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 2024, 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 material accounting policy information and other explanatory information (herein after referred to as "financial statements"). The Financial Statements have been prepared by the management of Company, solely for the purpose of preparation of the consolidated financial statements of its holding company, Polycab India Limited.

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 2024, 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.

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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.

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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.

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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: 24 April 2024
UDIN: 24303286BKAJQF4252

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Polycab Australia Pty Ltd
Balance Sheet as at 31 March 2024

(In INR'000)

	Notes	As at 31 Mar 24	As at 31 Mar 23
ASSETS			
Non-current assets			
Deferred tax assets (net)	3	380.94	29.68
Non-current tax assets (net)	4	1,845.82	570.20
		2,226.76	**599.88**
Current assets			
Inventories	5	154,153.81	357,507.67
Financial assets			
(a) Trade receivables	6	55,115.75	182,572.88
(b) Cash and cash equivalents	7	145,775.95	11,880.30
Other current assets	8	596.89	114,720.71
		355,642.40	**666,681.56**
Total assets		**357,869.16**	**667,281.44**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	9	11,664.10	11,664.10
(b) Other equity	10	62,748.91	23,523.78
		74,413.01	**35,187.88**
Liabilities			
Current liabilities			
Financial liabilities			
(a) Trade Payables	11	271,887.44	484,536.78
Other current liabilities	12	11,568.71	147,556.78
		283,456.15	**632,093.56**
Total equity and liabilities		**357,869.16**	**667,281.44**
Corporate information and summary of material accounting policy information	1-2		
Other notes to accounts	20-27		

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

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

PRASHANT SHAH & CO
MUMBAI
CHARTERED ACCOUNTANTS

Prashant Shah
Proprietor
Membership No. 303286

Place: Mumbai
Date: 24 April 2024

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

Dipen Rughani
Director and Public Officer

Place: Australia
Date: 15 April 2024

Anurag Agarwal
Director

Place: Mumbai
Date: 24 April 2024

Polycab Australia Pty Ltd
Statement of Profit & Loss for the year ended 31 March 2024

(In INR'000)

	Notes	Year ended 31 Mar 24	Year ended 31 Mar 23
Revenue from operations	13	2,263,265.25	618,691.82
Other income	14	1,022.89	242.70
Total income		**2,264,288.14**	**618,934.52**
EXPENSES			
Purchases of stock-in-trade	15	1,881,105.64	749,412.65
Changes in inventories of stock-in-trade	16	203,353.82	(164,630.05)
Employee benefits expense	17	1,064.43	-
Finance costs	18	1,935.59	1,091.49
Other expenses	19	123,049.29	16,761.70
Total expenses		**2,210,508.78**	**602,635.79**
Profit before tax		**53,779.36**	**16,298.73**
Tax expenses			
Current tax		18,559.32	4,886.47
Adjustment of tax relating to earlier periods		(636.55)	60.75
Deferred tax (credit)/charge		(351.26)	-
Total tax expenses		**17,571.51**	**4,947.22**
Profit for the year		**36,207.85**	**11,351.51**
Other comprehensive income			
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operations		3,017.29	3,017.55
Income tax relating to items that will be reclassified to Profit or Loss		-	-
Other comprehensive income for the year, net of tax		**3,017.29**	**3,017.55**
Total comprehensive income for the year, net of tax		**39,225.14**	**14,369.06**
Earnings per share (not annualised)	20		
Basic and Diluted (Face Value AUD 1 each)		176.62	55.37
Weighted average equity shares used in computing earnings per equity share		205,000	205,000
Corporate information and summary of material accounting policy information	1-2		
Other notes to accounts	20-27		

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

As per our report of even date
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Chartered Accountants
ICAI Firm Registration No. 146854W

PRASHANT SHAH & CO
MUMBAI
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Prashant Shah
Proprietor
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Place: Mumbai
Date: 24 April 2024

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Dipen Rughani
Director and Public Officer

Place: Australia
Date: 15 April 2024

Anurag Agarwal
Director

Place: Mumbai
Date: 24 April 2024

Polycab Australia Pty Ltd
Statement of Cash Flows for the year ended 31 March 2024

Accounting policy

Cashflows are reported using the indirect method as set out in Ind AS 7, 'Statement of Cash Flows', 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.

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

(In INR'000)

		Year ended 31 Mar 24	Year ended 31 Mar 23
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**53,779.36**	**16,298.73**
Adjustments for:			
Finance cost		1,935.59	1,091.49
Impairment allowance for trade receivable considered doubtful		1,174.42	-
Operating profit before working capital changes		**56,889.37**	**17,390.22**
Movements in working capital:			
(Increase)/ Decrease in inventories (net)		203,353.86	(164,630.10)
(Increase)/ Decrease in trade receivables		126,282.70	16,143.09
Increase/ (Decrease) in trade payables		(212,649.33)	108,841.13
Increase/ (Decrease) in other current liabilities		(135,988.08)	142,977.79
(Increase)/ Decrease in non-financial assets		114,123.82	(114,720.72)
Cash generated from operations		**152,012.34**	**6,001.41**
Income tax paid (net of refunds)		(19,198.39)	(8,973.34)
Net cash generated from operating activities (A)		**132,813.95**	**(2,971.93)**
B. CASH FLOWS FROM FINANCING ACTIVITIES			
Interest and other finance cost paid		(1,935.59)	(1,091.49)
Dividend paid		-	(27,481.10)
Net cash used in financing activities (B)		**(1,935.59)**	**(28,572.59)**
Net increase / (decrease) in cash and cash equivalents (A+B)		**130,878.36**	**(31,544.52)**
Exchange difference on translation of foreign operations		3,017.29	3,017.55
Cash and cash equivalents at the beginning of the year		11,880.30	40,407.27
Cash and cash equivalents at end of the year		**145,775.95**	**11,880.30**
(i) Cash and cash equivalents comprises of			
Balances with banks			
In current accounts		**145,775.95**	**11,880.30**
Cash and cash equivalents in Cash Flow Statement		**145,775.95**	**11,880.30**
Corporate information and summary of material accounting policy information	1-2		
Other notes to accounts	20-27		

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

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

PRASHANT SHAH & CO. MUMBAI CHARTERED ACCOUNTANTS

Prashant Shah
Proprietor
Membership No. 303286

Place: Mumbai
Date: 24 April 2024

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

Dipen Rughani
Director and Public Officer

Place: Australia
Date: 15 April 2024

Anurag Agarwal
Director

Place: Mumbai
Date: 24 April 2024

Polycab Australia Pty Ltd

Statement of Changes in Equity for the year ended 31 March 2024

A) Equity Share Capital (In INR'000)

	31 Mar 24	31 Mar 23
Balance at the beginning of the year	11,664.10	11,664.10
Balance at the end of the year	**11,664.10**	**11,664.10**

B) Other Equity (In INR'000)

	Reserves & Surplus	Foreign Currency translation reserve	Total other equity
	Retained Earnings		
As at 1 April 2022	35,116.80	1,519.02	36,635.82
Add: Profit after tax for the year	11,351.51	3,017.55	14,369.06
Less: Final Equity Dividend	27,481.10	-	27,481.10
As at 31 March 2023	**18,987.21**	**4,536.57**	**23,528.78**
Add: Profit after tax for the year	36,207.85	3,017.29	39,225.14
As at 31 Mar 2024	**55,195.06**	**7,553.86**	**62,748.92**
Corporate information and summary of material accounting policy information	1-2		
Other notes to accounts	20-27		

The accompanying notes are an integral part of the 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: 24 April 2024

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

Dipen Rughani
Director and Public Officer

Place: Australia
Date: 15 April 2024

Anurag Agarwal
Director

Place: Mumbai
Date: 24 April 2024

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Polycab Australia Pty Ltd
Notes to Financial Statements for the year ended 31 March 2024

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 of 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 & wires, optical fibre cables and consumer electrical goods. Polycab Australia Pty Ltd is a wholly owned subsidiary of Polycab India Limited.
The Board of Directors approved the Financial Statements for the year ended 31 March 2024 and authorised for issue on 24 April 2024.

2. Summary of significant accounting policies

A) Basis of Preparation

i Statement of Compliance:

The Company prepares its Financial Statements to comply with the Indian Accounting Standards ("Ind AS") specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the presentation requirements of Division II of Schedule III of Companies Act, 2013, (Ind AS compliant Schedule III). These financial statements includes Balance Sheet as at 31 Mar 2024, 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 2024, and a summary of material accounting policy information and other explanatory information (together hereinafter referred to as “Financial Statements”).

ii Basis of Measurement:

The financial statements for the year ended 31 March 2024 have been prepared on an accrual basis and historical cost convention, except for the certain financial assets and liabilities which have been measured at fair value as explained in accounting policy of fair value measurement and financial instruments below. The accounting policies adopted for preparation and presentation of financial statement have been consistently applied.

The Company has prepared the Financial Statements on the basis that it will continue to operate as a going concern.

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, as per Para 66 and 69 of IND AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

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:

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

All other assets are classified as non-current.

A liability is treated as current when:

(a) It is expected to be settled in normal operating cycle;
(b) It is held primarily for the purpose of trading;
(c) It is due to be settled within twelve months after the reporting period; or
(d) 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 presented in INR.

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 prospectively.

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 the preparation of its financial statements:

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 sales transactions.

(a) Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

(b) Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

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 the 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 recognised. Contingent assets are neither recognised nor disclosed in the financial statements.

iv Trade Receivables

Trade receivables are recognised initially at the transaction price, less the expected lifetime credit losses to be recognised from the initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's 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 Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which are exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

vi Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted.

vii Cash and cash equivalents

Cash and cash equivalents in cash flow statement comprise cash in hand and at bank in current and foreign currency accounts. Term deposits having maturity of three months or less are considered as cash equivalents.

viii Financial Liability

Financial liabilities are initially recognised at fair value net of transaction costs incurred. Financial liabilities are subsequently measured at amortised cost. Any difference between the process (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of financial liabilities using the effective interest rate method. Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

ix 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.

x Earning Per Share

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.

xi Contingent liabilities and commitments

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it's existence in the Financial Statements.

xii Accounting policies

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's last annual financial statements and related notes included in the Company's financial statements for the year ended 31 March 2023.

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

The Company has taken into account the possible impacts of COVID-19 in preparation of the financial statements, including but not limited to its assessment of liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenues and on cost budgets in respect of EPC contracts, impact on leases and impact on effectiveness of its hedging relationships. The Company has considered internal and certain external sources of information up to the date of approval of the financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements.

C) Changes in material accounting policy information

The Company has evaluated the new standard, interpretation or amendment that has been issued and basis evaluation there were no material changes in the accounting policies.

D) New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 01 April 2023.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 01 April 2023, as below:

(i) Definition of Accounting Estimates - Amendments to Ind AS 8:

The amendments to Ind AS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's standalone financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1:

The amendments to Ind AS 1 provided guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's standalone financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12:

The amendments to Ind AS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's standalone financial statements.

E) Recent Indian Accounting Standards (Ind AS) issued not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

F) The material accounting policy information used in preparation of the standalone financial statements have been discussed in the respective notes.

3. Non-current assets

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.

The movement in gross deferred tax assets and liabilities for the period ended 31 March 2024 (In INR'000)

	Carrying value as at 01 April 23	Changes through profit and loss	Carrying value as at 31 Mar 24
Deferred tax assets / (liabilities) in relation to			
Others current liabilities	29.68	-	29.68
Trade Receivables at amortised cost	-	(351.26)	351.26
Total deferred tax assets / (liabilities)	**29.68**	**(351.26)**	**380.94**

The movement in gross deferred tax assets and liabilities for the year ended 31 March 2023 (In INR'000)

	Carrying value as at 01 April 22	Changes through profit and loss	Carrying value as at 31 Mar 23
Deferred tax assets / (liabilities) in relation to			
Others current liabilities	90.43	(60.75)	29.68
Total deferred tax assets / (liabilities)	**90.43**	**(60.75)**	**29.68**

4. Non-current tax assets (net)

(In INR'000)

	31 Mar 24	31 Mar 23
Current tax liabilties (net of Advance tax)	1,845.82	570.20
	1,845.82	**570.20**

5. Inventories

Accounting policy

Cost of stock-in-trade 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.

NRV 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 INR'000)

	31 Mar 24	31 Mar 23
Traded Goods *	162,240.86	357,507.67
Effect of Foreign exchange transaction reserve	(8,087.05)	-
	154,153.81	**357,507.67**

Notes:

* The above includes goods in transit as under :.

(In INR'000)

	31 Mar 24	31 Mar 23
Traded Goods	154,153.81	357,507.67
	154,153.81	**357,507.67**

6. Trade receivables

(In INR'000)

	31 Mar 24	31 Mar 23
Current		
Trade receivables - Considered Good	55,115.75	182,572.88
Trade receivables - Credit Impaired	1,171.98	-
Trade receivables	**56,287.73**	**182,572.88**
Less: Impairment allowance for trade receivables- Credit Impaired	(1,171.98)	-
Current trade receivables	**55,115.75**	**182,572.88**

The following table summarizes the change in impairment allowance measured using the life time expected credit loss model: **(In INR'000)**

	31 Mar 24	31 Mar 23
At the beginning of year	-	-
Provision/(reversal) during the year	1,171.98	-
At the end of the period year	**1,171.98**	**-**

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 entitled to 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) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.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.

6 Trade receivables

(d) Trade receivables ageing schedule

As at 31 March 2024 (In INR'000)

		Not due	Outstanding for following periods from due date of payment: Less than 6 months	More than 6 months to 12 months	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade Receivables - considered good	53,949.71	906.67	-	259.37	-	-	55,115.75
(ii)	Undisputed Trade Receivables - Credit Impaired	-	-	-	1,171.98	-	-	1,171.98
		53,949.71	**906.67**	**-**	**1,431.35**	**-**	**-**	**56,287.73**

As at 31 March 2023 (In INR'000)

		Not due	Outstanding for following periods from due date of payment: Less than 6 months	More than 6 months to 12 months	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade Receivables - considered good	1,80,000.56	-	-	2,572.32	-	-	1,82,572.88
		1,80,000.56	**-**	**-**	**2,572.32**	**-**	**-**	**1,82,572.88**

7. Cash and cash equivalents

(In INR'000)

	31 Mar 24	31 Mar 23
Cash and cash equivalents (at amortised cost)		
Balances with banks		
In current accounts	1,45,775.95	11,880.30
	1,45,775.95	**11,880.30**

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

8. Other current assets

(In INR'000)

	31 Mar 24	31 Mar 23
Advances other than capital advances (Unsecured, considered good)		
Advances for material and services	596.89	1,14,720.71
	596.89	**1,14,720.71**

9. Equity Share capital

(In INR'000)

	31 Mar 24	31 Mar 23
Authorised share capital		
Equity shares, AUD 1 per value 2,05,000 (2,05,000) equity shares	11,664.10	11,664.10
Issued, subscribed and fully paid-up shares		
Equity shares, AUD 1 per value 2,05,000 (2,05,000) equity shares	11,664.10	11,664.10
Total Issued, subscribed and fully paid-up shares	**11,664.10**	**11,664.10**

Note:

(a) The reconciliation of shares outstanding and the amount of share capital as at 31 Mar 2024 and 31 Mar 2023 are as follow:

(In INR'000)

	31 Mar 24		31 Mar 23	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	2,05,000	11,664.10	2,05,000	11,664.10
At the end of the year	**2,05,000**	**11,664.10**	**2,05,000**	**11,664.10**

(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 of Promoters are as under as at 31 Mar 2024 and 31 Mar 2023 are as follows:

	31 Mar 24		31 Mar 23		% 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 Mar 2024 and 31 Mar 2023 are as follows:

	31 Mar 24		31 Mar 23	
	Number of Shares	% holding	Number of Shares	% holding
Polycab India Limited	2,05,000	100.00%	2,05,000	100.00%

(e) Aggregate number of bonus share issued and share issued for consideration other than cash from the date of inception immediately preceding the reporting
There were no buy back of shares or issue of shares pursuant to contract without payment being received in cash from the date of Inception.

10. Other equity

Other equity (In INR'000)

	31 Mar 24	31 Mar 23
Retained Earnings	55,195.06	18,987.22
Foreign currency translation adjustment reserve	7,553.85	4,536.56
	62,748.91	**23,523.78**

(a) 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 are free reserve available to the Company.

(In INR'000)

	31 Mar 24	31 Mar 23
Opening balance	18,987.21	35,116.80
Add: Profit during the year	36,207.85	11,351.51
Less: Final equity dividend	-	27,481.10
	55,195.06	**18,987.21**

(b) Foreign currency transiation adjustment reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

(In INR'000)

	31 Mar 24	31 Mar 23
Opening balance	4,536.56	1,519.01
Add: Profit during the year	3,017.29	3,017.55
	7,553.85	**4,536.56**

11. Trade payables

Accounting policy

These amounts represents liabilities for goods and services provided to the Company prior to the end of period 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.

(In INR'000)

	31 Mar 24	31 Mar 23
At amortised cost		
(i) Trade Payables to Others	72,142.37	3,030.52
(ii) Trade Payables to Related Party	1,99,745.07	4,81,506.26
	2,71,887.44	**4,84,536.78**

(a) Trade Payables ageing schedule

As at 31 March 24 (In INR'000)

	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	
(i) Trade Payables to Others	388.76	71,670.82	84.12	-	-	72,143.70
(ii) Trade Payables to Related Party	1,99,743.75	-	-	-	-	1,99,743.75
	2,00,132.51	**71,670.82**	**84.12**	**-**	**-**	**2,71,887.45**

As at 31 March 23 (In INR'000)

	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	
(i) Trade Payables to Others	949.74	2,080.78	-	-	-	3,030.52
(ii) Trade Payables to Related Party	4,81,506.26	-	-	-	-	4,81,506.26
	4,82,456.00	**2,080.78**	**-**	**-**	**-**	**4,84,536.78**

12. Other current liabilities

(In INR'000)

	31 Mar 24	31 Mar 23
Advance received from customers	6,644.34	1,36,951.36
Other statutory dues		
Employee recoveries and employer contributions	105.26	-
Duties and taxes	4,819.11	10,605.42
	11,568.71	**1,47,556.78**

13. Revenue from operations

Accounting Policy

IND AS 115 was made effective from 1 April 2018 and establishes a five-step model to account for revenue arising from contracts with customers. The new revenue standard replaced IND AS 18 & IND AS 11 and interpretations on revenue recognition related to sale of goods and services. The Company has applied the modified retrospective approach and accordingly has included the impact of Ind AS 115.

(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) Performance Obligation

(a) 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, FOB 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.

Polycab Australia Pty Ltd

Notes to Financial Statements for the year ended 31 March 2024

13. Revenue from operations

(In INR'000)

	31 Mar 24	31 Mar 23
Revenue on Sale of Products		
Traded goods	22,63,265.25	6,18,691.82
Total Revenue from operations	**22,63,265.25**	**6,18,691.82**

14. Other Income

(In INR'000)

	31 Mar 24	31 Mar 23
Bank Interest	990.70	242.19
Interest received from ATO	32.19	0.51
	1,022.89	**242.70**

15. Purchases of stock-in-trade

(In INR'000)

	31 Mar 24	31 Mar 23
Wires and Cables	18,81,105.64	7,49,412.65
	18,81,105.64	**7,49,412.65**

16. Changes in inventories of stock-in-trade

(In INR'000)

	31 Mar 24	31 Mar 23
Inventory at the beginning of the period		
Traded goods	3,57,507.63	1,92,877.58
	3,57,507.63	**1,92,877.58**
Inventory at the end of the period		
Traded goods	1,62,240.86	3,57,507.63
	1,62,240.86	**3,57,507.63**
Effect of Foreign exchange transaction reserve	(8,087.05)	-
Changes in Inventories	**2,03,353.82**	**(1,64,630.05)**

17. Employee benefits expense

(In INR'000)

	31 Mar 24	31 Mar 23
Salaries, wages and bonus	958.95	-
Contribution to provident and other funds	105.48	-
	1,064.43	**-**

18. Finance cost

Accounting Policy

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

(In INR'000)

	31 Mar 24	31 Mar 23
Other borrowing costs	1,935.59	1,091.49
	1,935.59	**1,091.49**

Other borrowing costs would include bank commission charges, payment charges, interest charges on LC a/c.

19. Other expenses

(In INR'000)

	31 Mar 24	31 Mar 23
Freight & forwarding expenses	63,835.20	12,552.29
Commission expenses	36,729.96	-
Office expenses	14,278.63	-
Legal and professional fees	2,659.15	2,437.97
Impairment allowance for trade receivable considered doubtful (Refer note 6)	1,174.42	-
Payment to auditor	239.19	166.18
Miscellaneous expenses	4,132.74	1,605.26
	1,23,049.29	**16,761.70**

(a) Payments to auditor: **(In INR'000)**

	31 Mar 24	31 Mar 23
As auditor		
(i) Audit fee	217.94	137.59
(ii) Out of pocket expenses	21.25	28.59
	239.19	**166.18**

Polycab Australia Pty Ltd

Notes to Financial Statements for the year ended 31 March 2024

20. 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 INR'000)

			31 Mar 24	31 Mar 23
(a)	**Basic Earnings per share**			
	Profit after taxation	(In INR'000)	36,207.85	11,351.51
	Weighted average number of equity shares for basic earning per share	Number	2,05,000	2,05,000
	Earnings per shares - Basic	**INR per share**	**176.62**	**55.37**
(b)	**Diluted Earnings per share**			
	Profit after taxation	(In INR'000)	36,207.85	11,351.51
	Weighted average number of equity shares for basic earning per share	Number	2,05,000	2,05,000
	Earnings per shares - Diluted	**INR per share**	**176.62**	**55.37**

Note: There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements

21. Related party disclosure

(A) Enterprises where control exists

			Ownership interest (%)	
		Country of Incorporation	31 Mar 24	31 Mar 23
(i)	**Holding Compnay**			
	Polycab India Limited	India	100.00%	100.00%

(B) Enterprises owned or significantly influenced by Key Managerial Personnel

Newland Global Group Pty Ltd (Mr. Dipen Rughani is a director in this Company)

(C) Key Management Personnel

(i) Directors

Mr. Dipen Rughani

Mr. Anurag Agarwal

Ms. Shikha Jaisinghani

(D) Transactions with group companies

(In INR'000)

			Year ended 31 Mar 24	Year ended 31 Mar 23
(i)	**Purchase of Traded goods**			
	Polycab India Limited	Holding Company	18,58,884.32	7,39,224.31
(ii)	**Dividend paid**			
	Polycab India Limited	Holding Company	-	27,481.10
(iii)	**Consultancy Charges**			
	Newland Global Group Pty Ltd	Enterprise owned or significantly influenced by KMP	1,210.17	1,209.37

(E) Outstanding as at the year end :

(In INR'000)

		31 Mar 24	31 Mar 23
(i) Advance for material and services			
Polycab India Limited	Holding Company	-	1,14,720.71
(ii) Trade Payables			
Polycab India Limited	Holding Company	1,99,745.07	4,81,506.26

Note:

The Company is not providing any remuneration to its KMP.

Terms and conditions of transactions with related parties:

(i) 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.

(ii) For the period ended 31 Mar 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 Mar 2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related party.

22. Financial performance ratios:

			31 Mar 24	31 Mar 23	Variance
A Performance Ratios					
Net Profit ratio	=	Profit after tax / Revenue from operations	2.4%	1.8%	0.5%
Net Capital turnover ratio	=	Revenue from operations / Working capital	31.35	17.58	78.3%
Return on Capital employed	=	Profit before interest and tax / Capital employed	74.9%	49.4%	25.5%
Return on Equity Ratio	=	Profit after tax / Average shareholder's equity	66.1%	32.3%	33.8%
Return on investment	=	Net Return / Cost of Investment	10.1%	1.7%	8.4%

			31 Mar 24	31 Mar 23	Variance
B Activity Ratio					
Inventory turnover ratio	=	Cost of goods sold / Average inventory	8.15	1.29	118.9%
Trade Receivables turnover ratio	=	Revenue from operations / Average trade receivables	19.04	3.39	96.3%
Trade Payables turnover ratio	=	Net credit purchases / Average trade payable	4.97	1.55	18.2%

			31 Mar 24	31 Mar 23	Variance
C Leverage Ratios					
Debt-Equity Ratio	=	Total Borrowings / Equity	-	-	0.0%

			31 Mar 24	31 Mar 23	Variance
D Liquidity Ratios					
Current Ratio	=	Current Assets / Current Liabilities	1.25	1.05	4.1%

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, borrowings less cash and cash equivalents.

(In INR'000)

	31 Mar 24	31 Mar 23
Borrowings	-	-
Less: Cash and cash equivalents (Refer note 7)	1,45,775.95	11,880.30
Net debt	**-1,45,775.95**	**-11,880.30**
Equity (Refer note 9 and 10)	74,413.01	35,187.88
Total capital	**74,413.01**	**35,187.88**
Capital and net debt	-71,362.94	23,307.58
Gearing ratio	**2.04**	**(0.51)**

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 period ended 31 March 2024 and 31 March 2023.

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 assets 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.

(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.

(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 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.

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.

(v) 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.

B) Fair value measurements

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

(In INR'000)

	Carrying Value		Fair Value	
	31 Mar 24	31 Mar 23	31 Mar 24	31 Mar 23
Financial assets				
Measured at amortised cost				
Trade receivables	55,115.75	1,82,572.88	55,115.75	1,82,572.88
Cash and cash equivalents	1,45,775.95	11,880.30	1,45,775.95	11,880.30
	2,00,891.70	**1,94,453.18**	**2,00,891.70**	**1,94,453.18**
Financial liabilities				
Measured at amortised cost				
Borrowings				
Trade payables	2,71,887.44	4,84,536.78	2,71,887.44	4,84,536.78
Other financial liabilities	4,819.11	10,605.42	4,819.11	10,605.42
	2,76,706.55	**4,95,142.20**	**2,76,706.55**	**4,95,142.20**

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

Trade receivables (net of expected credit loss allowance) of ₹ 56,287,732 as at 31 Mar 2024 (31 Mar 2023: ₹ 182,572,877) 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 ₹ Nil as at 31 March 2024 and 31 March 2023 are considered adequate.
The same assessment is done in respect of contract assets of ₹ Nil as at 31 March 2024 and 31 March 2023, 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.

26. Other Disclosures:

(a) The Company does not have any transactions with companies struck-off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(b) There are no proceedings that have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) (earlier Benami Transactions (Prohibition) Act, 1988) and the rules made thereunder.

(c) The Company has neither traded nor invested in Crypto currency or Virtual Currency during the current year and previous year. Further, the Company has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.

(d) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(e) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(f) The Company has not advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(g) The Company has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(h) The Company has not granted any loans or advances in the nature of Loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person which are repayable on demand or without specifying any terms or period of repayment.

(i) The Company has not revalued its property, plant, and equipment or intangible assets or both during the current or previous year.

Polycab Australia Pty Ltd
Notes to Financial Statements for the year ended 31 March 2024

27. 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 & CO
MUMBAI
CHARTERED ACCOUNTANTS

Prashant Shah
Proprietor
Membership No. 303286

Place: Mumbai
Date: 24 April 2024

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

Dipen Rughani
Director and Public Officer

Place: Australia
Date: 15 April 2024

Anurag Agarwal
Director

Place: Mumbai
Date: 24 April 2024