specific to projects and are generally receivable within 6 months from completion of project.

(₹ Million)

**35: Details of Corporate Social Responsibility (CSR) expenditure**

| | | 31 March 2019 | 31 March 2018 |
|---|---|---|---|
| **Gross amount required to be spent by the Company during the year as per provisions of section 135 of the Companies Act, 2013** | A | 91.15 | 57.93 |
| **Gross amount spent by the Company during the year** | | | |
| Rural development programmes | | 11.53 | 5.70 |
| Social empowerment | | 1.32 | 5.90 |
| Promotion of education | | 15.19 | 37.30 |
| Health care facility & awareness | | 3.42 | 3.80 |
| Environmental awareness | | 2.95 | 4.50 |
| Others | | 0.53 | 1.40 |
| **Total** | B | 34.94 | 58.60 |
| **Shortfall/(Excess)** | A-B | 56.21 | (0.67) |

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## 36: Gratuity and other post-employment benefit plans

### (A) Defined benefit plan- As per actuarial valuation

The Company operates a defined benefit plan, viz., gratuity for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for gratuity.

**Statement of profit and loss**

**Net employee benefits expense recognised in profit or loss:** (₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Current service cost | 45.57 | 45.42 |
| Net interest cost | 14.27 | 11.90 |
| Past service cost | - | 21.18 |
| **Net benefits expense** | 59.84 | 78.50 |

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

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Actuarial (gain) /loss on obligations | 5.95 | (36.34) |
| Return on plan assets, excluding interest income | 0.80 | 9.84 |
| **Net (Income)/Expense for the year recognized in OCI** | 6.75 | (26.50) |

**Balance sheet**

Benefits liability (₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Present value of defined benefit obligation | (409.38) | (352.94) |
| Fair value of plan assets | 213.89 | 170.02 |
| **Plan liability** | (195.49) | (182.92) |

**Changes in the present value of the defined benefit obligation are as follows:** (₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Opening defined benefit obligation | 352.94 | 315.89 |
| Interest cost | 27.53 | 22.81 |
| Current service cost | 45.57 | 45.42 |
| Past service cost | - | 21.17 |
| Benefits paid | (22.61) | (16.04) |
| Actuarial (gains)/losses on obligations | | - |
| Due to change in financial assumptions | 4.57 | (42.30) |
| Due to experience | 1.38 | 5.99 |
| **Closing defined benefit obligation** | 409.38 | 352.94 |

**Changes in the fair value of plan assets are as follows:** (₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Opening fair value of plan assets | 170.02 | 151.02 |
| Interest Income | 13.27 | 10.92 |
| Contribution by employer | 54.01 | 33.98 |
| Benefits paid | (22.61) | (16.06) |
| Actuarial gains | (0.80) | (9.84) |
| Closing fair value of plan assets | 213.89 | 170.02 |

The Company expects to contribute ₹ 100.30 Million to gratuity in the next year (31 March 2018: ₹ 87.80 Million ).

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

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Current | 100.30 | 87.80 |
| Non-current | 95.19 | 95.10 |

**36: Gratuity and other post-employment benefit plans**

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

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Investment with insurer | 100% | 100% |

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

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Discount rate | **7.64%** | **7.80%** |
| Expected rate of return on plan assets | **7.64%** | **7.80%** |
| Employee turnover | **10.00%** | **10.00%** |
| Salary escalation | **11.00%** | **11.00%** |
| Mortality rate during employment | **Indian assured lives mortality (2006-08)** | **Indian assured lives mortality (2006-08)** |
| Mortality rate after employment | **N.A.** | **N.A.** |

The average expected future service as at 31 March 2019 is 8 years(31 March 2018 - 8 years).

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

**A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:**
**Sensitivity analysis**

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Projected benefit obligation on current assumptions | **409.38** | 352.94 |
| Delta effect of +1% change in rate of discounting | **(27.01)** | (23.75) |
| Delta effect of -1% change in rate of discounting | **31.01** | 27.33 |
| Delta effect of +1% change in rate of salary increase | **27.71** | 24.89 |
| Delta effect of -1% change in rate of salary increase | **(25.09)** | (22.37) |
| Delta effect of +1% change in rate of employee turnover | **(6.39)** | (5.63) |
| Delta effect of -1% change in rate of employee turnover | **7.16** | 6.32 |

Usefulness and methodology adopted for sensitivity analysis:
Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.
Maturity analysis of projected benefit obligation from the fund.
Projected benefits payable in future years from the date of reporting.

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| 1st following year | **58.27** | 48.29 |
| 2nd following year | **30.36** | 27.73 |
| 3rd following year | **33.72** | 28.00 |
| 4th following year | **35.49** | 30.24 |
| 5th following year | **36.96** | 30.67 |
| Sum of years 6 to 10 | **176.49** | 30.67 |
| Sum of years 11 years and above | **461.45** | 427.45 |

**(B) Defined contribution plan**

The Company has recognised expenses towards defined contribution plan as under

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Contribution to provident and other funds | **92.29** | 85.10 |

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**37: 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 financial year:

**Related parties where control exists**
Polycab Wires Italy SRL (PWISRL)
Tirupati Reels Private Limited (TRPL)
Dowells Cable Accessories Private Limited (DCAPL)
Ryker Base Private Limited (Ryker)
Techno Electromech Private Limited (TEPL)

**Enterprises owned or significantly influenced by key managerial personnel**
Microcab Industries & Logistics Private Limited (MILPL)
AK Enterprises (A.K)

**(A) Transactions with subsidiaries/enterprises significantly influenced**

(₹ Million)

| Particulars | PWISRL | | MILPL | | TRPL | | DCAPL | | A.K Enterprises | | TEPL | | Ryker | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 |
| Sale of goods | - | - | - | - | 308.31 | 138.80 | 11.82 | 5.89 | - | - | 4.04 | 42.40 | 56.27 | 14.60 |
| Purchase of goods | - | - | - | - | 399.98 | 163.80 | 0.45 | 1.02 | - | - | 951.98 | 480.40 | 0.54 | - |
| Job work charges | - | - | - | - | - | - | 0.63 | - | - | - | - | - | 110.52 | - |
| Commission | 15.74 | 35.88 | - | - | - | - | - | - | - | - | - | - | - | - |
| Rent paid | - | - | - | 4.20 | - | - | - | - | 29.11 | 28.90 | - | - | - | - |
| Purchase of Machinery | - | - | - | - | - | - | - | - | - | - | 30.71 | - | - | - |
| Sale of Land | - | - | - | - | - | - | - | - | - | - | - | - | - | 127.40 |
| Investment in subsidiary | - | - | - | - | - | - | 39.27 | - | - | - | - | - | - | - |
| Corporate guarantee | - | - | - | - | | - | | | - | - | - | - | 3.80 | 10.30 |
| Loans given | - | - | - | - | 40.00 | - | 4.60 | 20.00 | - | - | - | 140.00 | - | 253.70 |
| Loan given repaid | - | 1.46 | - | - | 40.00 | - | 10.76 | 2.40 | - | - | 24.89 | - | - | 253.70 |
| Rent received | - | - | - | - | - | - | 5.00 | - | - | - | - | - | 2.81 | - |
| Interest received | - | - | - | - | 1.35 | - | 1.88 | 1.10 | - | - | 15.61 | 4.80 | - | 5.50 |
| Other charges recovered | - | - | - | - | 0.07 | - | - | | | | | - | | |
| Expense incurred on behalf of others | - | - | - | - | - | - | - | - | - | 0.70 | - | - | - | 22.50 |
| Reimbursement of expenses recovered | - | - | - | - | - | - | - | - | - | - | - | 2.70 | - | 22.50 |

| Particulars | PWISRL | | MILPL | | TRPL | | DCAPL | | A.K | | TEPL | | Ryker | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 |
| **Balances at the period end** | | | | | | | | | | | | | | |
| Loans | 30.17 | 30.50 | - | - | - | - | 11.44 | 17.60 | - | - | 115.11 | 140.00 | - | - |
| Provision against loans | 30.17 | 30.50 | - | - | - | - | - | - | - | - | - | - | - | - |
| Receivables | - | - | - | - | 174.26 | 85.60 | 3.29 | - | - | - | 29.28 | 46.10 | 17.38 | 12.90 |
| Security Deposits | - | - | - | - | - | - | - | - | 6.17 | 6.17 | - | - | - | - |
| Advances | - | - | - | - | - | - | - | - | - | - | - | 66.50 | - | - |
| Interest accrued | - | - | - | - | 1.21 | - | 0.02 | - | - | - | 3.17 | 4.30 | - | - |
| Trade payables | 5.20 | 24.00 | - | - | 74.56 | 19.60 | 0.68 | 0.98 | - | - | 22.62 | - | 51.44 | - |

Note :- Company has provided guarantee for credit facility availed by the Ryker Base Private Limited and Tirupati Reels Private Limited, amounting to ₹ 1,141.33 Million (31 March 2018 ₹ 780.5 Million) and ₹ 159.10 Million (31 March 2018 ₹ 159.10 Million) respectively. The fair value of corporate guarantee ₹ 13.35 Million (31 March 2018 ₹ 10.30 Million) has been included in carrying cost of investment.

## 37: Related party disclosures

**Key management personnel**

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

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

**Relatives of Key management personnel**

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

**(B) Remuneration paid**

(₹ Million)

| Name of the director/relative | Year ended 31 March 2019 | Outstanding at the year 31 March 2019 | Year ended 31 March 2018 | Outstanding at the year ended 31 March 2018 |
|---|---|---|---|---|
| Mr. Girdhari T. Jaisinghani | 9.40 | 2.17 | 8.95 | 2.07 |
| Mr. Bharat A. Jaisinghani | 11.68 | 2.58 | 10.83 | 2.35 |
| Mr. Nikhil R. Jaisinghani | 11.68 | 2.58 | 10.83 | 2.35 |
| Mr. Kunal Jaisinghani | 1.27 | - | 1.20 | - |

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and interest free and settlement occurs in cash. For the year 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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## 37: Related party disclosures

### (C) Remuneration of key management personnel (KMP)

**Remuneration paid for the year and outstanding as on 31 March 2019 to key managerial personnel are:**

(₹ Million)

| Particulars | 31 March 2019 | | 31 March 2018 | |
|---|---|---|---|---|
| | For the year ended | Outstanding at the period end | For the year ended | Outstanding at the period end |
| Mr. Inder T. Jaisinghani | 86.19 | 49.65 | 68.08 | 35.48 |
| Mr. Ramesh T. Jaisinghani | 28.25 | 6.52 | 29.90 | 10.48 |
| Mr. Ajay T. Jaisinghani | 28.25 | 6.52 | 29.90 | 10.48 |
| Mr. R. Ramakrishnan* | 3.58 | 1.27 | 31.20 | 8.14 |
| Mr. Shyam Lal Bajaj | 25.76 | 5.60 | 22.80 | 5.00 |
| Mr. Subramaniam Sai Narayana | 3.33 | 0.36 | 2.60 | 0.19 |
| Ms. Hiroo Mirchandani | 1.94 | 1.18 | - | - |
| Mr. Pradeep Narendra Poddar | 2.35 | 1.27 | - | - |
| Mr. Radhey Shyam Sharma | 2.51 | 1.35 | - | - |
| Mr. Tilokchand Punamchand Ostwal | 2.51 | 1.35 | - | - |
| Total | 184.67 | 75.07 | 184.48 | 69.77 |

* Mr. R. Ramakrishnan was Key Management personnel and Joint Managing Director of the Company till 23 May 2018, hence remuneration disclosed till he continued as KMP.
-As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included above.

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

(₹ Million)

| Particulars | 31 March 2019 |
|---|---|
| Mr.Inder T. Jaisinghani | 46.21 |
| Mr.Ramesh T. Jaisinghani | 45.82 |
| Mr.Ajay T. Jaisinghani | 45.82 |
| Mr.Girdhari T. Jaisinghani | 45.98 |
| Mr.Bharat A. Jaisinghani | 11.71 |
| Mr.Nikhil R. Jaisinghani | 11.71 |
| Total | 207.25 |

* exclusive of GST, since these are provisional amounts.

### (E) Share based payments to KMP*

(₹ Million)

| Particulars | 31 March 2019 |
|---|---|
| Mr. Shyam Lal Bajaj | 5.99 |
| Mr. Subramaniam Sai Narayana | 0.75 |

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

## 38: List of subsidiaries & joint venture

| | Nature | Country of incorporation | Ownership interest (%) | |
|---|---|---|---|---|
| | | | 31 March 2019 | 31 March 2018 |
| Polycab Wires Italy SRL | Subsidiary | Italy | 100% | 100% |
| Tirupati Reels Private Limited | Subsidiary | India | 55% | 55% |
| Dowells Cable Accessories Private Limited | Subsidiary | India | 51% | 51% |
| Ryker Base Private Limited | Joint Venture | India | 50% | 50% |
| Techno Electromech Private Limited | Joint Venture | India | 50% | 50% |

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

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**39: Segment information**

**Basis for segmentation**

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

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

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

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

**Information about reportable segments**

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

**(A) Primary segment reporting (by business segment)**

(₹ Million)

| Particulars | 31 March 2019 | | | | | 31 March 2018 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Wires & Cables | FMEG | Others | Eliminations | Total | Wires & Cables | FMEG | Others | Eliminations | Total |
| **Income** | | | | | | | | | | |
| External sales | 69,683.57 | 6,432.94 | 3,795.50 | - | 79,912.01 | 62,751.06 | 4,852.85 | 2,063.59 | - | 69,667.50 |
| Inter segment revenue | 964.29 | - | - | (964.29) | - | 582.00 | - | - | (582.00) | - |
| **Total income** | 70,647.86 | 6,432.94 | 3,795.50 | (964.29) | 79,912.01 | 63,333.06 | 4,852.85 | 2,063.59 | (582.00) | 69,667.50 |
| **Segment Results** | | | | | | | | | | |
| Segment/Operating results | 8,353.74 | 74.51 | 166.61 | - | 8,594.86 | 6,424.67 | 88.30 | 48.70 | - | 6,561.67 |
| **Un-allocated items:** | | | | | | | | | | |
| Finance income | - | - | - | - | 128.74 | - | - | - | - | 28.20 |
| Finance costs | - | - | - | - | 1,157.72 | - | - | - | - | 921.70 |
| **Profit before tax** | | | | | 7,565.88 | | | | | 5,668.17 |
| Provision for taxation | - | - | - | - | 2,551.49 | - | - | - | - | 2,084.30 |
| **Profit for the year** | | | | | 5,014.39 | | | | | 3,583.87 |
| Depreciation & Amortisation expenses | 1,319.27 | 80.70 | 0.73 | - | 1,400.70 | 1,244.40 | 74.70 | 0.60 | - | 1,319.70 |
| Total cost incurred during the year to acquire segment assets (Net of disposal) | 2,364.10 | 350.04 | - | - | 2,714.14 | 1,501.40 | 202.40 | - | - | 1,703.80 |

**Other Information**

(₹ Million)

| Particulars | 31 March 2019 | | | | | 31 March 2018 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Wires & Cables | FMEG | Others | Eliminations | Total | Wires & Cables | FMEG | Others | Eliminations | Total |
| Segment assets | 41,288.37 | 4,993.78 | 5,984.02 | - | 52,266.17 | 35,427.45 | 4,226.94 | 3,584.91 | - | 43,239.30 |
| Un-allocated assets | - | - | - | - | 3,688.00 | - | - | - | - | 995.97 |
| **Total assets** | | | | | 55,954.17 | | | | | 44,235.27 |
| Segment liabilities | 16,682.52 | 1,002.51 | 5,013.06 | - | 22,698.09 | 13,055.35 | 509.53 | 2,759.28 | - | 16,324.16 |
| Un-allocated liabilities & provisions | - | - | - | - | 4,766.64 | - | - | - | - | 4,432.90 |
| **Total liabilities** | | | | | 27,464.73 | | | | | 20,757.06 |

**(B) Secondary segment information**

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

(₹ Million)

| Particulars | 31 March 2019 | | | 31 March 2018 | | |
|---|---|---|---|---|---|---|
| | Within India | Outside India | Total | Within India | Outside India | Total |
| Segment revenue | 77,429.53 | 2,482.48 | 79,912.01 | 66,076.72 | 3,590.78 | 69,667.50 |
| Segment assets | 55,578.77 | 375.40 | 55,954.17 | 43,545.55 | 689.72 | 44,235.27 |
| Capital expenditure incurred | 2,714.14 | - | 2,714.14 | 1,703.80 | - | 1,703.80 |

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**40: 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:

(₹ Million)

| | Carrying value | | Fair value | |
|---|---|---|---|---|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| **Financial assets at fair value through profit or loss account (FVTPL)** | | | | |
| Units of mutual funds | - | 1.40 | - | 1.40 |
| **Financial assets at amortised cost** | | | | |
| Trade receivables | 1,351.27 | 880.00 | 1,351.27 | 880.00 |
| Other financial assets | 49.59 | 57.40 | 49.59 | 57.40 |
| **Derivatives not designated as hedges** | | | | |
| Interest rate and cross currency swap | 7.40 | 3.30 | 7.40 | 3.30 |
| **Total** | **1,408.26** | 942.10 | **1,408.26** | 942.10 |

| | | | | |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Borrowings - External Commercial Borrowings from HSBC | **691.71** | 1,084.10 | **691.71** | 1,084.10 |
| Borrowings - Rupee loan from Citi bank | **867.30** | 1,137.30 | **867.30** | 1,137.30 |
| Embedded Derivative | **54.60** | 278.87 | **54.60** | 278.87 |
| **Derivatives not designated as hedges** | | | | |
| Foreign exchange forward contracts | **172.48** | 11.50 | **172.48** | 11.50 |
| Fair value of written put options | **48.90** | 55.00 | **48.90** | 55.00 |
| **Total** | **1,834.99** | 2,566.77 | **1,834.99** | 2,566.77 |

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 March 2019 was assessed to be insignificant.

The fair values of the mutual funds are based on NAV at the reporting date.

The fair value of interest rate swaps are based on MTM bank rates as on reporting date.

The fair value of put option is determined using Monte Carlo Simulation which assumes a Geometric Brownian Motion for the modelling equity value.
The key assumptions used for fair valuation of Put option are :-

a) Cost of Equity – 17.0% - 17.5%
b) WACC – 12.5% - 12.75%
c) Terminal growth rate – 6.0%

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves . All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Company's own non-performance risk. Mark-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

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## 41: Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

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

(₹ Million)

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

**Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2018:**

(₹ Million)

| | Date of valuation | Total | Fair value measurement using | | |
|---|---|---|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Assets measured at fair value:** | | | | | |
| Units of mutual funds | 31 March 2018 | 1.40 | - | 1.40 | - |
| Interest rate swap | 31 March 2018 | 3.30 | - | 3.30 | - |
| **Liabilities measured at fair value:** | | | | | |
| **Derivative financial liabilities :** | | | | | |
| Foreign exchange forward contracts | 31 March 2018 | 11.50 | - | 11.50 | - |
| Fair value of written put options | 31 March 2018 | 55.00 | - | - | 55.00 |

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**42: 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 March 2019, after taking into account the effect of interest rate swaps, approximately 72 % of the Company's borrowings are at a fixed rate of interest (31 March 2018: 96%).

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ Million)

| | Exposure to interest rate risk (Principal amount of loan) | Increase/decrease in basis points | Effect on profit before tax |
|---|---|---|---|
| 31 March 2019 | 717.68 | | |
| Increase | | +100 | (7.18) |
| Decrease | | -100 | 7.18 |
| 31 March 2018 | 875.21 | | |
| Increase | | +100 | (8.75) |
| Decrease | | -100 | 8.75 |

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**42: Financial risk management objectives and policies**

**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's borrowings in foreign currency.

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

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

| Currency | 31 March 2019 | | 31 March 2018 | |
|---|---|---|---|---|
| | Foreign currency | (₹ Million) | Foreign currency | (₹ Million) |
| USD | (88.78) | (6,141.26) | (68.49) | (4,455.13) |
| Euro | (0.39) | (30.46) | (3.02) | (243.60) |
| GBP | 0.58 | 52.38 | 0.12 | 11.19 |
| CHF | (0.01) | (0.74) | - | - |
| AUD | 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 and CHF 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 | 31 March 2019 | | 31 March 2018 | |
|---|---|---|---|---|
| | +2% | -2% | +2% | -2% |
| USD | (122.83) | 122.83 | (89.10) | 89.10 |
| Euro | (0.61) | 0.61 | (4.87) | 4.87 |
| GBP | 1.05 | (1.05) | 0.22 | (0.22) |
| CHF | (0.01) | 0.01 | - | - |
| AUD | 0.24 | (0.24) | - | - |

Figures shown in bracket represent payable

**(iii) Commodity price risk**

The Company's exposure to price risk of copper and aluminium also arises from trade payables of the Company where the prices are linked to LME. Payment is therefore sensitive to changes in copper and aluminium prices. The trade payables are classified in the balance sheet as fair value through profit or loss. The option to fix prices are at future unfixed LME prices to hedge against potential losses in value of inventory of copper and aluminium held by the Company. With effect from 1 April 2016, the Company applies fair value hedge for the copper and aluminium purchased whose price is to be fixed in future. Therefore, there is no impact of the fluctuation in the price of the copper and aluminium on the Company's profit for the year ended 31 March 2019 to the extent of inventory on hand.

Sensitivity analysis for open contracts for the year ended 31 March 2019 and year ended 31 March 2018 are as follows:

| Exposure of Company in respective commodities at period end | | | | |
|---|---|---|---|---|
| | 31 March 2019 | | 31 March 2018 | |
| | Exposure in Metric Tonne | Exposure in ₹ Million | Exposure in Metric Tonne | Exposure in ₹ Million |
| Copper | 16.00 | 7.64 | 310.19 | 142.06 |
| Aluminium | 6,750.66 | 1,001.50 | - | - |

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

**Impact on profit before tax and equity**

(₹ Million)

| | 31 March 2019 | | 31 March 2018 | |
|---|---|---|---|---|
| | +2% | -2% | +2% | -2% |
| Copper | 0.15 | (0.15) | 2.84 | (2.84) |
| Aluminium | 20.03 | (20.03) | - | - |

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**(B) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**(i) Trade receivables**

Credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company has applied Expected Credit Loss (ECL) model for measurement and recognition of impairment losses on trade receivables. ECL has been computed as a percentage of revenue on the basis of Company's historical data of delay in collection of amounts due from customers and default by the customers along with management's estimates.

The Company has channel finance arrangement for providing credit to its dealers. Evaluation is made as per the terms of the contract i.e. if the Company does not retain any risk and rewards or control over the financial assets, then the entity derecognises such assets upon transfer of financial assets under such arrangement with the banks.

**(C) Liquidity risk**

The Company's principle sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company closely monitors its liquidity position and maintains adequate source of funding.

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

(₹ Million)

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

(₹ Million)

| | < 1 year | > equal to 1 year | Total |
|---|---|---|---|
| **Year ended 31 March 2018** | | | |
| Borrowings | 5,669.00 | 1,517.70 | 7,186.70 |
| Other financial liabilities | 1,360.04 | - | 1,360.04 |
| Trade and other payables | 9,144.81 | - | 9,144.81 |
| | 16,173.85 | 1,517.70 | 17,691.55 |

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## 43: Hedging activity and derivatives

**Fair value hedge of copper and aluminium price risk in inventory**

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management' focus is to foresee the unpredictability and minimize potential adverse effects on the Company's financial performance. The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows:

The Company enters into contracts to purchase copper and aluminium wherein the Company has the option to fix the purchase price based on LME price of copper and aluminium during a stipulated time period. Accordingly, these contracts are considered to have an embedded derivative that is required to be separated. Such feature is kept to hedge against exposure in the value of inventory of copper and aluminium due to volatility in copper and aluminium prices. The Company designates the embedded derivative in the payable for such purchases as the hedging instrument in fair value hedging of inventory. The Company designates only the spot-to-spot movement of the copper and aluminium inventory as the hedged risk. The carrying value of inventory is accordingly adjusted for the effective portion of change in fair value of hedging instrument. Hedge accounting is discontinued when the hedging instrument is settled, or when it no longer qualifies for hedge accounting or when the hedged item is sold.

To test the hedge effectiveness between embedded derivatives and LME prices of Copper and Aluminium, the Company uses the said prices during a stipulated time period and compares the fair value of embedded derivative against the changes in fair value of LME price of copper and aluminium attributable to the hedged risk.

The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying embedded derivative is identical to the LME price of Copper and
Aluminium. The hedge ineffectiveness can arise from the difference in timing of embedded derivative and LME strike price of Copper and 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, as described above.

(₹ Million)

| Commodity price risk | Carrying amount of hedged item | | Carrying amount of hedging instrument | | Maturity date | Hedge Ratio | Balance sheet classification | Effective portion of Hedge | Ineffective portion of Hedge |
|---|---|---|---|---|---|---|---|---|---|
| | Asset | Liabilities | Asset | Liabilities | | | | | |
| Hedged item - inventory of Copper and aluminium | 21.71 | - | - | - | Range within 3 months | 1:1 | Inventory | 21.71 | 32.89 |
| Hedging instrument: - Embedded derivative in trade payables of Copper and aluminium | - | - | - | 54.60 | Range within 3 months | 1:1 | Trade Payable | | |

Figures shown in bracket represent payable

## 44: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 40% and 60%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Borrowings (Refer note -14 & 18A) | 1,809.30 | 7,186.70 |
| Trade payables ( Refer note- 18B) | 15,099.00 | 9,144.81 |
| Other payables (Note -18C) | 1,774.20 | 1,360.04 |
| Less: cash and cash equivalents (Note 9B) | (1,777.44) | (67.50) |
| **Net debt** | **16,905.06** | 17,624.05 |
| Equity | 28,489.44 | 23,478.21 |
| Total capital | 28,489.44 | 23,478.21 |
| **Capital and net debt** | 45,394.50 | 41,102.26 |
| Gearing ratio | 37% | 43% |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2019 and year ended 31 March 2018.

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**45 : Provision for investment and loan to subsidiary**

As at 31 March 2019, the Company has investment of Euro 150,000 (₹ 10.89 million) and loan of Euro 388,276.11 (₹ 30.17 million) in Polycab Italy SRL (PWISRL), a wholly owned subsidiary company situated in Italy.

PWISRL in its financial statement had appropriated an amount of Euro 40,000 (₹ 2.80 million) from Share Capital and Euro 438,276.11 (₹ 34.06 million) from loan given by the Company, to accumulated losses of previous years and Capital Reduction Reserve to comply with the applicable Italian accounting requirements in an earlier year.

The company had filed a compounding application with Reserve Bank of India (RBI) in response to which RBI directed our company to comply with alternatives. Currently, the company is in the process of evaluating the alternatives directed by RBI and will be responding in due course. Considering the status, no adjustment is made in the financial statements for the year ended 31 March 2019.

**46 : Subsequent events**

The Company has completed initial public offering (IPO) including fresh issue of ₹ 4,000 million comprising of 73,88,058 equity shares of ₹ 10/- each at an issue price ₹ 538/- per share and 52,009 equity shares of ₹ 10/- each at an issue price ₹ 485/- per share for employee quota. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) w.e.f. 16 April 2019.

**47 : Standards issued but not effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statement are disclosed below. The Company intends to adopt these standards if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 applicable from 1 April 2019 amending the following standard:

**(i) Impact of Ind AS 116 - Leases**

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee' s incremental borrowing rate at the date of initial application or

• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of IndAS116, the Company is proposing to use the 'Modified Retrospective Approach 'for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April1,2019). Accordingly, comparatives for the year ended 31 March 2019 will not be retrospectively adjusted.

**(ii) Amendment to existing issued Ind AS**

The MCA has also carried out amendments of the following accounting standards:

(a) Appendix C to Ind AS 12: Uncertainty over Income Tax Treatment

(b) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

(c) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

(d) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

(e) Annual improvement to Ind AS (2018)

- Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation
- Amendments to Ind AS 111: Joint Arrangements
- Amendments to Ind AS 12: Income Taxes
- Amendments to Ind AS 23: Borrowing Costs

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

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48 : Others

Figures relating to previous years has been regrouped wherever necessary to make them comparable with the current period figures. Figures representing ₹ 0.00 million is below ₹ 5,000.

As per our report of even date
**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sudhir Soni
Partner
Membership No. 41870

Place: Mumbai
Date: 14 May 2019

For and on behalf of the Board of Directors of
**Polycab India Limited (Formerly known as 'Polycab Wires Limited')**
**CIN : U31300DL1996PLC266483**

Inder T. Jaisinghani
Chairman & Managing Director
DIN : 00309108

Ramesh T. Jaisinghani
Whole Time Director
DIN : 00309314

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

S S Narayana
Company Secretary
Membership No. F5221

Place: Mumbai
Date: 14 May 2019

**S R B C & CO LLP**
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Polycab India Limited (Formerly known as Polycab Wires Limited)

## Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying Consolidated Ind AS financial statements of Polycab India Limited (Formerly known as Polycab Wires Limited) which includes one joint operation, (hereinafter referred to as "the Parent Company"), its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group"), its joint ventures comprising the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, joint ventures and joint operations, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint ventures as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**Responsibilities of Management for the Consolidated Ind AS Financial Statements**

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group ,its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

**Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude

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that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures of which we are the independent auditors to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matters**

We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose Ind AS financial statements include total assets of Rs. Rs 706.85 millions as at March 31, 2019, and total revenues of Rs 841.90 millions and net cash outflows of Rs 5.21 millions for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 23.26 millions for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of two joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of such other auditors.

One of the subsidiaries is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management which includes total assets of Rs 54.66 millions as at March 31,2019, and total revenue of Rs 25.61 millions and net cash outflows of Rs. 1.93 million for the year ended March 31, 2019. Our opinion in so far as it relates to the balances and affairs

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of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

The financial statements and financial information include the Company's share of total assets of Rs 782.78 million as at March 31, 2019 and revenues of Rs 67.22 million and net cash inflows of Rs. 376.12 million in respect of a joint operation, for the year ended March 31, 2019. The Ind AS financial statements and other financial information of the said joint operation have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our report on the standalone Ind AS financial statements of the Company, in so far as it relates to the amounts and disclosures included in respect of the said joint operation, is based solely on the reports of the such other auditor.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries joint ventures and joint operations, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2019 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures, none of the directors of the Group's companies and its joint ventures incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Parent Company and its subsidiary companies and joint ventures incorporated in India, refer to our separate Report in "Annexure 1" to this report;

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(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Parent Company, its subsidiaries and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act ;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures in its consolidated Ind AS financial statements – Refer Note 34 (C) to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts to the consolidated Ind AS financial statements in respect of such items as it relates to the Group and its joint ventures;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company, its subsidiaries and joint ventures incorporated in India during the year ended March 31, 2019.

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

**per Sudhir Soni**
Partner
Membership Number: 41870
Place of Signature: Mumbai
Date: May 14, 2019

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF Polycab India Limited (Formerly known as Polycab Wires Limited)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Polycab India Limited (Formerly known as Polycab Wires Limited) as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Polycab India Limited (Formerly known as Polycab Wires Limited) (hereinafter referred to as the "Parent Company") and its subsidiary companies and joint ventures, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent Company, its subsidiary companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements**

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Parent Company, its subsidiary companies, and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Parent Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

S R B C & CO LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

**S R B C & CO LLP**
Chartered Accountants

**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Parent Company, insofar as it relates to these two subsidiary companies and two joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and joint ventures incorporated in India.

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

**per Sudhir Soni**
Partner
Membership Number: 41870
Place of Signature: Mumbai
Date: May 14, 2019

S R B C & CO LLP
MUMBAI
CHARTERED ACCOUNTANTS

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

Consolidated Balance sheet as at 31 March 2019

(₹ million)

| | Notes | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 12,720.86 | 11,944.23 |
| Capital work-in-progress | 3 | 1,929.97 | 1,359.93 |
| Intangible assets | 4 | 34.98 | 27.04 |
| Investment in Joint Venture | 5 | 293.85 | 314.06 |
| Financial assets | 6 | | |
| a) Investments | | - | 1.40 |
| b) Trade receivables | | 1,351.27 | 880.00 |
| c) Other financial assets | | 50.88 | 61.16 |
| Income tax assets (Net) | 7 | 105.84 | 321.67 |
| Deferred tax asset (Net) | 17 | - | 0.10 |
| Other non-current assets | 8 | 544.09 | 312.46 |
| | | 17,031.74 | 15,222.05 |
| **Current assets** | | | |
| Inventories | 9 | 19,957.85 | 13,656.98 |
| Financial assets | 10 | | |
| a) Trade receivables | | 13,343.16 | 12,908.16 |
| b) Cash and cash equivalents | | 1,790.59 | 82.32 |
| c) Bank balance other than cash and cash equivalents | | 1,385.28 | 24.10 |
| d) Loans | | 178.34 | 152.74 |
| e) Other financial assets | | 724.87 | 184.54 |
| Other current assets | 11 | 1,870.90 | 2,247.52 |
| | | 39,250.99 | 29,256.36 |
| Assets classified as held for disposal | 12 | 0.22 | 2.70 |
| | | 39,251.21 | 29,259.06 |
| **Total Assets** | | 56,282.95 | 44,481.11 |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Equity Share Capital | 13 | 1,412.06 | 1,412.06 |
| Other Equity | 14 | 27,057.49 | 22,064.13 |
| | | 28,469.55 | 23,476.19 |
| Non-controlling interests | | 84.25 | 40.49 |
| | | 28,553.80 | 23,516.68 |
| **Liabilities** | | | |
| **Non-current liabilities:** | | | |
| Financial liabilities | 15 | | |
| - Borrowings | | 889.25 | 1,589.49 |
| Provisions | 16 | 162.42 | 95.10 |
| Deferred tax liabilities (Net) | 17 | 231.02 | 553.47 |
| Other non-current liabilities | 18 | 257.04 | 182.20 |
| | | 1,539.73 | 2,420.26 |
| **Current liabilities:** | | | |
| Financial liabilities | 19 | | |
| a) Borrowings | | 1,030.71 | 5,687.45 |
| b) Trade payables | | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | | 158.41 | 77.70 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 15,043.41 | 9,143.17 |
| c) Other current financial liabilities | | 1,813.64 | 1,385.84 |
| Other current liabilities | 20 | 6,262.63 | 1,049.92 |
| Provisions | 21 | 208.71 | 376.33 |
| Current tax liabilities (Net) | 22 | 1,671.91 | 823.76 |
| | | 26,189.42 | 18,544.17 |
| **Total Equity and liabilities** | | 56,282.95 | 44,481.11 |
| Corporate Information & Summary of significant accounting policies | 1 & 2 | | |
| Contingent liabilities and Commitments | 34 | | |
| Other Notes to Accounts | 35 to 51 | | |

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

per Sudhir Soni

Partner

Membership No. 41870

Place: Mumbai

Date: 14 May 2019

For and on behalf of the Board of Directors of

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

**CIN : U31300DL1996PLC266483**

Inder T. Jaisinghani
Chairman & Managing Director
DIN : 00309108

Ramesh T. Jaisinghani
Whole Time Director
DIN : 00309314

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

S S Narayana
Company Secretary
Membership No. F5221

Polycab India Limited

Place: Mumbai

Date: 14 May 2019

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

Consolidated Statement of Profit and Loss for year ended 31 March 2019

(₹ million)

| | Notes | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 23 | 79,559.83 | 69,149.52 |
| Other income | 24 | 933.49 | 644.37 |
| **Total Income** | | 80,493.32 | 69,793.89 |
| **Expenses** | | | |
| Cost of materials consumed | 25 | 54,823.19 | 47,676.24 |
| Purchases of traded goods | 26 | 3,370.41 | 2,472.14 |
| Changes in Inventories of finished goods, traded goods and work-in-progress | 27 | (1,076.98) | 657.94 |
| Excise duty | | - | 1,446.47 |
| Project bought outs and other cost | 28 | 2,543.04 | 1,247.03 |
| Employee benefits expense | 29 | 3,002.48 | 2,592.55 |
| Finance cost | 30 | 1,167.06 | 936.80 |
| Depreciation and amortisation expense | 31 | 1,414.45 | 1,329.53 |
| Other expenses | 32 | 7,665.77 | 5,768.35 |
| **Total Expenses** | | 72,909.42 | 64,127.05 |
| **Profit before share of profit/(loss) of joint ventures** | | 7,583.90 | 5,666.84 |
| Share of profit/(loss) of joint ventures (Net of tax) | | (23.26) | 1.05 |
| **Profit before tax** | | 7,560.64 | 5,667.89 |
| **Income tax expenses** | 17 | | |
| Current tax | | 2,951.12 | 2,176.05 |
| Deferred tax (credit)/charge | | (319.99) | 226.86 |
| Adjustment of tax relating to earlier periods | | (73.55) | (320.63) |
| **Total tax expense** | | 2,557.58 | 2,082.28 |
| **Profit for the year** | | 5,003.06 | 3,585.61 |
| **Profit for the year attributable to** | | | |
| Equity shareholders of parent company | | 4,997.03 | 3,580.13 |
| Non controlling interests | | 6.03 | 5.48 |
| | | 5,003.06 | 3,585.61 |
| **Other Comprehensive Income** | | | |
| **A. Items that will be reclassified to profit or loss in subsequent periods** | | | |
| Exchange difference on translation of foreign operations | | (0.51) | 6.44 |
| **Net other comprehensive income to be reclassified to profit or loss in subsequent periods** | | (0.51) | 6.44 |
| **B. Items that will not be reclassified to profit or loss in subsequent periods** | | | |
| Re-measurement gains / (losses) on defined benefit plans | | (6.75) | 26.50 |
| Income tax related to above item (Refer note - 17 (B)) | | 2.36 | (9.20) |
| **Net other comprehensive income not to be reclassified to profit or loss in subsequent periods** | | (4.39) | 17.30 |
| **Other comprehensive income for the year, net of tax** | | (4.90) | 23.74 |
| **Total Comprehensive Income for the year attributable to** | | | |
| Equity shareholders of parent company | | 4,992.13 | 3,603.87 |
| Non controlling interests | | 6.03 | 5.48 |
| | | 4,998.16 | 3,609.35 |
| Earnings per share | 33 | | |
| Basic earnings per share (₹) | | 35.39 | 25.35 |
| Diluted earnings per share (₹) | | 35.39 | 25.35 |
| Corporate Information & Summary of significant accounting policies | 1 & 2 | | |
| Contingent liabilities and Commitments | 34 | | |
| Other Notes to Accounts | 35 to 51 | | |

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sudhir Soni
Partner
Membership No. 41870

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

Place: Mumbai
Date: 14 May 2019

For and on behalf of the Board of Directors of
**Polycab India Limited (formerly known as 'Polycab Wires Limited')**
**CIN : U31300DL1996PLC266483**

Inder T. Jaisinghani
Chairman & Managing Director
DIN : 00309108

Ramesh T. Jaisinghani
Whole Time Director
DIN : 00309314

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

S S Narayana
Company Secretary
Membership No. F5221

Polycab India Limited

Place: Mumbai
Date: 14 May 2019

**Polycab India Limited (formerly known as 'Polycab Wires Limited')**
Consolidated Statement Of Cash Flows for the year ended 31 March 2019

(₹ Million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| **A. CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Profit before tax | **7,560.64** | 5,667.89 |
| Adjustments to reconcile profit before tax to net cash flows: | | |
| Depreciation and amortisation expense | **1,414.45** | 1,329.53 |
| Share of (profit)/loss of Joint Venture | **23.26** | (1.05) |
| (Gain)/Loss on disposal of property, plant and equipment | **(21.01)** | (49.00) |
| Finance income | **(127.90)** | (27.40) |
| Finance costs | **1,167.06** | 936.80 |
| ESOP Compensation Expense | **149.51** | - |
| Fair valuation of Financial asset | **136.32** | (8.60) |
| Public Issue Expenditure | **17.05** | - |
| Liabilities / provisions no longer required written back | **(13.67)** | (103.50) |
| Impairment allowance for trade receivable considered doubtful | **548.62** | 421.00 |
| Unrealised foreign exchange (gain)/loss | **186.76** | 213.38 |
| Fair value of written put options | **(6.10)** | 55.00 |
| Sundry advances written-off | **24.95** | 8.01 |
| Operating profit before working capital changes | **11,059.94** | 8,442.06 |
| Movements in working capital: | | |
| (Increase)/decrease in trade receivables | **(1,450.16)** | (1,656.75) |
| (Increase)/decrease in other financial and non-financial assets | **180.61** | 1,089.27 |
| (Increase)/decrease in inventories | **(6,300.87)** | 1,542.55 |
| Increase /(decrease) in trade payables , other financial and non-financial liabilities and provisions | **10,622.90** | (4,393.44) |
| Cash generated from operations | **14,112.42** | 5,023.69 |
| Income tax paid (including TDS) (net) | **(1,813.59)** | (1,399.25) |
| Net cash flows from operating activities (A) | **12,298.83** | 3,624.44 |
| **B. CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Proceeds from sale of property, plant and equipment including assets held for disposal | **47.15** | 155.60 |
| Purchase of property, plant and equipment (including Capital work in progress) and Intangible asset | **(2,860.68)** | (1,988.38) |
| Proceeds/(Repayment) of loan from/to related parties | **(23.97)** | (134.81) |
| Proceeds from sale of Mutual funds | **1.40** | - |
| Maturity/ (Investment) made in bank deposits (having original maturity of more than 3 months) | **(1,358.34)** | 58.79 |
| Interest received (finance income) | **117.89** | 30.47 |
| Net cash flows from / (used in) investing activities (B) | **(4,076.55)** | (1,878.33) |
| **C. CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Interest paid | **(781.38)** | (943.63) |
| Shares issued to minority | **37.73** | 4.50 |
| Public Issue Expenditure | **(91.04)** | - |
| Proceeds/(Repayment) from long term borrowings | **(699.80)** | 343.02 |
| Repayment from short term borrowings | **(4,950.77)** | (1,132.21) |
| Payment of dividend and Dividend distribution tax | **(28.75)** | (169.87) |
| Net cash flows from / (used in) financing activities (C) | **(6,514.01)** | (1,898.19) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | **1,708.27** | (152.08) |
| Cash and cash equivalents at the beginning of the year | **82.32** | 234.40 |
| Cash and cash equivalents at the end of the year - Refer Note 10(B) | **1,790.59** | 82.32 |
| Non-cash investing and financing transaction | | |
| Gain/(loss) on fair valuation of Financial asset | **(32.51)** | (8.57) |
| Gain/(loss) on fair valuation of Financial liability | **6.10** | (55.00) |

| | |
|---|---|
| Corporate Information & Summary of significant accounting policies | 1 & 2 |
| Contingent liabilities and Commitments | 34 |
| Other Notes to Accounts | 35 to 51 |

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
**For S R B C & CO LLP**

Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sudhir Soni
Partner
Membership No. 41870

Place: Mumbai
Date: 14 May 2019

For and on behalf of the Board of Directors of

**Polycab India Limited (Formerly known as 'Polycab Wires Limited')**
**CIN : U31300DL1996PLC266483**

Inder T. Jaisinghani
Chairman & Managing Director
DIN : 00309108

Ramesh T. Jaisinghani
Whole Time Director
DIN : 00309314

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

S S Narayana
Company Secretary
Membership No. F5221

Place: Mumbai
Date: 14 May 2019

Polycab India Limited (formerly known as 'Polycab Wires Limited')
Consolidated Statement of Changes in Equity for the year ended 31 March 2019

(₹ million)

A) Equity Share Capital:

| Particulars | Numbers | Amount |
|---|---|---|
| At 1 April 2017 | 14,12,05,838 | 1,412.06 |
| Changes in equity share capital during the year | - | - |
| At 31 March 2018 | 14,12,05,838 | 1,412.06 |
| Changes in equity share capital during the year | - | - |
| At 31 March 2019 | 14,12,05,838 | 1,412.06 |

B. Other Equity: (₹ million)

| Particulars | Reserves & Surplus | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Securities Premium | General Reserve | Retained Earnings | ESOP Outstanding | Foreign Currency translation reserve | Total | Non Controlling Interest | Total other equity |
| As at 1 April 2017 | 3,205.60 | 614.00 | 14,815.12 | - | (4.50) | 18,630.22 | 30.51 | 18,660.73 |
| Net Profit for the year | | | 3,580.13 | | | 3,580.13 | 5.48 | 3,585.61 |
| Other comprehensive income | | | | | | | | |
| Exchange difference on translation of foreign operations | | | | | 6.44 | 6.44 | | 6.44 |
| Re-measurement gains / (losses) on defined benefit plans | | | 26.50 | | | 26.50 | | 26.50 |
| Income tax related to items that will not be reclassified to profit or loss | | | (9.20) | | | (9.20) | | (9.20) |
| Total comprehensive income | - | - | 3,597.43 | - | 6.44 | 3,603.87 | 5.48 | 3,609.35 |
| Share issued to minority | | | | | | | 4.50 | 4.50 |
| Dividends | | | | | | | | |
| Interim equity dividend | | | (141.21) | | | (141.21) | | (141.21) |
| Tax on interim equity dividend | | | (28.75) | | | (28.75) | | (28.75) |
| As at 31 March 2018 | 3,205.60 | 614.00 | 18,242.59 | - | 1.94 | 22,064.13 | 40.49 | 22,104.62 |
| Net Profit for the year | | | 4,997.03 | | | 4,997.03 | 6.03 | 5,003.06 |
| Share based payments to employees | | | | 149.51 | | 149.51 | | 149.51 |
| Share issue expense (Refer note 13 D) | (148.28) | | | | | (148.28) | | (148.28) |
| Other comprehensive income | | | | | | | | |
| Exchange difference on translation of foreign operations | | | | | (0.51) | (0.51) | | (0.51) |
| Re-measurement gains / (losses) on defined benefit plans | | | (6.75) | | | (6.75) | | (6.75) |
| Income tax related to items that will not be reclassified to profit or loss | | | 2.36 | | | 2.36 | | 2.36 |
| Total comprehensive income | (148.28) | - | 4,992.64 | 149.51 | (0.51) | 4,993.36 | 6.03 | 4,999.39 |
| Share issued to minority | - | | | | | | 37.73 | 37.73 |
| As at 31 March 2019 | 3,057.32 | 614.00 | 23,235.23 | 149.51 | 1.43 | 27,057.49 | 84.25 | 27,141.74 |

| | |
|---|---|
| Corporate Information & Summary of significant accounting policies | 1 & 2 |
| Contingent liabilities and Commitments | 34 |
| Other Notes to Accounts | 35 to 51 |

The accompanying notes are an integral part of consolidated financial statements.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sudhir Soni
Partner
Membership No. 41870

Place: Mumbai
Date: 14 May 2019

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Polycab India Limited (Formerly known as 'Polycab Wires Limited')
CIN : U31300DL1996PLC266483

Inder T. Jaisinghani
Chairman & Managing Director
DIN : 00309108

Ramesh T. Jaisinghani
Whole Time Director
DIN : 00309314

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

S S Narayana
Company Secretary
Membership No. F5221

Place: Mumbai
Date: 14 May 2019

Polycab India Limited

## 1. Corporate information

Polycab India Limited ('The Parent Company') is a public limited company (CIN- U31300DL1996PLC266483) domiciled in India and incorporated under the provisions of the Companies Act, 1956. The status of the Company Polycab Wires Private Limited has been changed from Private Limited to Public Limited as per the approval received from Registrar of Companies, Delhi on August 29, 2018 and consequently the name of the Company has been changed to Polycab Wires Limited. The name of the Company has been further changed to Polycab India Limited with Certificate of Incorporation pursuant to change of name dated October 13, 2018. The Registered office of the company is situated at E-554, Greater Kailash-II, New Delhi-110048. The Company is one of the largest manufacturers of various 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. Significant Accounting Policies

### 2.1 Basis of preparation

The Group prepared its financial statements to comply with the accounting standards specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. These financial statements includes Consolidated Balance Sheet as at 31 March 2019, the Consolidated statement of Profit and Loss including Other Comprehensive Income and Consolidated cash flows and Consolidated statement of changes in equity for the year ended 31 March 2019, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as " Consolidated Financial Statements" or "financial statements").

The Consolidated Financial Information for the year ended 31 March 2019 and year ended 31 March 2018 have been prepared on an accrual basis and a historical cost convention, except for the following financial assets and liabilities which have been measured at fair value:
• Derivative financials instruments,
• Certain financials assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The annual financial statements for the year ended 31 March 2018 were prepared in ₹ in crores, however these financial statements have been prepared in ₹ in millions herein

Accounting policies and methods of computation followed in the Consolidated Financial Statements are same as compared with the annual financial statements for the year ended 31 March 2018, except for adoption of new standard or any pronouncements effective from 1 April 2018.

The Consolidated financial statements are presented in Indian Rupees ("₹") and all values are rounded to the nearest million upto two decimal places, except otherwise indicated.

Ind AS 115 Revenue from Contracts with Customers, became mandatory for reporting periods beginning on or after 1 April 2018 replaces the existing revenue recognition standards. The Group has applied the modified retrospective approach and accordingly has included the impact of Ind AS 115 applicable to the interim period resented in these

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Unconsolidated Interim Financial Statements. The Group has adopted following accounting policy for revenue recognition.

## 2.2 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Parent Company along with its subsidiaries and joint ventures as at 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made if amount is material to that group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

**Consolidation procedure:**

**a. Subsidiaries**

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

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Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

**b. Joint ventures**

A joint venture is a type of a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and joint venture are eliminated to the extent of the interest in the joint venture.

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the consolidated statement of profit and loss.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognizes the loss as 'Share of profit of a joint venture' in the consolidated statement of profit or loss.

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Upon loss of significant influence over the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### c. Joint Operation

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the separate Ind AS financial statements under the appropriate headings.

The Group being a joint operator has recognised its share of assets, liabilities, income and expenses of these joint operations incurred jointly with other partner, along with its share of income from the sale of the output and any assets, liabilities and expenses that it has incurred in relation to joint operation.

## 2.3 Summary of significant accounting policies

### a. Current versus non-current classification

The Group presents assets and liabilities in the Consolidated Balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### b. Fair value measurement

The Group measures financial instruments, such as, derivatives, mutual funds etc. at fair value at each Consolidated Balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the assets or liability and the level of fair value hierarchy as explained above.

**c. Property, plant and equipment and capital work-in-progress**

Property, plant and equipments are stated at cost, net of accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Consolidated Statement of Profit & Loss for the period in which such expenses are incurred.

Capital work-in-progress comprises of property, plant and equipment that are not ready for their intended use at the end of reporting period and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

Gains or losses arising from derecognition of property, plant and equipments are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit & Loss when the asset is derecognized.

Depreciation on Property, plant and equipment's is calculated on pro rata basis on straight-line method using the management assessed useful lives of the assets which is in line with the manner prescribed in Schedule II of the Companies Act, 2013. The useful life is as follows:

**Property, plant and equipment**

| Assets | Useful life (In Years) |
|---|---|

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| | |
|---|---|
| Buildings | 30-60 |
| Plant & equipments | 3-15 |
| Electrical installations | 10 |
| Furniture & fixtures | 10 |
| Office equipments | 3-6 |
| Windmill | 22 |
| Vehicles | 8-10 |

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

Leasehold lands are amortized over the period of lease.

Lease hold Improvements are depreciated on straight line basis over their initial agreement period.

**d. Intangible assets**

Intangible assets are stated at cost, net of accumulated amortisation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit & Loss when the asset is derecognized.

Amortisation on intangible assets is calculated on pro rata basis on straight-line method using the useful lives of the assets and in the manner prescribed in Schedule II of the Companies Act, 2013. The useful life is as follows:

| **Assets** | **Useful life (In Years)** |
|---|---|
| Computer software | 3 |

The residual values, useful lives and methods of depreciation of Intangible assets are reviewed at each financial year end and adjusted prospectively.

**e. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

**Group as a Lessee:**

Operating lease payments are recognised as an expense in the Consolidated Statement of Profit & Loss as per the contractual terms over the lease period.

Finance lease are capitalised at the commencement of the lease and depreciated over the period of lease.

**f. Borrowing costs**

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Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. The adjustment being of an amount equivalent to the extent to which the exchange loss does not exceed the difference between the cost of borrowings in functional currency when compared to the cost of borrowing in a foreign currency. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

**g. Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each Consolidated Balance sheet date, if there is any indication of impairment based on internal / external factors. Impairment Loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Impairment losses are recognised in the Consolidated Statement of Profit & Loss .

**h. Non- Current assets held for sale**

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. The Group is committed to the sale expected within one year from the date of classification.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the Consolidated Balance sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

**i. Inventories**

Raw materials, traded goods, work in progress, finished goods, packing materials, project material for long term contracts, scrap materials and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials, and stores and spares is determined on a First In-First Out (FIFO) basis and includes all applicable costs incurred in bringing goods to their present location and condition.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials as aforesaid, direct labour cost and a proportion of manufacturing overheads based on total manufacturing overheads to raw materials consumed.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories at their location and condition. Cost is determined on a weighted average basis.

The stocks of scrap materials have been taken at net realisable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The Group enters into purchase contract of copper and aluminium, in which the amount payable is not fixed on the date of purchase and the same is affected by changes in LME prices in future. Such transactions are entered into to

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protect the Group against the risk of price movement in the purchased copper and aluminium with respect to realisation of the price of product. Fair value hedges are mainly used to hedge the exposure to change in fair value of commodity price risks. The fair value adjustment remains part of the carrying value of inventory and taken to profit and loss when the inventory is sold.

**j. Revenue recognition**

Revenue from contracts with customers for sale of goods, construction contracts and provision of services.

The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:
a) The Group's performance does not create an asset with an alternate use to the Group and the Group has as an enforceable right to payment for performance completed to date.
b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
c) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.
For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability. In case of multiple performance obligation revenue for each performance obligation is recognized when it is satisfied.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.
The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. Taxes collected on behalf of the government are excluded from revenue.

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

Variable consideration includes volume discounts, price concessions, liquidity damages, incentives, etc. The Group estimates the variable consideration with respect to above based on an analysis of accumulated historical experience. The Group adjust estimate of revenue at the earlier of when the most likely amount of consideration we expect to receive changes or when the consideration becomes fixed.

**Sale of goods**

Performance obligation in case of Revenue from sale of goods is satisfied at a point in time and is recognized when the performance obligation is satisfied and control as per Ind AS 115 is transferred to the customer. The Group collects GST on behalf of the Government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue. Revenue is disclosed net of discounts, incentives and returns, as applicable.

**Revenue from Construction contracts**

Performance obligation in case of Revenue from long - term contracts is satisfied over the period of time. Revenue from long term contracts, where the outcome can be estimated reliably and 10% of the project cost is incurred, is recognized under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract Liabilities". Retention money receivable from project customers does not contain any significant financing element, these are retained for satisfactory performance of contract.

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**Warranty**
The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. Refer to the accounting policy on warranty. In certain contracts, the Group provides warranty for an extended period of time and includes rectification of defects that existed at the time of sale and are normally bundled together with the main contract. Such bundled contracts include two performance obligations because the promises to transfer the goods and services and the provision of service-type warranty are capable of being distinct. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a liability. Revenue is recognised over the period in which the service-type warranty is provided on a basis appropriate to the nature of the contract and services to be rendered.

**Right to return**
When a contract provides a customer with a right to return the goods within a specified period, the Group estimates the expected returns using a probability-weighted average amount approach similar to the expected value method under Ind AS 115.
Under Ind AS 115, the consideration received from the customer is variable because the contract allows the customer to return the products. The Group used the expected value method to estimate the goods that will not be returned. For goods expected to be returned, the Group presented a refund liability and an asset for the right to recover products from a customer separately in the balance sheet.

**Export incentives**
Export incentives under various schemes notified by the Government have been recognised on the basis of applicable regulations and when reasonable assurance to receive such revenue is established.

**Interest**
For all financial asset measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).

**Dividends**
Dividend income is recognized when the Group's right to receive dividend is established by the reporting date.

**k. Foreign currency translation**

The Group's financial statements are presented in Indian rupee (INR) which is also the Group's functional currency.

Foreign currency transaction are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

**Measurement of foreign currency item at the Consolidated Balance sheet date**
Foreign currency monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing on the reporting date.

**Exchange differences**

Exchange differences arising on settlement or translation of monetary items are recognised as income or expense in the Consolidated Statement of Profit & Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at

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the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

## l. Employee benefits

### i. Employee benefits

All short-term employee benefits such as salaries, incentives, special awards, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits are charged to the Consolidated Statement of Profit & Loss account.

The Group has revised its leave policy applicable to all employees except for certain categories of employees in Daman factory location effective 1 April 2019. The Group estimates and provides the liability for such short-term and long term benefits based on the terms of the policy. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated advances are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains/losses on defined benefit plans are immediately taken to the Statement of Consolidated Statement of Profit & Loss and are not deferred.

### ii. Defined contribution plans

Retirement benefit in the form of provident fund and 'Employer-Employee Scheme' are defined contribution schemes. The Group recognises contribution payable to the provident fund and 'Employer Employee' scheme as an expenditure, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the funds. The Group's contributions to defined contribution plans are charged to the Consolidated Statement of Profit & Loss as incurred.

### iii. Defined benefit plan

The Group operates a defined benefit gratuity plan for its employees. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated Balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

### iv. Share based payment

Equity settled share based payments to employees and other providing similar services are measured at fair value of the equity instruments at grant date.

The fair value determined at the grant date of the equity-settled share based payment is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimates of

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the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any is, recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the shared option outstanding account.

No expense is recognised for options that do not ultimately vest because non market performance and/ or service conditions have not been met.

The dilutive effect, if any of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**m. Income taxes**

Tax expenses comprise current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax is measured using the tax rates and the tax laws enacted or substantially enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for deductible temporary differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

**n. Segment reporting**

**Identification of segments**

The Group's operating businesses are organized and managed separately according to the nature of products and services with each segment representing a strategic business unit that offers different products & serves different markets,

**Inter-segment transfers**

The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

**Allocation of common costs/ Assets & liabilities**
Common allocable costs/ assets & liabilities are allocated to each segment are consistently allocated amongst the segments on appropriate basis.

**Unallocated items**
Unallocated items include general corporate income & expense items which are not allocated to any business segment.

**Segment accounting policies**
The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Group as a whole.

**o. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

**p. Provisions, Contingent liabilities and capital commitments**
A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Consolidated Statement of Profit & Loss. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.
Capital Commitments includes the amount of purchase orders (net of advances) issued to parties for completion of assets.
Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

**q. Cash and cash equivalents**
Cash and cash equivalents for the purposes of Consolidated Statement of Cash flow statement comprise cash at bank and in hand, cheques in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of Consolidated Statement of Cash flow statement consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

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**r. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

**Financial assets**

***Initial recognition and measurement***

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified at the initial recognition as financial assets measured at fair value or as financials assets measured at amortised cost.

***Subsequent measurement***

For purposes of subsequent measurement, financial assets are classified in two broad categories:

- Financials assets at amortised cost
- Financials assets at fair value

Where assets are measured at fair value, gains and losses are either recognised entirely in the Consolidated Statement of Profit & Loss (i.e., fair value through profit and loss), or recognised in other comprehensive income (i.e., fair value through other comprehensive income).

**a. Financials assets carried at amortised cost**

A financials assets that meets the following two conditions is measured at amortised cost (net of Impairment) unless the asset is designated at fair value through Profit and loss under the fair value option.

- Business Model test: The objective of the Group's business model is to hold the financial assets to collect the contractual cash flow (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

**b. Financials assets at fair value through other comprehensive income**

Financials assets is subsequently measured at fair value through other comprehensive income if it is held with in a business model whose objective is achieved by both collections contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dated to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated Statement of Profit & Loss

**c. Financials assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit and loss.

***Derecognition***

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

a) The rights to receive cash flows from the asset have expired, or

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b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

***Impairment of financial assets***
The Group assesses impairment based on expected credit losses (ECL) model for the following:
a) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.
b) Other financial assets such as deposits, advances etc.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

As a practical expedient, the Group uses the provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and its adjusted forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) during the period is recognized as other expense in the Consolidated Statement of Profit & Loss.

**Financial liabilities**
***Initial recognition and measurement***
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

***Subsequent measurement***
The measurement of financial liabilities depends on their classification, as described below:
**a. Financial liabilities at fair value through profit or loss**
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also

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includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

**b. Gains or losses on liabilities held for trading are recognised in the profit or loss.**
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit or loss.

**c. Loans and borrowings**
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

***Derecognition***
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**s. Derivative financial instruments**
The Group enters into derivative contracts with an intention to hedge its foreign exchange price risk and interest risk. Derivative contracts which are linked to the underlying transactions are recognised in accordance with the contract terms. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.
Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss.

**t. Acceptances**
The Group enters into arrangements for purchase under usance Letter of credit issued by banks under non-fund based working capital limits of the Group. Considering these arrangements are majorly for raw materials with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as Acceptances under Trade and other payables.

**u. Embedded derivatives**
An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative cause some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified variable. The Group enters into purchase contract of copper and aluminum, in which the amount payable is not fixed on the date of purchase, but instead is affected by changes in LME prices in future. Such transactions are entered into to protect against the risk of price movement in the purchased copper and aluminum. Accordingly, such unfixed payables are considered to have an embedded derivative.

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**Hedge Accounting: Fair Value Hedges**
The Group designates the copper and aluminum price risk in such instruments as hedging instruments, with copper and aluminum inventory considered to be the hedged item. The hedged risk is copper and aluminum spot prices. At the inception of a hedge relationship, with effect from 1 April 2016, The Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

**v. Business combination under common control**
Common control business combination includes transactions such as transfer of subsidiaries or business between entities within a group.

Business combinations involving entities or business under common control are accounted for using the pooling interest method. Under pooling interest method, the assets and liabilities of combining entities are reflected at their carrying amount, the only adjustments that are made are to harmonise accounting policies.

The financials information in the Consolidated Financial Statements in respect of prior period are restated as if the business combination had occurred from the beginning of the preceding period in the Consolidated Financial Statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information is restated from that date.

The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and presented separately from other capital reserves with disclosures of its nature and purposes in the notes.

**w. Government grants:**
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, it's recognition as income in the Consolidated Statement of Profit & Loss is linked to fulfilment of associated export obligations.

The Group has chosen to present grants received to income as other income in the Consolidated Statement of Profit & Loss.

## 2.4 Significant accounting judgements, estimates and assumptions

In the course of applying the policies outlined in all notes, the Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

**(a) Judgements**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements:

**Leasehold land arrangement**

The Group has entered into land lease arrangement at various locations. Terms of such lease ranges from 30-90 years. In case of lease of land for 90 years and above, it is likely that such leases meet the criteria that at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset. Accordingly, such lease is classified as finance lease. Other land lease are classified as operating leases.

**(b) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**(i) Cost to complete**

The Group's management estimate the cost to complete for each project for the purpose of revenue recognition and recognition of anticipated losses of the projects, if any. In the process of calculating the cost to complete, Management conducts regular and systematic reviews of actual results and future projections with comparison against budget. The process requires monitoring controls including financial and operational controls and identifying major risks facing the Group and developing and implementing initiative to manage those risks. The Group's Management is confident that the costs to complete the project are fairly estimated.

**(ii) Impairment of investments in subsidiaries and joint- ventures**

Determining whether the investments in subsidiaries, joint ventures and associates are impaired requires an estimate in the value in use of investments. In considering the value in use, the Directors have anticipated the future market conditions and other parameters that affect the operations of these entities.

**(iii) Provisions and liabilities**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**(iv) Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

**(v) Fair value measurements:**

When the fair values of financial assets or financial liabilities recorded or disclosed in the Consolidated Financial Statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including multiples and the Discounted Cash flow (DCF model). The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment

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is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

**(vi)Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(vii) Impairment of non-financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If an indication exists, or when the annual impairment testing of the asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from the other assets or group of assets. When the carrying amount of an asset or CGU exceeds it recoverable amount, the asset is considered as impaired and it's written down to its recoverable amount.

**vii) Defined benefit plans**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

The Group recognize the following changes in the net defined benefit obligation under Employee benefit expenses in Consolidated Statement of Profit & Loss:

a) Service cost comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements.
b) Net interest expense or Income.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Consolidated Balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

**2.5 Standards Issued but not Effective:**

The Group has applied the Companies (Indian Accounting Standards), Amendment Rules 2018 which is effective from April 1, 2018, while preparing the Ind AS financial statements.

Accordingly, the Group has applied the standards and interpretations issued which are not effective to the reporting period presented. Thus, all the Ind AS applicable till date have been applied, and there are no standards which are issued but not yet effective. (Refer note 50)

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**3: Property, plant and equipment**

(₹ million)

| | Freehold land | Leasehold land | Buildings | Plant & equipments | Electrical installations | Furniture & fixtures | Office equipments | Windmill | Vehicles | Leasehold improvements | Total | Capital Work in Progress |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount (at cost)** | | | | | | | | | | | | |
| **At 1 April 2017** | 1,007.21 | 56.47 | 5,034.16 | 6,382.45 | 435.07 | 96.63 | 139.88 | 295.04 | 80.19 | 3.15 | 13,530.25 | 1,648.80 |
| Additions/Adjustments | 62.80 | - | 516.71 | 1,400.50 | 13.10 | 15.10 | 56.79 | - | 14.93 | 0.10 | 2,080.03 | 1,538.79 |
| Transfer (Refer note -c) | - | - | - | - | - | - | - | - | - | - | - | (1,827.66) |
| Disposals | (64.33) | - | - | (4.10) | - | (5.00) | (3.70) | - | (0.60) | - | (77.73) | - |
| **At 31 March 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/Adjustments | 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 | (12.76) | - | (3.54) | (10.84) | - | (0.39) | (5.44) | - | (6.02) | - | (38.99) | - |
| **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** |
| **Accumulated depreciation** | | | | | | | | | | | | |
| **At 1 April 2017** | - | 13.27 | 321.71 | 1,742.21 | 102.45 | 20.89 | 56.19 | 31.44 | 17.17 | 1.36 | 2,306.69 | - |
| Depreciation charge for the year | - | 1.10 | 210.76 | 947.28 | 56.13 | 11.50 | 34.10 | 15.70 | 10.96 | 0.80 | 1,288.33 | - |
| Disposals | - | - | - | (1.30) | - | (2.40) | (2.60) | - | (0.40) | - | (6.70) | - |
| **At 31 March 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 | - | - | (0.24) | (6.48) | - | (0.19) | (5.07) | - | (3.35) | - | (15.33) | - |
| **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** | - |
| **Net Book Value** | | | | | | | | | | | | |
| **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** |
| At 31 March 2018 | 1,005.68 | 42.10 | 5,018.40 | 5,090.66 | 289.59 | 76.74 | 105.28 | 247.90 | 66.79 | 1.09 | 11,944.23 | 1,359.93 |

Notes:

(a) Capital work in progress includes machinery in transit ₹ 9.27 million (31 March 2018 : ₹ 36.50 million)

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

i) Title deeds of freehold land amounting to ₹ 33.05 million (31 March 2018: ₹ 25.16 million) were not in the name of the Company. The Company has initiated the process of transferring these properties in its name;

ii)Title deeds of freehold land amounting to ₹ 36.45 million (31 March 2018: ₹ 42.00 million);

iii) Title deeds of freehold land amounting to ₹ 10.48 million (31 March 2018: ₹ 10.48 million) is in dispute and is pending resolution with the government authority in Gujarat. The Company has initiated the process of transferring these properties in its name

(c) Various assets appearing in capital work in progress and capitalized for the year 31 March 2019 ₹ 1923.35 million ( 31 March 2018 : ₹ 1827.66 million) have been shown in addition in respective class of Property, Plant and Equipments 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 Consolidated Financial Statements for the year ended 31 March 2019

(₹ million)

### 4: Intangible assets

| | Computer - Software |
|---|---|
| **Gross carrying amount (at cost)** | |
| At 1 April 2017 | 134.82 |
| Additions | 7.94 |
| Disposals | - |
| **At 31 March 2018** | **142.76** |
| Additions | 26.15 |
| Disposals | - |
| **At 31 March 2019** | **168.91** |
| | |
| **Accumulated amortization** | |
| At 1 April 2017 | 74.52 |
| Amortisation | 41.20 |
| Disposals | - |
| **At 31 March 2018** | 115.72 |
| Amortisation | 18.21 |
| Disposals | - |
| **At 31 March 2019** | 133.93 |
| | |
| **Net Book Value** | |
| **At 31 March 2019** | **34.98** |
| At 31 March 2018 | 27.04 |

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(₹ million)

**5: Investment in Joint Venture**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Investment in Equity Instruments of Joint Venture** | | |
| 26,010,000 (31 March 2017 : 26,010,000) Equity shares of Ryker Base Private Limited of ₹10 each fully paid up | 239.36 | 256.20 |
| Add: Corporate guarantee given during the year | 3.80 | 10.30 |
| Less: Corporate Guarantee Amortised | (0.75) | - |
| Add: Share in current period profit/(loss) | (37.02) | (2.84) |
| Less: Elimination of profit element in sale of fixed asset (Net of tax) | - | (24.30) |
| | 205.39 | 239.36 |
| 540,000 (31 March 2017 : 540,000) Equity shares of Techno Electromech Private Limited of ₹10 each fully paid up | 26.60 | 22.71 |
| Add: Share in current period profit | 13.76 | 3.89 |
| | 40.36 | 26.60 |
| Goodwill on acquisition | 48.10 | 48.10 |
| | 88.46 | 74.70 |
| **Total Investments (Net)** | 293.85 | 314.06 |

Note:
Joint Venture partner of the Ryker base Private Limited have the option to put their entire shareholding to the company at any time after a lock in period i.e. earlier of
(a) Fifth anniversary of the date on which the Plant commences production;
(b) The date failing six years and six months after the completion date at a price being higher of:
• Fair market value of the shares or
• Sum of:
· Subscription price paid by Joint Venture partner and
· Additional Finance amounts contributed by Joint Venture partner from time to time.

(₹ million)

**6: Non Current financial assets**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **(A) Investments** | | |
| **Investments at fair value through profit or loss (FVTPL) (fully paid)- Unquoted** | | |
| Investment in mutual funds | - | 1.40 |
| **Total FVTPL Investments** | - | 1.40 |
| Aggregate market value of unquoted mutual fund investment | - | 1.40 |

Note:
Investments at fair value through profit or loss (fully paid) reflect investment in unquoted mutual fund.(Refer note 43 & 44)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **(B) Trade receivables (at amortised cost)** | | |
| Trade receivables - unsecured considered good | 1,351.27 | 880.00 |
| **Total Trade receivables** | 1,351.27 | 880.00 |

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **(C) Other financial assets (at amortised cost)** | | |
| Earnest money and security deposits | 50.88 | 58.32 |
| Deposits with bank having maturity period of more than 12 months | - | 2.84 |
| **Total other financial assets** | 50.88 | 61.16 |

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(₹ million)

**7: Non-current income tax assets (Net)**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Advance income-tax (net of provision) | 105.84 | 321.67 |
| | 105.84 | 321.67 |

(₹ million)

**8: Other non-current assets**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Capital advances - Unsecured, considered good unless stated otherwise | 386.37 | 219.04 |
| Capital advances - Unsecured, considered doubtful | 65.99 | 41.10 |
| Prepaid expenses | 59.60 | 6.90 |
| Balances with Statutory/Government authorities | 98.12 | 86.52 |
| | 610.08 | 353.56 |
| Less : Impairment allowance of capital advances, considered doubtful | (65.99) | (41.10) |
| | (65.99) | (41.10) |
| | 544.09 | 312.46 |

(₹ million)

**9: Inventories (Net)**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Raw materials | 9,540.53 | 4,938.36 |
| Traded goods | 939.18 | 480.03 |
| Work-in-progress | 1,416.42 | 1,055.78 |
| Finished goods | 6,643.47 | 6,452.22 |
| Packing materials | 262.78 | 85.49 |
| Scrap materials | 200.64 | 134.70 |
| Stores and spares | 177.86 | 81.00 |
| Project materials for long-term contracts | 776.97 | 429.40 |
| | 19,957.85 | 13,656.98 |

Notes:-

| | | |
|---|---|---|
| (i) The above includes goods in transit as under: | | |
| Raw material | 4,447.72 | 1,215.26 |
| Traded goods | - | 58.32 |
| Packing material | 39.85 | - |
| Project materials for long-term contracts | 52.44 | 48.20 |

(ii) The above includes inventories held by third parties amouting to ₹ 1787.77 million (31 March 2018 - ₹ 29.80 million)

(iii) During the year ended 31 March 2019 - ₹ 39.04 million (31 March 2018 - ₹ 13.00 million ) was recognised as an expense for inventories carried at net realisable value.

(iv) Inventories are hypothecated with the bankers against working capital limits. (Refer note - 19(A))

(v) The Group enters into purchase contract of copper and aluminium, in which the amount payable is not fixed on the date of purchase and the same is affected by changes in London Metal Exchange (LME) prices in future. Such transactions are entered into to protect the Group against the risk of price movement in the purchased copper and aluminium. This is designated as a fair value hedge as it is taken to hedge the exposure to changes in fair value due to commodity price risks. The open hedge exposures are valued at the fair value and the impact is adjusted to the value of the inventory to the extent the hedged is considered effective. (Refer Note 44 (A)(iii))

(₹ million)

**10: Current financial assets**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **(A) Trade receivables (at amortised cost)** | | |
| Considered Good - Unsecured | 14,197.67 | 13,520.28 |
| Receivables - Credit Impaired | 548.79 | 544.41 |
| Receivables from related parties (Refer note - 39(A)) | 46.66 | 58.97 |
| **Trade receivables (Gross)** | 14,793.12 | 14,123.66 |
| Less: Impairment allowance for trade receivables | (1,449.96) | (1,215.50) |
| | 13,343.16 | 12,908.16 |

**Notes:-**

- Trade receivables are non-interest bearing and are generally on credit terms upto 90 days except EPC business.
- For EPC business trade receivables are non-interest bearing and credit terms are specific to contracts.
- For explanations on the Group's credit risk management processes (Refer note - 44 (B)).

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

| | | |
|---|---|---|
| At the beginning of year | 1,215.50 | 947.60 |
| Provision during the year | 541.04 | 421.00 |
| Bad debts written off | (306.58) | (153.10) |
| At the end of the year | 1,449.96 | 1,215.50 |

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Polycab India Limited

(₹ million)

**10: Current financial assets**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **(B) Cash and cash equivalents (at amortised cost)** | | |
| Balances with banks | | |
| In current accounts | 1,294.42 | 76.68 |
| Deposits with original maturity of less than 3 months | 494.50 | - |
| Cash in hand | 1.67 | 1.74 |
| Cheques in hand | - | 3.90 |
| | 1,790.59 | 82.32 |
| **(C) Bank balance other than cash and cash equivalents (at amortised cost)** | | |
| Deposits with original maturity for more than 12 months | 9.38 | 8.10 |
| Deposits with original maturity for more than 3 months but less than 12 months | 1,375.00 | 16.00 |
| Margin money deposit | 0.90 | - |
| | 1,385.28 | 24.10 |
| **(D) Loans (at amortised cost)** | | |
| **Unsecured, considered good unless stated otherwise** | | |
| Loans to employees | 12.83 | 11.20 |
| Loans to related party | | |
| Considered Good - Unsecured | 165.51 | 141.54 |
| **Total Loans (Gross)** | 178.34 | 152.74 |
| **(E) Other financial assets** | | |
| **At amortised cost** | | |
| Earnest money deposits and Security deposits# | 29.06 | 39.67 |
| Contract Asset | 260.51 | 140.30 |
| Insurance claim receivables | 35.43 | - |
| Interest accrued on bank deposits | 11.28 | 1.27 |
| Public issue expense recoverable from selling shareholders | 388.77 | - |
| **At fair value through profit or loss** | | |
| **Derivative instruments at fair value through profit or loss** | | |
| Interest rate and cross currency swap | 7.40 | 3.30 |
| | 732.45 | 184.54 |
| **Less: Impairment allowance for Contract Assets considered doubtful** | (7.58) | - |
| | 724.87 | 184.54 |
| #Includes deposits given to Related Parties (Refer Note - 39(A)) | 6.17 | 6.17 |

(₹ million)

**11: Other current assets**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Advances for materials and services | 852.93 | 735.75 |
| Prepaid expenses | 73.44 | 85.68 |
| Balances with statutory/government authorities | 648.22 | 1,195.35 |
| Export incentive receivable | 39.48 | 48.80 |
| Refund Assets | 242.34 | 168.54 |
| Others | 14.49 | 13.40 |
| | 1,870.90 | 2,247.52 |

(₹ million)

**12: Assets classified as held for disposal**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Assets held for disposal | 0.22 | 2.70 |
| | 0.22 | 2.70 |

On 31 March 2019, the Company classified certain property, plant and equipment ₹ 0.22 million (31 March 2018 ₹ 2.58 million) and other asset Nil (31 March 2018 ₹ 0.12 million)retired from active use and held for sale recognised and measured in accordance with Ind-AS 105 "Non Current Assets Held For Sale and Discontinued Operations"at lower of its carrying amount and fair value less cost to sell. The Company expects to complete the sale in financial year 2019-20.

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Polycab India Limited

## 13: Share capital

(A) Authorised share capital

| | Equity shares | |
|---|---|---|
| (Equity shares of INR 10 each) | No. of Shares | (₹ million) |
| At 1 April 2017 | 18,62,50,000 | 1,862.50 |
| Increase during the year | - | - |
| At 31 March 2018 | 18,62,50,000 | 1,862.50 |
| Increase during the year | - | - |
| At 31 March 2019 | 18,62,50,000 | 1,862.50 |

(B) Issued, subscribed and fully paid-up shares

| (Equity shares of INR 10 each) | No. of Shares | (₹ million) |
|---|---|---|
| At 1 April 2017 | 14,12,05,838 | 1,412.06 |
| Increase during the year | - | - |
| At 31 March 2018 | 14,12,05,838 | 1,412.06 |
| Increase during the year | - | - |
| At 31 March 2019 | 14,12,05,838 | 1,412.06 |

(C) Terms/ rights attached to equity shares

The Group has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors has recommended a final dividend of ₹ 3/- per equity share of ₹ 10/- each (30%) for the financial year 2018-19.During the year ended 31 March 2018, the amount of per share interim dividend recognized and paid to equity shareholders ₹ 1

(D) Details of shareholders holding more than 5% shares in the Group

| Name of the shareholder | As at 31 March 2019 | | As at 31 March 2018 | |
|---|---|---|---|---|
| | No. of Shares | % holding | No. of Shares | % holding |
| Polycab India Ltd. Escrow Account - IPO * | 2,18,17,870 | 15.45% | - | 0.00% |
| Mr. Inder T. Jaisinghani | 2,08,54,229 | 14.77% | 2,37,78,779 | 16.84% |
| Mr. Girdhari T. Jaisinghani | 2,07,50,512 | 14.70% | 2,36,61,833 | 16.76% |
| Mr. Ajay T. Jaisinghani | 2,06,78,935 | 14.64% | 2,35,80,806 | 16.70% |
| Mr. Ramesh T. Jaisinghani | 2,06,76,393 | 14.64% | 2,35,78,264 | 16.70% |
| International Finance Corporation (IFC) | 1,27,04,096 | 9.00% | 2,11,76,446 | 15.00% |

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares, including shares held in the name of individual and trusts.

* During the year ended 31 March 2019, 2,18,17,870 equity shares were transferred to an escrow account by the shareholders in a Pre - Initial Public Offer (IPO) sale in the proportion mentioned below. These shareholders continue to be the beneficial owners of the shares until the completion of the IPO process.

| Name of the shareholder | As at 31 March 2019 | |
|---|---|---|
| | No. of Shares | % holding |
| Mr. Inder T. Jaisinghani | 26,86,550 | 1.90% |
| Mr. Girdhari T. Jaisinghani | 26,63,871 | 1.89% |
| Mr. Ajay T. Jaisinghani | 26,63,871 | 1.89% |
| Mr. Ramesh T. Jaisinghani | 26,73,321 | 1.89% |
| Mr. Bharat A Jaisinghani | 6,80,662 | 0.48% |
| Mr. Nikhil R Jaisinghani | 6,80,662 | 0.48% |
| Mr. R.Ramakrishnan | 6,36,994 | 0.45% |
| Mr. Anil Hariani | 6,59,589 | 0.47% |
| International Finance Corporation (IFC) | 84,72,350 | 6.00% |
| | 2,18,17,870 | 15.45% |

Further, during the financial year 2019-20, the Company has completed the initial public offer (IPO), pursuant to which shares where issue as under and shares in excess of those offered for sale were transfer from Polycab India Ltd. Escrow Account - IPO back to the respective selling shareholders.

| | Offer for sale | Fresh Issue | Total |
|---|---|---|---|
| General Public | 1,74,59,009 | 73,88,058 | 2,48,47,067 |
| Employee Quota | 1,22,991 | 52,009 | 1,75,000 |
| Total | 1,75,82,000 | 74,40,067 | 2,50,22,067 |

At the time of filing of prospectus, shares over and above OFS were transferred to respective selling shareholders demat accounts which stands in excess as at reporting period.

The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) via ID POLYCAB and BSE Limited (BSE) via ID 542652 on 16 April 2019.

The Parent Company has estimated ₹ 554.10 million as IPO related expenses and allocated such expenses between the Parent Company ₹ 165.33 million and selling shareholders ₹ 388.77 million in proportion to the equity shares allotted to the public as fresh issue by the Parent Company and under offer for sale by selling shareholders respectively. As at 31 March 2019, the total amount attributable to the Parent Company amounting to ₹ 148.28 million has been adjusted to securities premium and balance amount ₹ 17.05 million charged off to Profit and Loss account.

**Aggregate number of bonus share issued and share issued for consideration other than cash during the period of 5 years immediately preceding the reporting date :**

70,602,919 equity shares of ₹ 10 each fully paid up issued as Bonus shares in the ratio of 1:1 by capitalization of Securities premium during the year ended 31 March 2015.

(₹ million)

**14: Other equity**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **(A) Securities premium*** | | |
| Opening balance | 3,205.60 | 3,205.60 |
| Less: Share issue expenses | (148.28) | - |
| | 3,057.32 | 3,205.60 |
| **(B) General reserve**** | 614.00 | 614.00 |
| **(C) ESOP Outstanding#** | 149.51 | - |
| **(D) Foreign currency translation reserve** | | |
| Opening Balance | 1.94 | (4.50) |
| Add : Exchange Difference during the year on net investment in non-integral foreign operations | (0.51) | 6.44 |
| | 1.43 | 1.94 |
| **(E) Retained earnings** | | |
| Opening balance | 18,242.59 | 14,815.12 |
| Add: Profit during the period | 4,992.64 | 3,597.43 |
| Less: Interim equity dividend | - | (141.21) |
| Less: Tax on interim equity dividend | - | (28.75) |
| | 23,235.23 | 18,242.59 |
| Total ( A+B+C+D+E) | 27,057.49 | 22,064.13 |

* Securities premium represents the surplus of proceeds received over the face value of share at the time of issue of shares. The company's share of IPO expenses has been adjusted with securities premium account considering the successful completion of IPO process on 16 April 2019.

* General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit or loss.

# The Parent Company has two stock option schemes under which options to subscribe for the Parent Company's shares have been granted to certain employees.
The ESOP Outstanding is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 37(C) for further details of these plans.

(₹ million)

**15: Non-current financial liabilities**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Borrowings (at amortised cost)** | | |
| **External commercial borrowing (secured)** | | |
| Foreign currency loan from HSBC Bank (Mauritius) Ltd | 691.71 | 1,084.10 |
| **Rupee loan (secured)** | | |
| Indian rupee loan from HDFC Bank | 134.47 | 94.19 |
| Indian rupee loan from Citibank N.A. | 867.30 | 1,137.30 |
| | 1,693.48 | 2,315.59 |
| Less: Current maturities of long-term borrowings ( Refer note 19 C ) | (804.23) | (726.10) |
| | 889.25 | 1,589.49 |

**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.

**Maturity profile of non-current borrowings**

(₹ million)

| | Remark | < 1 Year | 1-3 Years | 3-5 Years |
|---|---|---|---|---|
| **External commercial borrowing (secured)** | | | | |
| Foreign currency loan from HSBC Bank (Mauritius) Ltd | Repayable in 6 instalment in 3 year | 460.68 | 231.03 | - |
| **Rupee loan (secured)** | | | | |
| Indian rupee loan from Citibank N.A. | Repayable in 16 quarterly instalment | 312.50 | 512.32 | 42.48 |
| Indian rupee loan from HDFC Bank | Repayable in 48 monthly instalment | 31.05 | 71.92 | 31.50 |
| As At 31 March 2019 | | 804.23 | 815.27 | 73.98 |
| As At 31 March 2018 | | 726.10 | 1,316.40 | 273.09 |

(₹ million)

## 16: Non-current provisions

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (Refer note 37 (A) ) | 95.71 | 95.10 |
| Compensated absences | 66.71 | - |
| | 162.42 | 95.10 |

(₹ million)

## 17: Income taxes

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **(A) Income tax expense in the statement of profit and loss comprises:** | | |
| **Current income tax:** | | |
| In respect of current period | 2,951.12 | 2,176.05 |
| Adjustments of tax relating to earlier years | (73.55) | (320.63) |
| **Deferred tax:** | | |
| Relating to origination and reversal of temporary differences | (319.99) | 226.86 |
| **Income tax expense reported in the statement of profit or loss** | 2,557.58 | 2,082.28 |
| **(B) OCI section - Deferred tax related to items recognised in OCI during the year** | | |
| Net loss/(gain) on remeasurements of defined benefit plans | (2.36) | 9.20 |
| **Income tax expense charged to OCI** | (2.36) | 9.20 |
| **(C) Reconciliation of tax expense and the accounting profit multiplied by Group's domestic tax rate:** | | |
| **Profit before tax** | 7,560.64 | 5,667.89 |
| Applicable Tax rate | 34.94% | 34.61% |
| Tax using applicable tax rate | 2,641.99 | 1,961.54 |
| **Effect of:** | | |
| Expense not allowed for tax purpose | 56.75 | 504.77 |
| Income not considered for tax purpose | (35.88) | (32.90) |
| Additional allowances for tax purpose | (31.73) | (30.50) |
| Adjustments of tax relating to earlier years | (73.55) | (320.63) |
| **Income tax charged to statement of profit and loss account** | 2,557.58 | 2,082.28 |

**(D) Deferred tax liabilities comprises:**

(₹ million)

| | Consolidated Balance Sheet | | Consolidated Statement of profit and loss | |
|---|---|---|---|---|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| **Deferred tax liability** | | | | |
| Property Plant & Equipments: Impact of difference between tax depreciation and depreciation/ amortization charged to Statement of Profit and Loss | 835.26 | 890.65 | (55.39) | 49.57 |
| Duties and taxes allowable under Income Tax Act on payment basis | 133.08 | 318.00 | (184.92) | 318.00 |
| **Gross deferred tax liability** | 968.34 | 1,208.65 | (240.31) | 367.57 |
| **Deferred tax asset** | | | | |
| Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis | 238.05 | 234.50 | (3.55) | (32.10) |
| Provision for expected credit loss (ECL) | 500.82 | 420.68 | (80.14) | (92.70) |
| Tax (income)/expense during the period recognised in OCI | | | 2.36 | (9.20) |
| Deferred tax on unrealised profit sale to asset to joint venture | | | | (7.30) |
| **Gross deferred tax asset** | 738.87 | 655.18 | (81.33) | (141.30) |
| **Deferred tax expense/(income)** | | | (321.64) | 226.27 |
| **Deferred tax liability (net)** | 229.47 | 553.47 | | |

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(₹ million)

## 17: Income taxes

### (E) Deferred tax asset comprises:

| | Consolidated Balance Sheet | | Consolidated Statement of profit and loss | |
|---|---|---|---|---|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| **Deferred tax Asset** | | | | |
| Property Plant & Equipments: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | (5.23) | (1.50) | 3.73 | (3.83) |
| **Deferred tax Liability** | | | | |
| On account of carry forward of business loss | 3.36 | 1.60 | (1.76) | 4.43 |
| Duties and taxes allowable under Income Tax Act on payment basis | 0.32 | - | (0.32) | - |
| **Gross deferred tax asset/(liability)** | (1.55) | 0.10 | | |
| **Deferred tax expense/(income)** | | | 1.65 | 0.60 |
| **Deferred tax asset (net)** | (1.55) | 0.10 | | |

### (F) Reconciliation of deferred tax assets/ liabilities (net):

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **At the beginning of the year** | 553.37 | 310.00 |
| Tax (income)/expense during the period recognised in profit or loss | (319.99) | 226.87 |
| Deferred tax on unrealised profit sale to asset to joint venture | - | 7.30 |
| Tax (income)/expense during the period recognised in OCI | (2.36) | 9.20 |
| **At the end of year/period** | 231.02 | 553.37 |

**Notes:-**

(i) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(ii) Company has received CIT(A) order dated 09 March 2018 for AY 2012-13, 2013-14, 2014-15 and 2015-16 allowing Company's major claims relating to sales tax subsidy as capital receipt, additional depreciation, disallowance u/s 14A read with rule 8D and consequently carry forward losses and payment of tax under MAT. Company's claim was partly allowed, Income Tax Dept has filed appeals in the tribunal against the company and company has also filed appeal against disallowance in these orders, Since subject matter is pending in the higher courts and therefore company has not accounted for refund received / receivable on these orders which is ₹ 1003.42 million including interest ₹ 163.89 million u/s 234B and 234C of the Income Tax Act, 1961.

(iii) Company Controls the dividend policy of its subsidiary and joint ventures. It is able to control the timing of the reversal of the temporary differences associated with that investment ( including the temporary differences arising from undistributed profits). Therefore Company has determined that those profit will not be distributed in the foreseeable future and has not recognised a deferred tax liability. Undistributed profits of the Subsidiaries and joint venture amounting to ₹ 90.71 million (31 March 2018 ₹ 78.43 million)

(₹ million)

## 18: Other non-current liabilities

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Deferred government grant | 163.29 | 182.20 |
| Deferred liability | 93.75 | - |
| | 257.04 | 182.20 |

**Note:-**

Under Ind AS government grants are recorded as deferred liabilities to the extent of unfulfilled export obligations. This amount has been recognised against deferred government grant and amortised subsequently on fulfilment of export obligation.

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(₹ million)

## 19: Current financial liabilities

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **(A) Borrowings (at amortised cost)** | | |
| **Loan repayable on demand (from bank)** | | |
| Buyer's Credit (Secured) | 516.49 | 4,156.20 |
| Cash Credit from banks (Secured) | 7.15 | 59.25 |
| Short-term loan from banks (Secured) | 436.25 | 1,087.00 |
| Packing Credit (Secured) | - | 351.20 |
| Packing Credit (Unsecured) | 70.82 | 33.80 |
| | 1,030.71 | 5,687.45 |

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 equipments of the Company such as Daman staff quarters, Daman godown premises, factory land and building at Halol and Daman and office building at Mumbai.
(iii) Pari passu first charge by way of hypothecation of all movable fixed assets appearing in balance sheet as on 31 March 2015.
(iv) Pari passu second charge by way of registered mortgage on all movable assets acquired on or after 1 April 2015.
(v) Charges with respect to above borrowing has been created in favour of lead banker in the consortium. No separate charge has been created for each of the borrowing.

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(₹ million)

## 19: Current financial liabilities

### (B) Trade Payable (at amortised cost)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Total outstanding dues of micro and small enterprises - (Refer note below (iii)) | | |
| Trade payables - Others | 106.00 | 77.70 |
| Trade payables to related parties (Refer Note - 39(A)) | 52.41 | - |
| Total outstanding dues of creditors other than micro and small enterprises | 158.41 | 77.70 |
| Acceptances - (Refer note below (i)) | 8,032.85 | 4,603.20 |
| Other than acceptances | | |
| Trade payables - Others | 6,910.92 | 4,508.08 |
| Trade payables to related parties (Refer Note - 39(A)) | 99.64 | 31.89 |
| | 15,043.41 | 9,143.17 |

(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 Company.

(ii) For explanations on the Group's liquidity risk management processes. (Refer Note 44 (C) )

(iii) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31 March 2019 and year ended 31 March 2018 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group:

(₹ million)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| a) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act: | | |
| Principal | 158.41 | 77.70 |
| Interest | 1.94 | 2.50 |
| b) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act. | - | - |
| d) The amount of interest accrued and remaining unpaid at the end of each accounting year. | 1.94 | 2.50 |
| e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 | - | - |

(₹ million)

## 19: Current financial liabilities

### (C) Other current financial liabilities

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **At amortised cost** | | |
| Current maturities of long-term borrowings (Refer note- 15) | 804.23 | 726.10 |
| Security deposit | 40.37 | 42.01 |
| Interest accrued but not due on borrowings | 24.71 | 15.78 |
| Interest accrued and due on borrowings | 6.52 | 1.50 |
| Creditors for capital expenditure | 346.97 | 222.71 |
| **At fair value through profit and loss (FVTPL)** | | |
| Derivative liability | 221.38 | 66.50 |
| Refund Liability | 318.33 | 222.54 |
| Deferred liability | 38.15 | 78.40 |
| Other ( refer note below ) | 12.98 | 10.30 |
| | 1,813.64 | 1,385.84 |

Note : Parent Company has provided a guarantee for credit facility availed by the Ryker Base Private Limited amounting to ₹ 1,141.33 Million (31 March 2018 ₹ 780.50 Million). The fair value of corporate guarantee ₹ 13.35 Million (31 March 2018 ₹ 10.30 Million) has been included in carrying cost of investment.

(₹ million)

## 20: Other current liabilities

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Advance from customers | **4,076.76** | 224.13 |
| Contract Liability | **1,415.23** | 777.02 |
| Other statutory dues | **770.64** | 48.77 |
| | **6,262.63** | 1,049.92 |

(₹ million)

## 21: Current provisions

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| **Provision for employee benefits** | | |
| Gratuity (Refer note 37 (A)) | **100.30** | 87.80 |
| Compensated absences | **24.87** | 196.08 |
| Provision for tax on proposed interim equity dividend | **-** | 28.75 |
| Provision for warranty (Refer note below) | **83.54** | 63.70 |
| | **208.71** | 376.33 |

Note :-
A provision is recognised for expected warranty claims and after sales services on products sold , based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year and all will have been incurred within warranty period after the reporting date. Assumptions used to calculate the provisions for warranties were based on current sales levels and current information available about returns during the warranty period for all products sold.

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| At the beginning of the year | **63.70** | 31.37 |
| Arising during the year | **58.01** | 45.03 |
| Utilised during the year | **(38.17)** | (12.70) |
| At the end of the year | **83.54** | 63.70 |

(₹ million)

## 22: Current tax liabilities (Net)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Provision for current tax (net of advance tax) | **1,671.91** | 823.76 |
| | **1,671.91** | 823.76 |

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## 23: Revenue from operations

(₹ million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| **Revenue from contracts with customers** | | |
| Sale of products | | |
| Finished goods | 70,785.05 | 62,789.98 |
| Traded goods | 3,684.03 | 2,948.48 |
| Revenue from construction contracts | 3,795.50 | 2,063.59 |
| | 78,264.58 | 67,802.05 |
| **Other operating revenue** | | |
| Scrap sales | 1,242.93 | 1,279.17 |
| **Total revenue from contracts with customers** | 79,507.51 | 69,081.22 |
| Export incentives | 52.32 | 68.30 |
| | 79,559.83 | 69,149.52 |

**i) Disaggregated revenue information**

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| **Type of Goods or Services** | | |
| Wires & Cables | 68,841.65 | 62,039.71 |
| Fast Moving Electrical Goods (FMEG) | 6,416.06 | 4,852.85 |
| Revenue from construction contracts | 3,795.50 | 2,063.59 |
| Others | 454.30 | 125.07 |
| **Total revenue from contracts with customers** | 79,507.51 | 69,081.22 |
| India | 77,025.03 | 65,490.44 |
| Outside India | 2,482.48 | 3,590.78 |
| **Total revenue from contracts with customers** | 79,507.51 | 69,081.22 |
| **Timing of revenue recognition** | | |
| Goods transferred at a point in time | 75,661.78 | 67,017.63 |
| Goods and Services transferred over a period of time | 3,845.73 | 2,063.59 |
| **Total revenue from contracts with customers** | 79,507.51 | 69,081.22 |
| **Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information** | | |
| **Total revenue from contracts with customers** | 79,507.51 | 69,081.22 |
| Export incentives | 52.32 | 68.30 |
| Other income excluding finance income | 805.59 | 616.97 |
| **Total income as per Segment** | 80,365.42 | 69,766.49 |

ii) Revenue from contracts with customers includes excise duty collected of ₹ Nil (31 March 2018: ₹ 1446.47 Million). Revenue from contracts with customers net of applicable taxes is ₹ 79,507.51 Million (31 March 2018: ₹ 67,634.75 million). Revenue from operations for previous periods up to 30 June 2017 includes excise duty. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The group collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended 31 March 2019 is not comparable with 31 March 2018.

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(₹ million)

## 23: Revenue from operations

iii) Reconciliation between revenue from contract with customers and contracted price as per Ind AS 115:

| Revenue reconciliation | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Revenue as per contracted price | 82,418.99 | 70,865.68 |
| **Less : Adjustments** | | |
| Price adjustments such as Discounts, Rebates and Sales Promotion Schemes | (1,607.45) | (1,015.30) |
| Excess Revenue - EPC | (1,415.23) | (777.02) |
| Provision for expected sales return | (95.79) | (54.00) |
| Other adjustments | (53.52) | (78.40) |
| **Add : Adjustments** | | |
| Unbilled Revenue - EPC | 260.51 | 140.26 |
| **Revenue from contracts with customers** | 79,507.51 | 69,081.22 |

iv) Contract Balances as at:

| Contract Balances | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Trade Receivables | 14,694.43 | 13,788.16 |
| Contract Assets | 260.51 | 140.30 |
| Contract Liabilities | 1,415.23 | 777.02 |

v) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 31 March 2019: ₹ 541.04 Million (31 March 2018: ₹ 421.00 Million) was recognised as provision for expected credit losses on trade receivables.
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.

vi)Contract assets are initially recognised for revenue earned from installation services as receipt of consideration is conditional on successful completion of installation. Upon completion of installation and acceptance/certifications by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets in March 2019 is the result of the increase in ongoing installation services at the end of the year. In March 2019 ₹ 7.58 Million (March 2018: ₹ Nil) was recognised as provision for expected credit losses on contract assets.

vii) Contract liabilities include advances received towards EPC projects as well as transaction price allocated to unexpired service contracts. The outstanding balances of these accounts increased in 2018-19 due to the continuous increase in the Group's customer base and contracts where billing is in excess of revenue.

**viii) Set out below is the amount of revenue recognised from:**

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Amounts included in contract liabilities at the beginning of the year | 390.75 | 286.06 |
| Performance obligations satisfied in previous years | 140.28 | 100.58 |

**ix) Refund assets and refund liabilities**

| | As at 31 March 2019 | As at 31 March 2018 |
|---|---|---|
| Refund assets | 242.34 | 168.54 |
| Refund liabilities | 318.33 | 222.54 |

**x) Performance obligations:**

Aggregate amount of the transaction price (net of tax) allocated to long-term construction contracts that are partially or fully unsatisfied as at 31 March 2019 ₹ 14,431.36 Million (31 March 2018 ₹ 8,518.78 Million). The unsatisfied performance obligation is expected to be recognised within 24 months.
Based on general trend of period of contract and its period of execution approximately 54% of the unsatisfied performance obligation is expected to be satisfied within one year. The remaining is expected to be recognised within 12 to 24 months. In certain contracts, where the company has extended warranty/maintenance services obligation, a separate performance obligation is identified and the transaction price is allocated accordingly.

**xi) Impact of Ind AS 115:**

Ind AS 115 " Revenue from Contracts with Customers" is mandatory for reporting periods beginning on or after 1 April 2018 and has replaced existing Ind AS related thereto. The Company has adopted the modified retrospective approach under the standard. Under this approach, no adjustments were required to be made to the retained earning as at 1 April 2018. Also the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related Items In the financial results for the year 31 March 2019.

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**23: Revenue from operations** (₹ million)

**xii) Disclosure in terms of Ind AS 111 on the accounting of Joint operation:**

The Company has 50% interest in a joint operation with GTPL hathway Limited for an EPC project of ₹ 10,738.40 million which has been awarded by Gujarat Fibre Grid Network Limited (GFGNL) during the FY 2018-19. The principle place of Joint operation is in India.

The arrangements require unanimous consent from all parties for all relevant activities and hence it is classified as joint operations. The partners to the agreement have direct right to the assets and are jointly and severally liable for the liabilities incurred by the un-incorporated joint operation. In accordance with Ind AS 111 on "Joint Arrangements", the financial statements of the Company includes the Company's share in the assets, liabilities, incomes and expenses relating to joint operations based on the financial statements received from the respective operators. The income, expenditure, assets and liabilities of the joint operations are merged on line by line basis according to the participating interest with the similar items in the Financial Statements of the Company.

The joint operation does not recognise margin on revenue until the contract achieves completion percentage in line with internally set threshold.

The table below provides summarized financial information of the company's share of assets, liabilities, income and expenses in the joint

| Particulars | Year ended 31 March 2019 |
|---|---|
| Property, plant and equipment | 0.08 |
| Current Assets | 406.58 |
| Cash and Bank Balances | 376.12 |
| Current & Non Current Liabilities/Provisions | 782.78 |
| Expenses | 134.43* |
| Income | 134.43* |

* No margin has been recognised on the project as the percentage of completion is less than 10%.

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## 24: Other income

(₹ million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Interest income on | | |
| Bank deposits | 28.33 | 4.47 |
| Others | 99.57 | 22.93 |
| Sundry balances written back | 60.48 | 103.50 |
| Miscellaneous income | 37.10 | 27.63 |
| Gain on sale of property, plant and equipment | 21.01 | 49.00 |
| Government Grant | 295.69 | 128.20 |
| Exchange differences (net) | 385.21 | 300.04 |
| Fair value of put option | 6.10 | - |
| Fair valuation gain on financial asset* | - | 8.60 |
| | 933.49 | 644.37 |

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

## 25: Cost of materials consumed

(₹ million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Copper | 30,701.55 | 27,129.44 |
| Aluminium | 9,400.74 | 8,722.21 |
| Steel | 2,813.05 | 2,268.30 |
| PVC Compound/HDPE/LDPE/XLPE/Resin | 7,491.96 | 6,494.90 |
| Packing Materials | 920.95 | 952.39 |
| Others | 3,494.94 | 2,109.00 |
| | 54,823.19 | 47,676.24 |

## 26: Purchases of traded goods

(₹ million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Electrical wiring accessories | 362.20 | 275.92 |
| Electrical appliances | 2,838.40 | 1,965.28 |
| Others | 169.81 | 230.94 |
| | 3,370.41 | 2,472.14 |

## 27: (Increase)/Decrease in Inventories of finished goods, traded goods and work-in-progress

(₹ million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Inventory at the beginning of the year | | |
| Work-in-progress | 1,055.78 | 1,263.50 |
| Finished goods | 6,452.22 | 6,884.83 |
| Traded goods | 480.03 | 519.54 |
| Scrap materials | 134.70 | 112.80 |
| | 8,122.73 | 8,780.67 |
| Inventory at the end of the year | | |
| Work-in-progress | 1,416.42 | 1,055.78 |
| Finished goods | 6,643.47 | 6,452.22 |
| Traded goods | 939.18 | 480.03 |
| Scrap materials | 200.64 | 134.70 |
| | 9,199.71 | 8,122.73 |
| **Changes in Inventories of finished goods, traded goods and work-in-progress** | (1,076.98) | 657.94 |

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## 28: Project bought outs and other cost

(₹ million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Project bought outs | 1,589.57 | 867.73 |
| Subcontracting expense | 953.47 | 379.30 |
| | 2,543.04 | 1,247.03 |

## 29: Employee benefits expense

(₹ million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Salaries, wages and bonus | 2,607.34 | 2,336.05 |
| Expense on employee stock option scheme (Refer Note: 37 (C) ) | 149.51 | - |
| Contribution to provident and other funds (Refer Note: 37(A & B)) | 155.10 | 163.85 |
| Staff welfare expense | 90.53 | 92.65 |
| | 3,002.48 | 2,592.55 |

## 30: Finance cost

(₹ million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Interest | 585.27 | 736.04 |
| Others | 581.79 | 200.76 |
| | 1,167.06 | 936.80 |

## 31: Depreciation and amortization expense

(₹ million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Depreciation of tangible assets ( Refer note -3) | 1,396.24 | 1,288.33 |
| Amortization of intangible assets (Refer note -4) | 18.21 | 41.20 |
| | 1,414.45 | 1,329.53 |

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## 32: Other expenses

(₹ million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Consumption of stores and spares | 463.30 | 502.17 |
| Sub-contracting expenses | 956.32 | 678.40 |
| Increase in excise duty on closing stock of finished goods | - | (741.00) |
| Power and fuel | 1,076.48 | 896.28 |
| Rent | 177.45 | 156.88 |
| Rates and taxes | 17.38 | 21.56 |
| Insurance | 30.39 | 35.13 |
| Repairs and maintenance | | - |
| Plant and machinery | 49.46 | 44.32 |
| Buildings | 33.48 | 33.30 |
| Others | 248.97 | 195.66 |
| Advertising and sales promotion | 1,158.51 | 936.94 |
| Brokerage and commission | 314.16 | 355.56 |
| Travelling and conveyance | 220.78 | 205.83 |
| Communication Cost | 33.61 | 27.77 |
| Legal and professional fees | 362.07 | 391.11 |
| Director Sitting Fees | 5.31 | - |
| Freight & forwarding expenses | 1,498.81 | 1,250.24 |
| Payment to auditor (Refer note below) | 14.53 | 19.43 |
| Sundry advances written off | 24.95 | 8.01 |
| Public Issue Expenditure | 17.05 | - |
| Loss on fair valuation of financial asset* | 136.32 | - |
| Impairment allowance for trade receivable considered doubtful | 548.62 | 421.00 |
| Fair value of written put options | - | 55.00 |
| CSR expenditure (Refer Note 36) | 34.94 | 58.60 |
| Miscellaneous expenses | 242.88 | 216.16 |
| | 7,665.77 | 5,768.35 |

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

Note-

**Payments to the auditor (excluding applicable taxes):**

| | | |
|---|---|---|
| **As auditor** | | |
| Audit fee | 13.78 | 18.49 |
| Certification fees | 0.75 | 0.93 |
| | 14.53 | 19.42 |
| Other services | 9.00 | - |
| | 23.53 | 19.42 |

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(₹ million)

## 33: Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of
For the purpose of calculating diluted earnings per share, the net profit or losses for the year attributable to the equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares unless the effect of the potential

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

| | | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|---|
| Profit attributable to equity holders for basic earnings: | (A) | 4,997.03 | 3,580.13 |
| Weighted average number of equity shares for basic EPS | (B) | 14,12,05,838 | 14,12,05,838 |
| Effect of dilution: | | | |
| Share options | (C) | 6,575 | - |
| Weighted average number of Equity shares adjusted for the effect of dilution | (D = B+C) | 14,12,12,413 | 14,12,05,838 |
| Basic earnings per share (₹) | (A/B) | 35.39 | 25.35 |
| Diluted earnings per share (₹) | (A/D) | 35.39 | 25.35 |

**Employee Stock Option Plan 2018**

Pursuant to the resolutions passed by our Board on August 30, 2018 and our Shareholders on August 30, 2018, the Parent 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 parent company reserves the right to increase, subject to the approval of the shareholders, or reduce such numbers of shares as it deems fit

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

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

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

(₹ million)

## 34: Commitments and contingencies

**(A) Leases**

**Operating lease: Group as lessee**

The Company has taken industrial premises, residential building, land (space for godowns) under various lease agreements. There are no restrictions placed upon the Company by entering into these leases. There are no clauses on contingent rent.
Future minimum rentals payable under non-cancellable operating leases are as follows:

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Expense for the year | 177.45 | 156.88 |
| Within one year | 43.69 | 46.18 |
| After one year but not more than five years | 79.08 | 153.94 |
| More than five years | 62.56 | 108.10 |

| (B) Capital and other commitments | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Estimated amounts of contracts remaining to be executed on account of capital commitments and not provided for (net of advances) | 1,880.28 | 1,246.16 |

| | Period to which relates | | |
|---|---|---|---|
| **(C) Contingent liabilities (to the extent not provided for)** | | | |
| **a) Guarantees** | | | |
| (i) Guarantees given by the Group's bankers to Group | | 12,950.17 | 4,849.00 |
| **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 | 370.56 | 359.14 |
| (b) Disputed liability in respect of excise duty demand | 2007-08 to 2014-15 | 45.55 | 45.60 |
| (c) Disputed liability in respect of custom duty demand | 2010-11 and 2011-12 | 21.67 | 15.50 |
| (ii) Claims made against the Company, not acknowledged as debts | 2018-19 | 634.21 | - |

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

In respect of the items above, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements/decisions pending at various forums/authority. The 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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**35: Disclosure in terms of Ind AS 115 on the accounting of construction contract is as under**

(₹ million)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| a) Contract revenue recognised for the year (Net of tax) | 3,795.50 | 2,063.59 |
| b) Contract that are in progress as on reporting date | | |
| (i) Contract costs incurred and recognised profits (less recognised losses) | 3,795.50 | 2,063.59 |
| (ii) Amount of retentions* | 1,240.14 | 792.20 |
| (iii) Recognised and included in the financial statements as: | | |
| Contract Asset | 260.51 | 140.30 |
| Contract Liability | 1,415.23 | 777.02 |

*Retentions are specific to projects and are generally receivable within 6 months from completion of project.

**36: Details of Corporate social responsibility (CSR) expenditure**

(₹ million)

| | | 31 March 2019 | 31 March 2018 |
|---|---|---|---|
| **Gross amount required to be spent by the Group during the period as per provisions of section 135 of the Companies Act, 2013** | A | 92.01 | 57.93 |
| **Gross amount spent during the period** | | | |
| Rural development programmes | | 11.53 | 5.70 |
| Social empowerment | | 1.32 | 5.90 |
| Promotion of education | | 15.19 | 37.30 |
| Health care facility & awareness | | 3.42 | 3.80 |
| Environmental awareness | | 2.95 | 4.50 |
| Others | | 0.53 | 1.40 |
| **Total** | B | 34.94 | 58.60 |
| **(Excess)/Shortfall** | A-B | 57.07 | (0.67) |

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## 37: Gratuity and other post-employment benefit plans

### (A) Defined benefit plan- As per actuarial valuation

The Group operates one defined plan, viz., gratuity for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for gratuity.

**Statement of profit and loss**

Net employee benefits expense recognised in profit or loss:

(₹ million)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Current service cost | 46.09 | 45.40 |
| Net interest cost | 14.27 | 11.90 |
| Past service cost | - | 21.20 |
| Net benefits expense | 60.36 | 78.50 |

Net actuarial (gain)/ loss recognised in Other comprehensive income for the period:

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Actuarial (gain) /loss on obligations | 5.95 | (36.30) |
| Return on plan assets, excluding interest income | 0.80 | 9.80 |
| Net (Income)/Expense for the period recognized in OCI | 6.75 | (26.50) |

**Balance sheet**

Benefits liability

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Present value of defined benefit obligation | (409.90) | (352.90) |
| Fair value of plan assets | 213.89 | 170.00 |
| Plan liability | (196.01) | (182.90) |

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

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Opening defined benefit obligation | 352.94 | 315.85 |
| Interest cost | 27.53 | 22.80 |
| Current service cost | 46.09 | 45.41 |
| Past service cost | - | 21.19 |
| Benefits paid | (22.61) | (16.05) |
| Actuarial (gains)/losses on obligations | | |
| Due to change in financial assumptions | 4.57 | (42.29) |
| Due to experience | 1.38 | 5.99 |
| Closing defined benefit obligation | 409.90 | 352.90 |

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

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Opening fair value of plan assets | 170.02 | 151.02 |
| Interest Income | 13.27 | 10.90 |
| Contribution by employer | 54.01 | 34.00 |
| Benefits paid | (22.61) | (16.10) |
| Actuarial gains | (0.80) | (9.80) |
| Closing fair value of plan assets | 213.89 | 170.02 |

The Group expects to contribute ₹ 100.30 Million to gratuity in the next year (31 March 2018: ₹ 87.80 Million )

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

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Current | 100.30 | 87.80 |
| Non-current | 95.71 | 95.10 |

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37: Gratuity and other post-employment benefit plans

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

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Investment with insurer | 100% | 100% |

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

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Discount rate | 7.64% | 7.80% |
| Expected rate of return on plan assets | 7.64% | 7.80% |
| Employee turnover | 10.00% | 10.00% |
| Salary escalation | 11.00% | 11.00% |
| Mortality rate during employment | Indian assured lives mortality (2006-08) | Indian assured lives mortality (2006-08) |
| Mortality rate after employment | N.A. | N.A. |

The average expected future service as at 31 March 2019 is 8 years (31 March 2018 - 8 years).

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

**A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:**
**Sensitivity analysis**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Projected benefit obligation on current assumptions | 409.89 | 352.94 |
| Delta effect of +1% change in rate of discounting | (27.08) | (23.75) |
| Delta effect of -1% change in rate of discounting | 31.10 | 27.33 |
| Delta effect of +1% change in rate of salary increase | 27.80 | 24.89 |
| Delta effect of -1% change in rate of salary increase | (25.17) | (22.37) |
| Delta effect of +1% change in rate of employee turnover | (6.39) | (5.63) |
| Delta effect of -1% change in rate of employee turnover | 7.16 | 6.32 |

Usefulness and methodology adopted for sensitivity analysis:
Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Maturity analysis of projected benefit obligation from the fund.
Projected benefits payable in future years from the date of reporting.

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| 1st following year | 58.27 | 48.29 |
| 2nd following year | 30.37 | 27.73 |
| 3rd following year | 33.73 | 28.00 |
| 4th following year | 35.50 | 30.24 |
| 5th following year | 36.98 | 30.67 |
| Sum of years 6 to 10 | 176.59 | 30.67 |
| Sum of years 11 years and above | 463.77 | 427.45 |

**(B) Defined contribution plan**

The Group has recognised expenses towards defined contribution plan as under

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Contribution to provident fund and other funds | 94.74 | 85.35 |

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**37: Gratuity and other post-employment benefit plans**

**C) Share-based payments**

**Employee stock option plan**
During the year ended 31 March 2019, the company had instituted an ESOP Plan 2018, ESOP Performance Scheme, and ESOP Privilege Scheme as approved by the Board of Directors and Shareholders dated 30 August 2018 for issuance of stock option to eligible employees of the company.

Under Employee Stock Options Performance Scheme 2018 the options will be vested in the specified ratio subject to fulfillment of the employee performance criteria laid down in the scheme. This shall be monitored annually as per the performance evaluation cycle of the company and options shall vest based on the achieved rating to the employee.

Under Employee Stock Options Privilege Scheme 2018 the options are vested over a period of one year subject to fulfillment of service condition.

Expected volatility is based on historical stock volatility of comparable companies operating within the same industry. The historical stock prices of comparable companies has been observed for a period commensurate to the Life of option.

Pursuant to the said scheme, Stock options convertible into 2,147,500 equity shares vide ESOP Performance Scheme (Previous year: NIL) and 142,250 equity shares vide ESOP Privilege Scheme (Previous year: NIL) of ₹ 10 each were granted to eligible employee at an exercise price of ₹ 405/-.

**Subject to terms and condition of the scheme, options are classified into three categories.**

| | Performance Scheme | | Privilege Scheme |
|---|---|---|---|
| No. of options | 21,02,500 | 45,000 | 1,42,250 |
| Method of accounting | Fair value | Fair value | Fair value |
| Vesting period | 5 years graded vesting | 5 years graded vesting | 1 year |
| Grant date | 30-Aug-18 | 18-Oct-18 | 30-Aug-18 |
| Exercise/ Expiry date | 29-Aug-26 | 17-Oct-26 | 29-Aug-23 |
| Exercise period | 8 years from the date of grant | 8 years from the date of grant | 5 years from the date of grant |
| Weighted average share price | ₹ 535.30 | ₹ 535.30 | ₹ 535.30 |
| Grant/Exercise price | ₹ 405 | ₹ 405 | ₹ 405 |
| Method of settlement | Equity - settled | Equity - settled | Equity - settled |
| Weighted average remaining contractual life of options (in days) | 1702 | 1751 | 241 |

**Movement of options granted**

| | 31 March 2019 | | 31 March 2018 | |
|---|---|---|---|---|
| | Average exercise price per share option | Number of options | Average exercise price per share option | Number of options |
| Opening balance | - | - | - | - |
| Granted during the year | 405.00 | 22,89,750 | - | - |
| Exercised during the year | - | - | - | - |
| Forfeited during the year | 405.00 | 35,000 | - | - |
| **Closing balance** | | **22,54,750** | | - |
| Vested | | NIL | | NIL |

**The model inputs for fair value of option granted as on the grant date :**

| Inputs | Performance Scheme | | | | | Privilege Scheme |
|---|---|---|---|---|---|---|
| | **Year 1 15% vesting** | **Year 2 15% vesting** | **Year 3 20% vesting** | **Year 4 20% vesting** | **Year 5 30% vesting** | **Year 1 100% vesting** |
| Exercise price | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 |
| Dividend yield | 0.19% | 0.19% | 0.19% | 0.19% | 0.19% | 0.19% |
| Risk free interest rate | 8.20% | 8.20% | 8.20% | 8.20% | 8.30% | 8.00% |
| Expected volatility | 48.30% | 48.20% | 49.20% | 48.20% | 47.30% | 44.50% |
| Fair value per option | ₹ 310.1 | ₹ 321.9 | ₹ 335.1 | ₹ 343.0 | ₹ 350.4 | ₹ 259.8 |
| Model used | Black Scholes | Black Scholes | Black Scholes | Black Scholes | Black Scholes | Black Scholes |

Expense on the Schemes debited to the statement of profit and loss during the year ended 31 March 2019 is ₹ 149.51 Million (31 March 2018 - Nil)

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## 38: Interest in joint ventures

a) Ryker Base Private Limited (Ryker) :- On 7 November 2016, The parent Company had acquired Ryker Base Private Limited as a wholly owned subsidiary company. On 31 March 2017, Ryker Base Private Limited has been converted into 50% joint venture (JV) with Trafigura Pte Ltd with a consideration of ₹ 260.10 Million by allotment of 26,010,000 equity shares of ₹ 10 each of Ryker Base Private Limited.

b) Techno Electromech Private Limited (TEPL) :- Polycab India Limited has invested ₹ 70.20 Million for acquiring 50% shares of Techno Electromech Private Limited in the previous year as per joint venture agreement, Techno Electromech Private Limited has become JV company with effect from 9 March 2017. The goodwill has been arrived as per below calculation:-

| | (₹ million) |
|---|---|
| Net worth on the date of joint venture | 44.21 |
| Polycab India Limited's share (50%) | 22.10 |
| Purchase consideration paid | 70.20 |
| **Goodwill** | **48.10** |

The Group has followed Equity method of accounting as per Ind AS 28 "Investments in Associates and Joint Ventures".

**Summarised balance sheet as at 31 March 2019:**

(₹ million)

| | TEPL | | Ryker | |
|---|---|---|---|---|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| Current assets, including cash and cash equivalents | **570.91** | 646.37 | **660.44** | 765.67 |
| Non-current assets | **400.82** | 340.85 | **2,487.69** | 1,649.47 |
| Current liabilities, including tax payable | **(526.59)** | (553.28) | **(170.18)** | (126.51) |
| Non-current liabilities, including deferred tax liabilities | **(264.43)** | (288.82) | **(2,506.99)** | (1,761.25) |
| **Equity** | **180.71** | 145.12 | **470.96** | 527.38 |
| Proportion of the Group's ownership | **50%** | 50% | **50%** | 50% |
| Group's share of net worth | **90.35** | 72.56 | **235.48** | 263.69 |

**Reconciliation of summarised balance sheet to the carrying amount of interest in Ryker base Private limited recognised in the consolidated Balance Sheet:**

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Net Assets of Ryker Base Private Limited | **470.96** | 527.38 |
| Proportion of the Group's Ownership interest in Ryker Base Private limited | **50%** | 50% |
| | **235.48** | 263.69 |
| Elimination of unrealised profit on sale of fixed assets (net of tax) | **(24.33)** | (24.33) |
| | **(5.76)** | - |
| **Carrying amount of Group's interest in Ryker Base Private Limited** | **205.39** | 239.36 |

**Summarised statement of profit and loss of the joint ventures :**

(₹ million)

| | TEPL | TEPL | Ryker | Ryker |
|---|---|---|---|---|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| Revenue | **1,716.09** | 830.62 | **13.26** | 29.35 |
| Cost of raw material and components consumed | **(1,367.06)** | (665.39) | **-** | - |
| Depreciation & amortization | **(17.15)** | (5.64) | **-** | - |
| Finance cost | **(46.48)** | (21.10) | **(45.80)** | (29.90) |
| Employee benefit | **(62.27)** | (36.60) | **(13.16)** | (1.47) |
| Other expense | **(173.56)** | (88.84) | **(36.30)** | (8.09) |
| **Profit before tax** | **49.57** | 13.05 | **(82.00)** | (10.11) |
| Income tax expense | **(14.01)** | (1.73) | **19.49** | 4.43 |
| **Profit for the period** | **35.56** | 11.32 | **(62.51)** | (5.68) |
| Other comprehensive (income)/expense for the period | **(0.05)** | (0.65) | **-** | - |
| Total comprehensive income for the period | **35.61** | 11.97 | **(62.51)** | (5.68) |
| **Group's share of Profit/(Loss) for the period** | **17.81** | 5.99 | **(31.26)** | (2.84) |
| Elimination of unrealised profit from transaction with joint ventures | **(4.05)** | (2.10) | **(5.76)** | - |
| **Share of profit/(loss) of joint ventures (Net of tax) carried over to statement of profit and loss** | **13.76** | 3.89 | **(37.02)** | (2.84) |

The Parent Company had no contingent liabilities or capital commitments relating to its interest in joint ventures as at 31 March 2019 except the corporate guarantee provided to bank against the borrowing by Ryker base pvt. ltd (Refer note - 19(C). Joint ventures can not distribute this profits until they obtain consent from the venture partners.

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**39: 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 financial period:

| Related parties where control exists | Nature of Relationship |
|---|---|
| Ryker Base Private Limited (Ryker) | Joint Venture (w.e.f. 31 March 2017) |
| Techno Electromech Private Limited (TEPL) | Joint Venture (w.e.f. 9 March 2017) |

**Enterprises owned or significantly influenced by key managerial personnel**

Microcab Industries & Logistics Private Limited (MILPL)
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**

(₹ Million)

| Particulars | DEW | | DE | | DJEPL | | TTPL | | MILPL | | A.K | | TEPL | | Ryker | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 |
| Sales of Goods | - | - | - | 0.07 | - | - | - | - | - | - | - | - | 4.04 | 42.40 | 56.27 | 14.60 |
| Purchase of Goods | - | - | 3.80 | - | 28.87 | - | 145.16 | 61.13 | - | - | - | - | 951.98 | 480.40 | 0.54 | - |
| Purchase of Service | 2.36 | - | 0.50 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Job work charges | - | - | - | - | - | - | 0.98 | 1.25 | - | - | - | - | - | - | 110.52 | - |
| Rent paid | - | - | - | - | - | - | - | - | - | 4.20 | 29.11 | 28.90 | - | - | - | - |
| Sale of Land | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 127.40 |
| Receipt of Services | - | 0.87 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loans given to related party | - | - | - | - | - | - | - | - | - | - | - | - | - | 140.00 | - | 253.70 |
| Loan given repaid | - | - | - | - | - | - | - | - | - | - | - | - | 24.79 | - | - | 253.70 |
| Rent received | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2.81 | - |
| Interest received | - | - | - | - | - | - | - | - | - | - | - | - | 15.61 | 4.80 | - | 5.50 |
| Reimbursement of expenses recovered | - | - | - | 0.43 | | 0.25 | - | - | - | - | - | - | - | 2.70 | - | 22.50 |
| Purchase of Fixed Assets | - | - | 0.12 | 6.40 | 10.36 | - | - | - | - | - | - | - | 30.71 | - | - | - |
| Corporate Guarantee | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 3.80 | 10.30 |
| Reimbursement of Expenses | - | - | 0.20 | 0.06 | 0.02 | 0.23 | - | - | - | - | - | 0.70 | - | - | - | 22.50 |

| Particulars | DEW | | DE | | DJEPL | | TTPL | | MILPL | | A.K | | TEPL | | Ryker | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balances at period end** | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 | Mar-19 | Mar-18 |
| Loans | - | - | - | - | - | - | - | - | - | - | - | - | 115.21 | 140.00 | - | - |
| Receivables | - | - | - | - | - | - | - | - | - | - | - | - | 29.28 | 46.10 | 17.38 | 12.90 |
| Advances | - | - | - | - | - | - | - | - | - | - | - | - | - | 66.50 | - | - |
| Interest accrued | - | - | - | - | - | - | - | - | - | - | - | - | 3.17 | 4.30 | - | - |
| Security Deposits | - | - | - | - | - | - | - | - | - | - | 6.17 | 6.17 | - | - | - | - |
| Trade Payable | 1.30 | - | 0.32 | 6.08 | 23.96 | 0.02 | 52.41 | 19.56 | - | - | - | - | 22.62 | - | 51.44 | - |

Note :- Company has provided a shortfall undertaking for credit facility availed by the Ryker Base Private Limited amounting to ₹ 1,141.33 Million (31 March 2018 ₹ 780.5 Million). The fair value of corporate guarantee ₹ 13.35 Million (31 March 2018 ₹ 10.30 Million) has been included in carrying cost of investment.

(₹ Million)

## 39: Related party disclosures

**Key management personnel**

| | |
|---|---|
| Mr. Inder T. Jaisinghani | Chairman and Managing Director |
| Mr. R. Ramakrishnan | Chief Executive *(upto 23 May 2018) |
| Mr. Ramesh T. Jaisinghani | Whole time Director |
| Mr. Ajay T. Jaisinghani | Whole time Director |
| Mr. Shyam Lal Bajaj | Chief Financial officer (w.e.f. 25 September 2018)and Whole time Director - Finance (w.e.f. 15 December 2016) |
| Mr. Radhey Shyam Sharma | Independent Director (w.e.f. 20 September 2018) |
| Mr. Tilokchand Punamchand Ostwal | Independent Director (w.e.f. 20 September 2018) |
| Mr. Pradeep Poddar | Independent Director (w.e.f. 20 September 2018) |
| Mrs. Hiroo Mirchandani | Independent Director (w.e.f. 20 September 2018) |
| Mr. Subramaniam Sai Narayana | Company Secretary |
| Mr. Jayantibhai S. Patel (JSP) | Managing Director (Dowells Cable Accessories Private Limited) |
| Ms. Divyaprabha J. Patel (DJP) | 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. Rishikesh Suresh Rajurkar | 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. 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** (₹ Million)

| Name of the director/relative | Year ended 31 March 2019 | Outstanding at the period ended 31 March 2019 | Year ended 31 March 2018 | Outstanding at the period ended 31 March 2018 |
|---|---|---|---|---|
| Mr. Girdhari T. Jaisinghani | 9.40 | 2.17 | 8.95 | 2.07 |
| Mr. Bharat A. Jaisinghani | 11.68 | 2.58 | 10.83 | 2.35 |
| Mr. Nikhil R. Jaisinghani | 11.68 | 2.58 | 10.83 | 2.35 |
| Mr. Kunal Jaisinghani | 1.27 | - | 1.20 | - |
| Mr. Nikhil Jajodia | 0.96 | - | 0.96 | - |

**(C) Rent paid**

| Name of the director/relative | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Ms. Anita Devi Jajodia | 0.44 | 0.44 |
| Mr. Nikhil Jajodia | 0.24 | 0.24 |
| Mr. Pratik Suresh Jajodia | 0.13 | 0.13 |
| Mr. Suresh Kumar Jajodia | 0.23 | 0.23 |

**(D) Expenses reimbursed**

| Name of the director/relative | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Mr. Jayantibhai S. Patel | 1.17 | 0.74 |

**(E) Repayment of expenses reimbursed**

| Name of the director/relative | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Mr. Jayantibhai S. Patel | - | 0.88 |

**(F) Contribution Received from Minority Interest for Right Issue**

| Name of the director/relative | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|---|---|
| Mr. Jayantibhai S. Patel | 18.87 | - |
| Ms. Divyaprabha J. Patel | 18.87 | - |

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**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period end are unsecured and interest free and settlement occurs in cash. The Parent Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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## 39: Related party disclosures

### (G) Remuneration of key management personnel (KMP)

**Remuneration paid for the period ended and outstanding as on 31 March 2019 to key managerial personnels**

(₹ Million)

| | 31 March 2019 | | 31 March 2018 | |
|---|---|---|---|---|
| | For the year ended | Outstanding at the period end | For the year ended | Outstanding at the year end |
| Mr. Inder T. Jaisinghani | 86.19 | 49.65 | 68.08 | 35.48 |
| Mr. Ramesh T. Jaisinghani | 28.25 | 6.52 | 29.90 | 10.48 |
| Mr. Ajay T. Jaisinghani | 28.25 | 6.52 | 29.90 | 10.48 |
| Mr. R. Ramakrishnan* | 3.58 | 1.27 | 31.20 | 8.14 |
| Mr. Shyam Lal Bajaj | 25.76 | 5.60 | 22.80 | 5.00 |
| Mr. Subramaniam Sai Narayana | 3.33 | 0.36 | 2.60 | 0.19 |
| Mr Jayantibhai S. Patel | 0.95 | 0.85 | - | - |
| Mr. Pratik Suresh Jajodia | 1.44 | - | 1.44 | 0.11 |
| Ms. Hiroo Mirchandani | 1.94 | 1.18 | - | - |
| Mr. Pradeep Narendra Poddar | 2.35 | 1.27 | - | - |
| Mr. Radhey Shyam Sharma | 2.51 | 1.35 | - | - |
| Mr. Tilokchand Punamchand Ostwal | 2.51 | 1.35 | - | - |
| **Total** | 187.06 | 75.92 | 185.92 | 69.88 |

* 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 directors are not included above.

### (H) Recovery of Share issue expense from KMP and relatives of KMP

(₹ Million)

| Particulars | Recoverable amount * |
|---|---|
| Mr.Inder T. Jaisinghani | 46.21 |
| Mr.Ramesh T. Jaisinghani | 45.82 |
| Mr.Ajay T. Jaisinghani | 45.82 |
| Mr.Girdhari T. Jaisinghani | 45.98 |
| Mr.Bharat A. Jaisinghani | 11.71 |
| Mr.Nikhil R. Jaisinghani | 11.71 |
| **Total** | 207.25 |

* exclusive of GST, since these are provisional amounts.

### (I) Payables to Related parties

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Mr Jayantibhai S. Patel | 1.27 | 0.25 |
| Mr. Nikhil Jajodia | 0.05 | 0.07 |
| Mr. Suresh Kumar Jajodia | - | 0.02 |
| Ms. Anita Devi Jajodia | - | 0.03 |
| Mr Pratik Suresh Jajodia | 0.29 | - |

### (J) Receivable from Related parties

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Mr Jayantibhai S. Patel | 50.40 | 1.50 |

### (K) Share based payments to KMP*

(₹ Million)

| Particulars | 31 March 2019 |
|---|---|
| Mr. Shyam Lal Bajaj | 5.99 |
| Mr. Subramaniam Sai Narayana | 0.75 |

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

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## 40: List of subsidiaries & joint venture

Set out below is the list of subsidiaries and joint ventures

| | Nature | Country of incorporation | Ownership interest (%) | |
|---|---|---|---|---|
| | | | 31 March 2019 | 31 March 2018 |
| Polycab Wires Italy SRL | Subsidiary | Italy | 100.00% | 100.00% |
| Tirupati Reels Private Limited | Subsidiary | India | 55.00% | 55.00% |
| Dowells Cable Accessories Private Limited | Subsidiary | India | 51.00% | 51.00% |
| Ryker Base Private Limited # | Joint Venture | India | 50.00% | 50.00% |
| Techno Electromech Private Limited @ | Joint Venture | India | 50.00% | 50.00% |

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

(a ) # Joint venture w.e.f. 31 March 2017.

(b) @ Joint venture w.e.f. 9 March 2017.

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## 41: 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. |

**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)**

(₹ Million)

| Particulars | 31 March 2019 | | | | | 31 March 2018 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Wires & Cables | FMEG | Others | Eliminations | Total | Wires & Cables | FMEG | Others | Eliminations | Total |
| **Income** | | | | | | | | | | |
| External sales | 69,295.08 | 6,432.94 | 4,637.40 | | 80,365.42 | 62,422.92 | 4,852.85 | 2,490.72 | | 69,766.49 |
| Inter segment revenue | 1,348.00 | | | (1,348.00) | - | 746.82 | | | (746.82) | - |
| **Total income** | 70,643.08 | 6,432.94 | 4,637.40 | (1,348.00) | 80,365.42 | 63,169.74 | 4,852.85 | 2,490.72 | (746.82) | 69,766.49 |
| **Segment Results** | | | | | | | | | | |
| Segment/Operating results | 8,350.62 | 74.51 | 197.93 | - | 8,623.06 | 6,407.15 | 88.30 | 80.79 | - | 6,576.24 |
| **Un-allocated items:** | | | | | | | | | | |
| Financial income | - | - | - | - | 127.90 | - | - | - | - | 27.40 |
| Finance costs | - | - | - | - | 1,167.06 | - | - | - | - | 936.80 |
| Profit before tax | | | | | 7,583.90 | | | | | 5,666.84 |
| Provision for taxation | - | - | - | - | 2,557.58 | - | - | - | - | 2,082.28 |
| Profit for the period | | | | | 5,026.32 | | | | | 3,584.56 |
| Share of profit/(loss) of joint venture (Net of tax) | - | 13.76 | (37.02) | - | (23.26) | - | 3.89 | (2.84) | - | 1.05 |
| Depreciation & Amortisation expenses | 1,319.27 | 80.70 | 14.48 | - | 1,414.45 | 1,244.59 | 74.70 | 10.24 | - | 1,329.53 |
| Total cost incurred during the year to acquire segment assets (Net of disposal) | 2,364.10 | 350.04 | 99.39 | - | 2,813.53 | 1,501.40 | 202.40 | 39.56 | - | 1,743.36 |

Other Information

( ₹ Million)

| Particulars | 31 March 2019 | | | | | 31 March 2018 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Wires & Cables | FMEG | Others | Eliminations | Total | Wires & Cables | FMEG | Others | Eliminations | Total |
| Segment assets | 41,044.74 | 4,993.78 | 6,689.52 | - | 52,728.04 | 35,244.35 | 4,226.94 | 4,013.85 | - | 43,485.14 |
| Un-allocated assets | - | - | - | - | 3,261.06 | - | - | - | - | 681.90 |
| Investment in Joint Venture | - | - | - | - | 293.85 | | | | | 314.07 |
| **Total assets** | | | | | 56,282.95 | | | | | 44,481.11 |
| Segment liabilities | 16,595.20 | 1,002.51 | 5,364.81 | - | 22,962.52 | 12,921.67 | 509.53 | 3,100.33 | - | 16,531.53 |
| Un-allocated liabilities & provisions | - | - | - | - | 4,766.63 | - | - | - | - | 4,432.90 |
| **Total liabilities** | | | | | 27,729.15 | | | | | 20,964.43 |

**(B) Secondary segment information**

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

(₹ Million)

| Particulars | 31 March 2019 | | | 31 March 2018 | | |
|---|---|---|---|---|---|---|
| | Within India | Outside India | Total | Within India | Outside India | Total |
| Segment revenue | 77,882.94 | 2,482.48 | 80,365.42 | 66,175.73 | 3,590.78 | 69,766.51 |
| Segment assets | 55,853.70 | 429.25 | 56,282.95 | 43,791.39 | 689.72 | 44,481.11 |
| Capital expenditure incurred | 2,813.53 | - | 2,813.53 | 1,743.36 | - | 1,743.36 |

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## 42: 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:

(₹ Million)

| | Carrying value | | Fair value | |
|---|---|---|---|---|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| **Financial assets at fair value through profit or loss account (FVTPL)** | | | | |
| Units of mutual funds | - | 1.40 | - | 1.40 |
| **Financial assets at amortised cost** | | | | |
| Trade receivables | 1,351.27 | 880.00 | 1,351.27 | 880.00 |
| Other financial assets | 50.88 | 61.16 | 50.88 | 61.16 |
| **Derivatives not designated as hedges** | | | | |
| Interest rate and cross currency swap | 7.40 | 3.30 | 7.40 | 3.30 |
| Total | 1,409.55 | 945.86 | 1,409.55 | 945.86 |
| **Financial liabilities** | | | | |
| Borrowings - ECB from HSBC | 691.71 | 1,084.10 | 691.71 | 1,084.10 |
| Borrowings - Term loan from Citi bank | 867.30 | 1,137.30 | 867.30 | 1,137.30 |
| Indian rupee loan from HDFC Bank | 134.47 | 94.19 | 134.47 | 94.19 |
| Embeded Derivative | 65.53 | 278.87 | 65.53 | 278.87 |
| **Derivatives not designated as hedges** | | | | |
| Foreign exchange forward contracts | 172.48 | 11.50 | 172.48 | 11.50 |
| Fair value of written put options (Refer note - 5) | 48.90 | 55.00 | 48.90 | 55.00 |
| Total | 1,980.39 | 2,660.96 | 1,980.39 | 2,660.96 |

Interest rate swaps, foreign exchange forward contracts and embeded 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 March 2019 was assessed to be insignificant.

The fair values of the mutual funds are based on NAV at the reporting date.

The fair value of interest rate swaps are based on MTM bank rates as on reporting date.

The fair value of put option is determined using Monte Carlo Simulation which assumes a Geometric Brownian Motion for the modelling equity value.
The key assumptions used for fair valuation of Put option are :-
a) Cost of Equity – 17.0% - 17.5%
b) WACC – 12.5% - 12.75%
c) Terminal growth rate – 6.0%

The group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves . All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Company's own non-performance risk. Mark-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

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## 43: Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 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 and cross currency swap | 31 March 2019 | 7.40 | - | 7.40 | - |
| **Derivative financial assets:** | | | | | |
| Foreign exchange forward contracts | 31 March 2019 | - | - | - | - |
| **Liabilities measured at fair value:** | | | | | |
| **Derivative financial liabilities :** | | | | | |
| Foreign exchange forward contracts | 31 March 2019 | 172.48 | - | 172.48 | |
| Fair value of written put options (Refer note - 5) | 31 March 2019 | 48.90 | - | - | 48.90 |

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2018:

(₹ Million)

| | Date of valuation | Total | Fair value measurement using | | |
|---|---|---|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| **Assets measured at fair value:** | | | | | |
| Units of mutual funds | 31 March 2018 | 1.40 | - | 1.40 | - |
| Interest rate and cross currency swap | 31 March 2018 | 3.30 | | 3.30 | - |
| **Derivative financial assets:** | | | | | |
| **Liabilities measured at fair value:** | | | | | |
| **Derivative financial liabilities:** | | | | | |
| Foreign exchange forward contracts | 31 March 2018 | 11.50 | - | 11.50 | - |
| Fair value of written put options (Refer note - 5) | 31 March 2018 | 55.00 | - | - | 55.00 |

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## 44: 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

### (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 March 2019, after taking into account the effect of interest rate swaps, approximately 72% of the Group's borrowings are at a fixed rate of interest (31 March 2018: 96%)

**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 March 2019** | 717.68 | | |
| Increase | | +100 | (7.18) |
| Decrease | | -100 | 7.18 |
| **31 March 2018** | 875.21 | | |
| Increase | | +100 | (8.75) |
| Decrease | | -100 | 8.75 |

### (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 | 31 March 2019 | | 31 March 2018 | |
|---|---|---|---|---|
| | Foreign currency | (₹Million) | Foreign currency | (₹Million) |
| USD | (88.78) | (6,141.26) | (68.49) | (4,455.13) |
| Euro | (0.39) | (30.46) | (3.02) | (243.60) |
| GBP | 0.58 | 52.38 | 0.12 | 11.19 |
| CHF | (0.01) | (0.74) | - | - |
| AUD | 0.24 | 12.07 | - | - |

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD, Euro, GBP and CHF 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**

(₹ million)

| Currency | 31 March 2019 | | 31 March 2018 | |
|---|---|---|---|---|
| | +2% | -2% | +2% | -2% |
| USD | (122.83) | 122.83 | (89.10) | 89.10 |
| Euro | (0.61) | 0.61 | (4.87) | 4.87 |
| GBP | 1.05 | (1.05) | 0.22 | (0.22) |
| CHF | (0.01) | 0.01 | - | - |
| AUD | 0.24 | (0.24) | - | - |

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## 44: Financial risk management objectives and policies

### (iii) Commodity price risk

The Group's exposure to price risk of copper and aluminium also arises from trade payables of the Group where the prices are linked to LME. Payment is therefore sensitive to changes in copper and aluminium prices. The trade payables are classified in the balance sheet as fair value through profit or loss. The option to fix prices are at future unfixed LME prices to hedge against potential losses in value of inventory of copper and aluminium held by the Group. With effect from 1 April 2016, the Group applies fair value hedge for the copper and aluminium purchased whose price is to be fixed in future. Therefore, there is no impact of the fluctuation in the price of the copper and aluminium on the Group's profit for the period ended 31 March 2019 to the extent of inventory on hand.

Sensitivity analysis for open contracts for the year ended 31 March 2019 and 31 March 2018 are as follows:

**Exposure of Group in respective commodities**

| | 31 March 2019 | | 31 March 2018 | |
|---|---|---|---|---|
| | Exposure in Metric Tonne | Exposure in ₹ Million | Exposure in Metric Tonne | Exposure in ₹ Million |
| Copper | 16.00 | 7.64 | 310.19 | 142.06 |
| Aluminium | 6,750.66 | 1,001.50 | - | - |

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

**Impact on profit before tax and equity**

| | 31 March 2019 | | 31 March 2018 | |
|---|---|---|---|---|
| | +2% | -2% | +2% | -2% |
| Copper | 0.15 | (0.15) | 2.84 | (2.84) |
| Aluminium | 20.03 | (20.03) | - | - |

### (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.

### (i) Trade receivables

Credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the 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)

| | < 1 year | > equal to 1 year | Total |
|---|---|---|---|
| **Year ended 31 March 2019** | | | |
| Borrowings | 1,030.71 | 889.25 | 1,919.96 |
| Other financial liabilities | 1,813.64 | - | 1,813.64 |
| Trade and other payables | 15,201.82 | - | 15,201.82 |
| | 18,046.17 | 889.25 | 18,935.42 |

(₹ million)

| | < 1 year | > equal to 1 year | Total |
|---|---|---|---|
| **Year ended 31 March 2018** | | | |
| Borrowings | 5,687.45 | 1,589.49 | 7,276.94 |
| Other financial liabilities | 1,385.84 | - | 1,385.84 |
| Trade and other payables | 9,220.87 | - | 9,220.87 |
| | 16,294.16 | 1,589.49 | 17,883.65 |

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## 45: Hedging activity and derivatives

### Fair value hedge of copper and aluminium price risk in inventory

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:

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. From 1 April 2016, the Group designates the embedded derivative in the payable for such purchases as the hedging instrument in fair value hedging of inventory. The Group designates only the spot-to-spot movement of the copper and aluminium inventory as the hedged risk. The carrying value of inventory is accordingly adjusted for the effective portion of change in fair value of hedging instrument. Hedge accounting is discontinued when the hedging instrument is settled, or when it no longer qualifies for hedge accounting or when the hedged item is sold.

Disclosure of effects of fair value hedge accounting on financial position:
Hedged item - Changes in fair value of inventory attributable to change in copper and aluminium prices.
Hedging instrument - Changes in fair value of the embedded derivative of copper and aluminium trade payables, as described above.

(₹ million)

| Commodity price risk | Carrying amount of hedged item | | Carrying amount of hedging instrument | | Maturity date | Hedge Ratio | Balance sheet classification | Effective portion of Hedge | Ineffective portion of Hedge |
|---|---|---|---|---|---|---|---|---|---|
| | Asset | Liabilities | Asset | Liabilities | | | | | |
| Hedged item - inventory of Copper and aluminium | 21.71 | - | - | - | Range within 3 months | 1:1 | Inventory | 21.71 | 32.89 |
| Hedging instrument: - Embedded derivative in trade payables of Copper and aluminium | - | - | - | 54.60 | Range within 3 months | 1:1 | Trade Payable | | |

## 46: Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 40% and 60%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(₹ million)

| | 31 March 2019 | 31 March 2018 |
|---|---|---|
| Borrowings (Refer note -15 & 19a) | 1,919.96 | 7,276.94 |
| Trade payables ( Refer note- 19b) | 15,201.82 | 9,220.87 |
| Other payables (Refer Note -19c) | 1,813.64 | 1,385.84 |
| Less: cash and cash equivalents (Refer Note 10b) | (1,790.59) | (82.32) |
| **Net debt** | **17,144.83** | **17,801.33** |
| Equity | 28,469.55 | 23,476.19 |
| Total capital | 28,469.55 | 23,476.19 |
| **Capital and net debt** | 45,614.38 | 41,277.52 |
| Gearing ratio | 38% | 43% |

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.
No changes were made in the objectives, policies or processes for managing capital during the period ended 31 March 2019 and 31 March 2018.

**47: Information for Consolidated Financial Statement pursuant to Schedule III of the Companies Act, 2013**

(₹ Million)

| Particulars | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated Total comprehensive income | Amount |
| **Parent** | | | | | | | | |
| Polycab India Limited | 98.26% | 28,061.60 | 100.20% | 5,012.48 | 89.59% | (4.39) | 100.20% | 5,008.09 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Tirupati Reels Private Limited | 0.13% | 36.48 | 0.05% | 2.35 | 0.00% | - | 0.05% | 2.35 |
| Dowells Cable Accessories Private Limited | 0.20% | 56.72 | 0.09% | 4.27 | 0.00% | - | 0.09% | 4.27 |
| **Foreign** | | | | | | | | |
| Polycab Wires Italy SRL | 0.07% | 20.90 | 0.02% | 1.19 | 10.41% | (0.51) | 0.01% | 0.68 |
| **Joint Venture** | | | | | | | | |
| Techno Electromech Private Limited | 0.31% | 88.46 | 0.28% | 13.76 | 0.00% | - | 0.28% | 13.76 |
| Ryker Base Private Limited | 0.72% | 205.39 | -0.74% | (37.02) | 0.00% | - | -0.74% | (37.02) |
| **Minority Interest in all subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Tirupati Reels Private Limited | 0.10% | 29.75 | 0.04% | 1.93 | 0.00% | - | 0.04% | 1.93 |
| Dowells Cable Accessories Private Limited | 0.19% | 54.50 | 0.07% | 4.10 | 0.00% | - | 0.07% | 4.10 |
| TOTAL | 100.00% | 28,553.80 | 100.00% | 5,003.06 | 100.00% | (4.90) | 100.00% | 4,998.16 |

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**48 : Investment and loan to subsidiary**

As at 31 March 2019, the Parent Company has investment of Euro 150,000 (₹ 10.89 million) and loan of Euro 388,276.11 (₹ 30.17 million) in Polycab Italy SRL (PWISRL), a wholly owned subsidiary company situated in Italy.

PWISRL in its financial statement had appropriated an amount of Euro 40,000 (₹ 2.80 million) from Share Capital and Euro 438,276.11 (₹ 34.06 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 Parent Company had filed a compounding application with Reserve Bank of India (RBI) in response to which RBI directed our Parent Company to comply with alternatives. Currently, the company is in the process of evaluating the alternatives directed by RBI and will be responding in due course. Considering the status, no adjustment is made in the financial statements for the year ended 31 March 2019.

**49 : Subsequent events**

The Parent Company has completed initial public offering (IPO) including fresh issue of ₹ 4,000 million comprising of 73,88,058 equity shares of ₹ 10/- each at an issue price ₹ 538/- per share and 52,009 equity shares of ₹ 10/- each at an issue price ₹ 485/- per share for employee quota. The equity shares of the Company were National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) w.e.f. 16 April 2019.

**50 : Standards issued but not effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statement are disclosed below. The Company intends to adopt these standards if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 applicable from 1 April 2019 amending the following standard:

**(i) Impact of Ind AS 116 - Leases**

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

• Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

• Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

• Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee' s incremental borrowing rate at the date of initial application or

• An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of IndAS116, the Company is proposing to use the 'Modified Retrospective Approach 'for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April1,2019). Accordingly, comparatives for the year ended 31 March 2019 will not be retrospectively adjusted.

**(ii) Amendment to existing issued Ind AS**

The MCA has also carried out amendments of the following accounting standards:
(a) Appendix C to Ind AS 12: Uncertainty over Income Tax Treatment
(b) Amendments to Ind AS 109: Prepayment Features with Negative Compensation
(c) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement
(d) Amendments to Ind AS 28: Long-term interests in associates and joint ventures
(e) Annual improvement to Ind AS (2018)
- Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation
- Amendments to Ind AS 111: Joint Arrangements
- Amendments to Ind AS 12: Income Taxes
- Amendments to Ind AS 23: Borrowing Costs

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

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**51 : Others**

Figures in balance sheet relating to previous years have been regrouped wherever necessary to make them comparable with the current year figures. Figures representing ₹ 0.00 Million is below ₹ 5,000.

As per our report of even date

**For S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per Sudhir Soni
Partner
Membership No. 41870

Place: Mumbai
Date: 14 May 2019

S R B C & CO LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
**Polycab India Limited (Formerly known as 'Polycab Wires Limited')**
**CIN : U31300DL1996PLC266483**

Inder T. Jaisinghani
Chairman & Managing Director
DIN : 00309108

Ramesh T. Jaisinghani
Whole Time Director
DIN : 00309314

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

S S Narayana
Company Secretary
Membership No. F5221

Place: Mumbai
Date: 14 May 2019

Polycab India Limited