

Independent Auditor's Report

TO THE MEMBERS OF POLYCAB AUSTRALIA PTY LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Polycab Australia Pty Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors report, but does not include the financial statements and our auditors' report thereon.



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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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



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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

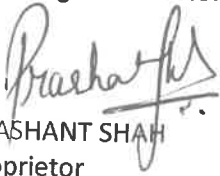


Other Reporting Requirements

We further report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.
- b) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and Statement of Changes in Equity, and dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the financial statements.

For **PRASHANT SHAH & CO**
Chartered Accountants
Firm Registration No. 146854W


PRASHANT SHAH
Proprietor

Membership No. 303286

Place: Mumbai

Date: 18 April 2022

UDIN: 22303286AIGZUV4419



Polycab Australia Pty Ltd
Standalone Balance Sheet as at 31 March 2022

	Notes	As at 31 Mar 22	(In AUD'000) As at 31 Mar 21
ASSETS			
Non-current assets			
Deferred tax assets (net)	3	1.59	1.95
		1.59	1.95
Current assets			
Inventories	4	3,391.55	124.08
Financial assets			
(a) Trade receivables	5	3,494.21	10,234.34
(b) Cash and cash equivalents	6	710.52	111.74
		7,596.29	10,470.17
Total assets		7,597.88	10,472.12
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	7	205.00	205.00
(b) Other equity	8	644.27	284.40
		849.27	489.40
Liabilities			
Current liabilities			
Financial liabilities			
(a) Borrowings	9	-	450.00
(b) Trade Payables	10	6,606.26	9,122.77
Others financial liabilities	11	-	4.49
Non financial liabilities	12	80.52	281.63
Current tax liabilities (net)	13	61.84	123.83
		6,748.61	9,982.71
Total equity and liabilities		7,597.88	10,472.11
Corporate Information and summary of significant accounting policies	1		
Contingent liabilities and commitments	2		
Other notes to accounts	3-26		

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

As per our report of even date
For PRASHANT SHAH & CO
Chartered Accountants
ICAI Firm Registration No. 146854W


Prashant Shah
Proprietor
Membership No. 303286

Place: Mumbai
Date: 18 Apr 2022



For and on behalf of the Board of Directors of
Polycab Australia Pty Ltd
ACN : 642 239 709


Dipen Rughani
Director & Public Officer

Place: Australia
Date: 18 Apr 2022


Anurag Agarwal
Director

Place: Mumbai
Date: 18 Apr 2022

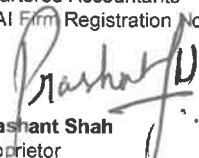
Polycab Australia Pty Ltd

Standalone Statement of Profit & Loss for the year ended 31 March 2022

	Notes	Year ended 31 Mar 22	(In AUD'000) Year ended 31 Mar 21
INCOME			
Revenue from operations	14	13,605.48	10,246.02
Total income		13,605.48	10,246.02
EXPENSES			
Purchases of stock-in-trade	15	15,840.42	9,427.89
Changes in inventories of stock-in-trade	16	(3,267.47)	(124.08)
Finance costs	17	11.63	4.61
Other expenses	18	506.29	531.32
Total expenses		13,090.87	9,839.74
Profit before tax		514.60	406.28
Income tax expenses			
Current tax		154.38	123.83
Deferred tax (credit)/charge		0.36	(1.95)
Total tax expenses		154.74	121.89
Profit for the year		359.87	284.39
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, net of tax		359.87	284.39
Earnings per share			
Basic and Diluted (Per AUD)	19	0.00	1.39
Weighted average equity shares used in computing earnings per equity share			
Basic and Diluted	19	205.00	205.00
Corporate Information and summary of significant accounting policies	1		
Contingent liabilities and commitments	2		
Other notes to accounts	3-26		

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

As per our report of even date
For **PRASHANT SHAH & CO**
Chartered Accountants
ICAI Firm Registration No. 146854W


Prashant Shah
Proprietor
Membership No. 303286

Place: Mumbai
Date: 18 Apr 2022



For and on behalf of the Board of Directors of
Polycab Australia Pty Ltd
ACN : 642 239 709


Dipen Rughani
Director & Public Officer

Place: Australia
Date: 18 Apr 2022



Anurag Agarwal
Director

Place: Mumbai
Date: 18 Apr 2022

Polycab Australia Pty Ltd

Standalone Statement of Changes in Equity for the year ended 31 March 2022

A) Equity Share Capital

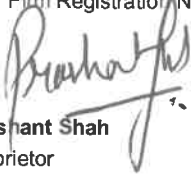
	(In AUD'000)	
	31 Mar 22	31 Mar 21
Balance at the beginning of the year	205.00	205.00
Balance at the end of the year	205.00	205.00

B) Other Equity

	(In AUD'000)		
	Reserves & Surplus	Items of Other comprehensive income (OCI)	Total other equity
	Retained Earnings		
As at 1 Apr 2020			
Profit after tax for the year	284.40	-	284.40
Items of OCI for the year, net of tax			
As at 31 Mar 2021	284.40	-	284.40
Profit after tax for the year	359.87	-	359.87
Items of OCI for the year, net of tax			
As at 31 Mar 2022	644.27	-	644.27
Corporate Information and summary of significant accounting p	1		
Contingent liabilities and commitments	2		
Other notes to accounts	3-26		

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

As per our report of even date
For PRASHANT SHAH & CO
 Chartered Accountants
 ICAI Firm Registration No. 146854W


Prashant Shah
 Proprietor
 Membership No. 303286



Place: Mumbai
 Date: 18 Apr 2022

For and on behalf of the Board of Directors of
Polycab Australia Pty Ltd
 ACN : 642 239 709


Dipen Rughani
 Director & Public Officer

Place: Australia
 Date: 18 Apr 2022


Anurag Agarwal
 Director

Place: Mumbai
 Date: 18 Apr 2022

Polycab Australia Pty Ltd
Standalone Statement of Cash flows for the year ended 31 March 2022

Accounting policy

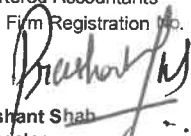
Cashflows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cashflows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, cheques in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

	Year ended 31 Mar 22	Year ended 31 Mar 21
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	514.60	406.28
Adjustments for:		
Finance cost	11.63	0.12
Operating profit before working capital changes	526.23	406.40
Movements in working capital:		
(Increase)/ Decrease in inventories (net)	(3,267.47)	(124.08)
(Increase)/ Decrease in trade receivables	6,740.13	(10,234.34)
Increase/ (Decrease) in trade payables	(2,516.51)	9,408.88
Increase/ (Decrease) in other financial liabilities	(4.49)	-
Increase/ (Decrease) in other non financial liabilities	(201.11)	281.63
Cash generated from operations	1,276.79	(261.52)
Income tax paid (net of refunds)	(216.38)	-
Net cash generated/(used) from operating activities (A)	1,060.41	(261.52)
B. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from Issue of Share Capital	-	205.00
Loan taken/(Repaid)	(450.00)	450.00
Interest and other finance cost paid	(11.63)	(0.12)
Net cash used in investing activities (B)	(461.63)	654.88
Net increase / (decrease) in cash and cash equivalents (A+B)	598.78	393.36
Cash and cash equivalents at the beginning of the year	111.74	-
Cash and cash equivalents at end of the year	710.52	393.36
Corporate information and summary of significant accounting policies	1	
Contingent liabilities and commitments	2	
Other notes to accounts	3-26	

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

As per our report of even date
For PRASHANT SHAH & CO
Chartered Accountants
ICAI Firm Registration No. 146854W


Prashant Shah
Proprietor
Membership No. 343286

Place: Mumbai
Date: 18 Apr 2022



For and on behalf of the Board of Directors of
Polycab Australia Pty Ltd
ACN : 642 239 709


Dipen Rughani
Director & Public Officer

Place: Australia
Date: 18 Apr 2022



Anurag Agarwal
Director

Place: Mumbai
Date: 18 Apr 2022

Polycab Australia Pty Ltd

Notes to Standalone Financial Statements for the year ended 31 March 2022

1. Corporate information

Polycab Australia Pty Ltd, ("the Company") a proprietary company, is incorporated in New South Wales, Australia. The Company was incorporated on 1 July 2020 and registered under the Corporations Act 2001 Australia. The Registered Office of the Company is Unit 55 117, Old Pittwater Road, Brookvale, NSW 2100. The Australian Company Number is 642 239 709. The Company is engaged in the trading business of electrical cables and wires, optical fibre cables and consumer electrical goods.

The Board of Directors approved the Standalone Financial Statements for the year ended 31 March 2022 and authorised for issue on 18 Apr 2022.

2. Summary of significant accounting policies

A) Basis of preparation

i Statement of Compliance:

The Company prepares its Financial Statements to comply with the accounting standards specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. These Standalone financial statements includes Balance Sheet as at 31 March 2022, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Cash flows and Statement of changes in equity for the year ended 31 March 2022, and a summary of significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

ii Basis of Measurement:

The financial statements for the year ended 31 March 2022 have been prepared on an accrual basis and under a historical cost convention except certain financial assets and liabilities which have been measured at fair value or amortised cost at the end of each reporting period. Historical cost and methods of computation followed in the financial statements are same as compared with the annual financial statements for the year ended 31 March 2021, except for adoption of new standard or any pronouncements effective from 1 April 2021.

iii Classification of Current / Non-Current Assets and Liabilities:

The Company presents assets and liabilities in the Balance sheet based on current / non-current classification. It has been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. The company presents an additional balancesheet.

Operating Cycle:

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current non-current classification of assets and liabilities.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

iv Functional and Presentation Currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operate (i.e. the "functional currency"). The functional currency of the company is AUD and the financial statements are also presented in AUD.

B) Use of estimates and judgements

In the course of applying the policies outlined in all notes, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

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



Polycab Australia Pty Ltd

Notes to Standalone Financial Statements for the year ended 31 March 2022

i Revenue Recognition:

The Company applied judgements that significantly affect the determination of the amount and timing of revenue from contracts at a point in time with customers, such as identifying performance obligations in a sales transactions. In certain non-standard contracts, where the Company provides extended warranties in respect of sale of consumer durable goods, the Company allocated the portion of the transaction price to goods based on its relative standalone prices. Also, certain contracts of sale includes volume rebates that give rise to variable consideration. In respect of long term contracts significant judgments are used in:

ii Provisions

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change.

iii Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized. Contingent assets are neither recognised nor disclosed in the financial statements.

iv Trade Receivables

The Trade receivables are recognised initially at the transaction price, less the expected lifetime credit losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company historical credit loss experience, as well as the credit losses that are expected in the foreseeable future.

v Provision for income tax and deferred tax assets

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

vi Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

C) The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.



Polycab Australia Pty Ltd

Notes to Standalone Financial Statements for the year ended 31 March 2022

3. Non-current tax assets (net)

Deferred tax assets

Accounting policy

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted at the reporting date. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

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

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

(In AUD'000)

	Carrying value as at 01 April 21	Changes through profit and loss	Carrying value as at 31 Mar 22
Deferred tax assets / (liabilities) in relation to			
Others current liabilities	1.95	(0.36)	1.59
Total deferred tax assets / (liabilities)	1.95	(0.36)	1.59

4. Inventories

Accounting policy

Finish goods and stock -in-trade are valued at lower of cost and or realizable value. Cost includes cost of purchase and includes all applicable costs, including inward freight, incurred in bringing the inventories at their location and condition. Cost is determined on a weighted average basis.

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

(In AUD'000)

	31 Mar 22	31 Mar 21
Traded Goods *	3,391.55	124.08
	3,391.55	124.08

Notes:

* The above includes goods in transit as under :

	31 Mar 22	31 Mar 21
Traded Goods	3,391.55	124.08
	3,391.55	124.08

5. Trade receivables

(In AUD'000)

	31 Mar 22	31 Mar 21
Current		
Trade receivables- Considered Good	3,494.21	10,234.34
Current Trade receivables	3,494.21	10,234.34

Notes:-

(a) Trade receivables are usually non-interest bearing and are generally on credit terms up to 120 days . The Company's term includes charging of interest for delayed payment beyond agreed credit days. Company entities charge interest for delayed payments in certain cases depending on factors, such as, market conditions and past realisation trend.

(b) The Company follows life time expected credit loss model. Accordingly, deterioration in credit risk is not required to be evaluated annually.

(c) Trade receivables have been pledged as security against bank borrowings.

(d) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person, except the dues. Further, no trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(e) Trade receivables ageing schedule

As at 31 March 22 (In AUD'000)

	Not due	Outstanding for following periods from due date of payment				TOTAL
		Less than 6 months	More than 6 months to 12 months	1-2 years	2-3 years	
Undisputed Trade						
(i) Receivables - considered good	2,795.24	698.97	-	-	-	3,494.21
	2,795.24	698.97	-	-	-	3,494.21



Polycab Australia Pty Ltd
Notes to Standalone Financial Statements for the year ended 31 March 2022

5. Trade receivables

As at 31 March 21

	Not Due	Less than 6 months	Outstanding for following periods from due date of payment				TOTAL	(In AUD'000)
			More than 6 months to 12 months	1-2 years	2-3 years	More than 3 years		
Undisputed Trade								
(i) Receivables - considered good	6,823.14	3,411.20	-	-	-	-	10,234.34	
	6,823.14	3,411.20	-	-	-	-	10,234.34	

6. Cash and cash equivalents

	31 Mar 22	31 Mar 21	(In AUD'000)
Cash and cash equivalents (at amortised cost)			
Balances with banks			
In current accounts	710.52	111.74	
	710.52	111.74	

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

7. Equity Share capital

	31 Mar 22	31 Mar 21	(In AUD'000)
Authorised share capital			
Equity shares, AUD 1 per value 2,05,000 (2,05,000) equity shares*	205.00	205.00	
Issued, subscribed and fully paid-up shares			
Equity shares, AUD 1 per value 2,05,000 (2,05,000) equity shares*	205.00	205.00	
Total issued, subscribed and fully paid-up shares	205.00	205.00	

Note:

(a) The reconciliation of shares outstanding and the amount of share capital as at 31 March 2022 and 31 March 2021 are as follow:

	31 Mar 22		31 Mar 21	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	2,05,000	205.00	2,05,000	205.00
At the end of the year	2,05,000	205.00	2,05,000	205.00

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of AUD 1 per share. Each holder of equity shares is entitled to one vote per share.

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

(c) The details of Shareholding are as under as at 31 March 2022 and 31 March 2021 are as follows:

	31 Mar 22		31 Mar 21		% Change during the year
	Number of Shares	Total share	Number of Shares	Total share	
Polycab India Limited	2,05,000	100.00%	2,05,000	100.00%	0.00%

(d) The details of shareholders holding more than 5% shares as at 31 March 2022 and 31 March 2021 are as follows:

	31 Mar 22		31 Mar 21	
	Number of Shares	% holding	Number of Shares	% holding
Polycab India Limited	2,05,000	100.00%	2,05,000	100.00%

8. Other equity

Retained earnings

Retained earnings are the profits that the Company has earned till date less any transfers to General Reserve, dividends or other distributions to shareholders. Retained earnings includes re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to statement of profit and loss. Retained earnings is a free reserve available to the Company.

	31 Mar 22	31 Mar 21	(In AUD'000)
Opening balance	284.40	-	
Add: Profit during the year	359.87	284.40	
	644.27	284.40	



Polycab Australia Pty Ltd
Notes to Standalone Financial Statements for the year ended 31 March 2022

9. Borrowings

Borrowings- current

	31 Mar 22	(In AUD'000) 31 Mar 21
At amortised cost		
From related party (unsecured)	-	450.00
	-	450.00

Note:

(a) Funds raised on short term basis have not been utilised for long term purposes and spent for the purpose it was obtained.

10. Trade payables

Accounting policy

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are paid within 0 to 90 days of recognition other than usance letter of credit. Trade payables are presented as current financial liabilities.

	31 Mar 22	(In AUD'000) 31 Mar 21
At amortised cost		
(i) Trade Payables to Others	82.59	495.17
(ii) Trade Payables to Related Party	6,523.67	8,627.59
	6,606.26	9,122.77

(a) Trade Payables ageing schedule

	Not due	Outstanding for following periods from due date of payment				TOTAL
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 22						(In AUD'000)
(i) Others	82.59					82.59
(ii) Related Party	6,386.82	136.85	-	-	-	6,523.67
	6,469.41	136.85	-	-	-	6,606.26

	Not Due	Outstanding for following periods from due date of payment				TOTAL
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 21						(In AUD'000)
(i) Others	-	495.17	-	-	-	495.17
(ii) Related Party	6,023.41	2,604.18	-	-	-	8,627.59
	6,023.41	3,099.36	-	-	-	9,122.77

11. Other financial liabilities

	31 Mar 22	(In AUD'000) 31 Mar 21
At Amortised Cost		
Interest accrued but not due	-	4.49
	-	4.49

12. Non financial liabilities

	31 Mar 22	(In AUD'000) 31 Mar 21
At Amortised Cost		
Duties and Taxes	46.72	281.63
Advance received from Customers	33.80	-
	80.52	281.63

13. Current Tax liabilities (net)

Accounting policy

Income tax expenses comprise current tax and deferred income tax and includes any adjustments related to past periods in current and / or deferred tax adjustments that may become necessary due to certain developments or reviews during the relevant period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Australian-tax Act. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax received / receivable pertains to prior period recognised when reasonable certainty arise for refund acknowledged by the Income-tax department. Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

The major tax jurisdiction of the Company is India. Further, the Company periodically receives notices and inquiries from Indian income tax authorities related to the Company's operations. The Company has evaluated these notices and inquiries and has concluded that any consequent income tax claims or demands, if any, by the income tax authorities will not succeed on ultimate resolution."

	31 Mar 22	(In AUD'000) 31 Mar 21
Current tax liability (net of provision)	61.84	123.83
	61.84	123.83



Polycab Australia Pty Ltd

Notes to Standalone Financial Statements for the year ended 31 March 2022

14. Revenue from operations

Accounting Policy

Accounting for revenue arising from contracts with customers and interpretations on revenue recognition related to sale of goods and services.

(i) **Measurement of Revenue**

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, incentive schemes, if any, as per contracts with customers. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer. Taxes collected from customers on behalf of Government are not treated as Revenue.

(ii) **Sale of goods**

Revenue from contracts with customers involving sale of these products is recognized at a point in time when control of the product has been transferred at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, and there are no unfulfilled obligation that could affect the customer's acceptance of the products and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. At contract inception, the Company assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue from contracts with customers is recognized when control of goods or services are transferred to customers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. The point of time of transfer of control to customers depends on inco terms of the trade - CIF, CFR or DDP, ex-works, etc.

(iii) **Variable consideration**

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

(iv) **Significant Financing Components**

In respect of advances from its customers, using the practical expedient. The Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be within normal operating cycle.

Revenue from operations

	31 Mar 22	31 Mar 21
		(In AUD'000)
Revenue on Sale of Products		
Traded goods	13,605.48	10,246.02
Total Revenue from operations	13,605.48	10,246.02

15. Purchases of stock-in-trade

	31 Mar 22	31 Mar 21
		(In AUD'000)
Wires and Cables	15,840.42	9,427.89
	15,840.42	9,427.89

16. Changes in inventories of stock-in-trade

	31 Mar 22	31 Mar 21
		(In AUD'000)
Inventory at the beginning of the year		
Traded goods	124.08	-
	124.08	-
Inventory at the end of the year		
Traded goods	3,391.55	124.08
	3,391.55	124.08
Changes in Inventories	(3,267.47)	(124.08)

17. Finance cost

Accounting Policy

Finance cost includes interest on loan, bank charges, exchange differences arising from the foreign currency borrowings, etc.

	31 Mar 22	31 Mar 21
		(In AUD'000)
Interest expense on financial liabilities at amortised cost	9.98	4.49
Other borrowing costs	1.65	0.12
	11.63	4.61

18. Other expenses

	31 Mar 22	31 Mar 21
		(In AUD'000)
Legal and professional fees	36.17	5.10
Payment to auditor	1.96	1.20
Freight & forwarding expenses	268.02	335.31
Commission expenses	152.66	189.72
Advertisement and sales promotion	44.04	-
Miscellaneous expenses	3.43	-
	506.29	531.32



Polycab Australia Pty Ltd

Notes to standalone financial statement for the year ended 31 March 2022

19. Earnings per share

Accounting Policy

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

Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The company reports basic and diluted earnings per share (EPS) which has been computed by dividing the income available to equity shareholders by the weighted average number of equity shares outstanding during the accounting year. The diluted EPS have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the year.

		(In AUD'000)	
		31 Mar 22	31 Mar 21
(a)	Basic Earnings per share		
	Profit after taxation	(In AUD'000) 359.87	284.40
	Weighted average number of equity shares for basic earning per share	Number 205.00	205.00
	Earnings per shares - Basic (one equity share of ₹ 10 each)	Per share 1.76	1.39
(b)	Diluted Earnings per share		
	Profit after taxation	(In AUD'000) 359.87	284.40
	Weighted average number of equity shares for basic earning per share	Number 205.00	205.00
	Earnings per shares - Diluted (one equity share of ₹ 10 each)	Aud per share 1.76	1.39

20. 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.

(A) Enterprises where control exists

	Country of incorporation	Ownership Interest (%)	
		31 Mar 22	31 Mar 21
(i) Holding Company			
Polycab India Limited	India	100.00%	100.00%

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

EPMR Australia Pty Ltd (upto 17th Sep 21) (Mr. Kuldeep Singh is Director in this Company)
Newland Global Group Pty Ltd (w.e.f 7th Oct 21) (Mr. Dipen Rughani is Director in this Company)

(C) Key management personnel

- (i) **Directors**
Mr. Kuldeep Singh (Resigned w.e.f 17th Sep 21)
Mr. Dipen Rughani (Appointed w.e.f 7th Oct 21)
Mr. Anurag Agarwal
Mrs. Shikha Inder Jaisinghani

21. Related party disclosure

(D) Transactions with group companies

			(In AUD'000)	
			Year ended 31 Mar 22	Year ended 31 Mar 21
(i)	Purchase of Traded goods			
	Polycab India Limited	Holding Company	15,549.78	9,364.72
(ii)	Issue of Equity Shares			
	Polycab India Limited	Holding Company	-	205.00
(iii)	Loan Received			
	Polycab India Limited	Holding Company	-	450.00
(iv)	Loan Repaid			
	Polycab India Limited	Holding Company	450.00	-
(v)	Commission			
	EPMR Australia Pty Ltd	Enterprise owned or significantly influenced by KMP	44.81	189.72
(vi)	Marketing Fees			
	EPMR Australia Pty Ltd	Enterprise owned or significantly influenced by KMP	6.21	-
(vii)	Interest on Loan			
	Polycab India Limited	Holding Company	9.98	4.49
(viii)	Consultancy Charges			
	Newland Global Group Pty Ltd	Enterprise owned or significantly influenced by KMP	10.03	-



Polycab India Limited
Notes to Standalone Financial Statements for the year ended 31 March 2022

(E) Outstanding as at the year end :

		Year ended 31 Mar 22	Year ended 31 Mar 21
(i) Loans			
Polycab India Limited	Holding Company	-	450.00
(ii) Trade Payables			
Polycab India Limited	Holding Company	6,523.67	8,632.08
EPMR Australia Pty Ltd	Enterprise owned or significantly influenced by KMP	-	189.72

Note:

The Company is not providing any remuneration to its KMP.

22 Financial performance ratios:

		31 Mar 22	Year ended 31 Mar 21
A Performance Ratios			
Net Profit ratio	=	$\frac{\text{Trailing Twelve month's profit after tax}}{\text{Trailing Twelve month's revenue from operations}}$	0.03
		0.03	0.03
Net Capital turnover ratio	=	$\frac{\text{Trailing Twelve month's revenue from operations}}{\text{Closing working capital}}$	16.02
		20.94	20.94
Return on Capital employed	=	$\frac{\text{Trailing Twelve month's profit before interest and tax}}{\text{Closing capital employed}}$	0.62
		0.84	0.84
Return on Equity Ratio	=	$\frac{\text{Trailing Twelve month's profit after tax}}{\text{Closing shareholder's equity}}$	0.42
		0.58	0.58
Return on investment	=	$\frac{\text{Net Return}}{\text{Cost of Investment}}$	0.05
		0.03	0.03
Debt Service Coverage ratio	=	$\frac{\text{Trailing Twelve month's profit before interest, tax and Depreciation and amortisation expense}}{\text{Closing Debt Service}}$	-
		0.90	0.90
B Leverage Ratios			
Debt-Equity Ratio	=	$\frac{\text{Total Borrowings}}{\text{Equity}}$	0.00
		0.92	0.92
C Liquidity Ratios			
Current Ratio	=	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.13
		1.10	1.10
D Activity Ratio			
Inventory turnover ratio	=	$\frac{\text{Trailing Twelve month's cost of goods sold}}{\text{Closing inventory}}$	3.64
		74.98	74.98
Trade Receivables turnover ratio	=	$\frac{\text{Trailing Twelve month's revenue from operations}}{\text{Closing trade receivables}}$	3.89
		1.00	1.00
Trade Payables turnover ratio	=	$\frac{\text{Trailing Twelve month's cost of goods sold}}{\text{Closing trade payable}}$	2.40
		1.03	1.03

23. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders. The primary objective is to maximise the shareholders value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and external borrowings.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The capital structure is governed by policies approved by the Board of Directors and monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(In AUD'000)

	31 Mar 22	31 Mar 21
Borrowings (Refer note -9)	-	450.00
Trade payables (Refer note- 10)	6,606.26	9,122.77
Other payables (Refer note -11,12 & 13)	142.35	409.94
Less: cash and cash equivalents (Refer note 6)	710.52	111.74
Net debt	7,459.13	10,094.45
Equity (Refer note 7 and 8)	849.27	489.40
Total capital	849.27	489.40
Capital and net debt	8,308.40	10,583.85
Gearing ratio	0.90	0.95

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

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022 and year ended 31 March 2021.



Polycab India Limited

Notes to Standalone Financial Statements for the year ended 31 March 2022

24. Financial Instruments and Fair Value Measurement

A) Financial Instruments

Accounting policy

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

Financial assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

- (a) Financial assets at amortised cost
- (b) Financial assets at fair value

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

(a) Financial assets carried at amortised cost

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

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

(b) (i) Financial assets at fair value through other comprehensive income

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

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

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

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

(ii) Financial assets at fair value through profit or loss

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

(iii) Derecognition

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

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

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

The Company discloses analysis of the gain or loss recognised in the statement of profit and loss arising from the derecognition of financial assets measured at amortised cost, showing separately gains and losses arising from derecognition of those financial assets.

(iv) Impairment of financial assets

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

- (a) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions.



Polycab India Limited

Notes to Standalone Financial Statements for the year ended 31 March 2022

24. Financial Instruments and Fair Value Measurement

- (b) The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and contract assets.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company recognises an allowance for ECL for all debt instruments not held at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

Financial liabilities

(v) Initial recognition and measurement

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

(vi) Subsequent measurement

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

(a) Financial liabilities at fair value through profit or loss

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

(b) Gains or losses on liabilities held for trading are recognised in the profit or loss

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

(c) Loans and borrowings

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

(vii) Derecognition

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

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



Polycab India Limited
Notes to Standalone Financial Statements for the year ended 31 March 2022

25. Financial Risk Management Objectives And Policies

(A) 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 and contract assets

The carrying amount of trade receivables at the reporting date that have been transferred but have not been derecognised and the associated liabilities is amounting to

Trade receivables (net of expected credit loss allowance) of AUD 3,494,214 as at 31 March 2022 (31 March 2021: AUD 10,234,341) forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of delayed payments, increased credit risk and consequential default considering emerging situations while arriving at the carrying value of these assets. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers. The Company has specifically evaluated the potential impact with respect to customers for all of its segments.

The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables with institutions on no-recourse basis, recognition of revenue on collection basis etc., depending on severity of each case. The collections pattern from the customers in the current period does not indicate stress beyond what has been factored while computing the allowance for expected credit losses.

The expected credit loss allowance for trade receivables of AUD Zero as at 31 March 2022 is considered adequate.

The same assessment is done in respect of contract assets of AUD Zero as at 31 March 2021 while arriving at the level of provision that is required.

Other financial assets

The Company has adopted a policy of only dealing with counterparties that have sufficient credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

(B) 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.

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. (Refer note 18)

26. Events after the reporting period

No significant adjusting event occurred between the balance sheet date and date of the approval of these financial statements by the Board of Directors of the Company requiring adjustment or disclosure.

As per our report of even date
For PRASHANT SHAH & CO
Chartered Accountants
ICAI Firm Registration No. 146854W

Prashant Shah
Partner
Membership No. 042070

Place: Mumbai
Date: 18 Apr 2022



For and on behalf of the Board of Directors of
Polycab Australia Pty Ltd
ACN : 642 239 709

Dipen Rughani
Director & Public Officer

Place: Australia
Date: 18 Apr 2022

Anurag Agarwal
Director

Place: Mumbai
Date: 18 Apr 2022