

**Unaudited Interim Condensed
Consolidated Financial Statements**

30 June 2020





Polycab India Limited (Formerly known as 'Polycab Wires Limited')
Consolidated Financial Statements for the quarter ended 30 June 2020

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B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Report on Review of Unaudited Interim Condensed Consolidated Financial Statements

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

Introduction

We have reviewed the accompanying unaudited condensed consolidated interim financial statements of Polycab India Limited (Formerly Known as “Polycab Wires Limited”) (“the Parent”), its subsidiaries as listed in paragraph below (the Parent and its subsidiaries together referred to as ‘the Group’) and its joint ventures, which comprise the unaudited interim condensed consolidated balance sheet as at 30 June 2020, the unaudited interim condensed consolidated statement of profit and loss (including other comprehensive income) for the quarter then ended, the unaudited interim condensed consolidated statement of cash flows and the unaudited interim condensed consolidated statement of changes in equity for the period then ended and a summary of the significant accounting policies and other selected explanatory information (herein after referred to as “the Statement”). The Parent’s Board of Directors is responsible for the preparation and fair presentation of the Statement in accordance with the accounting principles generally accepted in India, including the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) 34, Interim Financial Reporting as specified under section 133 of the Companies Act, 2013 (‘the Act’) read with relevant rules issued thereunder. Our responsibility is to express a conclusion on the Statement based on our review.

The Statement includes the financial statements of the following entities:

Sr. No.	Name of the Company	Relationship
1	Dowells Cable Accessories Private Limited	Subsidiary Company
2	Polycab Wires Italy SRL	Subsidiary Company
3	Tirupati Reels Private Limited	Subsidiary Company
4	Polycab USA LLC	Subsidiary Company
5	Polycab Electricals & Electronics Private Limited	Subsidiary Company
6	Ryker Base Private Limited (upto 4 May 2020 was an Associate)	Subsidiary Company
7	Techno Electromech Private Limited	Joint Venture Company

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

Scope of Review

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

Conclusion

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

Other Matters

We did not review the interim financial statements of four subsidiary Companies included in the unaudited condensed consolidated interim financial statements, whose interim financial statements reflect the Group's share of total assets of Rs 3837.33 million as at 30 June 2020 and total revenues of Rs 251.27 million, total net loss after tax (net) of Rs 23.17 million and total comprehensive loss (net) of Rs 23.16 million, for the quarter ended 30 June 2020 and for the period from 1 April 2020 to 30 June 2020, respectively, and cash outflow (net) of Rs 2.0 million for the period from 1 April 2020 to 30 June 2020, as considered in the consolidated unaudited financial statements. The consolidated unaudited financial statements also include the Group's share of net (loss) after tax (net) of Rs 11.68 million and total comprehensive loss (net) of Rs 11.68 million for the quarter ended 30 June 2020, respectively, as considered in the Statement, in respect of one joint ventures, whose interim financial statements have not been reviewed by us. These interim financial statements have been audited by other auditors whose reports have been furnished to us by the management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on the reports of the other auditors and the procedures performed by us as stated in Scope of Review above.

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

B S R & Co. LLP

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

Other Matters (Continued)

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

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

BHAVESH H DHUPELIA
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Date: 2020.07.21
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Mumbai
21 July 2020

Bhavesh Dhupelia
Partner
Membership No: 042070
UDIN: 20042070AAAADB6371

Polycab India Limited (Formerly known as 'Polycab Wires Limited')
Unaudited Interim Condensed Consolidated Balance sheet as at 30 June 2020



(₹ million)

	Notes	As at 30 June 20	As at 31 March 20
ASSETS			
Non-current assets			
Property, plant and equipment	3	16,234.73	13,865.45
Capital work-in-progress	3	2,565.75	2,411.78
Goodwill		22.58	-
Right of use assets	4	314.43	337.92
Intangible assets	5	22.03	16.76
Investment accounted for using the equity method	6A	108.80	254.77
Financial assets			
(a) Trade receivables		1,671.50	1,660.47
(b) Loans		47.98	53.41
(c) Other financial assets		30.91	14.17
Non-current tax assets (net)		296.23	191.77
Deferred tax assets (net)		54.91	10.13
Other non-current assets		248.09	300.13
		21,617.94	19,116.76
Current assets			
Inventories	8	19,927.57	19,249.54
Financial assets			
(a) Investments	6B	3,093.39	400.00
(b) Trade receivables		12,044.35	14,336.43
(c) Cash and cash equivalents	7	2,214.02	1,721.62
(d) Bank balance other than cash and cash equivalents	8	1,074.20	1,091.45
(e) Loans		193.96	244.37
(f) Other financial assets		396.52	1,442.00
Other current assets		1,726.64	2,013.77
		40,670.65	40,499.18
Total assets		62,288.59	59,615.94
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital		1,489.33	1,488.79
(b) Other equity		38,320.41	36,875.36
		39,809.74	38,364.15
Non-controlling interests		149.53	150.00
		39,959.27	38,514.15
Liabilities			
Non-current liabilities:			
Financial liabilities			
(a) Borrowings	9A	1,464.26	106.55
(b) Other financial liabilities		279.66	301.84
Other non-current liabilities		409.90	171.24
Provisions		266.69	256.32
Deferred tax liabilities (net)		258.15	174.94
		2,678.66	1,010.89
Current liabilities:			
Financial liabilities			
(a) Borrowings	9B	2,262.94	1,114.53
(b) Trade payables	10		
Total outstanding dues of micro enterprises and small enterprises		152.92	230.00
Total outstanding dues of creditors other than micro enterprises and small enterprises		11,556.07	13,306.83
(c) Other financial liabilities		2,134.74	1,324.38
Other current liabilities		3,134.36	2,685.74
Provisions		247.37	237.81
Current tax liabilities (net)		162.26	1,191.61
		19,650.66	20,090.90
Total equity and liabilities		62,288.59	59,615.94
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	16		
Other notes to accounts	17 to 23		

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

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

BHAVESH H DHUPELJA
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Date: 2020.07.21 20:00:51
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Bhavesh Dhupelia

Partner

Membership No. 042070

Place: Mumbai

Date: 21 July 2020

For and on behalf of the Board of Directors of

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

CIN : L31300GJ1996PLC114183

INDER THAKURDAS
JAINSHINGANI
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THAKURDAS
Date: 2020.07.21 11:41:12
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Inder T. Jaisinghani

Chairman & Managing Director

DIN : 00309108

GANDHAR V TONGIA
Digitally signed by GANDHAR
V TONGIA
Date: 2020.07.21
17:36:57 +05'30'

Gandharv Tongia

Chief financial officer

Membership No. 402854

Place: Mumbai

AJAY T
JAINSHINGANI
Digitally signed by AJAY T
JAINSHINGANI
Date: 2020.07.21
17:29:26 +05'30'

Ajay T. Jaisinghani

Whole Time Director

DIN : 00276588

SHYAM
LAL BAJAJ
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LAL BAJAJ
Date: 2020.07.21
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S. L. Bajaj

Whole Time Director

DIN : 02734730

NARAYANA
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Date: 2020.07.21 11:31:31
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S. S. Narayana

Company Secretary

Membership No. F5221

Date: 21 July 2020

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



Unaudited Interim Condensed Consolidated Statement of Profit & Loss for the quarter ended 30 June 2020

(₹ million)

	Notes	Quarter ended (Unaudited) 30 June 20	Quarter ended (Unaudited) 30 June 19
INCOME			
Revenue from operations	11	9,765.95	19,513.24
Other income	12	336.28	335.59
Total Income		10,102.23	19,848.83
EXPENSES			
Cost of materials consumed		5,129.55	13,213.71
Purchases of traded goods		424.56	1,017.46
Changes in inventories of finished goods, traded goods and work-in-progress		1,262.18	(724.55)
Project Bought outs and subcontracting cost		280.80	771.44
Employee benefits expense		812.48	920.07
Finance cost	13	162.96	123.21
Depreciation and amortisation expense		442.72	384.99
Other expenses	14	1,281.61	2,078.83
Total Expenses		9,796.86	17,785.16
Profit before share of profit/(loss) of joint ventures and exceptional items		305.37	2,063.67
Share of loss of joint ventures (net of tax)		(11.68)	2.19
Profit before tax exceptional items		293.69	2,065.86
Exceptional items		97.18	-
Profit before tax		390.87	2,065.86
Income tax expenses			
Current tax		80.25	730.15
Adjustment of tax relating to earlier periods (refer note 22)		(861.07)	(1.49)
Deferred tax (credit)/charge		(3.86)	(15.53)
Total tax expense		(784.68)	713.13
Profit for the quarter		1,175.55	1,352.73
Profit for the quarter attributable to			
Equity shareholders of parent company		1,176.02	1,345.12
Non controlling interests		(0.47)	7.61
		1,175.55	1,352.73
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(6.91)	(40.12)
Income Tax relating to items that will not be reclassified to Profit or Loss		1.80	14.02
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operations		0.31	(0.30)
Designated Cash Flow Hedges		302.23	-
Income tax relating to items that will be reclassified to Profit or Loss		(76.06)	-
Other comprehensive income for the period, net of tax		221.37	(26.40)
Total comprehensive income for the period, net of tax		1,396.92	1,326.33
Total comprehensive Income attributable to			
Equity shareholders of parent company		1,397.39	1,318.72
Non controlling interests		(0.47)	7.61
		1,396.92	1,326.33
Earnings per share			
Basic (₹)	15	7.90	9.12
Diluted (₹)	15	7.87	9.12
Weighted average equity shares used in computing earnings per equity share			
Basic	15	148,915,184	147,419,520
Diluted	15	149,394,033	147,541,873
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	16		
Other notes to accounts	17 to 23		

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

As per our report of even date
For B S R & Co. LLP
 Chartered Accountants
 ICAI Firm Registration No. 101248W/W-100022

BHAVESH H
 DHUPELIA

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 DHUPELIA
 Date: 2020.07.21 20:01:22 +05'30'

Bhavesh Dhupelia
 Partner
 Membership No. 042070

Place: Mumbai
 Date: 21 July 2020

For and on behalf of the Board of Directors of
Polycab India Limited (Formerly known as 'Polycab Wires Limited')
 CIN : L31300GJ1996PLC114183

INDER
 THAKURDAS
 JAISINGHANI

Inder T. Jaisinghani
 Chairman & Managing Director
 DIN : 00309108

GANDHARV
 VTONGIA

Gandharv Tongia
 Chief financial officer
 Membership No. 402854
 Place: Mumbai

AJAY T
 JAISINGHANI

Ajay T. Jaisinghani
 Whole Time Director
 DIN : 00276588

SHYAM
 LAL BAJAJ

S. L. Bajaj
 Whole Time Director
 DIN : 02734730

NARAYANA
 SUBRAMANIAM
 MAM SAI

S. S. Narayana
 Company Secretary
 Membership No. F5221
 Date: 21 July 2020

	Equity Share Capital	Share application money pending allotment	Securities Premium	General Reserve	ESOP outstanding	Retained Earnings	Effective portion of Cash Flow Hedges	Foreign Currency translation reserve	Total other equity	Total Equity	Non Controlling Interest
As at 1 April 2019	1,412.06	-	3,057.32	614.00	149.51	23,235.23	-	1.43	27,057.49	28,469.55	84.25
Impact on account of adoption of Ind AS 116	-	-	-	-	-	(26.02)	-	-	(26.02)	(26.02)	-
Restated balance as at 1 April 2019	1,412.06	-	3,057.32	614.00	149.51	23,209.21	-	1.43	27,031.47	28,443.53	84.25
Profit after tax for the quarter						1,345.12	-	-	1,345.12	1,345.12	7.61
Other comprehensive income for the quarter, net of tax						(26.10)	-	(0.30)	(26.40)	(26.40)	-
Share-based payments to employees					63.83	-	-	-	63.83	63.83	-
Additions/(deletion) during the quarter	74.40		3,932.39						3,932.39	4,006.79	
Final equity dividend						(445.94)	-	-	(445.94)	(445.94)	
Tax on final dividend						(91.66)	-	-	(91.66)	(91.66)	
As at as at 30 June 2019	1,486.46	-	6,989.71	614.00	213.34	23,990.63	-	1.13	31,808.81	33,295.27	91.86
Profit after tax for the nine month period						6,245.45	-	-	6,245.45	6,245.45	58.00
Other comprehensive income for the period, net of tax						(12.12)	(126.49)	0.98	(137.63)	(137.63)	0.14
Share issue expense			6.79						6.79	6.79	
Share-based payments to employees					107.16				107.16	107.16	
Exercise of stock option					(79.05)						
Amount received on exercise of employee stock opt		110.27							110.27	110.27	
Additions/(deletion) during the period	2.33	(162.17)	153.05						(9.12)	(6.79)	
Interim equity dividend						(1,042.15)			(1,042.15)	(1,042.15)	
Tax on interim dividend						(214.22)			(214.22)	(214.22)	
As at 31 March 2020	1,488.79	27.15	7,149.55	614.00	241.45	28,967.59	(126.49)	2.11	36,875.36	38,364.15	150.00
Profit after tax for the quarter						1,176.02			1,176.02	1,176.02	(0.47)
Other comprehensive income for the quarter, net of tax						(5.11)	226.17	0.31	221.37	221.37	
Share-based payments to employees					33.03				33.03	33.03	
Exercise of stock option		11.22			(11.22)						
Amount received on exercise of employee stock options		15.17							15.17	15.17	
Additions/(deletion) during the quarter	0.54	(37.67)	37.13						(0.54)		
As at 30 June 2020	1,489.33	15.87	7,186.68	614.00	263.26	30,138.50	99.68	2.42	38,320.41	39,809.74	149.53

Unaudited Interim Condensed Consolidated Statement Of Cash Flows For The Quarter Ended 30 June 2020

	Quarter ended 30 June 20 30 June 20	Quarter ended 30 June 19 30 June 19
Profit before tax	390.87	2,065.86
Adjustments to reconcile profit before tax to net cash flows	230.71	389.32
Movements in working capital	3,392.70	1,949.29
Income tax paid (including TDS) (net)	(350.79)	(741.01)
Net cash flows generated from / (used in) operating activities (A)	3,041.91	3,663.46
Net cash flows generated from / (used in) investing activities (B)	(3,164.78)	(5,762.35)
Net cash flows generated from / (used in) financing activities (C)	615.28	2,801.29
Net increase / (decrease) in cash and cash equivalents (A+B+C)	492.40	702.40
Cash and cash equivalents at the beginning of the period	1721.62	1,790.59
Cash and cash equivalents at the period end - (Refer Note 7)	2,214.02	2,492.99

Corporate Information and summary of significant accounting policies

1 & 2

Contingent liabilities and commitments

16

Other notes to accounts

17 to 23

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

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

BHAVESH H
DHUPELIA

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Date: 2020.07.21 10:01:47 +05'30'

Bhavesh Dhupelia

Partner

Membership No. 042070

Place: Mumbai

Date: 21 July 2020

For and on behalf of the Board of Directors of

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

CIN : L31300GJ1996PLC114183

INDER THAKURDAS JAINSHINGANI

Inder T. Jaisinghani
Chairman & Managing Director
DIN : 00309108

AJAY T JAINSHINGANI

Ajay T. Jaisinghani
Whole Time Director
DIN : 00276588

SHYAM LAL BAJAJ

S. L. Bajaj
Whole Time Director
DIN : 02734730

GANDHAR V TONGIA

Gandharv Tongia
Chief financial officer
Membership No. 402854
Place: Mumbai

NARAYANA SUBRAMANIAM IMAM SAI

S. S. Narayana
Company Secretary
Membership No. F5221
Date: 21 July 2020

1. Corporate information

Polycab India Limited ('The Parent Company') is a public limited company (CIN : L31300GJ1996PLC114183) 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 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').

During the current period, the Registered office of the Company has been shifted to Unit 4, Plot No.105, Halol Vadodara Road, Village - Nurpura, Taluka - Halol, Panchmahal, Gujarat – 389350.

The consolidated financial statements comprise the Parent company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associate and joint ventures.

The Group is the largest manufacturer of Wires and Cables in India and fast growing player in the Fast Moving Electrical Goods (FMEG) space. The Group is also in the business of Engineering, Procurement and Construction (EPC) projects. The Group owns 25 manufacturing facilities, including a joint venture, located across the states of Gujarat, Maharashtra and Uttarakhand, and District of Daman.

2. Summary of significant accounting policies

A) Basis of preparation

The Unaudited interim condensed financial statements ('interim financial statements') have been prepared in accordance with the measurement and recognition principles of Ind AS 34 'Interim Financial Reporting', prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. Accordingly, the said interim financial statements do not include all the information required for a complete set of annual Ind AS financial statements and should be read in conjunction with the Company's latest annual Ind AS financial statements and related notes included in the Group's Annual Report for the year ended 31 March 2020. However, selected explanatory notes are included to explain events and transactions that are significant for the understanding of the changes in the Group's financial position and performance since the latest annual Ind AS financial statements.

B) Use of estimates and judgements

The preparation of the financial statements requires the use of certain critical accounting estimates and judgements. It also requires the Management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are the same as those disclosed in the Group's latest annual Ind AS financial statements for the year ended 31 March 2020.

C) Estimation of uncertainties relating to global health pandemic from COVID-19

Due to imposition of lockdown by the government authorities to prevent the spread of COVID-19, the operations of the Group were temporarily disrupted causing significant impact on business and loss of revenue. However, since the second fortnight of April-20, business operations have resumed progressively, beginning with manufacturing facilities while adhering to directives issued by the government authorities from time to time. While there is no material impact on the carrying amounts of current assets of the Company, considering the uncertainties associated with COVID-19, the Group will continue to closely monitor any material changes to future economic conditions.

D) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

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

Notes to Condensed Consolidated Financial Statements for the quarter ended 30 June 2020


3. Property, plant and equipment

The changes in the carrying value of Property, plant and equipment for the quarter ended 30 June 2020 are as follows:

(₹ million)

	Freehold land	Leasehold land	Buildings	Plant and equipments	Electrical installations	Furniture and fixtures	Office equipments	Windmill	Vehicles	Leasehold improvements	Total	Capital Work in progress
Gross carrying value (at cost)												
As at 01 April 2020	1,018.21	-	7,168.77	10,445.57	603.36	158.91	296.34	295.04	122.66	4.51	20,113.37	2,411.78
Additions on account of acquisition	292.93	-	715.96	1,544.43	96.17	23.67	41.93	-	-	-	2,715.09	47.81
Additions	1.10	-	2.33	154.65	7.90	2.44	2.57	-	3.74	-	174.73	224.52
Transfer (Refer below note c)	-	-	-	-	-	-	-	-	-	-	-	(118.36)
Disposals/Adjustments	-	-	-	(1.81)	-	-	(0.13)	-	-	-	(1.94)	-
As at 30 June 2020	1,312.24	-	7,887.06	12,142.84	707.43	185.02	340.71	295.04	126.40	4.51	23,001.25	2,565.75
Accumulated depreciation												
As at 01 April 2020	-	-	1,024.02	4,604.16	272.13	57.58	160.47	78.58	48.00	2.98	6,247.92	-
Additions on account of acquisition	-	-	28.83	60.33	9.15	2.35	8.64	-	-	-	109.30	-
Depreciation charge for the period	-	-	74.10	296.21	14.90	4.31	13.95	3.92	3.56	0.14	411.09	-
Disposals/Adjustment	-	-	-	(1.67)	-	-	(0.12)	-	-	-	(1.79)	-
As at 30 June 2020	-	-	1,126.95	4,959.03	296.18	64.24	182.94	82.50	51.56	3.12	6,766.52	-
Net carrying value												
As at 30 June 2020	1,312.24	-	6,760.11	7,183.81	411.25	120.78	157.77	212.54	74.84	1.39	16,234.73	2,565.75

3. Property, plant and equipment

The changes in the carrying value of Property, plant and equipment for the year ended 31 March 2020 are as follows:

(₹ million)

	Freehold land	Leasehold land	Buildings	Plant and equipments	Electrical installations	Furniture and fixtures	Office equipments	Windmill	Vehicles	Leasehold improvements	Total	Capital Work in progress
Gross carrying value (at cost)												
As at 01 April 2019	1,010.00	56.55	6,474.52	8,818.29	528.94	141.71	250.64	295.04	110.51	3.89	17,690.09	1,929.97
Additions	8.48	-	694.25	1,821.87	74.42	17.33	51.85	-	17.49	0.62	2,686.31	2,709.81
Transfer (Refer below note c)	-	-	-	-	-	-	-	-	-	-	-	(2,221.22)
Transition impact of Ind AS116 (Refer note g)	-	(56.55)	-	-	-	-	-	-	-	-	(56.55)	-
Disposals/Adjustments	(0.27)	-	-	(194.59)	-	(0.13)	(6.15)	-	(5.34)	-	(206.48)	(6.78)
As at 31 March 2020	1,018.21	-	7,168.77	10,445.57	603.36	158.91	296.34	295.04	122.66	4.51	20,113.37	2,411.78
Accumulated depreciation												
As at 01 April 2019	-	14.77	765.93	3,706.01	215.19	42.64	121.91	62.86	37.37	2.55	4,969.23	-
Depreciation charge for the year	-	-	258.09	1,072.68	56.94	15.02	44.28	15.72	13.48	0.43	1,476.64	-
Transition impact of Ind AS116 (Refer note g)	-	(14.77)	-	-	-	-	-	-	-	-	(14.77)	-
Disposals/Adjustment	-	-	-	(174.53)	-	(0.08)	(5.72)	-	(2.85)	-	(183.18)	-
As at 31 March 2020	-	-	1,024.02	4,604.16	272.13	57.58	160.47	78.58	48.00	2.98	6,247.92	-
Net carrying value												
As at 31 March 2020	1,018.21	-	6,144.75	5,841.41	331.23	101.33	135.87	216.46	74.66	1.53	13,865.45	2,411.78

Notes:-

- Capital work in progress includes machinery in transit Nil (31 March 2020 : ₹ 71.56 million).
- All property, plant and equipment are held in the name of the Group, except following :
 - Title deed for freehold land amounting to ₹ 24.06 million (31 March 2020: ₹ 24.06 million) are not in the name of Company. The Group has initiated process of transferring these properties in its name.
 - Title deed for freehold land amounting to ₹ 1.14 million (31 March 2020: ₹ 1.14 million) are not available.
 - Title deed is in dispute for freehold land amounting to ₹ 10.48 million (31 March 2020: ₹ 10.48 million) and is pending resolution with government authority at Gujarat. The Group has initiated the process of transferring these properties in its name.
- Various assets appearing in capital work in progress (CWIP) and capitalised during the period ended 30 June 2020 ₹ 118.36 million (31 March 2019 : ₹ 2,221.22 million) have been shown in addition in respective class of Property, Plant and equipments and as transfers in CWIP.
- Assets pledged and Hypothecated against borrowings:

There is a first pari passu charge by way of registered mortgage on specific immovable fixed assets at Halol and hypothecation of all movable fixed assets acquired on or after 1 April 2015.
- Net book value of leasehold land of ₹ 41.78 million as at 01 April 2019 were under finance lease, the same has now been transferred to ROU as per the adoption of new standard Ind AS 116 - Leases
- For capital expenditures contracted but not incurred - Refer note 16(B).

4. Right of use assets

Following are the changes in the carrying value of right of use for the quarter ended 30 June 2020

(₹ million)

	Category of ROU asset		Total
	Leasehold Land	Buildings	
Gross carrying value			
As at 01 April 2020	41.78	403.41	445.19
Transition impact of Ind AS 116	-	-	-
Additions	-	5.09	5.09
As at 30 June 2020	41.78	408.50	450.28
Accumulated depreciation			
As at 01 April 2020	0.45	106.82	107.27
Depreciation charge for the quarter	0.12	28.46	28.58
As at 30 June 2020	0.57	135.28	135.85
Net carrying value			
As at 30 June 2020	41.21	273.22	314.43

	Category of ROU asset		Total
	Leasehold Land	Buildings	
Gross carrying value			
As at 01 April 2019	-	279.72	279.72
Transition impact of Ind AS 116 (Refer note 3(e))	41.78	-	41.78
Additions	-	139.71	139.71
Disposals	-	(16.02)	(16.02)
As at 31 March 2020	41.78	403.41	445.19
Accumulated depreciation			
As at 01 April 2019	-	-	-
Depreciation charge for the year	0.45	113.24	113.69
Disposals	-	(6.42)	(6.42)
As at 31 March 2020	0.45	106.82	107.27
Net carrying value			
As at 31 March 2020	41.33	279.72	337.92

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

5. Intangible assets

The changes in the carrying value of Intangible assets for the quarter ended 30 June 2020 are as follows:

(₹ million)

	Computer Software
Gross carrying value (at cost)	
As at 01 April 2020	105.19
Additions on account of acquisition	9.87
As at 30 June 2020	115.06
Accumulated amortization	
As at 01 April 2020	88.43
Additions on account of acquisition	1.55
Amortisation charge for the period	3.05
As at 30 June 2020	93.03
Net carrying value	
As at 30 June 2020	22.03

The changes in the carrying value of Intangible assets for the year ended 31 March 2020 are as follows:

(₹ million)

	Computer Software
Gross carrying value (at cost)	
As at 01 April 2019	168.91
Additions	0.32
Disposals	(64.04)
As at 31 March 2020	105.19
Accumulated amortization	
As at 01 April 2019	133.93
Amortisation charge for the year	18.54
Disposals/ Adjustments	(64.04)
As at 31 March 2020	88.43
Net carrying value	
As at 31 March 2020	16.76

6 Investment

Business Combinations

On 6 May 2020, the Company acquired the balance 50% equity shares in Ryker Base Private Limited making it a wholly-owned subsidiary.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

The results of Ryker operations have been consolidated by the Group on a line by line basis from the acquisition date. Further, the Group has allocated purchase price on net assets acquired on provisional basis as under:

(a) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

	(₹ million)
Assets	
Tangible and Intangible assets	2,663.55
Inventories	43.44
Trade receivables	4.81
Cash and cash equivalents	103.91
Deferred Tax Asset (Net)	21.59
Other assets	90.94
	2,928.23
Liabilities	
Borrowings	(1,965.51)
Trade payables	(40.48)
Provisions	(3.08)
Other liabilities	(456.21)
	(2,465.29)
Fair value of net assets acquired	462.95
(b) Computation of Goodwill	
Consideration transferred	303.80
Put Option	(49.75)
Acquisition date fair value of any previously held equity interest in the acquiree	231.47
Fair value of net assets acquired	(462.95)
Goodwill	22.58

c) The Group previously held 50% was accounted as per equity method till 05 May 2020. Further, ₹ 97.18 million was recognised as gain on derecognition of previously held equity interest and disclosed as exceptional item in Statement of Profit and Loss account.

A Non-current investments

	Face Value Per Unit	Number	30 June 20	Number	31 March 20
Investments carried at cost (Unquoted)					
Investment in Equity Instruments of Joint Venture (Fully paid-up)					
Ryker Base Private Limited	₹ 10	26,010,000	142.37	26,010,000	205.39
Add: Share in current period profit / (loss)			(8.08)		(63.02)
Less: Step Acquisition		-26,010,000	(134.29)		
	(A)	-	-	26,010,000	142.37
Techno Electromech Private Limited	₹ 10	540,000	29.30	540,000	40.36
Add: Additional investment made	₹ 10	350,000	35.00	-	35.00
Add: Share in current period profit / (loss)			(3.60)		(11.06)
	(B)	890,000	60.70	540,000	64.30
Goodwill on acquisition	(C)		48.10		48.10
	(A+B+C)		108.80		254.77
Aggregate amount of unquoted investments - At cost			108.80		254.77

B Current Investments held for sale

	30 June 20	31 March 20
Investments measured at FVTPL (Quoted)		
Investments in Overnight Mutual Funds	3,093.39	400.00
	3,093.39	400.00
Aggregate amount of quoted investments - At market value	3,093.39	400.00

7. Cash and cash equivalents

	30 June 20	31 March 20
Cash and cash equivalents (at amortised cost)		
Balances with banks		
In current accounts	383.78	376.67
Deposits with original maturity of less than 3 months	1,828.00	1,342.60
Cash in hand	2.24	2.35
	2,214.02	1,721.62

There is no repatriation restriction with regard to cash and cash equivalents at the end of reporting period and prior periods.

8. Inventories

	30 June 20	31 March 20
Raw materials	8,837.04	6,848.39
Work-in-progress	2,155.66	2,086.44
Finished goods	7,046.95	8,053.26
Traded goods	953.94	1,294.83
Stores and spares	222.54	253.88
Packing materials	291.94	305.69
Scrap materials	183.39	136.66
Project materials for long-term contracts	236.11	270.39
	19,927.57	19,249.54

Note:- The above includes goods in transit of ₹ 3,529.65 million (31 March 2020 - ₹ 3,060.05 million)

9. Borrowings

A Borrowings- non-current

			30 June 20	31 March 20
	Rate of Interest	Tenure end date	Gross/ Carrying Value	Gross/ Carrying Value
At amortised cost				
External commercial borrowing (secured)				
Foreign currency loan from HSBC Bank (Mauritius) Limited	3 Months LIBOR + 1.65%	23 June 2020	-	251.29
Foreign currency loan from SCB		2 February 2024	1,869.29	-
Rupee loan (secured)				
Indian rupee loan from Citibank N.A.	8.80%	23 August 2021	74.81	89.78
Indian rupee loan from HDFC Bank *	9.45%	7 May 2024	117.47	114.98
			2,061.57	456.05
Less: Current maturities of long-term borrowings			(597.31)	(597.31)
			1,464.26	(141.26)

* Rate of Interest is calculated at Weighted average rate of interest.
Tenure end date is last EMI date of loan repayment schedule as on 30 June 2020.

Notes:

(a) The above loans are secured by way of

- First pari passu charge by way of registered mortgage on specific immovable fixed assets at Halol and hypothecation of all movable fixed assets acquired on or after 1 April 2015.
- Second pari passu charge by way of hypothecation of all movable fixed assets appearing in Balance Sheet as on 31 March 2015 and on all current assets of the Group.
- Charges with respect to above borrowing have been created in favour of security trustee. No separate charge created for each of the borrowing.
- Term Loan of Group's subsidiary Tirupati Reels Privat Limited (TRPL) is secured against hypothecation of a) Stock in trade both present & Future consisting of raw material, finished goods, goods in process of manufacturing and other goods, movable assets or merchandise property; b) Receivables; c) plant & Machinery both present & future; d) Fixed Deposits & e) moveable assets.

(b) Movement in borrowing schedule

	(₹ million)		
	ECB	Rupee loan	Total
As at 01 April 2020	251.29	204.76	456.05
Additions on account of acquisition	1,869.29	-	1,869.29
Less : Repayments	(252.74)	(12.48)	(265.22)
Less :Foreign exchange loss	1.45	-	1.45
	1,869.29	192.28	2,061.57

B Borrowings- current

	30 June 20	31 March 20
At amortised cost		
Buyer's Credit (Secured)	328.22	-
Cash Credit from banks (Secured)	9.01	-
Short-term loan from banks (Unsecured)	1,815.52	741.53
Packing Credit (Secured)	110.19	373.00
	2,262.94	1,114.53

Note:

The above loans are secured by way of

- Secured borrowings from banks are secured against pari passu first charge by way of hypothecation of inventories and receivables .
- 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, Daman and office building at Mumbai.
- Pari passu first charge by way of hypothecation of all movable fixed assets appearing in balance sheet as on 31 March 2015.
- Pari passu second charge by way of registered mortgage on all movable assets acquired on or after 1 April 2015.
- Charges with respect to above borrowing have been created in favour of security trustee. No separate charge has been created for each of the borrowing.

10. Trade payables

	30 June 20	31 March 20
Total outstanding dues of micro and small enterprises		
Trade payables to related parties (Refer Note - 17)	17.09	48.63
Trade payables - Others	135.83	181.37
	152.92	230.00
Total outstanding dues of creditors other than micro and small enterprises		
Acceptances - (Refer note below (a))	6,970.35	8,135.98
Other than acceptances		
Trade payables - Others (Refer note below (b))	4,382.84	5,083.10
Trade payables to related parties (Refer note - 17)	202.88	87.75
	11,556.07	13,306.83

Notes:-

- Acceptances represent amounts payable to banks on due date as per usance period of Letter of Credit (LCs) issued to raw material vendors under non-fund based working capital facility approved by Banks for the Group. The arrangements are interest-bearing. Non-fund limits are secured by first pari-passu charge over the present and future current assets of the Group.
- Others includes amount payable to vendors, employees liability and accrual of expenses that are expected to be settled in the Group's normal operating cycle or due to be settled within twelve months from the reporting date.
- For explanations on the Group's liquidity risk management processes Refer note 20 (C).

11. Revenue from operations

	30 June 20	30 June 19
	(₹ million)	
Revenue from contracts with customers		
Revenue on Sale of Products		
Finished goods	8,118.05	16,730.79
Traded goods	1,030.52	1,282.70
Revenue from Construction Contracts	432.94	963.11
	9,581.51	18,976.60
Other operating revenue		
Scrap sales	110.96	341.72
Total revenue from contracts with customers	9,692.47	19,318.32
Export incentives	20.97	11.51
Government grant	52.51	183.41
Total Revenue from operations	9,765.95	19,513.24

Notes:

(a) Disaggregated revenue information

	30 June 20	30 June 19
	(₹ million)	
Type of Goods or Services		
Wires & Cables	7,741.89	15,839.20
Fast Moving Electrical Goods (FMEG)	1,373.55	2,400.87
Copper	95.07	-
Revenue from construction contracts	432.94	963.11
Others	49.02	115.14
Total revenue from contracts with customers	9,692.47	19,318.32
Location of customer		
India	8,679.15	18,849.32
Outside India	1,013.32	469.00
Total revenue from contracts with customers	9,692.47	19,318.32
Timing of revenue recognition		
Goods transferred at a point in time	9,252.97	18,304.98
Goods and Services transferred over a period of time	439.50	1,013.34
Total revenue from contracts with customers	9,692.47	19,318.32

(b) Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

	30 June 20	30 June 19
	(₹ million)	
Total revenue from contracts with customers	9,692.47	19,318.32
Export incentives	20.97	11.51
Government grant	52.51	183.41
Other income excluding finance income	123.38	217.17
Total income as per Segment (Refer note 18)	9,889.33	19,730.41

Notes:

- (i) Export incentive includes merchandise export from India scheme (MEIS) incentives and duty drawback incentives.
- (ii) Government grant includes advance licence benefits and deferred income released to the statement of profit and loss on fulfilment of export obligation under the export promotion capital goods (EPCG) scheme.

12. Other income

	30 June 20	30 June 19
	(₹ million)	
(a) Interest income on financial assets		
Carried at amortised cost		
Bank deposits	18.28	51.53
Others *	179.95	14.66
Carried at FVTPL		
Others	1.12	0.44
(b) Income from mutual funds		
Gain on liquid/overnight mutual funds	11.36	49.52
Fair valuation on gain on overnight mutual funds	2.19	2.27
(c) Fair value gain / loss on financial instruments		
Fair valuation gain on financial asset- Unrealised**	-	155.23
(d) Other non-operating income		
Exchange differences (net)	104.23	43.99
Gain on sale of property, plant and equipment	-	1.17
Sundry balances written back	5.44	4.13
Miscellaneous income	13.71	12.65
	336.28	335.59

* Includes interest on Income Tax refund of Rs. 163.89 million.

** Gain on fair valuation of financial instruments at FVTPL includes foreign exchange fluctuation on forward contracts that did not qualify for hedge accounting and on embedded derivatives, which have been separated. For foreign exchange and interest rate hedges, ineffectiveness has not been recognised.

Polycab India Limited (Formerly known as 'Polycab Wires Limited')
Notes to Condensed Consolidated Financial Statements for the quarter ended 30 June 2020



13. Finance cost

	(₹ million)	
	30 June 20	30 June 19
Interest expense on financial liabilities at amortised cost	102.33	73.33
Interest expense on financial liabilities at FVTPL	7.10	6.95
Exchange differences regarded as an adjustment to borrowing costs	32.93	3.23
Other borrowing costs *	20.60	39.70
	162.96	123.21

* Other borrowing costs would include bank commission charges, bank guarantee charges, letter of credit charges, premium on forward contract, fair value loss/(gain) on forward contracts, other ancillary costs incurred in connection with borrowings

14. Other expenses

	(₹ million)	
	30 June 20	30 June 19
Consumption of stores and spares	130.65	134.10
Sub-contracting expenses	250.75	376.58
Power and fuel	126.31	273.26
Rent	18.86	17.54
Advertising and sales promotion	31.73	385.63
Brokerage and commission	40.29	52.20
Travelling and conveyance	18.18	69.93
Legal and professional fees	79.51	105.60
Freight & forwarding expenses	264.72	432.94
Loss on sale of property, plant and equipment	0.18	-
Loss on fair valuation of financial asset -unrealised	25.44	-
Loss on fair valuation of financial asset -realised	39.78	-
Impairment allowance for trade receivable considered doubtful	27.84	71.51
Miscellaneous expenses	227.37	159.54
	1,281.61	2,078.83

* 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. For foreign exchanges and interest rate hedges, ineffectiveness has not been recognised.

15. Earnings per share

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

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

Employee Stock Option Plan 2018

Pursuant to the resolutions passed by the Parent Company's Board on August 30, 2018 and shareholders on August 30, 2018, the Parent Company implemented the Employee Stock Option Plan 2018 for issuance of options to eligible employees which may result in issuance of Equity Shares up to 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.

(a) Basic Earnings per share

			30 June 20	30 June 19
Profit after tax	₹ in million	A	1,176.02	1,345.12
Weighted average number of equity shares for basic earning per share	Number	B	148,915,184	147,419,520
Earnings per shares - Basic (one equity share of ₹ 10 each) (not annualised)	₹ per share	(A/B)	7.90	9.12

(b) Diluted Earnings per share

			30 June 20	30 June 19
Profit after taxation	₹ in million	A	1,176.02	1,345.12
Weighted average number of equity shares for basic earning per share	Number	B	148,915,184	147,419,520
Effect of dilution				
Share options	Number	C	478,849	122,352
Weighted average number of equity shares adjusted for effect of dilution	Number	D=(B+C)	149,394,033	147,541,873
Earnings per shares- Diluted (one equity share of ₹ 10 each) (not annualised)	₹ per share	(A/D)	7.87	9.12

16. Contingent liabilities and commitments

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

	(₹ million)	
	30 June 20	31 March 20
(i) Outstanding corporate guarantees given on behalf of subsidiaries and Joint venture's	-	1,243.87
(ii) Taxation matters		
Disputed liability in respect of sales tax /VAT demand & pending sales tax/VAT forms	8.10	8.80
Disputed liability in respect of excise duty demand	26.77	86.47
Disputed liability in respect of custom duty demand	16.94	16.94
Claims made against the Company, not acknowledged as debts(Refer note (a) below)	634.21	634.21
(iii) Customs Duty on Capital goods imported under Export Promotion Capital Goods Scheme, against which export obligation is to be fulfilled	28.44	30.78
(iv) Customs Duty on Raw Materials imported under Advance License, against which export obligation is to be fulfilled	78.42	75.80

Notes:

- (a) A vendor filed a commercial suit against the Parent Company in relation to the alleged breach of three product sourcing agreement entered into between the parties. The matter is currently pending in High Court of Bombay.
- (b) 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.
- (c) The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Group believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Hon. Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. the Group will evaluate its position and act, as clarity emerges.

(B) Commitments

	(₹ million)	
	Quarter ended 30 June 20	Year ended 31 March 20
(i) Capital commitments		
(Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances))		
Towards Property, Plant and Equipment	1,303.11	1,127.98
(ii) Commitment towards Capital contribution in newly formed wholly owned subsidiary company		
Polycab Electricals & Electronics Private Limited	1.00	1.00
Polycab USA LLC	151.05	150.77

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Notes to Condensed Consolidated Financial Statements for the quarter ended 30 June 2020

17. Related party disclosure

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and settlement occurs in cash or credit as per the terms of the arrangement. For the period ended 30 June 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: ₹ 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.

(A) Enterprises where control exists

	Country of incorporation	Ownership interest (%)	
		30 June 20	31 March 20
Joint Ventures			
Ryker Base Private Limited (Ryker) **	India	-	50%
Techno Electromech Private Limited (TEPL)	India	50%	50%

** Joint venture till 05 May 2020 and became wholly own subsidiary from 06 May 2020

(B) Enterprises owned or significantly influenced by key managerial personnel

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

(C) Key management personnel**(i) Executive directors**

Mr. Inder T. Jaisinghani	Chairman and managing director
Mr. Ramesh T. Jaisinghani	Whole-time director
Mr. Ajay T. Jaisinghani	Whole-time director
Mr. Shyam Lal Bajaj *	Whole time director
Mr. Gandharv Tongia	Chief financial officer (w.e.f. 31 May 2020)
Mr. Subramaniam Sai Narayana	Company secretary and compliance officer

(ii) Non- Executive directors

Mr. R S Sharma	Independent director (w.e.f. 20 September 2018)
Mr. T P Ostwal	Independent director (w.e.f. 20 September 2018)
Mr. Pradeep Poddar	Independent director (w.e.f. 20 September 2018)
Ms. Hiroo Mirchandani	Independent director (w.e.f. 20 September 2018)

(iii) Relatives of Key management personnel

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

* Mr. Shyam Lal Bajaj resigned from CFO position w.e.f. 31 May 2020 and continues as whole time director.

(D) Transactions with group companies

		(₹ million)	
		Quarter ended 30 June 20	Quarter ended 30 June 19
(i) Sale of goods (including GST)			
Ryker Base Private Limited	Joint Venture	-	2.48
Techno Electromech Private Limited	Joint Venture	2.12	0.26
(ii) Purchase of goods (including GST)			
Techno Electromech Private Limited	Joint Venture	45.85	117.86
Dowells Elektro Werke (DEW)	Enterprises owned or significantly influenced by key managerial personnel	-	0.12
Tirupati Tradelinks Private Limited (TTPL)	-do-	10.79	37.59

Notes to Condensed Consolidated Financial Statements for the quarter ended 30 June 2020

(D) Transactions with group companies

			(₹ million)	
			Quarter ended 30 June 20	Quarter ended 30 June 19
(iii) Sub-contracting expense (including GST)				
	Ryker Base Private Limited	Joint Venture	1.34	125.04
	Techno Electromech Private Limited	Joint Venture	7.96	-
	Tirupati Tradelinks Private Limited (TTPL)	Enterprises owned or significantly influenced by key managerial personnel	0.06	0.56
(iv) Other Charges				
	Dowells Elektro Werke (DEW)	Enterprises owned or significantly influenced by key managerial personnel	-	0.01
	Dowells Electricals (DE)	-do-	1.77	-
	D J Electricals Private Limited (DJEPL)	-do-	1.52	-
(v) Rent received				
	Ryker Base Private Limited	Joint Venture	0.05	0.79
(vi) Interest received				
	Techno Electromech Private Limited	Joint Venture	3.45	3.45
(vii) Sale of Machinery (including GST)				
	Techno Electromech Private Limited	Joint Venture	26.86	40.86
(viii) Purchase of Machinery (including GST)				
	Techno Electromech Private Limited	Joint Venture	0.57	0.11
	Ryker Base Private Limited	Joint Venture	-	-
	Dowells Elektro Werke (DEW)	Enterprises owned or significantly influenced by key managerial personnel	-	0.16
(ix) Investment made				
	Techno Electromech Private Limited	Joint Venture	-	35.00
(x) Rent paid				
	AK Enterprises	Enterprises owned or significantly influenced by key managerial personnel	-	7.28

(E) Outstanding as at the period end :

			(₹ million)	
			Quarter ended 30 June 20	Year ended 31 March 20
(i) Loans				
	Techno Electromech Private Limited	Joint Venture	115.21	115.21
(ii) Trade Receivables				
	Techno Electromech Private Limited	Joint Venture	103.13	74.11
(iii) Interest accrued on loan given				
	Techno Electromech Private Limited	Joint Venture	12.56	-
(iv) Trade Payables				
	Techno Electromech Private Limited	Joint Venture	43.98	36.64
	Dowells Elektro Werke (DEW)	Enterprises owned or significantly influenced by key managerial personnel	0.81	1.26
	Dowells Electricals (DE)	-do-	0.08	0.08
	D J Electricals Private Limited (DJEPL)	-do-	0.63	1.13
	Tirupati Tradelinks Private Limited (TTPL)	-do-	17.09	48.63
(v) Security Deposits given				
	AK Enterprises	Enterprises owned or significantly influenced by key managerial personnel	6.17	6.13

Notes to Condensed Consolidated Financial Statements for the quarter ended 30 June 2020

(F) Transactions with KMP:

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

	30 June 20		30 June 19	31 March 20
	For the Quarter ended	Outstanding as at	For the quarter ended	Outstanding for the year end
Executive directors (Includes Salary, Performance Incentive and commission)				
Mr. Inder T. Jaisinghani	21.57	89.95	22.17	75.35
Mr. Ramesh T. Jaisinghani	6.20	9.57	6.94	7.50
Mr. Ajay T. Jaisinghani	6.20	9.57	6.94	7.50
Mr. Shyam Lal Bajaj	5.50	8.00	7.04	6.17
Mr. Gandharv Tongia*	1.06	2.70	NA	NA
Non- Executive directors (Includes sitting fees and commission)				
Mr. T P Ostwal	0.94	2.30	0.64	2.00
Mr. R S Sharma	0.94	2.30	0.64	2.00
Mr. Pradeep Poddar	0.86	2.30	0.56	2.00
Ms. Hiroo Mirchandani	0.78	2.30	0.56	2.00
Other (Includes Salary and Performance Incentive)				
Mr. Subramaniam Sai Narayana	0.67	0.63	2.09	0.41

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.

(ii) Share based payments to KMP*

	Quarter ended 30 June 20	Quarter ended 30 June 19
Mr. Shyam Lal Bajaj	1.67	2.56
Mr. Gandharv Tongia	0.25	NA
Mr. Subramaniam Sai Narayana	0.17	0.32

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

(iii) Amount paid/ payable to others where KMP's are interested

(₹ million)

	Nature of transaction	30 June 20		30 June 19	31 March 20
		For the quarter ended	Outstanding as at quarter end	For the quarter ended	Outstanding as at year end
Polycab Social Welfare Foundation	Donation	39.73	39.73	-	61.00
T.P. Ostwal & Associates LLP (excluding GST)	Professional fees	0.65	0.85	0.40	1.09

(G) Transactions with relatives of KMP:

Remuneration paid for the year ended and outstanding as on:

	30 June 20		30 June 19	31 March 20
	For the Quarter ended	Outstanding for the year end	For the quarter ended	Outstanding for the year end
Mr. Girdhari T. Jaisinghani	1.77	2.77	2.35	2.18
Mr. Bharat A. Jaisinghani	2.57	3.84	3.31	2.98
Mr. Nikhil R. Jaisinghani	2.57	3.84	3.31	2.98
Mr. Kunal I. Jaisinghani	0.61	0.21	0.60	0.01

18. Segment reporting

Accounting Policy

Identification of segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available.

The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment based on an analysis of various performance indicators by business segments and geographic segments.

Segment revenue and expenses:

- These has been identified to a segment on the basis of relationship to operating activities of the segment.
- The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.
- Intersegment revenue and profit is eliminated at group level consolidation.
- Finance income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Group level for segment reporting as the underlying instruments are managed on a group.

Segment assets and liabilities:

Segment assets and segment liabilities represent assets and liabilities of respective segments, however the assets and liabilities not identifiable or allocable on reasonable basis being related to enterprise as a whole have been grouped as unallocable.

The accounting policies of the reportable segments are same as that of Group's accounting policies described.

The group is organised into business units based on its products and services and has three reportable segments as follows

Wire and Cable: Manufacture and sale of wires and cables.

Fast moving electrical goods (FMEG): Fans, LED lighting and luminaires, switches, switchgears, solar products, water heaters, conduits and domestic appliances.

Copper: Manufaturing, selling and job work on Copper rods and wires

Others : It comprise of EPC business which includes design, engineering, supply of materials, survey, execution and commissioning of power distribution, rural electrification projects on a trunked basis.

18. Segment Reporting

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

(₹ million)

	30 June 20						30 June 19					
	Wires & Cables	FMEG	Copper	Others	Eliminations	Total	Wires & Cables	FMEG	Copper	Others	Eliminations	Total
Income												
External sales	7,934.95	1,377.98	95.04	481.36	-	9,889.33	16,104.03	2,400.87	-	1,225.51	-	19,730.41
Inter segment revenue	317.16	-	54.81	52.37	(424.34)	-	270.85	-	-	-	(270.85)	-
Total Income	8,252.11	1,377.98	149.85	533.73	(424.34)	9,889.33	16,374.88	2,400.87	-	1,225.51	(270.85)	19,730.41
Segment Results												
External	243.39	(55.62)	(1.59)	69.25	-	255.43	1,861.87	87.74	-	118.85	-	2,068.46
Inter segment results	0.71	-	(0.92)	2.44	(2.23)	-	-	-	-	-	-	-
Segment/Operating results	244.10	(55.62)	(2.51)	71.69	(2.23)	255.43	1,861.87	87.74	-	118.85	-	2,068.46
Un-allocated items:												
Finance income						212.90						118.42
Finance costs						162.96						123.21
Profit before tax						305.37						2,063.67
Provision for taxation						(784.68)						713.13
Profit for the year						1,090.05						1,350.54
Share of profit/(loss) of joint venture (Net of tax)	-	(3.60)	-	(8.08)	-	(11.68)	-	(6.03)	-	8.22	-	2.19
Depreciation & amortisation expenses	379.71	39.19	18.32	5.50	-	442.72	356.52	21.89	-	6.58	-	384.99
Total cost incurred during the year to acquire segment assets (net of disposal)	226.87	8.06	(8.32)	17.91	-	244.52	1,060.92	12.63	-	5.35	-	1,078.90

(B) Revenue by Geography

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

	Quarter ended 30 June 20	Quarter ended 30 June 19
Within India	8,876.01	19,261.41
Outside India	1,013.32	469.00
	9,889.33	19,730.41

(C) Segment assets

	30 June 20						31 March 20					
	Wires & Cables	FMEG	Copper	Others	Eliminations	Total	Wires & Cables	FMEG	Copper	Others	Eliminations	Total
Segment assets	41,791.07	4,409.23	3,061.35	5,988.00	-	55,249.65	43,265.39	5,379.76	-	6,287.45	-	54,932.60
Unallocated assets:												
Investment accounted for using the equity method						108.80						254.77
Current investments						3,093.39						400.00
Income tax assets (net)						277.09						191.51
Cash and cash equivalents and bank balance other than cash and cash equivalents						2,832.95						2,412.75
Loans						542.86						250.04
Public issue expense						22.58						-
Other unallocable assets						161.27						1,174.27
Total assets						62,288.59						59,615.94

(D) Segment liabilities

	30 June 20						31 March 20					
	Wires & Cables	FMEG	Copper	Others	Eliminations	Total	Wires & Cables	FMEG	Copper	Others	Eliminations	Total
Segment liabilities	11,851.98	1,156.72	2,205.71	3,940.17	-	19,154.58	13,186.76	1,587.47	-	3,093.76	-	17,867.99
Unallocated liabilities:												
Borrowings (Non-Current and Current, including Current Maturity)						2,315.24						1,455.60
Current tax liabilities (net)						158.20						1,184.20
Deferred tax liabilities (net)						244.99						174.00
Other unallocable liabilities						456.31						420.00
						22,329.32						21,101.79

(E) Non-current assets by Geography

The total of non-current assets excluding financial assets and deferred tax assets analysed by the country in which assets are located are given below:

	Quarter ended 30 June 20	Quarter ended 31 March 20
Within India	21,617.68	19,109.30
Outside India	0.26	7.46
	21,617.94	19,116.76

19. Financial Instruments and Fair Value measurements

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

	Carrying value		Fair value	
	30 June 20	31 March 20	30 June 20	31 March 20
(₹ million)				
Financial assets				
Measured at amortised cost				
Investment in Joint Venture	108.80	254.77	108.80	254.77
Trade receivables	13,715.85	15,996.90	13,715.85	15,996.90
Cash and cash equivalents	2,214.02	1,721.62	2,214.02	1,721.62
Bank balance other than cash and cash equivalents (refer note j)	1,074.20	1,091.45	1,074.20	1,091.45
Loans	241.94	297.78	241.94	297.78
Other financial assets	324.25	371.63	324.25	371.63
Measured at fair value through profit or loss account (FVTPL)				
Investment in mutual funds	3,093.39	400.00	3,093.39	400.00
Derivative Assets	103.18	1,084.54	103.18	1,084.54
	20,875.63	21,218.69	20,875.63	21,218.69
Financial liabilities				
Measured at amortised cost				
Borrowings - long term including current maturities and short term	4,324.51	1,570.58	4,324.51	1,570.58
Trade payables	11,708.99	13,536.83	11,708.99	13,536.83
Creditors for capital expenditure	219.87	275.53	219.87	275.53
Obligations under lease	310.21	331.55	310.21	331.55
Fair value of corporate guarantee	-	11.21	-	11.21
Other financial liabilities	474.92	425.92	475.70	455.63
Measured at fair value through profit or loss account (FVTPL)				
Derivative liabilities	812.09	232.51	812.09	232.51
	17,850.59	16,384.13	17,851.37	16,413.84

- (a) Interest rate swaps, foreign exchange forward contracts and embedded commodity derivative are valued using valuation techniques, which employ the use of market observable inputs (closing rates of foreign currency and commodities).
- (b) Embedded foreign currency and commodity derivatives are measured similarly to the foreign currency forward contracts and commodity derivatives. The embedded derivatives are commodity and foreign currency forward contracts which are separated from purchase contracts.
- (c) The management assessed that cash and cash equivalents, trade receivables, trade payables, short-term borrowings, loans to related party, loans to employees, short term security deposit and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- (d) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.
- (e) Fixed-rate and variable-rate loans are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- (f) The fair values of the mutual funds are based on NAV at the reporting date.
- (g) The fair value of interest rate swaps are based on MTM bank rates as on reporting date.
- (h) The fair value of put option is determined using Monte Carlo Simulation which assumes a Geometric Brownian Motion for the modelling equity value.
- (i) The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.
- (j) ₹ 1,000 million (31 March 2020: ₹ 1,000 million) is restricted for withdrawal, considering it is lien against project specific advance.

19. Financial Instruments and Fair Value measurements

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 30 June 2020 :

(₹ million)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Units of mutual funds	30 June 20	3,093.39	3,093.39	-	-
Derivative Assets					
Commodity contracts	30 June 20	93.22	-	93.22	-
Forward Contract	30 June 20	2.43	-	2.43	-
Interest rate and cross currency swap	30 June 20	7.53	-	7.53	-
Liabilities measured at fair value:					
Derivative liabilities :					
Embedded derivatives	30 June 20	811.54	-	811.54	-
Foreign exchange forward contract	30 June 20	0.55	-	0.55	-

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:					
Units of mutual funds	31 Mar 20	400.00	400.00	-	-
Derivative Assets					
Embedded derivatives	31 Mar 20	1,075.35	-	1,075.35	-
Interest rate and cross currency swap	31 Mar 20	9.19	-	9.19	-
Liabilities measured at fair value:					
Derivative liabilities :					
Commodity contracts	31 Mar 20	169.03	-	169.03	-
Foreign exchange forward contract	31 Mar 20	13.73	-	13.73	-
Fair value of written put options	31 Mar 20	49.75	-	-	49.75

There is no transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. Timing of transfer between the levels determined based on the following:

- (a) the date of the event or change in circumstances that caused the transfer
- (b) the beginning of the reporting period
- (c) the end of the reporting period

20. 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's focus is to foresee the unpredictability and minimize potential adverse effects on the Group's financial performance. The Group's overall risk management procedures to minimise the potential adverse effects of financial market on the Group's performance are as follows:

(A) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Notes to Condensed Consolidated Financial Statements for the quarter ended 30 June 2020

20. Financial Risk Management Objectives And Policies

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 30 June 2020, after taking into account the effect of interest rate swaps, approximately 81% of the Group's borrowings are at a fixed rate of interest (31 March 2020: 53%).

Interest rate sensitivity

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

	Exposure to interest rate risk (Principal amount of loan)	Increase/ decrease in basis points	Effect on profit before tax
	(₹ million)		
30 June 20	800.08		
Increase		+100	(8.00)
Decrease		-100	8.00
31 Mar 20	741.53		
Increase		+100	(7.42)
Decrease		-100	7.42

(ii) Foreign currency risk

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

Derivative financial instruments

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

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

Currency	Currency Symbol	30 June 20		31 March 20	
		Foreign currency	Indian Rupees	Foreign currency	Indian Rupees
United States Dollar	USD	(100.98)	(7,626.89)	(57.85)	(4,361.17)
EURO	Euro	0.44	37.27	0.36	30.18
Pound	GBP	(0.06)	(5.14)	0.16	15.32
Swiss Franc	CHF	-	-	0.02	1.75
Chinese Yuan	CNY	0.55	5.85	0.55	5.82
Australian Dollar	AUD	0.02	1.03	2.19	101.46

Figures shown in bracket represent payable.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, Euro, GBP, CHF, CNY and AUD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Group's exposure to foreign currency changes for all other currencies is not material. Sensitivity due to unhedged Foreign Exchange Exposures is as follows:

Impact on profit before tax and equity

Currency	Currency Symbol	30 June 20		31 March 20	
		-2%	+2%	-2%	+2%
United States Dollar	USD	(152.54)	152.54	(87.22)	87.22
EURO	Euro	0.75	(0.75)	0.60	(0.60)
Pound	GBP	(0.10)	0.10	0.31	(0.31)
Swiss Franc	CHF	-	-	0.04	(0.04)
Chinese Yuan	CNY	0.12	(0.12)	0.12	(0.12)
Australian Dollar	AUD	0.02	(0.02)	2.03	(2.03)

Figures shown in bracket represent payable.

20. Financial Risk Management Objectives And Policies

(iii) Commodity price risk

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

- Trade payables of the Group where the prices are linked to LME prices. Payment is therefore sensitive to changes in copper and aluminium prices quoted on LME. The trade payables are classified in the balance sheet as fair value through profit or loss. The option to fix prices at future LME prices works as a natural hedge against the movement in value of inventory of copper and aluminium held by the Group. The Group also takes Sell LME positions to hedge the price risk on Inventory due to ongoing movement in rates quoted on LME. The Group applies fair value hedge to protect its copper and aluminium Inventory from the ongoing movement in rates.
- Purchases of copper and aluminium which results in exposure to price risk due to ongoing movement in rates quoted on LME which affects the profitability and financial position of the Group. The risk management strategy is to use the Buy future contracts linked to LME to hedge the variation in cash flows of highly probable future purchases. There are no outstanding buy future contracts link to LME as of 30 June 2020 and 31 March 2020.

Sensitivity analysis for unhedged exposure for the year ended 31 March 2020 are as follows:

Exposure of Company in Inventory

Metal	30 June 20				31 March 20			
	Exposure in Metric Tonne	Exposure in ₹ million	Impact in Profit before tax		Exposure in Metric Tonne	Exposure in ₹ million	Impact in Profit before tax	
			+2%	-2%			+2%	-2%
Aluminium	4,821.05	673.29	13.47	(13.47)	6,133.91	868.63	17.37	(17.37)

(₹ million)

(B) Credit risk

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

Trade receivables

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 Company's historical data of delay in collection of amounts due from customers and default by the customers along with management's estimates.

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

(C) Liquidity risk

The Group's principle sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its current requirements.

Further, the Group manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalents position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. Surplus funds not immediately required are invested in certain financial assets (including mutual funds) which provide flexibility to liquidate at short notice and are included in current investments and cash equivalents. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required, which are reviewed periodically.

The Group has developed appropriate internal control systems and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and availability of alternative sources for additional funding, if required.

Corporate guarantees given on behalf of Group Companies might affect the Liquidity of the Group if they are payable. However, the Group has adequate liquidity to cover the risk.

Maturity Analysis

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

	30 June 20			31 March 20		
	< 1 year	> equal to 1 year	Total	< 1 year	> equal to 1 year	Total
Non-derivatives						
Borrowings	2,262.94	1,464.26	3,727.20	1,114.53	106.55	1,221.08
Other financial liabilities	2,134.74	279.66	2,414.40	1,324.38	301.84	1,626.22
Trade payables	11,708.99	-	11,708.99	13,536.83	-	13,536.83
	16,106.67	1,743.92	17,850.59	15,975.74	408.39	16,384.13

(₹ million)

21. Hedging activity and derivatives

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

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

(ii) To use the Sell future contracts linked with LME to hedge the fair value risk associated with inventory of copper and aluminium. Once the purchases are concluded and its final price is determined, the Group starts getting exposed to price risk of these inventory till the time it is not been sold. The Group's policy is to designate the copper and aluminium inventory which are already priced and which is not been sold at that point in time in a hedging relationship against Sell LME future positions based on the risk management strategy of the Group. The hedged risk is movement in spot rates.

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

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

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

Hedged item:

Changes in fair value of inventory attributable to change in copper and aluminium prices.

Hedging instrument:

Changes in fair value of the embedded derivative of copper and aluminium trade payables/ derivative, as described above.

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

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

21. Hedging activity and derivatives

(₹ million)

	Commodity price risk	Carrying amount			Maturity date	Hedge Ratio	Balance sheet classification	Effective portion of Hedge	Ineffective portion of Hedge
		Asset	Liabilities	Equity					
Fair Value Hedge									
Hedged item	Inventory of Copper and aluminium	866.09	-	-		1:1	Inventory		
Hedging instrument	Embedded derivative in trade payables of Copper and aluminium	-	-	(144.64)		1:1	Current financial assets		
								1,010.73	(3.24)
Cash Flow Hedge									
Hedged item	Highly probable forecasted purchases	-	(811.42)	-	Range within 1 to 6 months	1:1	Cash flow hedge Reserve		
Hedging instrument	Buy Derivative Position	-	132.18	-		1:1	Current financial liabilities		
	Sell Derivative Position	-	-38.97	-		1:1	Current financial liabilities		

The following table presents details of amounts held in effective portion of Cash Flow Hedge and the period during which these are going to be released and affecting Statement of profit and Loss

Commodity Price risk	As at 30th June 2020			
	Cash Flow hedge release to P&L			
	Less than 3 Months	3 Months to 6 Months	6 Months to 12 Months	Total
Forward Buy Contract	33.78	98.40	-	132.18
Forward Sales Contract	18.80	20.17	-	38.97

21. Hedging activity and derivatives

As at 31 March 2020 (₹ million)

	Commodity price risk	Carrying amount			Maturity date	Hedge Ratio	Balance sheet classification	Effective portion of Hedge	Ineffective portion of Hedge
		Asset	Liabilities	Equity					
Fair Value Hedge									
Hedged item	Inventory of Copper and aluminium	(852.14)	-	-		1:1	Inventory		
Hedging instrument	Embedded derivative in trade payables of Copper and aluminium	-	(1,075.35)	-		1:1	Current financial assets		
Cash Flow Hedge									
Hedged item	Highly probable forecasted purchases	-	-	(169.03)	Range within 1 to 6 months	1:1	Cash flow hedge Reserve	(852.14)	(223.21)
Hedging instrument	Buy Derivative Position	-	169.03	-		1:1	Current financial liabilities		
	Sell Derivative Position	-	-	-		1:1	Current financial liabilities		

The following table presents details of amounts held in effective portion of Cash Flow Hedge and the period during which these are going to be released and affecting Statement of profit and Loss

As at 31 March 2020

Cash Flow hedge release to P&L				
	Less than 3 Months	3 Months to 6 Months	6 Months to 12 Months	Total
Commodity Price risk				
Forward Buy Contract	64.49	85.30	19.24	169.03

22. During the current quarter, the Parent Company has received a favourable order from Honourable Income-Tax Appellate Tribunal for AY 2012-13 to 2015-16 resulting into write back of income-tax provision of ₹ 839.52 million and recognition of interest on income tax refund of ₹ 163.89 million.

23. Others

The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable. Figures representing ₹ 0.00 million are below ₹ 5,000.

As per our report of even date
For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

BHAVESH H
DHUPELIA

Digitally signed by BHAVESH H
DHUPELIA
Date: 2020.07.21 19:32:26 +05'30'

Bhavesh Dhupelia
Partner
Membership No. 042070

Place: Mumbai
Date: 21 July 2020

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

INDER THAKURDAS JAISINGHANI

Digitally signed by INDER THAKURDAS JAISINGHANI
Date: 2020.07.21 17:42:49 +05'30'

Inder T. Jaisinghani
Chairman & Managing Director
DIN : 00309108

GANDHAR V TONGIA

Digitally signed by GANDHAR V TONGIA
Date: 2020.07.21 17:38:16 +05'30'

Gandharv Tongia
Chief financial officer
Membership No. 402854
Place: Mumbai

AJAY T JAISINGHANI

Digitally signed by AJAY T JAISINGHANI
Date: 2020.07.21 17:30:31 +05'30'

Ajay T. Jaisinghani
Whole Time Director
DIN : 00276588

SHYAM LAL BAJAJ

Digitally signed by SHYAM LAL BAJAJ
Date: 2020.07.21 17:28:21 +05'30'

S. L. Bajaj
Whole Time Director
DIN : 02734730

NARAYANA SUBRAMANI MAM SAI

Digitally signed by NARAYANA SUBRAMANI MAM SAI
Date: 2020.07.21 17:28:08 +05'30'

S. S. Narayana
Company Secretary
Membership No. F5221
Date: 21 July 2020

Unaudited Interim Condensed Standalone Financial Statements

30 June 2020





**Polycab India Limited (Formerly known as 'Polycab Wires Limited')
Standalone Financial Statements for the quarter ended 30 June 2020**

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B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Report on Review of Unaudited Interim Condensed Standalone Financial Statements

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

We have reviewed the accompanying unaudited interim condensed standalone financial statements of Polycab India Limited (Formerly Known as “Polycab Wires Limited”) (“the Company”), which comprise the unaudited interim condensed standalone balance sheet as at 30 June 2020, the unaudited interim condensed standalone statement of profit and loss (including other comprehensive income) for the quarter ended on that date, the unaudited interim condensed standalone statement of cash flows and the unaudited interim condensed standalone statement of changes in equity for the quarter ended on that date and notes to the unaudited interim condensed standalone financials, including a summary of the significant accounting policies and other selected explanatory information (herein after referred to as “the Statement”). The Company’s Board of Directors is responsible for the preparation and fair presentation of the Statement in accordance with the accounting principles generally accepted in India, including the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) 34, Interim Financial Reporting as specified under section 133 of the Companies Act, 2013 (‘the Act’) read with relevant rules issued thereunder. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of Review

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

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

Conclusion

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

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

BHAVESH H DHUPELIA
Digitally signed
by BHAVESH H
DHUPELIA
Date: 2020.07.21
19:36:15 +05'30'

Bhavesh Dhupelia
Partner

Mumbai
21 July 2020

Membership No: 04 2070
UDIN: 20042070AAAADD6447

Polycab India Limited (Formerly known as 'Polycab Wires Limited')
Unaudited Interim Condensed Standalone Balance sheet as at 30 June 2020



(₹ million)

	Notes	As at 30 June 20	As at 31 March 20
ASSETS			
Non-current assets			
Property, plant and equipment	3	13,334.26	13,599.01
Capital work-in-progress	3	2,512.68	2,409.71
Right of use assets	4	311.68	334.99
Intangible assets	5	13.97	16.76
Financial assets			
(a) Investment in Subsidiaries	6A	617.37	83.29
(b) Investment in Joint Venture	6A	105.20	378.65
(c) Trade receivables		1,671.50	1,660.47
(d) Loans		46.56	52.02
(e) Other financial assets		-	3.44
Non-current tax assets (net)		277.09	191.51
Other non-current assets		246.52	299.87
		19,136.83	19,029.72
Current assets			
Inventories	8	19,484.93	19,063.20
Financial assets			
(a) Investments	6B	3,093.39	400.00
(b) Trade receivables		12,327.17	14,394.00
(c) Cash and cash equivalents	7	2,090.92	1,700.43
(d) Bank balance other than cash and cash equivalents		1,072.95	1,070.15
(e) Loans		496.30	198.02
(f) Other financial assets		395.61	1,441.85
Other current assets		1,585.23	1,984.73
		40,546.50	40,252.38
Total assets		59,683.33	59,282.10
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital		1,489.33	1,488.79
(b) Other equity		38,305.53	36,914.10
		39,794.86	38,402.89
Liabilities			
Non-current liabilities:			
Financial liabilities			
(a) Borrowings	9A	14.96	29.93
(b) Other financial liabilities		276.91	298.89
Other non-current liabilities		159.35	171.24
Provisions		263.03	255.76
Deferred tax liabilities (net)		244.99	173.55
		959.24	929.37
Current liabilities:			
Financial liabilities			
(a) Borrowings	9B	2,240.43	1,114.53
(b) Trade payables	10		
Total outstanding dues of micro enterprises and small enterprises		130.83	178.29
Total outstanding dues of creditors other than micro enterprises and small enterprises		11,455.16	13,268.82
(c) Other financial liabilities		1,583.50	1,283.95
Other current liabilities		3,113.94	2,682.24
Provisions		247.17	237.81
Current tax liabilities (net)		158.20	1,184.20
		18,929.23	19,949.84
Total equity and liabilities		59,683.33	59,282.10
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	16		
Other notes to accounts	17 to 23		

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

BHAVESH H
DHUPELIA

Digitally signed by BHAVESH H
DHUPELIA
Date: 2020.07.21 20:03:17 +05'30'

Bhavesh Dhupelia
Partner
Membership No. 042070

Place: Mumbai
Date: 21 July 2020

For and on behalf of the Board of Directors of
Polycab India Limited (Formerly known as 'Polycab Wires Limited')
CIN : L31300GJ1996PLC114183

INDER THAKURDAS
JAISINGHANI

Digitally signed by
INDER THAKURDAS
JAISINGHANI
Date: 2020.07.21 16:06:46
+05'30'

Inder T. Jaisinghani
Chairman & Managing Director
DIN : 00309108

GANDHAR
V TONGIA

Digitally signed by
GANDHAR V TONGIA
Date: 2020.07.21
16:02:11 +05'30'

Gandharv Tongia
Chief Financial Officer
Membership No. 402854
Place: Mumbai

AJAY T
JAISINGHANI

Digitally signed by
AJAY T JAISINGHANI
Date: 2020.07.21
16:04:02

Ajay T. Jaisinghani
Whole Time Director
DIN : 00276588

SHYAM
LAL BAJAJ

Digitally signed by
SHYAM LAL BAJAJ
Date: 2020.07.21
17:22:46 +05'30'

S. L. Bajaj
Whole Time Director
DIN : 02734730

NARAYANA
SUBRAMANIAM
AM SAI

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NARAYANA
SUBRAMANIAM
AM SAI
Date: 2020.07.21
16:02:11 +05'30'

S. S. Narayana
Company Secretary
Membership No. F5221
Date: 21 July 2020



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

Unaudited Interim Condensed Standalone Statement of Profit & Loss For The Quarter Ended 30 June 2020

(₹ million)

	Notes	Quarter ended (Unaudited) 30 June 20	Quarter ended (Unaudited) 30 June 19
INCOME			
Revenue from operations	11	9,922.24	19,398.10
Other income	12	342.97	334.39
Total Income		10,265.21	19,732.49
EXPENSES			
Cost of materials consumed		5,129.06	13,162.40
Purchases of traded goods		416.40	1,017.46
Changes in inventories of finished goods, traded goods and work-in-progress		1,463.05	(728.40)
Project Bought outs and subcontracting cost		280.80	771.44
Employee benefits expense		794.54	908.90
Finance cost	13	133.07	120.10
Depreciation and amortisation expense		419.30	380.05
Other expenses	14	1,279.57	2,059.31
Total Expenses		9,915.79	17,691.26
Profit before tax		349.42	2,041.23
Income tax expenses			
Current tax		90.63	725.25
Adjustment of tax relating to earlier periods (refer note 22)		(861.07)	(1.49)
Deferred tax (credit)/charge		(2.90)	(17.62)
Total tax expenses		(773.34)	706.14
Profit for the period		1,122.76	1,335.09
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(6.83)	(40.12)
Income Tax relating to items that will not be reclassified to Profit or Loss		1.72	14.02
Items that will be reclassified to profit or loss			
Designated Cash Flow Hedges		302.23	-
Income tax relating to items that will be reclassified to Profit or Loss		(76.06)	-
Other comprehensive income for the period, net of tax		221.06	(26.10)
Total comprehensive income for the period, net of tax		1,343.82	1,308.99
Earnings per share			
Basic (₹)	15	7.54	9.06
Diluted (₹)	15	7.52	9.05
Weighted average equity shares used in computing earnings per equity share			
Basic	15	148,915,184	147,419,520
Diluted	15	149,394,033	147,541,872
Corporate information and summary of significant accounting policies	1 & 2		
Contingent liabilities and commitments	16		
Other notes to accounts	17 to 23		

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

BHAVESH H DHUPELIA
Digitally signed by
BHAVESH H DHUPELIA
Date: 2020.07.21
20:03:43 +05'30'

Bhavesh Dhupelia
Partner
Membership No. 042070

Place: Mumbai
Date: 21 July 2020

For and on behalf of the Board of Directors of
Polycab India Limited (Formerly known as 'Polycab Wires Limited')
CIN : L31300GJ1996PLC114183

INDER THAKURDAS JAISINGHANI
Digitally signed by
INDER THAKURDAS
JAISINGHANI
Date: 2020.07.21
16:42:29 +05'30'

Inder T. Jaisinghani
Chairman & Managing Director
DIN : 00309108

GANDHAR V TONGIA
Digitally signed by
GANDHAR V TONGIA
Date: 2020.07.21
16:43:39 +05'30'

Gandharv Tongia
Chief financial officer
Membership No. 402854
Place: Mumbai

AJAY T JAISINGHANI
Digitally signed by
AJAY T JAISINGHANI
Date: 2020.07.21
17:00:43 +05'30'

Ajay T. Jaisinghani
Whole Time Director
DIN : 00276588

SHYAM LAL BAJAJ
Digitally signed by
SHYAM LAL
BAJAJ
Date: 2020.07.21
17:23:33 +05'30'

S. L. Bajaj
Whole Time Director
DIN : 02734730

NARAYANA SUBRAMANIAM
Digitally signed by
NARAYANA
SUBRAMANIAM
Date: 2020.07.21
16:52:01 +05'30'

S. S. Narayana
Company Secretary
Membership No. F5221
Date: 21 July 2020

Polycab India Limited (Formerly known as 'Polycab Wires Limited')
Unaudited Interim Condensed Standalone Statement of Changes in Equity For The Quarter Ended 30 June 2020



(₹ million)

	Equity Share Capital	Share application money pending allotment	Capital Reserve	Securities Premium	General Reserve	ESOP outstanding	Retained Earnings	Effective portion of Cash Flow Hedges	Total other equity	Total Equity
As at 31 March 2019	1,412.06	-	0.13	3,057.32	650.69	149.51	23,219.73	-	27,077.38	28,489.44
Impact on account of adoption of Ind AS 116	-	-	-	-	-	-	(25.29)	-	(25.29)	(25.29)
Restated balance as at 1 April 2019	1,412.06	-	0.13	3,057.32	650.69	149.51	23,194.44	-	27,052.09	28,464.15
Profit after tax for the quarter	-	-	-	-	-	-	1,335.09	-	1,335.09	1,335.09
Other comprehensive income for the quarter, net of tax	-	-	-	-	-	-	(26.10)	-	(26.10)	(26.10)
Share-based payments to employees	-	-	-	-	-	63.83	-	-	63.83	63.83
Additions/(deletion) during the quarter	74.40	-	-	3,932.39	-	-	-	-	3,932.39	4,006.79
Final equity dividend	-	-	-	-	-	-	(445.94)	-	(445.94)	(445.94)
Tax on final dividend	-	-	-	-	-	-	(91.66)	-	(91.66)	(91.66)
As at as at 30 June 2019	1,486.46	-	0.13	6,989.71	650.69	213.34	23,965.83	-	31,819.70	33,306.16
Profit after tax for the nine months	-	-	-	-	-	-	6,274.45	-	6,274.45	6,274.45
Other comprehensive income for the nine months, net of tax	-	-	-	-	-	-	(12.29)	(126.49)	(138.78)	(138.78)
Share issue expense	-	-	-	6.79	-	-	-	-	6.79	6.79
Share-based payments to employees	-	-	-	-	-	107.16	-	-	107.16	107.16
Exercise of stock option	-	79.05	-	-	-	(79.05)	-	-	-	-
Amount received on exercise of employee stock options	-	110.27	-	-	-	-	-	-	110.27	110.27
Additions/(deletion) during the nine months	2.33	(162.17)	-	153.05	-	-	-	-	(9.12)	(6.79)
Interim equity dividend	-	-	-	-	-	-	(1,042.15)	-	(1,042.15)	(1,042.15)
Tax on interim dividend	-	-	-	-	-	-	(214.22)	-	(214.22)	(214.22)
As at 31 March 20	1,488.79	27.15	0.13	7,149.55	650.69	241.45	28,971.62	(126.49)	36,914.10	38,402.89
Profit after tax for the quarter	-	-	-	-	-	-	1,122.71	-	1,122.71	1,122.71
Other comprehensive income for the quarter, net of tax	-	-	-	-	-	-	(5.11)	226.17	221.06	221.06
Share-based payments to employees	-	-	-	-	-	33.03	-	-	33.03	33.03
Exercise of stock option	-	11.22	-	-	-	(11.22)	-	-	-	-
Amount received on exercise of employee stock options	-	15.17	-	-	-	-	-	-	15.17	15.17
Additions/(deletion) during the quarter	0.54	(37.67)	-	37.13	-	-	-	-	(0.54)	-
As at 30 June 20	1,489.33	15.87	0.13	7,186.68	650.69	263.26	30,089.22	99.68	38,305.53	39,794.86

Unaudited Interim Condensed Standalone Statement of Cash Flows For The Quarter Ended 30 June 2020

(₹ million)

	Quarter ended 30 June 20 (Unaudited)	Quarter ended 30 June 19 (Unaudited)
Profit before tax	349.42	2,041.23
Adjustments to reconcile profit before tax to net cash flows	259.2	312.08
Movements in working capital	2854.58	2,059.71
Income tax paid (including TDS) (net)	(341.14)	(737.94)
Net cash flows generated from / (used in) operating activities (A)	3122.06	3,675.08
Net cash flows generated from / (used in) investing activities (B)	(3,454.59)	(5,829.94)
Net cash flows generated from / (used in) financing activities (C)	723.02	2,828.83
Net increase / (decrease) in cash and cash equivalents (A+B+C)	390.49	673.97
Cash and cash equivalents at the beginning of the period	1700.43	1,777.44
Cash and cash equivalents at the period end - (Refer Note 7)	2,090.92	2,451.41
Corporate Information and summary of significant accounting policies	1 & 2	
Contingent liabilities and commitments	16	
Other notes to accounts	17 to 23	

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

BHAVESH H DHUPELIA
Digitally signed by BHAVESH H DHUPELIA
Date: 2020.07.21 20:04:06 +05'30'

Bhavesh Dhupelia

Partner

Membership No. 042070

Place: Mumbai

Date: 21 July 2020

For and on behalf of the Board of Directors of

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

CIN : L31300GJ1996PLC114183

INDER THAKURDAS JAISINGHANI
Digitally signed by Inder T. Jaisinghani
Date: 2020.07.21 17:23:07 +05'30'

Inder T. Jaisinghani

Chairman & Managing Director

DIN : 00309108

GANDHAR V TONGIA
Digitally signed by Gandhar V. Tongia
Date: 2020.07.21 17:23:07 +05'30'

Gandharv Tongia

Chief financial officer

Membership No. 402854

Place: Mumbai

AJAY T JAISINGHANI
Digitally signed by Ajay T. Jaisinghani
Date: 2020.07.21 17:23:07 +05'30'

Ajay T. Jaisinghani

Whole Time Director

DIN : 00276588

SHYAM LAL BAJAJ
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Date: 2020.07.21 17:23:07 +05'30'

S. L. Bajaj

Whole Time Director

DIN : 02734730

NARAYANA SUBRAMANIAM SAI
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Date: 2020.07.21 17:23:07 +05'30'

S. S. Narayana

Company Secretary

Membership No. F5221

Date: 21 July 2020

1. Corporate information

Polycab India Limited (the "Company") (CIN - L31300GJ1996PLC114183) was incorporated as 'Polycab Wires Private Limited' on 10 January 1996 at Mumbai as a private limited company under the Companies Act, 1956. The Company became a deemed public limited company under Section 43A(1) of the Companies Act, 1956, and the word 'private' was struck off from the name of the Company with effect from 30 June 2000. Thereafter, the Company was converted into a private limited company under section 43A(2A) of the Companies Act, 1956, and the word 'private' was added in the name of the Company with effect from 15 June 2001. Subsequently, the Company was converted into a public limited company, the word 'private' was struck off from the name of the Company and consequently, a fresh certificate of incorporation dated 29 August 2018 was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("ROC"), recording the change of the Company's name to 'Polycab Wires Limited'. Thereafter, the name of the Company was changed from 'Polycab Wires Limited' to 'Polycab India Limited', and a fresh certificate of incorporation dated 13 October 2018 was issued by the ROC.

During the current period, the Registered office of the Company has been shifted to Unit 4, Plot No.105, Halol Vadodara Road, Village - Nurpura, Taluka - Halol, Panchmahal, Gujarat – 389350.

The Company is the largest manufacturer of Wires and Cables in India and fast growing player in the Fast Moving Electrical Goods (FMEG) space. The Company is also in the business of Engineering, Procurement and Construction (EPC) projects. The Company owns 25 manufacturing facilities, including a joint venture, located across the states of Gujarat, Maharashtra and Uttarakhand, and District of Daman.

2. Summary of significant accounting policies

A) Basis of preparation

- (i) The Unaudited interim condensed financial statements ('interim financial statements') have been prepared in accordance with the measurement and recognition principles of Ind AS 34 'Interim Financial Reporting', prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. Accordingly, the said interim financial statements do not include all the information required for a complete set of annual Ind AS financial statements and should be read in conjunction with the Company's latest annual Ind AS financial statements and related notes included in the Company's Annual Report for the year ended 31 March 2020. However, selected explanatory notes are included to explain events and transactions that are significant for the understanding of the changes in the Company's financial position and performance since the latest annual Ind AS financial statements.

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

B) Use of estimates and judgements

The preparation of the financial statements requires the use of certain critical accounting estimates and judgements. It also requires the Management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are the same as those disclosed in the Company's latest annual Ind AS financial statements for the year ended 31 March 2020.

C) Estimation of uncertainties relating to the global health pandemic from COVID-19

Due to imposition of lockdown by the government authorities to prevent the spread of COVID-19, the operations of the Company were temporarily disrupted causing significant impact on business and loss of revenue. However, since the second fortnight of April-20, business operations have resumed progressively, beginning with manufacturing facilities while adhering to directives issued by the government authorities from time to time. While there is no material impact on the carrying amounts of current assets of the Company, considering the uncertainties associated with COVID-19, the Company will continue to closely monitor any material changes to future economic conditions.

D) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

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

Notes to Unaudited Interim Condensed Standalone Financial Statements For The Quarter Ended 30 June 2020


3. Property, plant and equipment

The changes in the carrying value of Property, plant and equipment For The Quarter Ended 30 June 2020 are as follows:

(₹ million)

	Freehold land	Leasehold land	Buildings	Plant and equipments	Electrical installations	Furniture and fixtures	Office equipments	Windmill	Vehicles	Leasehold improvements	Total	Capital Work in progress
Gross carrying value (at cost)												
As at 01 April 2020	1,018.20	-	7,094.48	10,320.78	596.51	157.05	293.38	294.99	113.56	4.51	19,893.46	2,409.71
Additions	1.10	-	0.43	109.32	7.90	2.44	2.33	-	-	-	123.52	176.18
Transfer (Refer below note c)	-	-	-	-	-	-	-	-	-	-	-	(73.21)
Disposals/Adjustments	-	-	-	(1.81)	-	-	(0.13)	-	-	-	(1.94)	-
As at 30 June 20	1,019.30	-	7,094.91	10,428.29	604.41	159.49	295.58	294.99	113.56	4.51	20,015.04	2,512.68
Accumulated depreciation												
As at 01 April 2020	-	-	1,015.21	4,664.43	270.41	57.26	159.43	78.61	46.12	2.98	6,294.45	-
Depreciation charge for the period	-	-	68.57	282.67	13.24	3.89	12.39	3.92	3.30	0.14	388.12	-
Disposals/Adjustment	-	-	-	(1.67)	-	-	(0.12)	-	-	-	(1.79)	-
As at 30 June 20	-	-	1,083.78	4,945.43	283.65	61.15	171.70	82.53	49.42	3.12	6,680.78	-
Net carrying value												
As at 30 June 20	1,019.30	-	6,011.13	5,482.86	320.76	98.34	123.88	212.46	64.14	1.39	13,334.26	2,512.68

The changes in the carrying value of Property, plant and equipment for the year ended 31 March 2020 are as follows:

(₹ million)

	Freehold land	Leasehold land	Buildings	Plant and equipments	Electrical installations	Furniture and fixtures	Office equipments	Windmill	Vehicles	Leasehold improvements	Total	Capital Work in progress
Gross carrying value (at cost)												
As at 01 April 2019	1,009.99	56.55	6,400.90	8,674.17	522.35	139.94	248.36	294.99	105.25	3.89	17,456.39	1,858.67
Additions	8.48	-	693.58	1,749.61	74.16	17.11	50.98	-	13.65	0.62	2,608.19	2,709.81
Transfer (Refer below note c)	-	-	-	-	-	-	-	-	-	-	-	(2,158.77)
Transition impact of Ind AS116 (Refer note g)	-	(56.55)	-	-	-	-	-	-	-	-	(56.55)	-
Disposals/Adjustments	(0.27)	-	-	(103.00)	-	-	(5.96)	-	(5.34)	-	(114.57)	-
As at 31 March 2020	1,018.20	-	7,094.48	10,320.78	596.51	157.05	293.38	294.99	113.56	4.51	19,893.46	2,409.71
Accumulated depreciation												
As at 01 April 2019	-	14.77	759.46	3,687.48	213.99	42.43	121.37	62.89	36.36	2.55	4,941.30	-
Depreciation charge for the year	-	-	255.75	1,059.89	56.42	14.83	43.70	15.72	12.61	0.43	1,459.35	-
Transition impact of Ind AS116 (Refer note e)	-	(14.77)	-	-	-	-	-	-	-	-	(14.77)	-
Disposals/Adjustment	-	-	-	(82.94)	-	-	(5.64)	-	(2.85)	-	(91.43)	-
As at 31 March 2020	-	-	1,015.21	4,664.43	270.41	57.26	159.43	78.61	46.12	2.98	6,294.45	-
Net carrying value												
As at 31 March 2020	1,018.20	-	6,079.27	5,656.35	326.10	99.79	133.95	216.38	67.44	1.53	13,599.01	2,409.71

Notes:-

- Capital work in progress includes machinery in transit ₹ Nil (31 March 2020 : ₹ 71.56 million).
- All property, plant and equipment are held in the name of the Company, except following :
 - Title deed for freehold land amounting to ₹ 24.06 million (31 March 2020: ₹ 24.06 million) are not in the name of Company. The Company has initiated process of transferring these properties in its name.
 - Title deed for freehold land amounting to ₹ 1.14 million (31 March 2020: ₹ 1.14 million) are not available.
 - Title deed is in dispute for freehold land amounting to ₹ 10.48 million (31 March 2020: ₹ 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.
- Various assets appearing in capital work in progress (CWIP) and capitalised during the quarter ended 30 June 2020 ₹ 73.21 million (31 March 2020 : ₹ 2,158.77 million) have been shown in addition in respective class of Property, Plant and equipments and as transfers in CWIP.
- Assets pledged and Hypothecated against borrowings:

There is a first pari passu charge by way of registered mortgage on specific immovable fixed assets at Halol and hypothecation of all movable fixed assets acquired on or after 1 April 2015.
- Net book value of leasehold land of ₹ 41.78 million as at 01 April 2019 were under finance lease, the same has now been transferred to ROU as per the adoption of new standard Ind AS 116 - Leases
- For capital expenditures contracted but not incurred - Refer note 16(B).

4. Right of use assets

Following are the changes in the carrying value of right of use for the quarter ended 30 June 2020

(₹ million)

	Category of ROU asset		Total
	Leasehold Land	Buildings	
Gross carrying value			
As at 01 April 2020	41.78	399.75	441.53
Additions	-	5.09	5.09
As at 30 June 20	41.78	404.84	446.62
Accumulated depreciation			
As at 01 April 2020	0.45	106.09	106.54
Depreciation charge for the period	0.12	28.28	28.40
As at 30 June 20	0.57	134.37	134.94
Net carrying value			
As at 30 June 20	41.21	270.47	311.68

Following are the changes in the carrying value of right of use for the year ended 31 March 2020

(₹ million)

	Category of ROU asset		Total
	Leasehold Land	Buildings	
Gross carrying value			
As at 01 April 2019	-	276.06	276.06
Transition impact of Ind AS 116 (Refer note 3(e))	41.78	-	41.78
Additions	-	139.71	139.71
Disposals	-	(16.02)	(16.02)
As at 31 March 2020	41.78	399.75	441.53
Accumulated depreciation			
As at 01 April 2019	-	-	-
Depreciation charge for the year	0.45	112.51	112.96
Disposals	-	(6.42)	(6.42)
As at 31 March 2020	0.45	106.09	106.54
Net carrying value			
As at 31 March 2020	41.33	293.66	334.99

5. Intangible assets

The changes in the carrying value of Intangible assets for the quarter ended 30 June 2020 are as follows:

(₹ million)

	Computer Software
Gross carrying value (at cost)	
As at 01 April 2020	105.14
As at 30 June 20	105.14
Accumulated amortization	
As at 01 April 2020	88.38
Amortisation charge for the period	2.79
As at 30 June 20	91.17
Net carrying value	
As at 30 June 20	13.97

The changes in the carrying value of Intangible assets for the year ended 31 March 2020 are as follows:

(₹ million)

	Computer Software
Gross carrying value (at cost)	
As at 01 April 2019	168.86
Additions	0.32
Disposals	(64.04)
As at 31 March 2020	105.14
Accumulated amortization	
As at 01 April 2019	133.88
Amortisation charge for the year	18.54
Disposals/ Adjustments	(64.04)
As at 31 March 2020	88.38
Net carrying value	
As at 31 March 2020	16.76

6. Investment

A Non-current investments

	Face Value Per Unit	Number	30 June 20	Number	31 March 20
(₹ million)					
Investments carried at cost (Unquoted)					
Investment in Equity Instruments of Subsidiaries (Fully paid-up)					
Polycab Wires Italy SRL (Refer below note (c))	€ 1	150,000	10.89	150,000	10.89
Ryker Base Private Limited (Refer below note (a) & (b))	₹ 10	52,020,000	534.08	-	-
Tirupati Reels Private Limited	₹ 10	3,300,000	33.00	3,300,000	33.00
Dowells Cable Accessories Private Limited	₹ 10	4,590,000	45.90	4,590,000	45.90
			623.87		89.79
Impairment of Investments					
Less: Impairment allowance for investment in Polycab Wires Italy SRL	€ 1		(6.50)		(6.50)
			617.37		83.29
Investment in Equity Instruments of Joint Venture (Fully paid-up)					
Ryker Base Private Limited (Refer below note (a) & (b))	₹ 10	-	-	26,010,000	273.45
Techno Electromech Private Limited	₹ 10	890,000	105.20	890,000	105.20
			105.20		378.65
Aggregate amount of unquoted investments - At cost			722.57		461.94
Aggregate amount of impairment in value of investments - At cost			(6.50)		(6.50)

Notes:

- (a) The fair value of corporate guarantee has been included in carrying cost of investment in Ryker Base Private Limited. The movement of the investment in Ryker base Private Limited is given as under:

	30 June 20	31 March 20
Investment in Ryker	514.17	260.10
Add : Guarantee provided on credit facility	19.91	13.35
	534.08	273.45

- (b) On 6 May 2020, the Company acquired the balance 50% equity shares in Ryker Base Private Limited making it a wholly-owned subsidiary at consideration of ₹ 303.82 million, Put Option liability of ₹ 49.75 million derecognised against such consideration paid for.

- (c) As at 30 June 2020, the Company has investment of Euro 150,000 (₹ 10.89 million) and loan of Euro 3,88,276.11 (₹ 32.87 million) in Polycab Italy SRL (PWISRL), a wholly owned subsidiary company situated in Italy.

PWISRL in its financial statement of earlier years had appropriated an amount of Euro 90,000 (₹ 6.50 million) from Share Capital and Euro 3,88,276.11 (₹ 32.87 million) from loan given by the Company, to accumulated losses of previous years and Capital Reduction Reserve to comply with the applicable Italian accounting requirements in an earlier year.

The Company had made application to Reserve Bank of India through Citi bank (authorised dealer bank) for winding up of PWISRL which is pending disposal. Considering the status, no adjustment is made in these interim financial statements.

B Current Investments held for sale

	30 June 20	31 March 20
(₹ million)		
Investments measured at FVTPL (Quoted)		
Investments in Liquid/ Overnight Mutual Funds	3,093.39	400.00
	3,093.39	400.00
Aggregate amount of quoted investments - At market value	3,093.39	400.00

7. Cash and cash equivalents

	30 June 20	31 March 20
(₹ million)		
Cash and cash equivalents (at amortised cost)		
Balances with banks		
In current accounts	328.91	355.71
Deposits with original maturity of less than 3 months	1,760.00	1,342.60
Cash in hand	2.01	2.12
	2,090.92	1,700.43

There is no repatriation restriction with regard to cash and cash equivalents at the end of reporting period and prior periods.

8. Inventories

	30 June 20	31 March 20
(₹ million)		
Raw materials	8,714.89	6,740.22
Work-in-progress	2,145.20	2,070.04
Finished goods	6,802.75	8,020.04
Traded goods	938.23	1,276.54
Stores and spares	217.50	248.58
Packing materials	293.96	306.25
Scrap materials	148.53	131.14
Project materials for long-term contracts	223.86	270.39
	19,484.92	19,063.20

Notes:-

Note:- The above includes goods in transit of ₹ 3,461.99 million (31 March 2020 - ₹ 3,016.84 million)

9. Borrowings

A Borrowings- non-current

	Rate of Interest	Tenure end date	30 June 20 Gross/ Carrying Value	31 March 20 Gross/ Carrying Value
(₹ million)				
At amortised cost				
External commercial borrowing (secured)				
Foreign currency loan from HSBC Bank (Mauritius) Ltd	3 Months LIBOR + 1.65%	23 June 2020	-	251.29
Rupee loan (secured)				
Indian rupee loan from Citibank N.A.	8.80%	23 August 2021	74.81	89.78
			74.81	341.07
Less: Current maturities of long-term borrowings			(59.85)	(311.14)
			14.96	29.93

Notes:

(a) The above loans are secured by way of

- First pari passu charge by way of registered mortgage on specific immovable fixed assets at Halol and hypothecation of all movable fixed assets acquired on or after 1 April 2015.
- Second pari passu charge by way of hypothecation of all movable fixed assets appearing in Balance Sheet as on 31 March 2015 and on all current assets of the Company.
- Charges with respect to above borrowing have been created in favour of security trustee. No separate charge created for each of the borrowing.

(b) Movement in borrowing schedule

	ECB	Rupee loan	Total
(₹ million)			
As at 01 April 2020	251.29	89.78	341.07
Less : Repayments	(252.74)	(14.97)	(267.71)
Less : Foreign exchange loss	1.45	-	1.45
	-	74.81	74.81

B Borrowings- current

	30 June 20	31 March 20
(₹ million)		
At amortised cost		
Buyer's Credit (Secured)	328.22	-
Short-term loan from banks (Unsecured)	1,802.02	741.53
Packing Credit (Secured)	110.19	373.00
	2,240.43	1,114.53

Note:

The above loans are secured by way of

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

10. Trade payables

	30 June 20	31 March 20
(₹ million)		
Total outstanding dues of micro and small enterprises	130.83	178.29
Total outstanding dues of creditors other than micro and small enterprises		
Acceptances - (Refer note below (a))	6,970.35	8,135.98
Other than acceptances		
Trade payables - Others (Refer note below (b))	4,321.04	5,000.32
Trade payables to related parties (Refer note - 17)	163.77	132.52
	11,455.16	13,268.82

Notes:-

- Acceptances represent amounts payable to banks on due date as per usance period of Letter of Credit (LCs) issued to raw material vendors under non-fund based working capital facility approved by Banks for the Company. The arrangements are interest-bearing. Non-fund limits are secured by first pari-passu charge over the present and future current assets of the Company.
- Others includes amount payable to vendors, employees liability and accrual of expenses that are expected to be settled in the Company's normal operating cycle or due to be settled within twelve months from the reporting date.
- For explanations on the Company's liquidity risk management processes Refer note 20 (C).

11. Revenue from operations

	30 June 20	30 June 19
	(₹ million)	
Revenue from contracts with customers		
Revenue on Sale of Products		
Finished goods	8,291.84	16,618.33
Traded goods	1,013.23	1,282.70
Revenue from Construction Contracts	432.94	963.11
	9,738.01	18,864.14
Other operating revenue		
Scrap sales	110.75	339.04
Total revenue from contracts with customers	9,848.76	19,203.18
Export incentives	20.97	11.51
Government grant	52.51	183.41
Total Revenue from operations	9,922.24	19,398.10

Notes:

(a) Disaggregated revenue information	30 June 20	30 June 19
	(₹ million)	
Type of Goods or Services		
Wires & Cables	8,042.27	15,839.20
Fast Moving Electrical Goods (FMEG)	1,373.55	2,400.87
Revenue from construction contracts	432.94	963.11
Total revenue from contracts with customers	9,848.76	19,203.18
Location of customer		
India	8,835.44	18,734.18
Outside India	1,013.32	469.00
Total revenue from contracts with customers	9,848.76	19,203.18
Timing of revenue recognition		
Goods transferred at a point in time	9,409.26	18,231.61
Goods and Services transferred over a period of time	439.50	971.57
Total revenue from contracts with customers	9,848.76	19,203.18

(b) Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information	30 June 20	30 June 19
	(₹ million)	
Total revenue from contracts with customers	9,848.76	19,203.18
Export incentives	20.97	11.51
Government grant	52.51	183.41
Other income excluding finance income	126.45	218.67
Total income as per Segment (Refer note 18)	10,048.69	19,616.77

Notes:

- (i) Export incentive includes merchandise export from India scheme (MEIS) incentives and duty drawback incentives.
- (ii) Government grant includes advance licence benefits and deferred income released to the statement of profit and loss on fulfilment of export obligation under the export promotion capital goods (EPCG) scheme.

12. Other income

	30 June 20	30 June 19
	(₹ million)	
(a) Interest income on financial assets		
Carried at amortised cost		
Bank deposits	17.54	51.53
Others *	183.24	11.96
Carried at FVTPL		
Others	2.19	0.44
(b) Income from mutual funds		
Gain on liquid/overnight mutual funds	11.36	49.52
Fair valuation on gain on overnight mutual funds	2.19	2.27
(c) Fair value gain / loss on financial instruments		
Fair valuation gain on financial asset - Unrealised **	-	155.23
(d) Other non-operating income		
Exchange differences (net)	105.32	44.00
Gain on sale of property, plant and equipment	-	1.17
Sundry balances written back	5.44	4.13
Miscellaneous income	15.69	14.14
	342.97	334.39

* Includes interest on Income Tax refund of Rs. 163.89 million (refer note 22).

** Gain on fair valuation of financial instruments at FVTPL includes foreign exchange fluctuation on forward contracts that did not qualify for hedge accounting and on embedded derivatives, which have been separated. For foreign exchange and interest rate hedges ineffectiveness has not been recognised.

13. Finance cost

	(₹ million)	
	30 June 20	30 June 19
Interest expense on financial liabilities at amortised cost	82.99	71.31
Interest expense on financial liabilities at FVTPL	7.01	6.85
Exchange differences regarded as an adjustment to borrowing costs	22.19	3.23
Other borrowing costs *	20.88	38.71
	133.07	120.10

* Other borrowing costs would include bank commission charges, bank guarantee charges, letter of credit charges, premium on forward contract, fair value loss/(gain) on forward contracts, other ancillary costs incurred in connection with borrowings.

14. Other expenses

	(₹ million)	
	30 June 20	30 June 19
Consumption of stores and spares	104.48	134.10
Sub-contracting expenses	300.03	363.89
Power and fuel	122.87	271.37
Rent	18.86	15.30
Advertising and sales promotion	31.70	385.57
Brokerage and commission	40.29	58.16
Travelling and conveyance	18.17	68.75
Legal and professional fees	78.32	104.87
Freight & forwarding expenses	261.37	427.24
Loss on sale of property, plant and equipment	0.18	-
Loss on fair valuation of financial asset -unrealised*	38.74	-
Loss on fair valuation of financial asset -realised*	26.48	-
Impairment allowance for trade receivable considered doubtful	27.76	71.37
Miscellaneous expenses	210.32	158.69
	1,279.57	2,059.31

* Loss on fair valuation of financial instruments at FVTPL relates to foreign exchange fluctuation on forward contracts that did not qualify for hedge accounting and on embedded derivatives, which have been separated. For foreign exchange and interest rate hedges ineffectiveness has not been recognised.

15. Earnings per share

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

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

Employee Stock Option Plan 2018

Pursuant to the resolutions passed by the Company's Board on August 30, 2018 and shareholders on August 30, 2018, the Company implemented the Employee Stock Option Plan 2018 for issuance of options to eligible employees which may result in issuance of Equity Shares up to 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.

(a) Basic Earnings per share

			30 June 20	30 June 19
Profit after tax	₹ in million	A	1,122.76	1,335.09
Weighted average number of equity shares for basic earning per share	Number	B	148,915,184	147,419,520
Earnings per shares - Basic (one equity share of ₹ 10 each) (not annualised) ₹ per share		(A/B)	7.54	9.06

(b) Diluted Earnings per share

			30 June 20	30 June 19
Profit after tax	₹ in million	A	1,122.76	1,335.09
Weighted average number of equity shares for basic earning per share	Number	B	148,915,184	147,419,520
Effect of dilution				
Share options	Number	C	478,849	122,352
Weighted average number of equity shares adjusted for effect of dilution	Number	D=(B+C)	149,394,033	147,541,872
Earnings per shares- Diluted (one equity share of ₹ 10 each) (not annualised) ₹ per share		(A/D)	7.52	9.05

16. Contingent liabilities and commitments

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

	30 June 20	31 March 20
	(₹ million)	
(i) Outstanding corporate guarantees given on behalf of subsidiaries and Joint venture's (Refer note 17(E))	2,658.18	1,763.87
(ii) Taxation matters		
Disputed liability in respect of sales tax /VAT demand & pending sales tax/VAT forms	8.10	8.80
Disputed liability in respect of excise duty demand	26.77	86.47
Disputed liability in respect of custom duty demand	16.94	16.94
Claims made against the Company, not acknowledged as debts (Refer note (a) below)	634.21	634.21
(iii) Customs Duty on Capital goods imported under Export Promotion Capital Goods Scheme, against which export obligation is to be fulfilled	28.44	30.78
(iv) Customs Duty on Raw Materials imported under Advance License, against which export obligation is to be fulfilled	78.42	75.80

Notes:

- (a) A vendor filed a commercial suit against the Company in relation to the alleged breach of three product sourcing agreements entered into between the parties. The matter is currently pending in High Court of Bombay.
- (b) 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.
- (c) The proposed Social Security Code, 2019, when promulgated, would subsume labour laws including Employees' Provident Funds and Miscellaneous Provisions Act and amend the definition of wages on which the organisation and its employees are to contribute towards Provident Fund. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the proposed amendments. Additionally, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Honourable Supreme Court vide its ruling in February 2019, in relation to the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges.

(B) Commitments

	30 June 20	31 March 20
	(₹ million)	
(i) Capital commitments		
(Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances))		
Towards Property, Plant and Equipment	1,302.09	1,127.98
(ii) Commitment towards Capital contribution in newly formed wholly owned subsidiary company		
Polycab Electricals & Electronics Private Limited	1.00	1.00
Polycab USA LLC	151.05	150.77

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

Notes to Unaudited Interim Condensed Standalone Financial Statements For The Quarter Ended 30 June 2020

17. Related party disclosure

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and settlement occurs in cash or credit as per the terms of the arrangement. For the quarter ended 30 June 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (30 June 2020: ₹ 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.

(A) Enterprises where control exists

	Country of incorporation	Ownership interest (%)	
		30 June 20	31 March 20
(i) Subsidiaries			
Polycab Wires Italy SRL (PWISRL)	Italy	100%	100%
Tirupati Reels Private Limited (TRPL)	India	55%	55%
Dowells Cable Accessories Private Limited (DCAPL)	India	51%	51%
Polycab Electricals & Electronics Private Limited (PEEPL)*	India	100%	100%
Polycab USA LLC (PUL)*	USA	100%	100%
Ryker Base Private Limited (Ryker) (Refer note 6A(b)) **	India	100%	-
(ii) Joint Ventures			
Ryker Base Private Limited (Ryker) (Refer note 6A(b)) **	India	-	50%
Techno Electromech Private Limited (TEPL)	India	50%	50%

* incorporated in FY 2019-20

** Joint venture till 05 May 2020 and became wholly own subsidiary from 06 May 2020

(B) Enterprises owned or significantly influenced by key managerial personnel

AK Enterprises (A K)

(C) Key management personnel

(i) Executive directors

Mr. Inder T. Jaisinghani	Chairman and managing director
Mr. Ramesh T. Jaisinghani	Whole-time director
Mr. Ajay T. Jaisinghani	Whole-time director
Mr. Shyam Lal Bajaj *	Whole time director
Mr. Gandharv Tongia	Chief financial officer (w.e.f. 31 May 2020)
Mr. Subramaniam Sai Narayana	Company secretary and compliance officer

(ii) Non- Executive directors

Mr. R S Sharma	Independent director
Mr. T P Ostwal	Independent director
Mr. Pradeep Poddar	Independent director
Ms. Hiroo Mirchandani	Independent director

(iii) Relatives of Key management personnel

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

* Mr. Shyam Lal Bajaj resigned from CFO position w.e.f. 31 May 2020 and continues as whole time director.

(D) Transactions with group companies

			(₹ million)	
			Quarter ended 30 June 20	Quarter ended 30 June 19
(i) Sale of goods (including GST)				
Tirupati Reels Private Limited	Subsidiary		11.57	74.46
Dowells Cable Accessories Private Limited	Subsidiary		-	0.43
Ryker Base Private Limited	Subsidiary		340.80	2.48
Techno Electromech Private Limited	Subsidiary		2.12	0.26
(ii) Purchase of goods (including GST)				
Tirupati Reels Private Limited	Subsidiary		58.47	159.80
Dowells Cable Accessories Private Limited	Subsidiary		0.20	0.05
Techno Electromech Private Limited	Joint Venture		45.85	117.86

17. Related party disclosure

(D) Transactions with group companies

			(₹ million)	
			Quarter ended 30 June 20	Quarter ended 30 June 19
(iii) Sub-contracting expense (including GST)				
Dowells Cable Accessories Private Limited	Subsidiary		-	0.08
Ryker Base Private Limited	Subsidiary		62.55	125.04
Techno Electromech Private Limited	Joint Venture		7.96	-
(iv) Commission (including GST)				
Tirupati Reels Private Limited	Subsidiary		0.78	-
(v) Rent received				
Dowells Cable Accessories Private Limited	Subsidiary		2.00	1.88
Ryker Base Private Limited	Subsidiary		0.16	0.79
(vi) Interest received				
Tirupati Reels Private Limited	Subsidiary		-	0.92
Dowells Cable Accessories Private Limited	Subsidiary		0.12	0.33
Ryker Base Private Limited	Subsidiary		3.52	-
Techno Electromech Private Limited	Joint Venture		3.45	3.45
(vii) Other charges recovered				
Tirupati Reels Private Limited	Subsidiary		-	0.01
Dowells Cable Accessories Private Limited	Subsidiary		0.11	0.45
Ryker Base Private Limited	Subsidiary		0.57	0.11
Techno Electromech Private Limited	Joint Venture		0.10	-
(viii) Sale of Machinery (including GST)				
Techno Electromech Private Limited	Joint Venture		26.86	40.86
(ix) Investment made				
Techno Electromech Private Limited	Joint Venture		-	35.00
(x) Loans given				
Tirupati Reels Private Limited	Subsidiary		-	40.00
Ryker Base Private Limited	Subsidiary		300.00	-
(xi) Loan given repaid				
Dowells Cable Accessories Private Limited	Subsidiary		1.88	1.67
(xii) Corporate guarantee given (Refer note below)				
Ryker Base Private Limited	Subsidiary		2,138.18	-
(xiii) Fair value Corporate guarantee (Refer note below)				
Ryker Base Private Limited	Subsidiary		1.13	0.44
(xiv) Rent paid				
AK Enterprises	Enterprises owned or significantly influenced by key managerial personnel		-	7.28

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

Notes to Unaudited Interim Condensed Standalone Financial Statements For The Quarter Ended 30 June 2020

17. Related party disclosure

(E) Outstanding as on:

			(₹ million)	
			Quarter ended 30 June 20	Year ended 31 March 20
(i) Loans				
Polycab Wires Italy SRL	Subsidiary		32.87	32.25
Dowells Cable Accessories Private Limited	Subsidiary		2.59	4.47
Techno Electromech Private Limited	Joint Venture		115.21	115.21
Ryker Base Private Limited	Subsidiary		300.00	-
(ii) Provision against loans				
Polycab Wires Italy SRL	Subsidiary		32.87	32.25
(iii) Trade Receivables				
Tirupati Reels Private Limited	Subsidiary		53.78	149.98
Dowells Cable Accessories Private Limited	Subsidiary		0.98	1.23
Techno Electromech Private Limited	Joint Venture		103.13	74.11
Ryker Base Private Limited	Subsidiary		298.30	0.37
(iv) Interest accrued on loan given				
Techno Electromech Private Limited	Joint Venture		12.56	-
Ryker Base Private Limited	Subsidiary		3.52	-
(v) Trade Payables				
Polycab Wires Italy SRL	Subsidiary		3.38	4.72
Tirupati Reels Private Limited	Subsidiary		33.79	86.49
Dowells Cable Accessories Private Limited	Subsidiary		0.31	1.17
Techno Electromech Private Limited	Joint Venture		43.98	36.64
Ryker Base Private Limited	Subsidiary		41.66	3.49
(vi) Security Deposits given				
AK Enterprises	Enterprises owned or significantly influenced by key managerial personnel		6.17	6.13

Note:

Company has provided a guarantee for credit facility availed by the Ryker Base Private Limited and Tirupati Reels Private Limited, amounting to ₹ 2,138.18 Million (31 March 2020 : ₹ 1,243.87 Million) and ₹ 520.00 Million (31 March 2020 : ₹ 520.00 Million) respectively. The fair value of corporate guarantee ₹ 18.79 million (31 March 2020 : ₹ 11.21 Million) has been included in carrying cost of investment.

(F) Transactions with KMP:

(i) Remuneration paid for the quarter ended and outstanding as on: #

	30 June 20		30 June 19	31 March 20
	For the quarter ended	Outstanding as at quarter end	For the quarter ended	Outstanding as at year end
Executive directors				
(Includes Salary, Performance Incentive and				
Mr. Inder T. Jaisinghani	21.57	89.95	22.17	75.35
Mr. Ramesh T. Jaisinghani	6.20	9.57	6.94	7.50
Mr. Ajay T. Jaisinghani	6.20	9.57	6.94	7.50
Mr. Shyam Lal Bajaj	5.50	8.00	7.04	6.17
Mr. Gandharv Tongia	1.06	2.70	NA	NA
Non- Executive directors				
(Includes sitting fees and commission)				
Mr. T P Ostwal	0.94	2.30	0.64	2.00
Mr. R S Sharma	0.94	2.30	0.64	2.00
Mr. Pradeep Poddar	0.86	2.30	0.56	2.00
Ms. Hiroo Mirchandani	0.78	2.30	0.56	2.00
Other (Includes Salary and Performance Incentive)				
Mr. Subramaniam Sai Narayana	0.67	0.63	2.09	0.41

As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the directors and KMP are not included above.

17. Related party disclosure

(ii) **Share based payments to KMP***

(₹ million)

	Quarter ended 30 June 20	Quarter ended 30 June 19
Mr. Shyam Lal Bajaj	1.67	2.56
Mr. Gandharv Tongia	0.25	NA
Mr. Subramaniam Sai Narayana	0.17	0.32

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

(iii) **Transactions where KMP's are interested**

(₹ million)

	Nature of transaction	30 June 20		30 June 19	31 March 20
		For the quarter ended	Outstanding as at quarter end	For the quarter ended	Outstanding as at year end
Polycab Social Welfare Foundation	Donation	39.73	39.73	-	61.00
T.P. Ostwal & Associates LLP (excluding GST)	Professional fees	0.65	0.85	0.40	1.09

(G) Transactions with relatives of KMP:

Remuneration paid for the quarter ended and outstanding as on:

(₹ million)

	30 June 20		30 June 19	31 March 20
	For the quarter ended	Outstanding as at quarter end	For the quarter ended	Outstanding for the year end
Mr. Girdhari T. Jaisinghani	1.77	2.77	2.35	2.18
Mr. Bharat A. Jaisinghani	2.57	3.84	3.31	2.98
Mr. Nikhil R. Jaisinghani	2.57	3.84	3.31	2.98
Mr. Kunal I. Jaisinghani	0.61	0.21	0.60	0.01

18. Segment reporting

Identification of segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available.

The Board of directors monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment based on an analysis of various performance indicators by business segments and geographic segments.

Segment revenue and expenses:

- 1 These have been identified to a segment on the basis of relationship to operating activities of the segment.
- 2 The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins.
- 3 Intersegment revenue and profit is eliminated at Company level consolidation.
- 4 Finance income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting as the underlying instruments are managed at the Company level.

Segment assets and liabilities:

Segment assets and segment liabilities represent assets and liabilities of respective segments, however the assets and liabilities not identifiable or allocable on reasonable basis being related to enterprise as a whole have been grouped as unallocable.

The accounting policies of the reportable segments are same as that of Company's accounting policies described.

The Company is organised into business units based on its products and services and has three reportable segments as follows

Wire and Cable: Manufacture and sale of wires and cables.

Fast moving electrical goods (FMEG): Fans, LED lighting and luminaires, switches, switchgears, solar products, water heaters, conduits and domestic appliances.

Others : It comprise of EPC business which includes design, engineering, supply of materials, survey, execution and commissioning of power distribution, rural electrification projects on a trunking basis.

18. Segment Reporting

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

(₹ million)

	30 June 20					30 June 19				
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Others	Eliminations	Total
Income										
External sales	8,237.77	1,377.98	432.94	-	10,048.69	16,252.79	2,400.87	963.11	-	19,616.77
Inter segment revenue	14.35	-	-	(14.35)	-	128.09	-	-	(128.09)	-
Total Income	8,252.12	1,377.98	432.94	(14.35)	10,048.69	16,380.88	2,400.87	963.11	(128.09)	19,616.77
Segment Results										
External	254.88	(55.62)	66.71	-	265.97	1,867.06	87.74	90.81	-	2,045.61
Inter segment results	0.45	-	-	(0.45)	-	-	-	-	-	-
Segment/Operating results	255.33	(55.62)	66.71	(0.45)	265.97	1,867.06	87.74	90.81	-	2,045.61
Un-allocated items:										
Finance income					216.52					115.72
Finance costs					133.07					120.10
Profit before tax					349.42					2,041.23
Provision for taxation					(773.34)					706.14
Profit for the period					1,122.76					1,335.09
Depreciation & amortisation expenses	379.39	39.19	0.72	-	419.30	356.52	21.89	1.64	-	380.05
Non-cash expenses/ (Income) other than depreciation	(115.31)	16.87	(4.14)	-	(102.58)	132.23	5.79	(4.65)	-	133.37
Total cost incurred during the quarter to acquire segment assets (net of disposal)	226.87	8.06	-	-	234.93	1,060.92	12.63	-	-	1,073.54

(B) Revenue by Geography

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

(₹ million)

	30 June 20	30 June 19
Within India	9,035.37	19,147.77
Outside India	1,013.32	469.00
	10,048.69	19,616.77

(C) Segment assets

(₹ million)

	30 June 20					31 March 20				
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Others	Eliminations	Total
Segment assets	42,296.94	4,409.23	5,347.03	-	52,053.20	43,417.11	5,379.76	5,594.72	-	54,391.59
Unallocated assets:										
Investments (Non-current and Current)					3,815.96					861.94
Income tax assets (net)					277.09					191.51
Cash and cash equivalents and bank balance other than cash and cash equivalents					2,832.95					2,412.75
Loans					542.86					250.04
Other unallocable assets					161.27					1,174.27
Total assets					59,683.33					59,282.10

(D) Segment liabilities

(₹ million)

	30 June 20					31 March 20				
	Wires & Cables	FMEG	Others	Eliminations	Total	Wires & Cables	FMEG	Others	Eliminations	Total
Segment liabilities	11,926.11	1,156.72	3,630.90	-	16,713.73	13,277.14	1,587.47	2,781.31	-	17,645.92
Unallocated liabilities:										
Borrowings (Non-Current and Current, including Current Maturity)					2,315.24					1,455.60
Current tax liabilities (net)					158.20					1,184.20
Deferred tax liabilities (net)					244.99					173.55
Other unallocable liabilities					456.31					419.94
					19,888.47					20,879.21

(E) Non-current assets by Geography

(₹ million)

The total of non-current assets excluding financial assets and deferred tax assets analysed by the country in which assets are located are given below:

	Quarter ended 30 June 20	Quarter ended 31 March 20
Within India	16,696.20	16,855.29
Outside India	-	-
	16,696.20	16,855.29

19. Financial Instruments and Fair Value Measurement

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

	Carrying value		Fair value	
	30 June 20	31 March 20	30 June 20	31 March 20
(₹ million)				
Financial assets				
Measured at amortised cost				
Investment in Subsidiaries	617.37	83.29	617.37	83.29
Investment in Joint Venture	105.20	378.65	105.20	378.65
Trade receivables	13,998.67	16,054.47	13,998.67	16,054.47
Cash and cash equivalents	2,090.92	1,700.43	2,090.92	1,700.43
Bank balance other than cash and cash equivalents (refer note j)	1,072.95	1,070.15	1,072.95	1,070.15
Loans	542.86	250.04	542.86	250.04
Other financial assets	292.43	360.75	292.43	360.75
Measured at fair value through profit or loss account (FVTPL)				
Investment in mutual funds	3,093.39	400.00	3,093.39	400.00
Derivative Assets	103.18	1,084.54	103.18	1,084.54
	21,916.97	21,382.32	21,916.97	21,382.32
Financial liabilities				
Measured at amortised cost				
Borrowings - long term including current maturities and short term	2,315.24	1,455.60	2,315.24	1,455.60
Trade payables	11,585.99	13,447.11	11,585.99	13,447.11
Creditors for capital expenditure	207.00	275.10	207.00	275.10
Obligations under lease	306.69	327.85	306.69	327.85
Fair value of corporate guarantee	18.79	11.21	18.79	11.21
Other financial liabilities	455.99	425.03	455.99	425.03
Measured at fair value through profit or loss account (FVTPL)				
Derivative liabilities	812.09	232.51	812.09	232.51
	15,701.79	16,174.41	15,701.79	16,174.41

- 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.
- 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 mutual funds are based on NAV at the reporting date.
- The fair value of interest rate swaps are based on MTM bank rates as on reporting date.
- The fair value of put option is determined using Monte Carlo Simulation which assumes a Geometric Brownian Motion for the modelling equity value.
- The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves. 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.
- ₹ 1,000 million (31 March 2020: ₹ 1,000 million) is restricted for withdrawal, considering it is lien against project specific advance.

19. Financial Instruments and Fair Value Measurement

Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 30 June 2020 :

(₹ million)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Units of mutual funds	30 June 20	3,093.39	3,093.39	-	-
Derivative Assets					
Commodity contracts	30 June 20	93.22	-	93.22	-
Forward Contract	30 June 20	2.43	-	2.43	-
Interest rate and cross currency swap	30 June 20	7.53	-	7.53	-
Liabilities measured at fair value:					
Derivative liabilities :					
Embedded derivatives	30 June 20	811.54	-	811.54	-
Foreign exchange forward contract	30 June 20	0.55	-	0.55	-

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2020:

(₹ 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 Mar 20	400.00	400.00	-	-
Derivative Assets					
Embedded derivatives	31 Mar 20	1,075.35	-	1,075.35	-
Interest rate and cross currency swap	31 Mar 20	9.19	-	9.19	-
Liabilities measured at fair value:					
Derivative liabilities :					
Commodity contracts	31 Mar 20	169.03	-	169.03	-
Foreign exchange forward contracts	31 Mar 20	13.73	-	13.73	-
Fair value of written put options	31 Mar 20	49.75	-	-	49.75

There is no transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. Timing of transfer between the levels determined based on the following:

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

20. 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's 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.

20. Financial Risk Management Objectives And Policies

The Company manages its interest rate risk by having a fixed and variable rate loans and borrowings. The Company's approach is to keep its majority of borrowings at fixed rates of interest for long term funding. The Company also enters into interest rate swaps for long term foreign currency borrowings, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 30 June 2020, after taking into account the effect of interest rate swaps, approximately 65% of the Company's borrowings are at a fixed rate of interest (31 March 2020: 49%).

Interest rate sensitivity

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

	Exposure to interest rate risk (Principal amount of loan)	Increase/ decrease in basis points	Effect on profit before tax
			(₹ million)
30 June 20	800.08		
Increase		+100	(8.00)
Decrease		-100	8.00
31 Mar 20	741.53		
Increase		+100	(7.42)
Decrease		-100	7.42

(ii) **Foreign currency risk**

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

Derivative financial instruments

The Company enters into derivative contracts with an intention to hedge its foreign exchange price risk and interest risk. Derivative contracts which are linked to the underlying transactions are recognised in accordance with the contract terms. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit & Loss. To some extent the Company manages its foreign currency risk by hedging transactions.

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

Currency	Currency Symbol	30 June 20		31 March 20	
		Foreign currency	Indian Rupees	Foreign currency	Indian Rupees
United States Doller	USD	(76.22)	(5,757.02)	(57.85)	(4,361.17)
EURO	Euro	0.44	37.27	0.36	30.18
Pound	GBP	(0.06)	(5.14)	0.16	15.32
Swiss Franc	CHF	-	-	0.02	1.75
Chinese Yuan	CNY	0.55	5.85	0.55	5.82
Australian Dollar	AUD	0.02	1.03	2.19	101.46

Figures shown in bracket represent payable .

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, Euro, GBP , CHF, CNY and AUD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Company's exposure to foreign currency changes for all other currencies is not material. Sensitivity due to unhedged Foreign Exchange Exposures is as follows:

Impact on profit before tax and equity

Currency	Currency Symbol	30 June 20		31 March 20	
		-2%	+2%	+2%	-2%
United States Doller	USD	(115.14)	115.14	(87.22)	87.22
EURO	Euro	0.75	(0.75)	0.60	(0.60)
Pound	GBP	(0.10)	0.10	0.31	(0.31)
Swiss Franc	CHF	-	-	0.04	(0.04)
Chinese Yuan	CNY	0.12	(0.12)	0.12	(0.12)
Australian Dollar	AUD	0.02	(0.02)	2.03	(2.03)

Figures shown in bracket represent payable.

20. Financial Risk Management Objectives And Policies

(iii) Commodity price risk

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

- Trade payables of the Company where the prices are linked to LME prices. Payment is therefore sensitive to changes in copper and aluminium prices quoted on LME. The trade payables are classified in the balance sheet as fair value through profit or loss. The option to fix prices at future LME prices works as a natural hedge against the movement in value of inventory of copper and aluminium held by the Company. The Company also takes Sell LME positions to hedge the price risk on Inventory due to ongoing movement in rates quoted on LME. The Company applies fair value hedge to protect its copper and aluminium Inventory from the ongoing movement in rates.
- Purchases of copper and aluminium which results in exposure to price risk due to ongoing movement in rates quoted on LME which affects the profitability and financial position of the Company. The risk management strategy is to use the Buy future contracts linked to LME to hedge the variation in cash flows of highly probable future purchases. There are no outstanding buy future contracts link to LME as of 30 June 2020 and 31 March 2020.

Sensitivity analysis for unhedged exposure for the quarter ended 30 June 2020 are as follows:

Exposure of Company in Inventory

Metal	30 June 20				31 March 20			
	Exposure in Metric Tonne	Exposure in ₹ million	Impact in Profit before tax +2%	Impact in Profit before tax -2%	Exposure in Metric Tonne	Exposure in ₹ million	Impact in Profit before tax +2%	Impact in Profit before tax -2%
Aluminium	4,821.05	673.29	13.47	(13.47)	6,133.91	868.63	17.37	(17.37)

(₹ million)

(B) Credit risk

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

Trade receivables

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.

Further, the Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalents position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. Surplus funds not immediately required are invested in certain financial assets (including mutual funds) which provide flexibility to liquidate at short notice and are included in current investments and cash equivalents. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required, which are reviewed periodically.

The Company has developed appropriate internal control systems and contingency plans for managing liquidity risk. This incorporates an assessment of expected cash flows and availability of alternative sources for additional funding, if required.

Corporate guarantees given on behalf of Group Companies might affect the Liquidity of the Company if they are payable. However, the Company has adequate liquidity to cover the risk. (Refer note 16(A))

Maturity Analysis

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

(₹ million)

	30 June 20			31 March 20		
	< 1 year	> equal to 1 year	Total	< 1 year	> equal to 1 year	Total
Non-derivatives						
Borrowings	2,240.43	14.96	2,255.39	1,114.53	29.93	1,144.46
Other financial liabilities	1,583.50	276.91	1,860.41	1,283.95	298.89	1,582.84
Trade payables	11,585.99	-	11,585.99	13,447.11	-	13,447.11
	15,409.92	291.87	15,701.79	15,845.59	328.82	16,174.41

21. Hedging activity and derivatives

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

- (i) The Company enters into contracts to purchase copper and aluminium wherein the Company has the option to fix the purchase price based on LME price of copper and aluminium during a stipulated time period. Accordingly, these contracts are considered to have an embedded derivative that is required to be separated. Such feature is kept to hedge against exposure in the value of inventory of copper and aluminium due to volatility in copper and aluminium prices. The Company designates the embedded derivative in the payable for such purchases as the hedging instrument in fair value hedging of inventory. The Company designates only the spot-to-spot movement of the copper and aluminium inventory as the hedged risk. The carrying value of inventory is accordingly adjusted for the effective portion of change in fair value of hedging instrument. Hedge accounting is discontinued when the hedging instrument is settled, or when it no longer qualifies for hedge accounting or when the hedged item is sold.
- (ii) To use the Sell future contracts linked with LME to hedge the fair value risk associated with inventory of copper and aluminium. Once the purchases are concluded and its final price is determined, the Company starts getting exposed to price risk of these inventory till the time it is not been sold. The Company's policy is to designate the copper and aluminium inventory which are already priced and which is not been sold at that point in time in a hedging relationship against Sell LME future positions based on the risk management strategy of the Company. The hedged risk is movement in spot rates.

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

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

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

Hedged item:

Changes in fair value of inventory attributable to change in copper and aluminium prices.

Hedging instrument:

Changes in fair value of the embedded derivative of copper and aluminium trade payables/ derivative, as described above.

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

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

As at 30 June 2020

(₹ million)

Commodity price risk	Carrying amount			Maturity date	Hedge Ratio	Balance sheet classification	Effective portion of Hedge	Ineffective portion of Hedge
	Asset	Liabilities	Equity					
Fair Value Hedge								
Hedged item	Inventory of Copper and aluminium	866.09	-	-	1:1	Inventory		
	Highly probable future purchases	-	-	(144.64)	1:1	Current financial assets		
Cash Flow Hedge								
Hedged item	Embedded derivative in trade payables of Copper and aluminium	-	(811.42)	-	Range within 1 to 6 months	Cash flow hedge Reserve	1,010.73	(3.25)
Hedging instrument	Buy Derivative Position	-	132.18	-	1:1	Current financial liabilities		
	Sell Derivative Position	-	-38.97	-	1:1	Current financial liabilities		

The following table presents details of amounts held in effective portion of Cash Flow Hedge and the period during which these are going to be released and affecting Statement of profit and Loss

(₹ million)

Commodity Price risk	As at 30 June 2020			Total
	Cash Flow hedge release to P&L			
	Less than 3 Months	3 Months to 6 Months	6 Months to 12 Months	
Forward Buy Contract	33.78	98.40	-	132.18
Forward Sales Contract	18.80	20.17	-	38.97

21. Hedging activity and derivatives

As at 31 March 2020

(₹ million)

	Commodity price risk	Carrying amount			Maturity date	Hedge Ratio	Balance sheet classification	Effective portion of Hedge	Ineffective portion of Hedge
		Asset	Liabilities	Equity					
Fair Value Hedge									
Hedged item	Inventory of Copper and aluminium	(852.14)	-	-		1:1	Inventory		
Hedging instrument	Embedded derivative in trade payables of Copper and aluminium	-	(1,075.35)	-		1:1	Current financial assets		
								(852.14)	(223.21)
Cash Flow Hedge									
Hedged item	Highly probable forecasted purchases	-	-	(169.03)	Range within 1 to 6 months	1:1	Cash flow hedge Reserve		
Hedging instrument	Buy Derivative Position	-	169.03	-		1:1	Current financial liabilities		
Hedging instrument	Sell Derivative Position	-	-	-		1:1	Current financial liabilities		

The following table presents details of amounts held in effective portion of Cash Flow Hedge and the period during which these are going to be released and affecting Statement of profit and Loss

(₹ million)

As at 31 March 2020				
Cash Flow hedge release to P&L				
	Less than 3 Months	3 Months to 6 Months	6 Months to 12 Months	Total
Commodity Price risk				
Forward Buy Contract	64.49	85.30	19.24	169.03

22. During the current quarter, the Company has received a favourable order from Honourable Income-Tax Appellate Tribunal for AY 2012-13 to 2015-16 resulting into write back of income-tax provision of ₹ 839.52 million and recognition of interest on income tax refund of ₹ 163.89 million.

23. Others

The figures for the corresponding previous period have been regrouped / reclassified, wherever necessary, to make them comparable. Figures representing ₹ 0.00 million are below ₹ 5,000.

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 101248W/W-100022

BHAVESH H DHUPELIA
Digitally signed by BHAVESH H DHUPELIA
Date: 2020.07.21 19:35:00 +05'30'

Bhavesh Dhupelia

Partner

Membership No. 042070

Place: Mumbai

Date: 21 July 2020

For and on behalf of the Board of Directors of

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

CIN : L31300GJ1996PLC114183

INDER THAKURDAS JAISINGHANI
Digitally signed by INDER THAKURDAS JAISINGHANI
Date: 2020.07.21 16:48:53 +05'30'

Inder T. Jaisinghani

Chairman & Managing Director

DIN : 00309108

GANDHAR V TONGIA
Digitally signed by GANDHAR V TONGIA
Date: 2020.07.21 16:09:07 +05'30'

Gandharv Tongia

Chief financial officer

Membership No. 402854

Place: Mumbai

AJAY T JAISINGHAN
Digitally signed by AJAY T JAISINGHAN
Date: 2020.07.21 17:21:04 +05'30'

Ajay T. Jaisinghani

Whole Time Director

DIN : 00276588

SHYAM LAL BAJAJ
Digitally signed by SHYAM LAL BAJAJ
Date: 2020.07.21 17:22:00 +05'30'

S. L. Bajaj

Whole Time Director

DIN : 02734730

NARAYANA SUBRAMA NIMAM SAJ
Digitally signed by NARAYANA SUBRAMA NIMAM SAJ
Date: 2020.07.21 16:09:07 +05'30'

S. S. Narayana

Company Secretary

Membership No. F5221

Date: 21 July 2020