

Soci

Pres. Dott. Luciano L. Godoli
Dott. Federica Godoli
Rag. Carla Gatti
Dott. Roberto Belletti

*Dottori Commercialisti
e Avvocati*

Dott. Monica Colombi
Dott. Domenico Fogliaro
Dott. Agostino Francesco Mazziotti
Avv. Barbara Mignatti
Avv. Laura Maccari

Dott. Angela Apicella
Dott. Luca Giovannelli
Dott. Giuseppina Milea Pollinzi
Dott. Carlo Alberto Ravazzolo
Dott. Elisa Rossi

Financial Advisors

Dott. Gabriele Coccini
Dott. Giovanni Grieco

Of Counsel:

Rag. Pier Luigi Poggi



Audit Report to Financial Statement at March 31st, 2020

Polycab Wires Italy s.r.l.

Dear Dayashankar Patel,

I attach the original Audit Report and the Financial Statement at March 31st, 2020 of Polycab Wires Italy s.r.l. duly signed by the Auditor.

Best Regards

Federica Godoli

Milan, May 27th, 2020

Polycab INDIA LTD

771 Polycab House

Mogul Lane, Mahim (west)

Mumbai (India) 400016

Attn

Dayashankar Patel

Sai Narayana

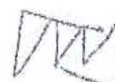
General information about the company

Name and id code
Company name: POLYCAB WIRES ITALY SRL
Company site: VIA SENATO 20 MILANO MI
Share capital: 60.000,00
Fully paid-in share capital: Yes
Registration Authority id code: MI
VAT number: 07913160961
Fiscal code: 07913160961
Registration number: MI 1990346
Legal form: SOCIETA' A RESPONSABILITA' LIMITATA
Activity Code: 829999
Company being wound up: No
Company with a single shareholder: Yes
Company subject to the management and coordination of others: Yes
Name of the company or entity that exercises management and coordination: POLYCAB INDIA LIMITED
belonging to a group: Yes
Name of the controlling entity: POLYCAB INDIA LIMITED
Country of the controlling entity: INDIA
Cooperative company Registration number: U31300DL1996PTC26648

Financial statements as at 31/03/2020

Ordinary balance sheet

	31/03/2020	31/03/2019
Assets		
B) Fixed assets		
II - Tangible fixed assets	-	-
4) other assets	-	3.218
<i>Total tangible fixed assets</i>	-	3.218
III - Financial fixed assets	-	-
2) receivables due from	-	-
d-bis) third parties	-	2.167



	31/03/2020	31/03/2019
due beyond the following year	-	2.167
<i>Total receivables</i>	-	2.167
<i>Total financial fixed assets</i>	-	2.167
<i>Total fixed assets (B)</i>	-	5.385
C) Current assets		
II - Receivables	-	-
1) trade accounts	-	14.037
due within the following year	-	14.037
4) due from parent companies	17.194	-
due within the following year	17.194	-
5-bis) due from tax authorities	11.583	12.218
due within the following year	11.583	12.218
5-ter) advances on tax payments	-	87.556
5-quater) due from third parties	-	1
due within the following year	-	1
<i>Total receivables</i>	28.777	113.812
IV - Liquid funds	-	-
1) bank and post office deposits	959	147.786
<i>Total liquid funds</i>	959	147.786
<i>Total current assets (C)</i>	29.736	261.598
D) Accrued income and prepayments	-	2.590
<i>Total assets</i>	29.736	269.573
Liabilities and shareholders' equity		
A) Shareholders' equity	5.687	216.580
I - Share capital	60.000	60.000
IV - Legal reserve	7.544	6.821
VI - Other reserves	-	-
Extraordinary reserve	143.327	129.591
Contributions to cover losses	4.133	4.133
Capital reduction reserve	1.576	1.576
<i>Total other reserves</i>	149.036	135.300
IX - Profit (loss) for the year	(210.893)	14.459
Total Shareholders' Equity	5.687	216.580
D) Payables		

	31/03/2020	31/03/2019
7) trade accounts	24.040	1.318
due within the following year	24.040	1.318
12) due to tax authorities	-	7.404
due within the following year	-	7.404
13) due to social security and welfare institutions	-	20.406
due within the following year	-	20.406
14) other payables	-	23.865
due within the following year	-	23.865
<i>Total payables (D)</i>	<i>24.040</i>	<i>52.993</i>
E) Accrued liabilities and deferred income	9	-
<i>Total liabilities and shareholders' equity</i>	<i>29.736</i>	<i>269.573</i>

Ordinary P&L account

	31/03/2020	31/03/2019
A) Value of production		
1) Revenues from sales and services	20.000	283.764
5) Other income and revenues	-	-
other	2	32.859
<i>Total Other income and revenues</i>	<i>2</i>	<i>32.859</i>
<i>Total value of production</i>	<i>20.002</i>	<i>316.623</i>
B) Cost of production		
6) Raw, ancillary and consumable materials and goods for resale	1.463	4.353
7) Services	42.196	38.489
8) Use of third party assets	2.722	10.206
9) Payroll and related costs	-	-
a) wages and salaries	40.946	180.100
b) related salaries	11.637	27.748
c) severance	8.330	32.758
<i>Total payroll and related costs</i>	<i>60.913</i>	<i>240.606</i>
10) Amortisation, depreciation and writedowns	-	-
b) depreciation of tangible fixed assets	349	849
<i>Total Amortisation, depreciation and writedowns</i>	<i>349</i>	<i>849</i>



	31/03/2020	31/03/2019
14) Other operating expenses	123.252	8.051
<i>Total cost of production</i>	230.895	302.554
Difference between value and cost of production (A - B)	(210.893)	14.069
C) Financial income and expense		
16) Other financial income	-	-
d) income other than the above	-	-
other	-	1
<i>Total income other than the above</i>	-	1
<i>Total other financial income</i>	-	1
17) Interest and other financial expense	-	-
other	-	45
<i>Total interest and other financial expense</i>	-	45
<i>Total financial income and expense (15 + 16 - 17 + - 17-bis)</i>	-	(44)
Profit before taxes (A - B + - C + - D)	(210.893)	14.025
20) Taxes on the income for the year		
Deferred tax assets and liabilities	-	(434)
<i>Total taxes on the income for the year</i>	-	(434)
21) Net profit (loss) for the year	(210.893)	14.459

Associazione Professionale
Studio Maurizio Godoli

Statement of cash flows, indirect method

	Amount as at 31/03/2020	Amount as at 31/03/2019
A) Financial flow from operations (indirect method)		
Net profit (loss) for the year	(210.893)	14.459
Income taxes		(434)
Interest expenses/(income)		44
<i>1) Profit (loss) for the fiscal year before income taxes, dividends and capital gains/losses from disposals</i>	<i>(210.893)</i>	<i>14.069</i>
Adjustments for non-monetary elements with no offset in working capital		
Accruals to provisions	8.330	32.758
Depreciation of assets	349	849
<i>Total adjustments for non-monetary items with no offset in net working capital</i>	<i>8.679</i>	<i>33.607</i>
<i>2) Financial flow before changes to the net working capital</i>	<i>(202.214)</i>	<i>47.676</i>
Changes in net working capital		
Decrease/(Increase) of credits towards customers	(3.157)	144.443
Increase/(Decrease) in payables due to suppliers	22.722	(12.748)
Decrease/(Increase) in accrued income and deferred expenses	2.590	(2.118)
(Increase)/Decrease in accrued liabilities and deferred income	9	(9)
Other decreases/(Other increases) of net working capital	36.517	(94.058)
<i>Total changes in net working capital</i>	<i>58.681</i>	<i>35.510</i>
<i>3) Financial flow after changes to the net working capital</i>	<i>(143.533)</i>	<i>83.186</i>
Other adjustments		
Interest collected/(paid)		(45)
Dividends collected		1
(Use of provisions)	(8.330)	(32.324)
<i>Total other adjustments</i>	<i>(8.330)</i>	<i>(32.368)</i>
Financial flow from operations (A)	(151.863)	50.818
B) Financial flow from investing activities		
Tangible fixed assets		
(Investments)		(2.287)
Disinvestments	2.869	657
Financial fixed assets		
Disinvestments	2.167	



	Amount as at 31/03/2020	Amount as at 31/03/2019
Cash flow from investing activities (B)	5.036	(1.630)
Increase (decrease) in cash and cash equivalents (A ± B ± C)	(146.827)	49.188
Cash and cash equivalents at the beginning of the fiscal year		
bank and post office deposits	147.786	98.598
Total cash and cash equivalents at the beginning of the fiscal year	147.786	98.598
Cash and cash equivalents at the fiscal year end		
bank and post office deposits	959	147.786
Total cash and cash equivalents at the end of the fiscal year	959	147.786
Balance difference		

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Explanatory notes, initial part

Introduction

Dear Quotaholder,

Polycab Wires Italy Srl. 's Financial Statements for the period from April 1st 2019 to March 31st 2020 show a loss of euro 210.893.

The Financial Statements, composed of the Income Statement, Balance Sheet and Notes to the Financial Statements, have been drawn up in accordance with articles 2423 ff. of the Italian Civil Code.

In particular, since the relevant conditions were satisfied, they have been prepared in the abbreviated form pursuant to article 2435-bis of the civil code.

The financial statements comply with the requirements of articles 2426 points 3) and 4) of the Italian Civil Code that there are no shares of parent companies held by the company either through trustee or by nominees and that no shares of parent companies have been acquired or disposed of during the quarter, either through trustee companies or by nominees.

Basis of preparation

The Financial Statements refers to the period from April 1st 2019 to March 31st 2020.

The Company carries marketing support services to companies such as consulting, scouting potential customers, business development, customer service and similar.

Management and coordination

The Company is subjected to management and co-ordination by Polycab India Limited: details of the balance sheet as at March 31st 2019 are outlined below.

POLYCARB INDIA LIMITED - Financial Statements at March 31st 2019

ASSET	Exchange at March 31st 2019	
	Rs. Millions	Euro'000
Tangible Fixed Assets	14.374	184.990
Intangible Fixed Assets	35	450
Financials Assets	2.470	31.783
Inventories	19.804	254.881
Receivable from clients	15.390	198.069
Banks and cash	3.882	49.956
TOTAL ASSET	55.954	720.129
LIABILITY		
Share Capital	1.412	18.172
Reserves	27.077	348.486

Debt	27.465	353.471
TOTAL LIABILITY	55.954	720.129
PROFIT AND LOSS		
Revenues	80.041	1.030.124
Costs	-72.475	-932.752
Finance costs	-2.551	-32.838
Taxes	-4	-56
Profit of the year	5.010	64.478

Formation criteria

Drafting of the financial statements

The information contained in this document is presented in the order in which the relative items are indicated in the balance sheet and in the income statement.

With reference to what is indicated in the introductory part of these explanatory notes, we certify that, pursuant to art. 2423, 3rd paragraph of the Civil Code, if the information required by specific provisions of the law are not sufficient to give a true and correct representation of the business situation, the additional information deemed necessary for the purpose is provided.

The financial statements, as well as this supplementary note, have been prepared in euros.

Principles of redaction

The criteria used in the preparation of the financial statements as of March 31st, 2019 don't deviate from those normally used in accordance with Article 2426 and following of the Italian Civil Code for the preparation of the financial statements, in particular in the evaluations and drafting principles expressed by these articles have not been used for the derogations provided for in Article 2423, fourth paragraph of the Italian Civil Code.

The valuation of the financial statements has been made on the basis of general criteria of prudence and competence and in the perspective of the continuation of the business.

Structure and content of the financial statement

The balance sheet, the income statement, the cash flow statement and the accounting information contained in these explanatory notes comply with the accounting entries, from which they were directly inferred.

Exceptional cases pursuant to art. 2423, fifth paragraph, of the Civil Code

Comment

Nothing to declare.

Changes in accounting principles

Comment

Nothing to declare.

Evaluation criteria

Fixed assets

Tangible fixed assets were recorded at cost of purchase or production, including incidental charges and depreciation have been calculated based on the residual potential using.

Receivables and payables

Receivables are exposed to the estimated realizable value; payables at nominal value.

Accrued and repayable

Assets and liabilities, have been determined on the basis of the time competence of the income components to which they relate.

Severance Fund

It represents the actual debt accrued to employees, in accordance with law and collective labor contracts in force.

Recognition of revenues, income, costs and charges

The revenues, obtained for the sale of goods or the provision of services, are recognized on the basis of timely competence. Revenues and income, costs and charges are shown net of discounts and rebates.

Currency Conversion Criteria

Receivables and payables originally in foreign currencies are recorded at the exchange rates in force at the date of the transaction. They are aligned at the exchange rate on the closing date of the financial statements.

Taxes on income

The current taxes are set off according to the rates and rules in force.

Other information

Comment

Transactions with the obligation of retrocession to term

The company, pursuant to art.2427 n. 6-ter, certifies that during the year it didn't carry out any transaction subject to the obligation of retrocession.

Explanatory notes, assets

Introduction

The values entered as assets in the balance sheet have been evaluated as required by article 2426 of the Italian Civil Code and in accordance with the national accounting standards. The criteria applied in each case are indicated in the sections concerning the individual entries.

Tangible fixed assets

Changes in tangible fixed assets

Analysis of transactions in property, apparatus and equipment

	Other tangible fixed assets	Total tangible fixed assets
Year opening balance		

Cost	4.287	4.287
Amortisation (amortisation fund)	1.069	1.069
Balance sheet value	3.218	3.218
Changes during the quarter		
Increases for acquisitions	24.310	34.310
Decreases due to disposals and divestments (of the book value)	28.597	28.597
Amortisation (amortisation fund)	(1.069)	(1.069)
<i>Total changes</i>	<i>(3.218)</i>	<i>(3.218)</i>

The item "Other tangible fixed assets" refers to vehicles, office electronics and other equipment.

Current assets

Introduction

The elements of the current assets are evaluated as required by numbers 8 to 11-bis of article 2426 of the Italian Civil Code. The criteria used are indicated in the sections of the respective financial statements' items.

Receivables included among current assets

Changes and due date of the receivables entered in the current assets

Introduction

The table below shows the information on the changes in receivables entered in current assets as well as information on their due dates, if significant.

Analysis of changes and due dates of receivables reported as current assets

	Balance as at 03/31/2019	Changes	Balance as at 03/31/2020	Due dates within one year
Trade accounts	14.037	(14.037)	-	-
Due from parent company	-	17.194	17.194	17.194
Due from Tax Authorities	12.218	(635)	11.583	11.583
Advances on tax payments	87.556	(87.556)	-	-
Due from third parties	1	(1)	-	-
Total	113.812	(85.035)	28.777	28.777

The item "Due from parent company" as at March 31st 2020 consists of trade receivables from the parent company Polycab India Limited.

The item "Tax receivables" as of at March 31st 2020 is made up of :

- Vat Credit for euro 8.504;
- IRES Credit for Euro 232;
- IRAP Credit for Euro 2.847.

The item "Deferred tax assets" was deleted during the current year as it is believed that there is no longer any reasonable certainty of recoverability in future years.

Cash and cash equivalents

Analysis of changes in cash and cash equivalents

	Balance as at 03/31/2019	Changes	Balance as at 03/31/2020
bank and post office deposits	147.786	(146.827)	959
<i>Total</i>	<i>147.786</i>	<i>(146.827)</i>	<i>959</i>

Comment

The balance represents the cash available in the current account of the Company held at Unicredit Bank.

Accrued income and prepaid expenses

Introduction

The following table shows information on changes in accrued income and prepaid expenses.

Analysis of changes in accrued income and deferred expenses

	Balance as at 03/31/2019	Change	Balance as at 03/31/2020
Deferred expenses	2.590	(2.590)	-
Total accrued income and prepaid expense	2.590	(2.590)	-

Capitalized financial charges

Introduction

The company has not capitalized borrowing costs during the year. All interest and other financial charges have been fully charged to the income statement for the year.

Explanatory notes, liabilities and shareholders' equity

Introduction

The entries of the equity investment and the liabilities of the balance sheet were entered in accordance with the national accounting standards; the criteria specifically applied are indicated in the sections concerning the individual entries.

Shareholders' equity

Introduction

The items are entered in the financial statements at their accounting amount based on the indications contained in OIC accounting standard no. 28.

Changes in shareholders' equity

Introduction

The tables below show the changes of the individual shareholders' equity, as well as the details of other reserves, if present in the financial statements.

Analysis of changes in equity items

	Balance as at 03/31/2019	Allocation of profit from previous fiscal year - Other allocations	Results for the fiscal Quarter	Balance as at 03/31/2020
Share capital	60.000	-	-	60.000
Legal Reserve	6.821	723	-	7.544
Extraordinary Reserve	129.591	13.736	-	143.327
Contribution to cover losses	4.133	-	-	4.133
Capital Reduction Reserve	1.576	-	-	1.576
Net profit (loss) for the period	14.459	(14.459)	(210.893)	(210.893)
Total	216.580	-	(210.893)	5.687

Use of shareholders' equity

Introduction

The following schedules indicate the items of the equity investment, specifying their origin, possible use and distribution, as well as their use.

Origin, possibility of use and distribution of equity items

Description	Amount	Origin / nature	Possibility of use	Available portion
Share Capital	60.000	Capital		-
Legal Reserve	7.544	Capital	B	7.544
Extraordinary Reserve	143.327	Profit	A;B;C	143.327
Contributions to cover losses	4.133	Capital	B	4.133
Capital reduction reserve	1.576	Capital	A;B	1.576
Total other reserves	149.036			149.036
Total	216.580			156.580
Non-distributable quota				156.580
LEGEND: A: increase of share capital; B: coverage of losses; C: distribution to shareholders; D: for other obligations imposed by the article of association; E: other				

Payables

Payables changes and due date

Introduction

The table below shows the information on changes in payables and any information related to their due dates.

Payables changes and due date

	Balance as at 03/31/2019	Change	Balance as at 03/31/2020	Portion due within fiscal year
trade accounts	1.318	22.722	24.040	24.040
due to tax authorities	7.404	(7.404)	-	-
due to social security and welfare institutions	20.406	(20.406)	-	-
other payables	23.865	(23.865)	-	-
Total	52.993	(28.953)	24.040	24.040

Comment

The item "Payables to suppliers" as of March 31st 2020 is composed as follows:

- Invoice to be received from suppliers € 24.040

Payables secured by collateral on corporate assets

Introduction

There are no debts secured by collateral on corporate assets.

Accrued liabilities and deferred income

Introduction

The following table shows information on changes in accrued liabilities and deferred income

Analysis of changes in accrued liabilities and deferred income

	Balance as at 03/31/2019	Change	Balance as at 03/31/2020
Accrued liabilities	-	9	9
Total accrued liabilities and deferred income	-	9	9

Comment

Foreign Currency Transactions - Receivables and Payables Related to Transactions Providing Compulsory Forward

Deferred Purchase (Article 2427 of the Civil Code Par. 6 bis and 6 Ter)

In the financial statements as of March 31st 2020 there are no credits or currency payables. The company doesn't have any transactions involving the obligation for the forwarder to be forwarded.

Explanatory notes, P&L account

Introduction

The income statement shows the economic result at March 31st 2020.

It shows the operating activities through a summary of the positive and negative components of the income that contributed to the economic result. The revenue and cost components of the income, entered in the financial statements as required by article 2425-bis of the Italian Civil Code, are grouped in a way that provides meaningful intermediate results and are distinguished depending on the various operations to which they belong: ordinary, accessory, and financial.

The ordinary activity identifies the income components generated by operations that are performed continuously and in the sector pertinent to the performance of the operation, which identify and qualify the specific and distinctive part of the economic activity carried out by the company and which is the company's business purpose.

The financial activity consists of transactions that generate revenues and expenses of financial nature.

Finally, the accessory activity consists of the operations that generate income components that are part of the ongoing activity, but do not fall into the ordinary and financial activity.

Production value

Introduction

The Revenues of the year from commissions for € 20.000,00 accrued towards the parent company Polycab INDIA LIMITED, for € 2 from other income such as rounding, interest income and other revenues.

Cost of production

Comment

The costs and charges are attributed on accrual basis of accounting and according to their nature, net of returns, allowances, discounts, and premiums, in compliance with the principle of correlation with the revenues; they are entered in the respective items as required by accounting standard OIC 12.

Production costs include the costs related to the voluntary liquidation which will be resolved by the shareholders during the Notarial deed that will be held in the year 2020. The aforementioned costs for a total amount of € 9.740,00 and are detailed as follows:

- Administrative and tax consultancy for € 6.240,00;
- Notary fees of € 2.300,00;
- Chamber rights for € 1.200,00.

Amount and nature of the individual elements of revenue / cost of exceptional entity or incidence

Introduction

Nothing to declare.

Income taxes for the fiscal year, current, deferred, and prepaid

Introduction

The company has provided the tax on the basis of the application of the current tax rules. Current taxes refer to the taxes that are incurred at March 31st 2020 as well as the tax returns.

The deferred tax assets and deferred taxes refer to positive or negative income components, respectively, subjected to taxation or deduction in different years compared with those of civil recording.

Current taxes

There are no taxes for the current year.

Explanatory notes, other information

Introduction

The following is the other information required by the civil code.

Employment data

The business organization, broken down by category, as of March 31st 2020, is made up of just one manager.

Remunerations, advances, and credits granted to directors and statutory auditors, as well as commitments assumed on their behalf

Introduction

In the FS at March 31st 2020, the company didn't pay fee to the Sole Director. The company does not have the Board of Auditors.

Category of shares issued by the company

Introduction

This paragraph of the explanatory notes is not pertinent since the share capital is not represented by shares.

Securities issued by the company

The company didn't issue any Financial Instruments.

Commitments, guarantees and contingent liabilities not resulting from the balance sheet

There are no commitments, guarantees or contingent liabilities resulting from the balance sheet.

Assets for a single business (Article 2427 of the Italian Civil Code, paragraphs 20 and 21)

There is no asset for a sole deal.

Transactions with related parties (Article 2427 of the Italian Civil Code, p. 22-bis)

At March 31st 2020, transactions with related parties were made, in particular related to the provision of services to the parent company, Polycab India Limited, which were concluded at market conditions.

Information on agreements not resulting from the balance sheet

There are no agreements not resulting from the balance sheet.

Information on significant events occurring after the end of the year

No significant events occurred after the end of the year .

Information relating to derivative financial instruments pursuant to art. 2427-bis of the Civil Code

It is hereby certified that no derivative financial instrument was subscribed.

Information pursuant to art. 1, paragraph 125, of the law of 4 August 2017 n. 124

In relation to the provisions of art. 1, paragraph 125, of law 124/2017, regarding the obligation to give evidence in the supplementary note of the amounts of money eventually received in the year by way of grants, contributions, paid offices and anyway economic advantages of any kind by the public administrations and by the parties referred to in paragraph 125 of the same article, the Company certifies that it has nothing to report.

Grouping of Voices - (Article 2423 ter of the Italian Civil Code - Paragraph 2)

It should be noted that the Company didn't carry any groupings of items preceded by Arabic numerals, as may be provided by art. 2423 ter of the Civil Code.

Elements belonging to multiple voices (Article 2424 of the Italian Civil Code - Paragraph 2)

It should be noted that there are no items of assets or liabilities that fall under several items in the balance sheet.

Situation and movements of the parent's shares or shares (Articles 2435-bis and 2428 of the Italian Civil Code, paragraph 2, points 3 and 4)

It is specified that, for the purposes and for the effects of the second-last paragraph of art. 2435 bis c.c., that the company does not own any own shares or shares of parent companies. In addition, the company did not buy or sell own shares or shares of parent companies during the quarter.

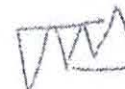
Explanatory notes, final part

Final considerations

Dear Shareholders,

in light of the above, the Director invites you, at the Shareholders' Meeting, to approve the financial statements for the year ended March 31st 2020 resulting in a loss of Euro 210.893,00 for which, following the reduction of the share capital by over a third and below the legal limit, it will be necessary to put in place the appropriate measures pursuant to art. 2482-ter of the Italian Civil Code.

The balance sheet is true and real and corresponds to the accounting records.



THE SOLE DIRECTOR

Bharat Ajay Jaisinghani



Associazione Professionale
Studio Maurizio Godoli