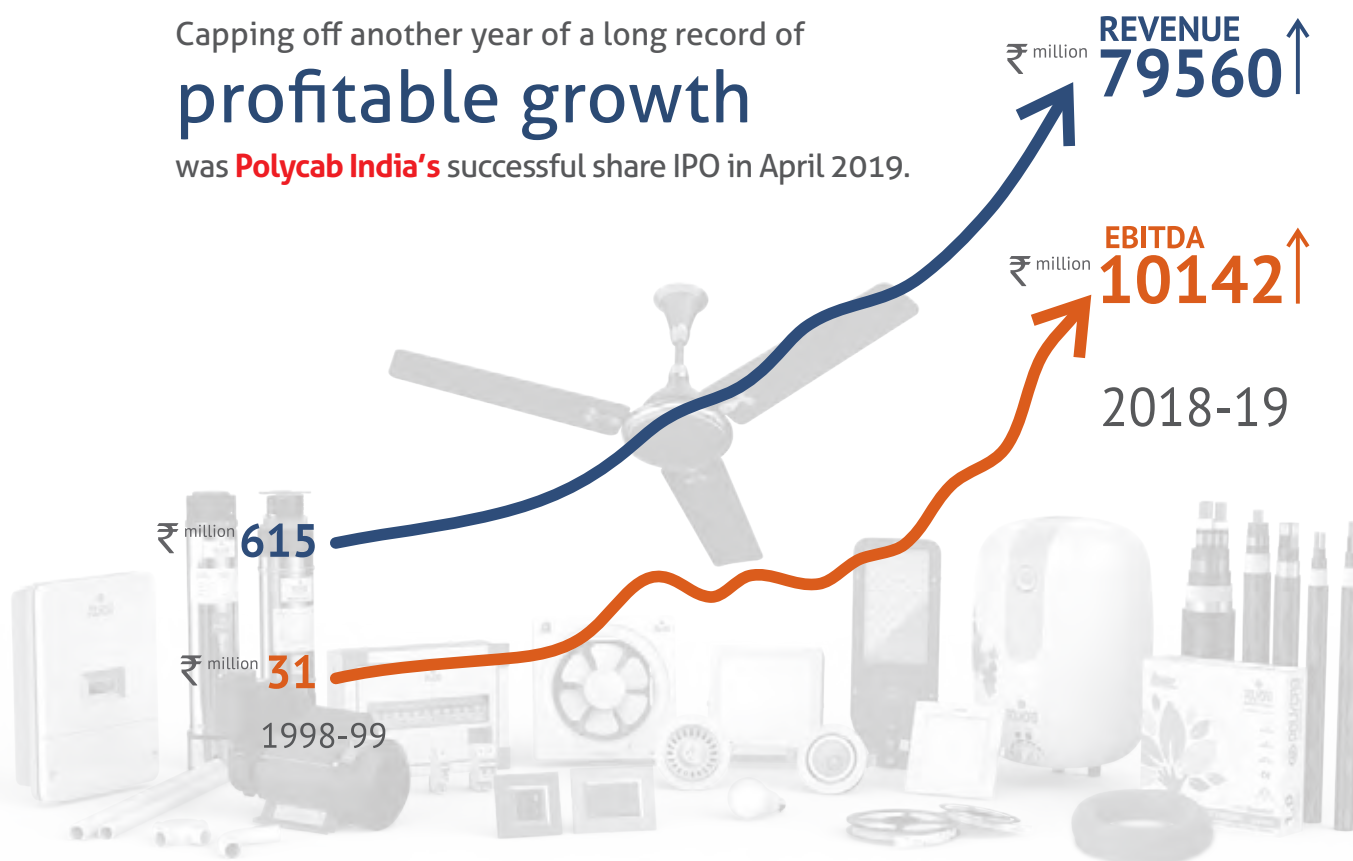


POLYCAB INDIA LIMITED Annual Report 2018-19

Capping off another year of a long record of

profitable growth

was **Polycab India's** successful share IPO in April 2019.



For long, Polycab has dominated India's cables and wires market for retail and institutional buyers. In recent years, we have enlarged our product bouquet to become India's fastest growing brand in fast-moving electrical goods.

So what drives Polycab's value proposition? It's our relentless focus, sharpened over decades of investing in profitable growth, on delivering global standards in capacities, efficiencies, quality, sales outreach, and supply chains for demanding customers in the world's fastest-growing large economy.

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Disclaimer: The information and opinions contained in this document do not constitute an offer to buy any of Polycab India Ltd's securities, businesses, products, or services. The document might contain forward-looking statements qualified by words such as 'expect', 'plan', 'estimate', 'believe', 'project', 'intends', 'exploit', and 'anticipates', that we believe to be true at the time of the preparation of the document. The actual events may differ from those anticipated in these statements because of risk, and uncertainty of the validity of our assumptions. Polycab India Ltd does not take on any obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Key financials

(₹ million, consolidated)

| Year to 31 March | 2019 | YoY Change | 2018 | 2017 | 2016 | 2015** | CAGR |
|----------------------------|--------|------------|---------|---------|---------|---------|-------|
| Revenue from operations | 79,560 | 18% ↑ | 67,703* | 54,940* | 52,075* | 47,081* | 14% ↑ |
| EBITDA [#] | 10,142 | 28% ↑ | 7,934 | 5,622 | 4,978 | 4,512 | 22% ↑ |
| Profit after tax | 5,003 | 40% ↑ | 3,586 | 2,406 | 1,880 | 1,603 | 33% ↑ |
| Earnings per share (INR) | 35.39 | 40% ↑ | 25.35 | 16.99 | 13.19 | 11.35 | 33% ↑ |
| Return on equity (%) | 18% | 15% ↑ | 15% | 12% | 11% | 10% | 15% ↑ |
| Return on capital employed | 28% | 33% ↑ | 21% | 15% | 15% | 16% | 15% ↑ |

*net of excise duty #including other income **as per IGAAP

| On 31 March | 2019 | YoY Change | 2018 | 2017 | 2016 | 2015** | CAGR |
|---------------------|--------|------------|--------|--------|--------|--------|-------|
| Net worth | 28,470 | 21% ↑ | 23,476 | 20,042 | 17,856 | 16,290 | 15% ↑ |
| Capital employed*** | 31,278 | -1% ↓ | 31,520 | 28,630 | 25,842 | 23,136 | 9% ↑ |
| Fixed assets | 14,686 | 10% ↑ | 13,331 | 12,933 | 11,231 | 10,162 | 10% ↑ |
| Net cash | 452 | ↑ | -7,897 | -8,527 | -7,907 | -5,819 | NA |

**as per IGAAP

***Capital employed = Equity (including non-controlling interest) + non-current borrowings + short-term borrowings + current maturities of non-current borrowings

Dear fellow shareholder

The annual report you behold is a special one—for you, for me, and for all of those who have been associated with Polycab India over the decades. It is Polycab's first as a listed Company.

Your Company's initial public offering (IPO) of ₹ 13,453 million was subscribed 52 times (excluding anchor portion) in an overwhelming response. The issue received bids for over 918 million shares against the total issue size of 25 million shares. The reserved portion for qualified institutional investors was subscribed 97.78 times (excluding anchor portion), while retail investors subscribed 4.35 times.

On 16 April 2019, the first day of trading on the BSE and NSE, the Polycab share opened at ₹ 633 on both exchanges, hit the intra-day high of ₹ 667.80 before closing at ₹ 654.80, up 22% over the issue price of ₹ 538.

To all of you, welcome to Polycab.

2018-19 has been stellar

As has been detailed and explained in the following pages, your Company climbed new heights of business and financial excellence in fiscal 2018-19 (FY19).

In FY19, net revenue from operations rose 18% to ₹ 79,560 million from ₹ 67,703 million a year ago and profit after tax was up 40% at ₹ 5003 million from ₹ 3,586 million. In each of the last 5 years, in not a single year have Polycab's revenue and profit not improved on the previous year.

As has been the case for a few years now, the demand scenario continued to be challenging, yet your Company once again responded in FY19 with all-round improvements in liquidity, asset management, profitability, and leverage. This was because we reduced our debt burden, and improved our management of receivables, and focused on profitable growth through acquisitions of quality clientele and better realisation. Also helping was our differentiated, enhanced product mix being driven by a committed sales and distribution network to institutional and retail customers. The fact that we manufacture in-house most of our products allows us to provide guarantees of quality, service and short-notice supply that few competitors can match.

More hearteningly, even as we maintained our leadership in markets for electrical wires and cables, the share of FMEG, a business we entered only 5 years ago, in Polycab's total revenues grew from 0.3% in FY14 to 8% in FY19, to ₹ 6,433 million at a CAGR of 116%. Polycab's evolution from a largely B2B play to a large B2C brand is thus on a firm, fast track.

Our growth into an emerging consumer electricals powerhouse has also been driven by investments in branding and marketing. For example, Polycab's investment in the Indian Premier League (IPL) since 2016 has provided a huge lift to our brand's visibility in households. Helping us get the eyeballs is in no small measure owing to our brand endorsers, all star actors: Paresh Rawal since 2014 for wires; R Madhavan since 2018 for fans; and Ayushmann Khurrana for switchgear in 2019.

Our positioning line '*Connection Zindagi Ka*,' created in 2014, continues to resonate in the minds and hearts of our customers.

“In FY19, we continued to deliver profitable growth and increased margins.”



Capturing the multi-market opportunity

With our scale, efficiencies, quality, and wide product portfolio that offers a one-stop electricals solution for customers and contractors, and a logical synergistic backward integration and expansion that leverages our strengths for future market and product scenarios, we see several business opportunities.

The Indian markets for the FMEG products we make and of wires and cables are similar in size and potential. But your Company has 12% of the wires and cables market and a mere 1% of FMEG markets in which we are present. The market for wires, estimated at 1.5% of GDP, is expected to grow (according to research from CRISIL) at nearly 15% in the next 5 years with increasing share of organized players. Between FY18 and FY23, the estimated annual growth rates for our FMEG markets are: fans at 7%; lighting and luminaires at 7%; and switches and switchgear at 9%—again, with the organized sector growing relatively faster. Going by the current growth rate of our FMEG business, increasing brand presence and fast acceptance, Polycab is well set for a formidable role in India's FMEG sector.

At the macro level, India is demonstrating continued GDP growth with a fast growing urban population. The increase in consumer spending, infrastructure growth, industrial investments, and the inevitable rise in nuclear, more affluent families will drive demand for innovative and premium products of the kind manufactured and sold by Polycab.

“In FY19, even as we invested for the future, we maintained leverage levels.”

Broad strategy

Polycab's way of doing business is to keep it simple: drive revenues; manage costs; improve efficiencies; build the brand and make it highly visible; enhance distribution; and thereby create value for stakeholders. Our strategy:

Consolidate our leadership position in wires and cables by targeting key growth domestic and export sectors such as mining, oil and gas, shipping, power, renewables, infrastructure, construction, automotive, telecommunication and agriculture. We will expand our customer base by utilizing our research and development capabilities to develop new and innovative products.

Continue to expand our FMEG business in India and abroad by leveraging our brand, distribution network, diverse customer base and manufacturing capabilities. The focus will be to broaden our distribution reach, increase rural penetration, and expand our retail footprint.

Strengthen brand recognition by increasing brand awareness and customer loyalty through creative promotions and new-age marketing using both digital and traditional channels and increased one-to-one interactions with distributors, dealers and end-consumers.

Underpinning our strategy will be our 24 manufacturing facilities; our 3100 plus-strong pan-India network of authorized dealers and distributors; and the 100,000-plus retail outlets—these will grow as we invest to stay ahead of the curve.

To sharpen our competitive edge, we not only manufacture our products in-house but have also integrated backwards. A good example is the 50:50 joint venture with Trafigura, created in 2016, to produce copper wire rods in a new plant at Ryker, Gujarat. Once fully operational, the Ryker plant will fulfil much of our demand for this critical raw material. Besides, our existing manufacturing includes other key raw materials that go into our FMEGs and wires and cables. These include aluminium and aluminium rods; several grades of PVC, rubber, XLPE compounds; GI wires and strips. The resultant enhanced reputation of being a highly reliable supply chain partner provides us a premium positioning that our industry peers will find hard to emulate.

Polycab's sustained success over several decades is grounded in our core values of simplicity, teamwork, trust-building, customer focus, and meeting commitments to our different stakeholders. Sticking to these values has given us a unique standing and respectability in our industry and with customers. They play a major role in our success, collaborate as we do with them closely to develop products that are in sync with their changing needs.

For the 119,000 shareholders who have now joined the Polycab family, let me on behalf of all of us at Polycab assure you of our commitment and service to all. Thank you so much for your overwhelming support. Together, we shall build the Polycab of tomorrow.



Inder T Jaisinghani

Chairman & Managing Director



Quick Information

| | |
|--------------------------------------|--|
| Name of company | Polycab India Ltd (formerly Polycab Wires Ltd) |
| Year of incorporation | 1996 |
| Initial public offering | April 2019 |
| Business segment | Manufacture and sale of a diverse range of electrical wires and cables. Fast moving electrical goods such as fans; LED lights and luminaires; heaters; switches and switchgear, solar products. Design, engineering, supply, execution and commissioning of power distribution and rural electrification projects. |
| Total revenue FY19 (consolidated) | ₹ 79560 million |
| Profit after tax FY19 (consolidated) | ₹ 5003 million |

Shares issued

| | Pre-IPO | | Post-IPO | |
|----------------|------------------|-----------|------------------|-----------|
| | Shares | % holding | Shares | % holding |
| PROMOTERS | 93.65 mn | 66.3% | 85.33 mn | 57.4% |
| PROMOTER GROUP | 17.83 mn | 12.6% | 16.77 mn | 11.3% |
| OTHERS | 29.73 mn | 21.1% | 46.54 mn | 31.3% |
| TOTAL | 141.21 mn | | 148.64 mn | |

Registered office

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Fax +91 11 4105 4838
Email investor.relations@polycab.com
Website www.polycab.com

Corporate office

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Mahim (West) Mumbai 400016
Voice +91 22 24327074, 67351400
Fax +91 22 24327075
Email info@polycab.com

Bankers

State Bank of India
Bank of India
IDBI Bank
Punjab National Bank
RBL Bank
Yes Bank
HDFC Bank
IndusInd Bank
Standard Chartered Bank
CitiBank
HSBC Bank
Kotak Bank
ICICI Bank
Societe Generale Bank

Auditors

SRBC & Co LLP
Chartered Accountants
12th Floor The Ruby
29 Senapati Bapat Marg
Dadar (W) Mumbai 400028 India

Chief Financial Officer

SL Bajaj

Company Secretary

SS Narayana



Connection Zindagi Ka

Chairman & Managing Director
Inder T Jaisinghani with the leadership
team at the NSE's bell-ringing to
celebrate the listing of Polycab's shares.



Board

Polycab's board brings together the decades-long hands-on experience and success in real-world business leadership, strategy and operations of the promoters and the wisdom of professionals who have held senior positions with globally renowned corporations.

Ajay T Jaisinghani

Whole-Time Director

Director since inception and Whole-Time Director since 2014, Ajay T Jaisinghani has played a major leadership role in sales, marketing, production and other support services.



Inder T Jaisinghani

Chairman and Managing Director

With Polycab since its inception, Inder Jaisinghani has been the Company's Chairman & Director since 1997 and Chairman & Managing Director since 2014.



Ramesh T Jaisinghani

Whole-Time Director

Director since inception, and subsequently appointed as Whole-Time Director in 2014. Major cross-functional leadership role.



Shyam Lal Bajaj

Chief Financial Officer and Whole-Time Director

A qualified Chartered Accountant and B.Com from Rajasthan University, Mr Bajaj's earlier senior leadership positions include Director-Finance with Vedanta Ltd and CFO with Hindustan Zinc Ltd.

TP Ostwal

Independent Director

Mr Ostwal is a practicing chartered accountant since 1978 and senior partner with TP Ostwal and Associates LLP, and also a partner with DTS & Associates and Ostwal Desai & Kothari, Chartered Accountants. He has served as a member of the group for advising and establishing transfer pricing regulations in India, set up by the Central Board of Direct Taxes, Ministry of Finance, Government of India, and is a member of the UN Sub-committee on Transfer Pricing for developing countries.



RS Sharma

Independent Director

Former Chairman and Managing Director of ONGC, India's largest oil and gas exploration company, Mr Sharma holds certifications from the Institute of Cost and Works Accountants of India and the Indian Institute of Bankers. He is a BA from Delhi University.



Hiroo Mirchandani

Independent Director

Ms Mirchandani's management career of over 30 years has been in customer-facing roles where she grew from Branch Manager at Asian Paints to Business Unit Director with India-wide P&L responsibility at Pfizer. She is an independent director at Tata Teleservices (Maharashtra), DFM Foods and Nilkamal; and a former director at PNB. Ms Mirchandani brings to the board consumer insights and finance acumen combined with an ability to raise strategic issues from her diverse operational experience. She is a graduate from SRCC, an MBA from FMS, and a Chevening Gurukul scholar from LSE.



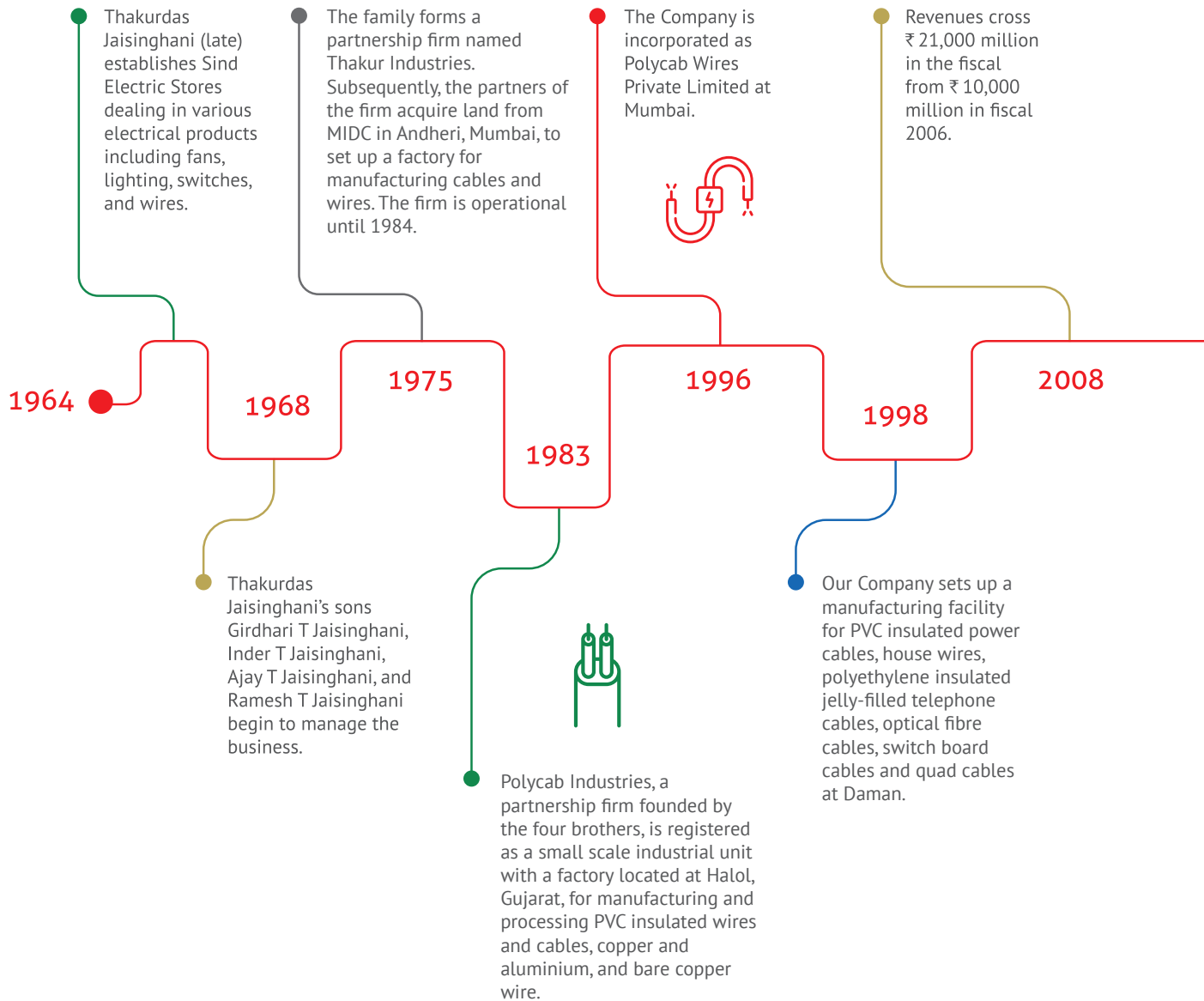
Pradeep Poddar

Independent Director

Vastly experienced in the consumer goods industry, having worked in Glindia Ltd (formerly Glaxo Laboratories (India) Ltd), Heinz India and the Tata group. Mr Poddar has represented the Tatas on the Nourishco board (JV with Pepsi), and is on the boards of Monsanto India Ltd, Welspun India Ltd and Uflex Ltd. Mr Poddar graduated in chemical engineering from the University Department of Chemical Technology, University of Mumbai, in 1976, and post-graduated in management from the Indian Institute of Management, Ahmedabad, in 1978.

History highs

Our remarkable journey of 55 years





Revenues cross ₹ 31,000 million.



Our Company enters the fans and LED lighting segment.

Manufacturing facilities for MCBs set up at Nashik, Maharashtra.



Our Company and Trafigura Pte. Limited form a joint venture Ryker Base Private Ltd to set up a copper rod manufacturing plant.

Modernized facility for manufacturing higher voltage cables up to 220kV set up at Halol, Gujarat.

Our Company lists on the BSE and NSE, its ₹ 13450 million initial public offering (IPO) being subscribed 52 times.



2009

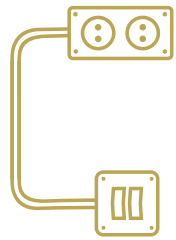


IFC invests ₹ 4,017.50 million in Polycab.

2011

2013

Our company enters the switch and switchgears segment.



2014

2016

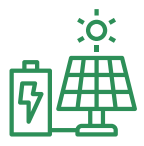


Manufacturing facilities for ceiling fans set up at Roorkee, Uttarakhand.

2016

2017

50:50 JV in Techno Electromech Private Ltd for manufacturing LED lighting products.



2019

Lines of business

Wires and cables

We are India's dominant manufacturer and seller of a diverse range of wires and cables for retail and industrial use.

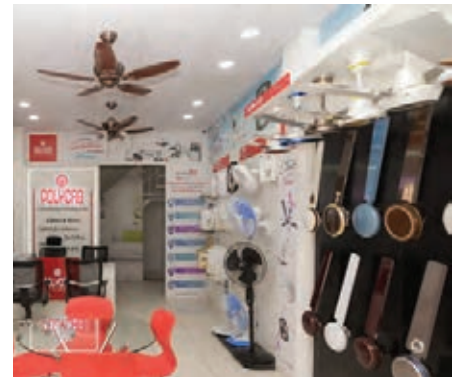
- ▶▶ Power Cables
- ▶▶ Control Cables
- ▶▶ Instrumental Cables
- ▶▶ Solar Cables
- ▶▶ Building Wires
- ▶▶ Flexible single/Multicore
- ▶▶ Communication Cables
- ▶▶ Other Cables



Fast moving electrical goods (FMEG)

In 2014, we entered the fast-moving electrical goods business. Polycab is now India's fastest-growing FMEG brand. The share of FMEG in our total revenue is rising steadily.

- ▶▶ Conduits & Accessories
- ▶▶ Fans & Home Appliances
- ▶▶ LED Lighting & Luminaires
- ▶▶ Switches & Switchgears
- ▶▶ Solar Products
- ▶▶ Pumps, Pipes & Fittings



Other

Our engineering, procurement and construction (EPC) business provides project-based solutions.

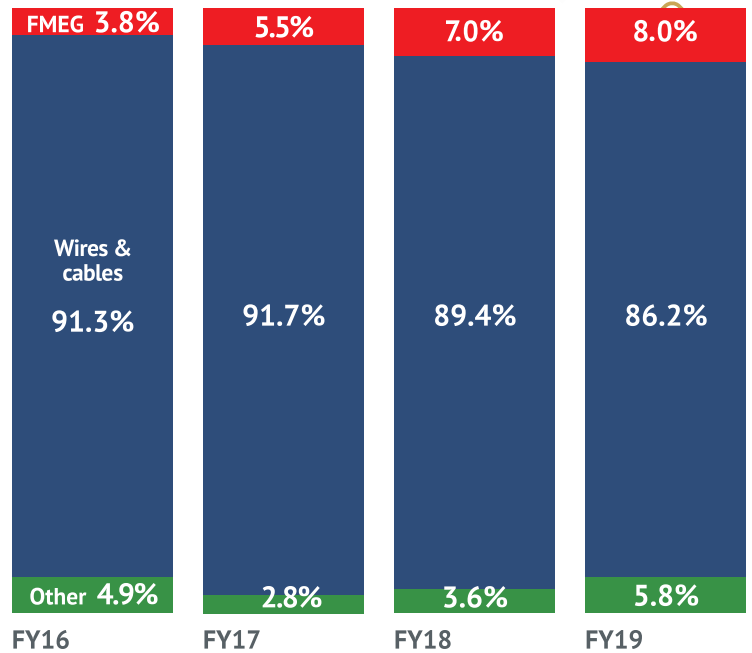
The design, engineering, supply, execution, and commissioning of power distribution and rural electrification projects.



Segment performance

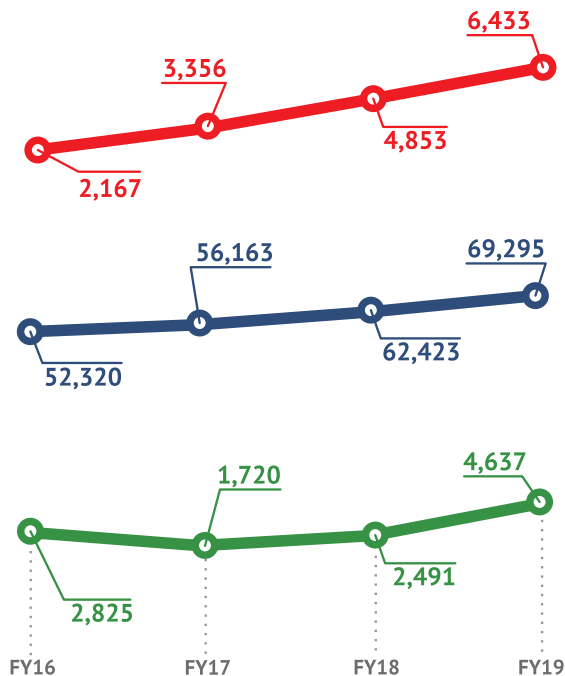
In FY19, even as we maintained our market leadership in wires and cables, our investment in FMEG helped it grow rapidly in both revenue and EBIT, with an increased share in our segment mix.

Revenue Mix

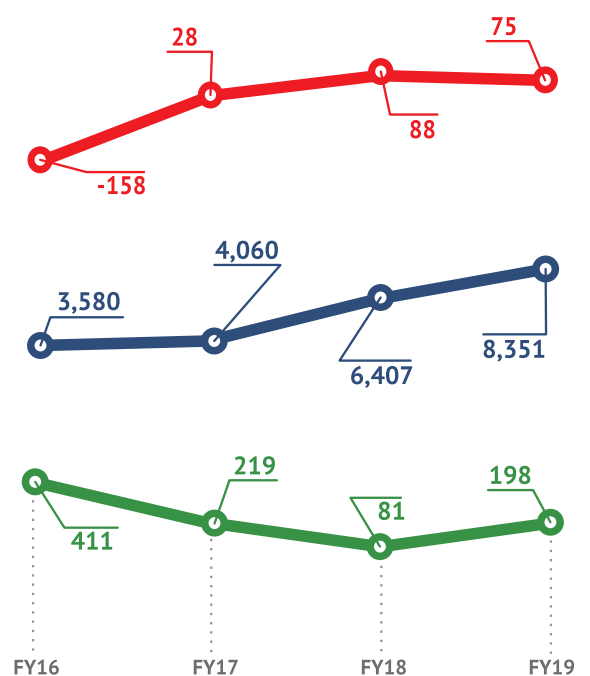


₹ million, consolidated

Segment Income



Segment EBIT



TRENDS

Explained: FY19 vs FY18

In a challenging demand scenario, Polycab's agile marketing and sales network helped drive sales of our differentiated, innovative portfolio across institutional and retail customers.

Consolidated Balance Sheet

a manufacturer based in Vadodara, Gujarat, to manufacture LED lighting and luminaires.

1 Property, plant and equipment (PPE) and intangible assets

- i In FY19, total additions to PPE and Intangibles were ₹ 2,223 million mainly in:
 - a Plant & machinery: ₹ 1,050 million largely for expansion of optical fiber and conductors at Halol.
 - b Buildings: ₹ 928 million largely on expansion at Halol.
 - c Electrical installation, office equipment's and furniture: ₹ 81 million, ₹ 63 million and ₹ 35 million respectively.
- ii Capital work in progress (CWIP) was ₹ 1,930 million as at 31 March 2019 compared with ₹ 1,360 million as at 31 March 2018. The CWIP is largely in respect of expansion of cable and wire and FMEG manufacturing capacity.
- iii The Company has provided adequate depreciation in accordance with the useful lives of the assets in compliance with the requirements of the Companies Act, 2013.

2 Investments in joint ventures

The Company has investments in two JVs:

- i Ryker Base Private Ltd: Total Investment ₹ 205 million (Net)

In 2016, we entered into a 50:50 joint venture with Trafigura Pte Ltd, a commodity trading company, to set up a manufacturing facility in Waghodia (Gujarat), India, to produce copper wire rods. The Ryker plant will strengthen the backward integration of our manufacturing process. We expect it to meet a substantial part of our demand for copper wire rods in the manufacturing of wires and cables and FMEG.
- ii Techno Electromech Private Limited: Total Investment ₹ 88 million (Net)

In 2017, we entered into a 50:50 strategic joint venture with Techno Electromech Private Limited,

3 Other financial assets

Total other financial assets (non-current and current) increased by ₹ 530 million to ₹ 776 million as at 31 March 2019 as compared with ₹ 246 million as at 31 March 2018 mainly on account of:

- a Public issue expense of ₹ 389 million recoverable from selling shareholders for IPO expenses incurred on their behalf by the Company.
- b Increase of ₹ 113 million in contract assets due to increase in ongoing installation services in some of the EPC projects at the end of the year. It gets settled on periodic basis.

4 Other assets

Total other assets decreased by ₹ 145 million to ₹ 2,415 million as at 31 March 2019 compared with ₹ 2,560 million as at 31 March 2018, mainly comprising of:

- a Decrease of ₹ 535 million in balances with statutory/government authorities as at 31 March 2019 mainly on account of utilization of statutory balances against liabilities.
- b The above decrease was partially offset by the increase in capital advances by ₹ 167 million, advances for materials & services by ₹ 117 million, refund assets by ₹ 74 million, and prepaid expenses by ₹ 40 million.

5 Inventories

Inventory as at 31 March 2019 was ₹ 19,958 million compared with ₹ 13,657 million as at 31 March 2018. Our inventory days derived from consolidated financial statements were 103 days and 101 days as at 31 March 2019 and 31 March 2018, respectively.

Increase in raw material inventory is due to increase in import goods in transit and holding inventory for production for our Ryker plant. Increase in project material is due to new EPC contract acquired during the year. The increase in traded goods was due to the increase in our FMEG business.

6 Trade receivables

Trade receivables (non-current and current) as at 31 March 2019 were ₹ 14,694 million against ₹ 13,788 million as at 31 March 2018.

Non-current trade receivables

Non-current trade receivables were ₹ 1,351 million as at 31 March 2019. It mainly includes retention money held by government customers of ₹ 1,240 million for running EPC projects.

Current trade receivables

Current trade receivables increased by ₹ 435 million to ₹ 13,343 million as at 31 March 2019 compared with ₹ 12,908 million as at 31 March 2018. Our current receivables days have been reduced from 71 days to 65 days; this is predominantly because of channel financing facility extended to our customers almost three years back. This has helped us in improving our receivable cycle.

7 Cash and cash equivalents and other bank balances

Cash and cash equivalents and other bank balances aggregated to ₹ 3,176 million as at 31 March 2019, up from ₹ 107 million as at 31 March 2018, primarily due to increase in free cash flow from operations.

8 Share capital

The paid-up share capital of the Company as at 31 March 2019 was ₹ 1,412 million comprising 141,205,838 equity shares of ₹ 10 each. Further, during FY20, the Company completed its initial public offer (IPO) and listed on the NSE and BSE on 16 April 2019.

9 Other equity

Other equity comprises reserves and surplus and other comprehensive income. Total other equity increased to ₹ 27,057 as at 31 March 2019 from ₹ 22,064 million as at 31 March 2018.

Reserves and surplus includes retained earnings, securities premium, general reserve and other reserves comprising ESOP outstanding account and foreign currency translation reserve.

- The securities premium balance decreased by ₹ 148 million due to adjustment of the Company's share of issue expenses related to the successful completion of the IPO process on 16 April 2019.
- The general reserve balance remained at ₹ 614 million.
- ESOP outstanding was ₹ 150 million as at 31 March 2019. During the year the Company recorded ₹ 150 million of stock based compensation in relation to its ESOP plans.
- Foreign currency translation reserve decreased by ₹ 0.5 million on account of foreign operations converting their functional currency to the Indian Rupee, the Company's reporting currency.
- Retained earnings balance increased by ₹ 4,993 million. Profit for the year was ₹ 4,997 million, other comprehensive income for the year, which is part of retained earnings, was ₹ (4) million representing actuarial gains net of tax effect thereon.

10 Borrowings

| | (₹ million) | | | | | | |
|-----------|-------------|-------|---------|-------|-------|-------|--------|
| | Non-Current | | Current | | Total | | % |
| | FY19 | FY18 | FY19 | FY18 | FY19 | FY18 | Change |
| Borrowing | 889 | 1,589 | 1,031 | 5,687 | 1,920 | 7,277 | -74% |

Decrease in non-current borrowing is due to scheduled repayment of term loan.

Decrease in short term borrowing is mainly because of reduction in usage of buyer's credit and better utilization of funds.

11 Other financial liability

Other current financial liabilities increased by ₹ 428 million to ₹ 1,814 million as at 31 March 2019 compared with ₹ 1,386 million as at 31 March 2018. The increase is mainly on account of increase in derivative liability by ₹ 155 million, an increase in capital creditors by ₹ 124 million and an increase in refund liability by ₹ 96 million.

12 Other liability

Other liability primarily consists of advances from customers, other statutory dues, deferred liability, contract liability and deferred government grants.

Total other liabilities (non-current and current) increased by ₹ 5,288 million mainly on account of

- Increase in advances from customers by ₹ 3,853 million. We received a sizable advance for an export order due to which advances from customers increased as at 31 March 2019.
- Increases in other statutory dues by ₹ 722 million is mainly due to statutory liability outstanding but not due as on 31 March 2019.
- Increases in contract liability by ₹ 638 million is mainly due to the continuous increase in the EPC customer base and contracts where billing is in excess of revenue.

13 Trade payables

Total balance as at 31 March 2019 was ₹ 15,202 million compared with ₹ 9,221 million as at 31 March 2018. Of the total, trade payables increased by ₹ 5,981 million mainly due to increase in liability for goods in transit and increase in acceptances.

14 Provisions

a Non-current provisions

Total balance as at 31 March 2019 was ₹ 162 million compared with balance of ₹ 95 million as at 31 March 2018. Gratuity provision rose by ₹ 0.60 million and compensated absences provision rose by ₹ 67 million. The liability for gratuity and compensated absences is based on the valuation from the independent actuary. The Company in India provides gratuity benefits for its employees wherein the plan is funded with the fund balance kept with Life Insurance Corporation of India.

b Current provisions

The balance represents the provision towards compensated absences, gratuity and warranty. The provision as at 31 March 2019 decreased to ₹ 209 million compared with ₹ 376 million as at

31 March 2018. The main reason of decrease in provision in compensated absences was due to the change in leave policy.

15 Deferred tax liability

Deferred tax liability decreased to ₹ 231 million from ₹ 553 million, a decrease of ₹ 322 million. It comprises tax effect of temporary difference. The Company records net positions as assets and liabilities based on tax jurisdictions considering rights to offset. Note 17 of the consolidated financial statements provides the components of assets and liabilities.

Consolidated P&L

16 Revenue from operations

Revenue from operations increased by 18% to ₹ 79,560 million in FY19 from ₹ 67,703 million (net of excise duty) in FY18.

Our segment-wise growth is as below

| Segment | Revenue | | Growth |
|------------------|---------|--------|--------|
| | FY19 | FY18* | |
| Cables and wires | 68,894 | 60,662 | 14% |
| FMEG | 6,416 | 4,853 | 32% |
| EPC & Others | 4,250 | 2,189 | 94% |
| Total | 79,560 | 67,703 | 18% |

*FY18 figures are net of excise duty.

17 Other income

Our other income primarily comprises of interest income, government grants, exchange difference and others. It increased to ₹ 933 million from ₹ 644 million in FY 18. The increase of ₹ 289 million is mainly attributed to increase in government grants by ₹ 167 million and interest income by ₹ 101 million.

18 Raw material cost of goods sold

Our raw materials costs of goods sold includes packing material, and consists of the following line items in the financials:

- cost of materials consumed
- purchases of traded goods
- changes in inventories of finished goods, traded goods and work-in-progress
- project bought outs and other costs
- increase/(decrease) in excise duty on stock of finish goods

Raw materials costs of goods sold is increased to ₹ 59,660 million in FY19 from ₹ 51,312 million in FY 18, up 16.3%. Our COGS as percentage of sales improved from 75.8% in FY 18 to 75.0% in FY19 mainly due to change in sales mix and better sales price realisation.

19 Employee benefit expenses

The employment expenses increased by 15.81% to ₹ 3,002 million from ₹ 2,593 million. As a percentage of revenue, employee cost was 3.77% in FY19 compared with 3.83% in FY-18.

During FY19 the Company instituted ESOP Plan 2018, ESOP Performance Scheme, and ESOP Privilege Scheme for issuance of stock options to eligible employees of the Company. The compensation cost recognized for these ESOP schemes was ₹ 149 million for FY19 which was included in the employee benefit expenses.

20 Finance cost

Finance cost consists primarily of interest cost, bank charges and foreign exchange gains/(losses) on borrowings.

Our finance costs increased by 24.58% to ₹ 1,167 million in FY19 from ₹ 937 million in FY18, primarily due to increase in foreign exchange loss on borrowings. In FY19 by ₹ 361 arising from depreciation in the Indian Rupee. This increase was partially offset by a decrease in interest cost.

21 Depreciation and amortization expense

Depreciation and amortization expense increased to ₹ 1,414 million in FY19 compared with ₹ 1,330 million in FY18, largely due to additions to plant & machinery and buildings during the year.

22 Other expenses

Other expenses increased by 17.78% to ₹ 7,666 million in FY19 from ₹ 6,509 million (excluding excise duty of ₹ 741 million on finished goods, which is clubbed in cost of goods sold) in FY18, largely on sub-contracting expenses, advertisement and sales promotion, freight & forwarding, and power & fuel expenses. As percentage of revenue, other expenses were 9.64% in FY19 compared with 9.61% in FY18.

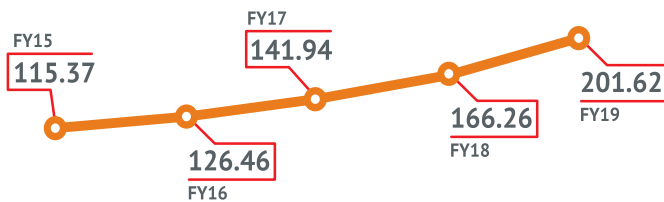
Consolidated Cash Flow

- Net cash inflow from operations increased by ₹ 8,674 million to ₹ 12,299 million in FY19 against ₹ 3,624 million in FY18. The increase was mainly due to a large advance received for an export order and increased LC acceptances in trade payables.
- Net cash used in investing activities increased by ₹ 2,198 million to ₹ 4,076 million during the FY19 compared with ₹ 1,878 million during FY18. The increase is mainly due to investment in property, plant and equipment for increasing the capacity of wires and cable and FMEG segments, investments in fixed deposits, and Investment in our one of the subsidiaries.
- Net cash used in financing activities increased by ₹ 4,616 to ₹ 6,514 million during FY19 from ₹ 1,898 million during FY18. The increase is mainly due to repayment of non-current and current borrowings.

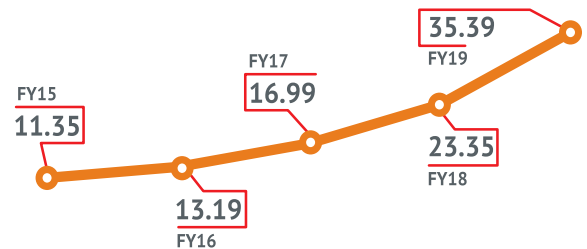
Charting our rise

Our **profitable growth** continued as we reduced our debt burden, raised efficiencies, invested in our brand, and improved our service/product delivery via an agile, more adaptive supply chain.

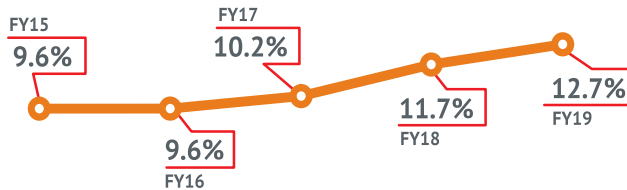
Book value per share (₹)



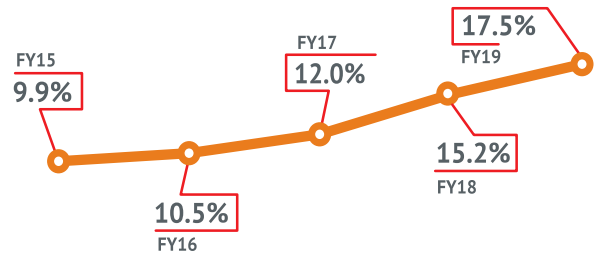
Earnings per share (₹)



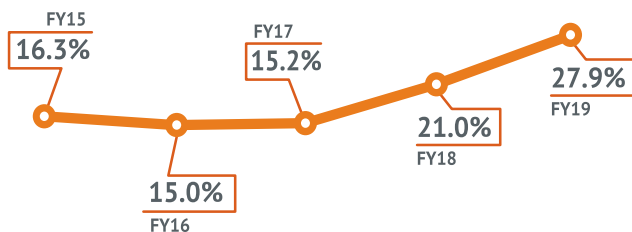
Operating margin



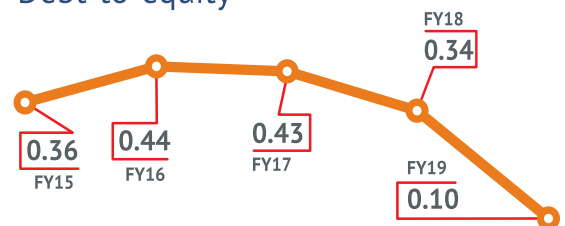
Return on equity



Return on capital employed

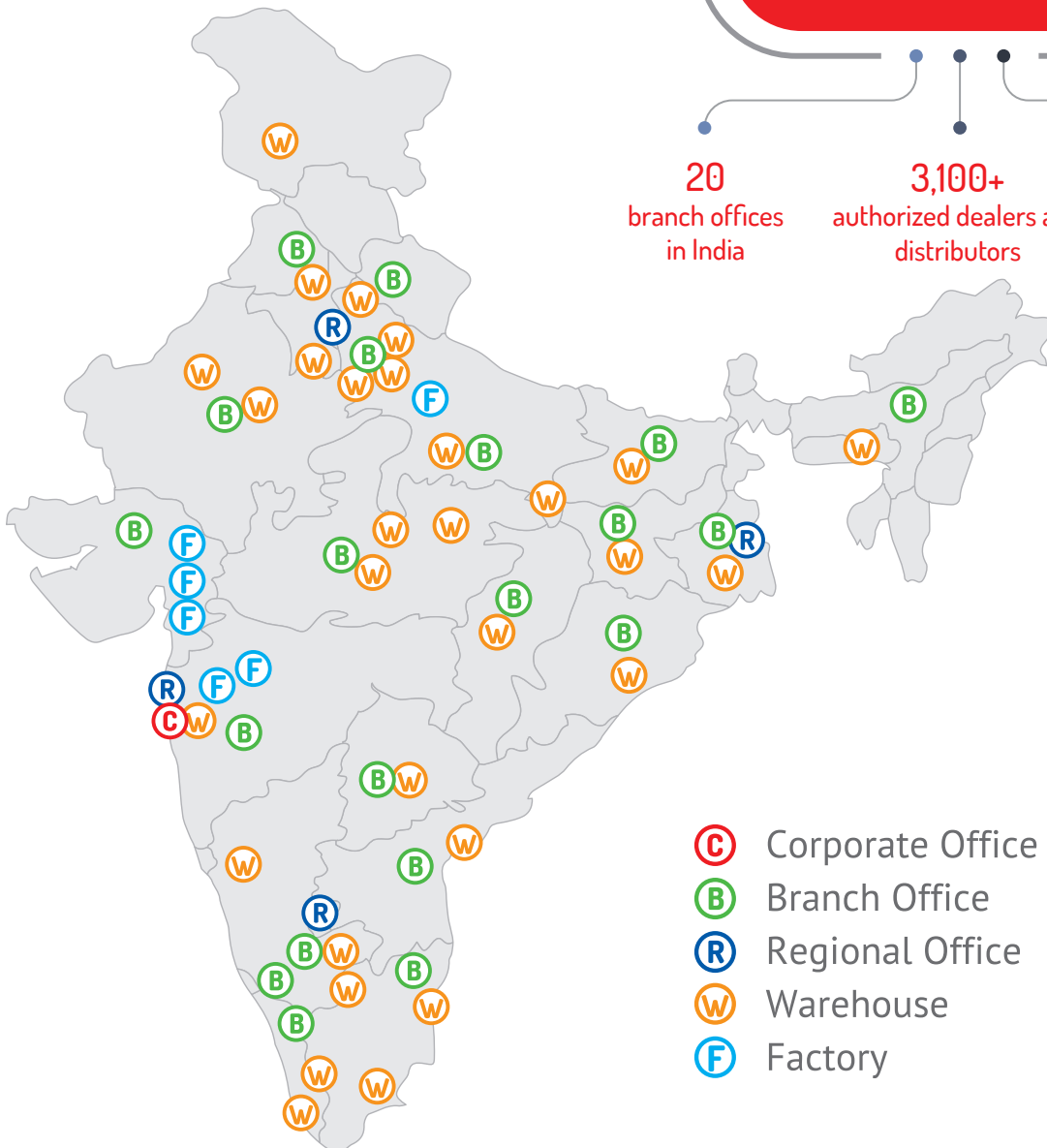
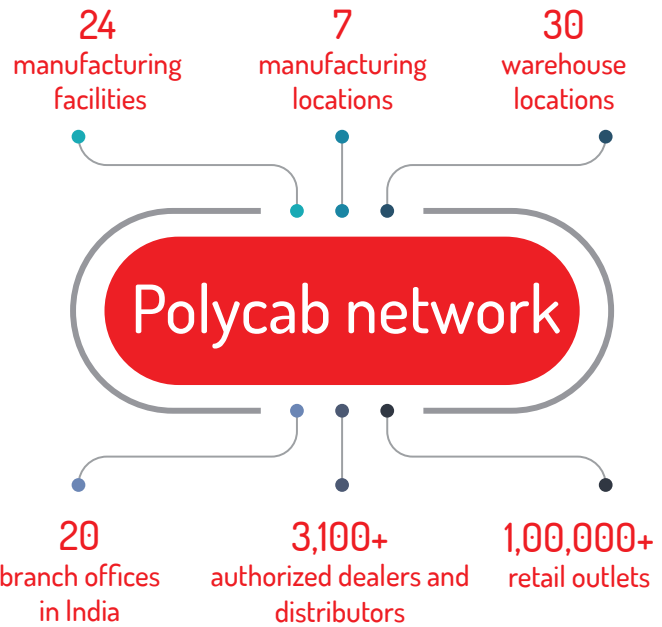


Debt-to-equity



Infrastructure

Multi-location manufacturing at scale, quality products, and a large network of well-stocked distributors and retailers guarantees Polycarb's reliable, always-available supply chain





Production capacities (owned and leased)

| | Location | Capacity |
|-----------------------|----------------------------|---|
| Wires and cables | Halol (Gujarat), Daman | 3.5 million km/year |
| Fans | Roorkee (Uttarakhand) | 2.4 million units/year |
| Switches & switchgear | Nashik (Maharashtra) | 6 million units/year |
| Lights and luminaires | Chhani (Vadodara, Gujarat) | 18.2 million units/year |
| Others | Padana (Gujarat) | 20,250 units/year |
| Copper rod/steel wire | Waghodia (Gujarat) | 225,000 MT (copper) 60,000 MT (steel wire) |

Certifications

Final quality testing on all our manufactured products ensures that they comply with customer requirements and national and international standards. Products are tested for voltage, partial discharge, conductor resistance, insulation and other quality requirements. The certifications that we have obtained are testimony to our commitment to a quality management system and quality products. Our company has not experienced a single case to date of product rejection, liability claim, or product recall.

| Certification | Range of products applied | Issuing authority |
|---------------------------------|---|---|
| NABL Certificate | 1 kV to 220 kV power and control cables | NABL, India |
| QMS ISO 9001:2015 | Complete range of products | DQS Inc, USA |
| Type Test Reports | 1 kV to 220 kV power and control cables | CPRI, Bangalore, India |
| Type Test Reports | 1 kV to 33 kV power and control cables | ERDA, Vadodara & CPRI, Bangalore, India |
| Type Test Reports | 1 kV to 33 kV power and control cables | IPH, Berlin |
| Product Certification for BASEC | Complete range of products as per BS 5467 & BS 6724 | BASEC, UK |
| Product Certification | Thermoplastic insulated wires and tray cables | UL, USA |
| CE marking Certification | Complete range of products | FQC, Istanbul |

Select customers

Polycab's competitive edge lies in product innovation as well as superior quality and ready availability. Our diverse customer base includes government departments, retailers, distributors, dealers and industrial/institutional customers. The ability to be on top of market and tech trends attracts prominent companies, consultants and contractors in utilities, power generation, oil and gas, transmission & distribution, construction, IT parks, OEMs, EPC contractors, steel & metal, cement, chemical, agriculture and nuclear power sectors.

| | |
|---|---|
| ACC | Madhya Gujarat Vij Co. |
| Adani Wilmar | NCC |
| Ambuja Cement | North East Frontier Railway |
| BEST | NTPC GE Power Services |
| BGR Energy Systems | Oriental Sales Corporation |
| BHEL | Paschim Gujarat Vij Company |
| BPCL | Paschimanchal Vidyut Vitran Nigam |
| Blue Star | Punj Lloyd |
| Bosch | Reliance Industries |
| Dakshin Gujarat Vij | Reliance Jio Infocomm |
| Gtpl Hathway | Siemens |
| Gujarat Energy Transmission Corporation | Southern Power Distribution Company Of AP |
| HPCL | Southern Railway |
| Hindustan Zinc | Sterling And Wilson |
| HPCL- Mittal Energy | Tamilnadu Generation And Distribution Corporation Limited |
| Indian Oil Corporation | Tata Power Solar Systems Limited |
| Jamshedpur Utilities & Services Company | Tata Projects |
| Jindal United Steel | Tata Steel |
| JSW Steel | Texmaco Rail & Engineering |
| Kalpataru Power Transmission | TRF |
| Konkan Railway Corporation | Uttar Gujarat Vij Company |
| Larsen & Toubro | |

Customer profile

| | 2019 | 2018 | 2017 |
|---|-------------|------|------|
| Percentage of revenue from top customer | 5% | 5% | 4% |
| Percentage of revenue from top 5 customers | 13% | 13% | 12% |
| Percentage of revenue from top 10 customers | 21% | 22% | 21% |
| Number of customers that account for under ₹ 10 mn annual revenue | 3313 | 3724 | 3821 |
| Number of customers that account for over ₹ 10 mn annual revenue | 729 | 644 | 557 |
| Number of customers that account for over ₹ 50 mn annual revenue | 217 | 205 | 158 |
| Number of customers that account for over ₹ 100 mn annual revenue | 141 | 115 | 92 |

A significant proportion of Polycab's revenue comes from several orders of more than ₹ 10 million. At the same time, because Polycab is not dependent on a few large customers, concentration risk is not a source of worry.



From **B2B to B2C**

Our brand journey

Over the years, Polycab has evolved from a largely B2B play to a fast-growing B2C brand. Driving our growth as a powerhouse in India's consumer electricals market have been our investments in branding and marketing—with outstanding results as have been detailed in the other pages of this report.

Our initial strategy was to focus on strengthening not only above-the-line but also below-the-line and through-the-line communication. This ensured not only top-of-mind recall for the brand but similar recognition at point-of-sale and post-purchase satisfaction. In recent years, we have invested in premium media properties such as the world's most-watched domestic T-20 cricket tournament, the Indian Premier League.

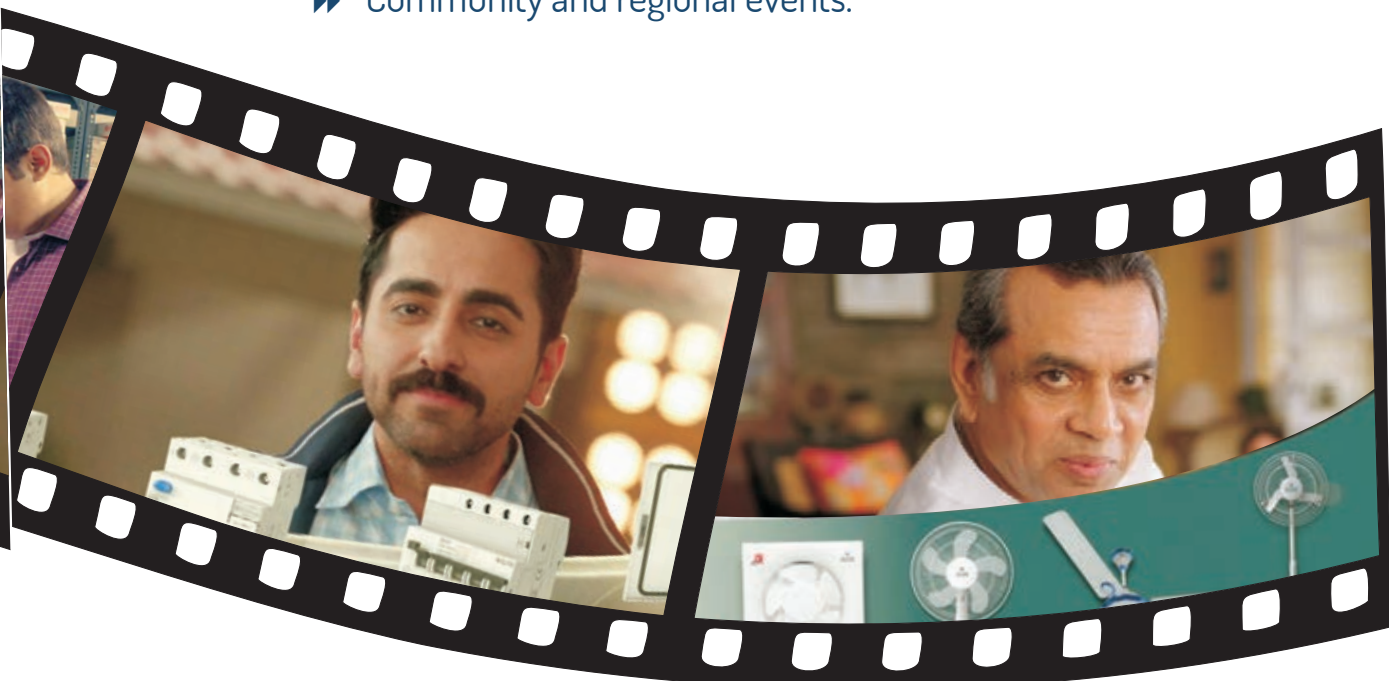
'Connection Zindagi Ka', our positioning line, was a hit with customers—the impactful narrative connected with their minds and hearts.



| | Campaign/ Brand endorsement | Product endorsed/ launched | IMPACT |
|------|--|-------------------------------|---|
| 2013 | Corporate commercial | Corporate | Elevated our brand to top-3 position in house wires. |
| 2014 | Paresh Rawal, actor | Wires | Polycab becomes a household name with the target audience. |
| 2016 | Indian Premier League (IPL) | Polycab range | FMEG revenues grew sharply over the years at 116% CAGR between FY14 and FY19. |
| 2017 | Indian Premier League (IPL) | Fans | Share of FMEG in total revenues grew from 0.3% in FY14 to 8% in FY19. |
| 2018 | R Madhavan, actor Bollywood and south films | LED | |
| 2019 | Ayushmann Khurrana, actor Indian Premier League (IPL) | Switchgears | |

Besides TV, Polycab has invested in areas that strengthen our bonds with influencers, customers and consumers, primarily in:

- ▶▶ Influencer and trade outreach
 - ▶▶ Electrician meets and education programmes
 - ▶▶ Trade and consumer events and promotions, and
 - ▶▶ Community and regional events.



Research and Development

Polycab places significant emphasis on research and development capabilities to help the company conform to the highest quality standards and thus be self-reliant and customer-centred.

The company's R&D centre, located at Halol, has nearly 90 engineers and technicians working on R&D projects. The centre is NABL ISO 17025 certified.

We also conduct R&D on PVC compounds, switchgears, electric fans, and LED lightings at our manufacturing facilities.

Through our R&D efforts, we have developed products such as flame retardant elastomeric compounds, flame retardant chlorosulphonated polyethylene rubber compounds and cathodic protection cables using fluoropolymers and other innovative products such as environmentally friendly power cables, rubber (elastomeric) cables and electron-beam irradiated cables to serve the needs of the automobile, ship-building industry, mining, solar energy, and rolling stock sector.

We are creating a centre of excellence for polymers for which we have already begun installation of equipment. Our intent is to develop our JV company Ryker Base Pvt Ltd to be the copper analysis centre for both incoming and out-going raw materials—this ensures that our copper rods meet high quality standards.

In addition to R&D, Polycab has consistently adopted advanced automation systems in our manufacturing process such as the manufacturing execution system (MES), which is an automated sensor based system for recording the actual consumption of raw materials in production, and also enterprise resource planning (ERP) systems. We have also adopted the Maynard Operation Sequence Technique (MOST) to drive productivity and optimize capacity utilization.

Green Wire: Our ecological initiative

In August 2017, we launched Green Wire, an energy efficient and environment-friendly product that contributes to India's 'Go Green' mission. The product is compliant with the EU's RoHS (Restrictions of Hazardous Substances) standards of European Union (EU), 2006.

The energy-saving best-in-class lead free wires have a larger current carrying capacity than standard wires of similar thickness, are more flexible, are flame retardant, and emit toxic gases only in trace amounts to ensure a cleaner, safer, healthier environment.



Our social responsibility

Driven by our sense of social responsibility, we are committed to sustainable growth and long-term value as our CSR pledge clearly states.



Polycab and all of our employees subscribe to the philosophy of empathetic care.

We believe in and act with a spirit of kindness and concern, with a core of willingness to form a Society which is appropriate for all.

Our pledge entails:

Creating opportunities for the community.

Assuring viable business processes that are economical, ecological and for public good.

Reaching the unreached by sharing core proficiencies.

Developing capabilities.

Improving the quality of life.

Our pledge

Our CSR interventions

Education

- ▶ Activities in schools—competitions, quizzes, sports, career counseling, tutoring.
- ▶ Infrastructure in schools—setting up a science laboratory (STEM), white wash, wiring.
- ▶ Vacational workshop for children in Village Noorpura.
- ▶ LEAAD programme in two schools.

Community

- ▶ Festivities and events—cooking, Rangoli, Garba, and sports competitions.
- ▶ Farmer's session—newer methods of farming, soil testing, and soil upkeep.
- ▶ Skill development—sewing classes for women, creating self-help groups.
- ▶ Model farm for growing moong dal and soya.

Infrastructure

- ▶ Toilets—for every dwelling in village Gadhmahuda.

- ▶ Drinking water bore wells in villages Chachariya and Govindpuri.
- ▶ Renovation of toilet blocks in primary schools.
- ▶ School room in Baska village.
- ▶ A model Aanganwadi in village Chachariya.
- ▶ Sports grounds in villages with games distributed across schools.

Health

- ▶ Health talks.
- ▶ Health camps in Mota Sandhiya, and Jalariya. Also held health camps for general health, blood group+HB, eye check-up in primary schools.
- ▶ OPD Medical Mobile Units.
- ▶ Shree Halol Stree Samaj jointly conducted breast tumor detection camps.

Animal husbandry

- ▶ Animal check-up camps.
- ▶ Sessions on cattle rearing and dairy farming.

People@Polycab



Our company attracts people who share our vision and customer philosophy. Polycab provides an enabling environment for employees to blossom and enjoy their work by offering competitive compensation, open communications, and opportunities for employee engagement in the business.

We owe our reputation for quality products, in large measure, to the commitment and efforts of our people.

We are an equal opportunity employer in our practices including hiring, promotion and compensation of applicants and employees without bias. Our company places a high value on personal and professional integrity, guided by our code of ethics and code of conduct policies.

HR survey

Our company continues to take positive and progressive steps to improve its HR practices. The HR Survey, one such initiative taken in FY19, helped us read the pulse of our employees and to address their expectations. The enthusiasm with which they responded reflects their sense of pride and belonging in their company.

HR roadmap

Based on the outcome of the survey, our company developed an HR roadmap for 3 years. To be rolled out soon, the roadmap will enable us to leverage existing synergies, get the best out of people, and align them to organisational goals.

Training and development

Polycab organises year-round training and development programmes for employees. These include awakening workshops, taskforce assignments, behavioural and soft skills training, specific technical workshops, and strategy meets.

Employee engagement

Our company launched our in-house magazine 'Sparsh' for internal communications and to provide an avenue for employee creativity.

Polycab organises year-round activities including celebrations for Foundation Day on 8 January, town hall meetings, get-togethers, picnics, cultural programmes, competitions, and sports and games events for employee engagement.

At our employee recognition programme, we award employees for their outstanding work and out-of-the-box thinking. We also introduced a spot recognition cash prize and monthly birthday celebrations for workers on the shop floor.

Recognition

Our company was awarded 'The National Best Employer Brands 2018' by the World HRD Congress.

Our mission

Our company chose 'Velocity—speed with direction' as its mission statement for 2019-20. Like its mascot—the falcon—Polycab intends to remain focussed and unwavering in its journey.

Drivers and challenges

Being a market leader of long standing in one of the world's most competitive markets brings its own set of challenges. But every challenge throws up opportunities, which Polycab seizes using our strengths even as we confront the risks.

Strengths

Polycab's market dominance and sustained growth are driven by these attributes:

Diversified portfolio of products and lines of business

Our three lines of business and extensive B2B and B2C portfolios for institutional and retail investors in different industries, supported by robust manufacturing facilities and strong R&D capabilities, help us produce quality products/after sales service and target a diversified customer base.

Strong brand

Our long-standing reputation comes from our unrelenting focus on quality and reliability, and on the continuous development and supply of innovative products through an extensive distribution network. Our strong brand name and the high visibility from our advertising campaigns enable the cross-selling of FMEG to wires and cables customers.

Experienced promoters and management

Our leadership is a blend of entrepreneurial and professional expertise. The team has a wealth of deep industry experience, knowledge of the market, and an intensive understanding of operations, pricing strategies, business development and industry trends.

Wide distribution network

Polycab's distribution network across India consists of **3,300** authorised dealers and distributors and 29 warehouses across **20** states through which we reach our products to **100,000** plus retail outlets. Our company has introduced several initiatives to strengthen the distribution network and distribution management systems.

Strong backward integration

Our backward integration in manufacturing assures us of a dependable supply of quality raw materials, and enables us to maintain control of the supply chain, lower the cost of operations, and offer products at competitive prices. The Ryker plant was set up as a 50:50 JV with Trafigura for manufacturing copper wire rods—a key input for the wire and cables business and FMEG. The facility will meet a substantial part of Polycab's requirement.

We also produce, in our existing manufacturing facilities, other key raw materials that we then use in the manufacturing of our wires and cables and FMEGs, including aluminium rods, higher size of copper rods, various grades of PVC, rubber, XLPE compounds, and GI wire and strip.

Strong financials

Polycab has a long, consistent record of revenue growth and profitability. For example, in each of the last five years, Polycab's revenue and profit has improved over the previous year's figures, with continuing all-round improvement in the ratios related to liquidity, asset/liability management, profitability and leverage.

Opportunities

The increasing demand for power, light, and communication (voice as well as data) has opened a door of opportunities for the wire and cable and electrical equipment business.

Increase in share of organised sector

Industry estimates show a transition of the Indian cables and wires industry away from the unorganised space with small players towards the organised sector comprising pan-India branded players. As the share of the organised sector has increased in the mix, so has the market size.

Rise in consumer spending

India has robust macroeconomic fundamentals, which hold promise for the future of the industry:

- ▶ Population is estimated to rise to 1.5 bn in 2030 (UN Population Division estimate)
- ▶ Rising private final consumption expenditure (PFCE), a measure of consumption demand
- ▶ Increase in propensity to spend
- ▶ Steady rise in per capita income
- ▶ Growing urbanisation and nuclearisation as population rises

Government initiatives in power and infrastructure

The demand for building wires and power cables is expected to be spurred by key government schemes:

- ▶ 5,934 rural electrification projects under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)
- ▶ Capacity addition under the National Solar Mission
- ▶ Housing for All by 2020 targeting 20 mn households
- ▶ Smart Cities Mission envisaging core infrastructure to 100 cities

Overall government spend on key infrastructure—roads, railways, mass transit systems—is projected to rise in the next five years.

Impetus from heavy industry and public enterprises

The Ministry of Heavy Industry and Public Enterprises has prepared a mission plan that seeks to steer efforts of all stakeholders to accelerate and sustain the growth of all stakeholders in the domestic electrical equipment industry.

Transmission and distribution (T&D) augmentation

The T&D segment is poised to experience robust growth as the demand for energy rises. T&D accounts for a major share in the demand for power cables.

Exports-led growth

India has become a net exporter of cables and wires, propelled by a double-digit annual growth in exports because of improved quality standards and increase in manufacturing capacities. Indian manufacturers have responded with diversified product offerings and consequently widened their export base.

Risks

Polycab being predominantly a wire and cables play is exposed to a few key risks:

Fluctuations in raw material prices pose a key challenge to the cable and wires industry. Realisation and profitability depend on copper and aluminium commodity prices. Typically, a change in the price of raw materials, mainly copper and aluminium and steel may impact sales volumes. Such costs are generally passed on to the customers.

Fluctuations in the rupee-dollar rate also pose a key challenge to the industry. Imports of raw materials like copper, aluminium, steel, and insulation materials are exposed to exchange rate fluctuation which can adversely affect the cost, and thus impact margins. Such costs are generally passed on to the customers.

Concentration of suppliers of raw materials in a few sources places the business at risk from disruptions in supply.

Polycab manages the above risks with a variety of measures, which include contracts with suppliers, maintaining an adequate inventory, including a price escalation clause for large orders, selling at prevailing market prices that reflect change in commodity prices.



POLYCAB

Connection Zindagi Ka

POLYCAB INDIA LIMITED

Formerly known as Polycab Wires Limited

Annual Report 2018-19

Notice of AGM



NOTICE

23rd Annual General Meeting

Notice is hereby given that the 23rd Annual General Meeting of the Members of Polycab India Limited will be held on Wednesday, the 26th June 2019 at 09:00 a.m. at Air Force Auditorium, Subroto Park, New Delhi-110010, to transact the following business:

ORDINARY BUSINESS

1 Adoption of Financial Statements

To receive, consider and adopt the Audited Standalone & Consolidated Financial Statements for the financial year ended 31st March 2019, together with the reports of the Board of Directors and Auditors thereon.

2 Declaration of Dividend

To declare a Dividend @ ₹ 3/- (30%) per Equity Share on 14,86,45,905 fully paid-up Equity Shares of face value of ₹ 10/- each for the financial year ended 31st March 2019.

3 Re-appointment of Ramesh T. Jaisinghani (DIN 00309314), as a Director liable to retire by rotation

To appoint a Director in place of Ramesh T. Jaisinghani (DIN 00309314), who retires by rotation and being eligible, offers himself for re-appointment.

4 Appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No: 101248W/W-100022) as the Statutory Auditors of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof for the time being in force, M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No: 101248W/W-100022) be and are hereby appointed as the Statutory Auditors of the Company for a term of 5 (Five) consecutive years in place of the outgoing Statutory Auditors i.e., M/s. S R B C & Co. LLP (Firm Registration No: 324982E/E300003) and to hold the office from the conclusion of this 23rd Annual General Meeting till the conclusion of 28th Annual General Meeting of the Company to be held in the financial year 2023-24, at a professional fee plus taxes and reimbursement of out of pocket expenses, if any, at actual, per financial year on the basis of the recommendation of the Audit Committee and approved by the Board of Directors for each financial year as per fee proposal received from M/s. B S R & Co. LLP with liberty to revise the said remuneration as may be mutually agreed to between the Board of Directors and the Statutory Auditors of the Company.”

SPECIAL BUSINESS

5 Re-appointment of Inder T. Jaisinghani (DIN:00309108), as the Managing Director of the Company for a further period of 5 (Five) years

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such consents and permissions, as may be required, the approval of the Members of the Company be and is hereby accorded for the proposed re-appointment of Inder T. Jaisinghani (DIN: 00309108), as the Managing Director of the Company, for a further period of 5 (Five) years commencing from 28th August 2019 to 27th August 2024, on such terms and conditions as set out in the Explanatory Statement annexed hereto, with liberty to the Board of Directors to vary, amend or revise the remuneration within the maximum ceiling specified under the Act and as may be agreed to between the Board of Directors and Inder T. Jaisinghani.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee or any Director of the Company be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6 Re-appointment of Ajay T. Jaisinghani (DIN: 00276588), as the Whole-Time Director of the Company for a further period of 5 (Five) years.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such consents and permissions, as may be required, approval of the Members of the Company be and is hereby accorded for the proposed re-appointment of Ajay T. Jaisinghani (DIN: 00276588), as the Whole-Time Director, for a further period of 5 (Five) years with effect from 28th August 2019 to 27th August 2024, on such terms and conditions as set out in this resolution and the Explanatory Statement annexed hereto with liberty to the Board of Directors to vary, amend or revise the remuneration within the maximum ceiling specified under the Act and as may be agreed to between the Board of Directors and Ajay T. Jaisinghani.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee or any Director of the Company, be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7 Re-appointment of Ramesh T. Jaisinghani (DIN: 00309314), as the Whole-Time Director for a further period of 5 (Five) years

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such consents and permissions, as may be required, the approval of the Members of the Company be and is hereby accorded for the proposed re-appointment of Ramesh T. Jaisinghani (DIN: 00309314), as the Whole-Time Director, for a further period of 5 (Five) years with effect from 28th August 2019 to 27th August 2024, on such terms and conditions, as set out in this resolution and the Explanatory Statement annexed hereto, with liberty to the Board of Directors to vary, amend or revise the remuneration within the maximum ceiling specified under the Act and as may be agreed to between the Board of Directors and Ramesh T. Jaisinghani.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee or any Director of the Company be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8 Revision of remuneration to Shyam Lal Bajaj (DIN: 02734730), Chief Financial Officer & Whole-Time Director of the Company for the remaining tenure of his appointment

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such consents and permissions, as may be required, the approval of the Members of the Company be and is hereby accorded for revision in remuneration to Shyam Lal Bajaj (DIN: 02734730), Chief Financial Offer & Whole-Time Director for the remaining tenure of his appointment i.e., upto 14th December 2021, on such terms and conditions as set out in the Explanatory Statement annexed hereto with liberty to the Board of Directors to vary, amend or revise the remuneration within the maximum ceiling in accordance with the provisions of the Act and as may be agreed to between the Board of Directors and Shyam Lal Bajaj.

RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee or any Director of the Company be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9 Appointment of T. P. Ostwal (DIN: 00821268), as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, and the rules framed there under read with Schedule IV to the Act, as amended from time to time, and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, T. P. Ostwal (DIN:00821268), who was appointed as an Additional Director (Non-executive Independent) by the Board of Directors w.e.f. 20th September 2018 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for the first term of appointment till 19th September 2023.”

10 Appointment of R. S. Sharma (DIN: 00013208) as an Independent Director of the Company

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, and the rules framed there under, read with Schedule IV to the Act, as amended from time to time, and other applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, R. S. Sharma (DIN: 00013208) who was appointed as an Additional Director (Non-executive Independent) by the Board of Directors w.e.f. 20th September 2018 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for the first term of appointment till 19th September 2023.”

11 Appointment of Pradeep Poddar (DIN: 00025199) as an Independent Director of the Company

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, and the rules framed there under read with Schedule IV to the Act, as amended from time to time, and other applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Pradeep Poddar (DIN: 00025199) who was appointed as an Additional Director (Non-executive Independent) by the Board of Directors w.e.f. 20th September 2018 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for the first term of appointment till 19th September 2023.”

12 Appointment of Hiroo Mirchandani (DIN: 06992518) as an Independent Director of the Company

To consider and if thought fit, to pass, with the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, and the rules framed there under read with Schedule IV to the Act, as amended from time to time, and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Hiroo Mirchandani (DIN: 06992518) who was appointed as an Additional Director (Non-executive Independent) by the Board of Directors w.e.f. 20th September 2018 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for the first term of appointment till 19th September 2023.”

13 Payment of Commission to the Independent Directors of the Company

To consider, and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section(s) 197, 198 and other applicable provision(s), if any, of the Companies Act, 2013 and Rules made thereunder read with Schedule V to the Act and Regulation 17(6)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or re-enactment(s) thereof, and subject to all applicable approval(s) as may be required, the consent of the Members of the Company be and is hereby accorded for payment of commission out of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, not exceeding ₹ 20,00,000/- (Rupees Twenty Lakhs only) per annum per Independent Director, and the same be paid to and distributed in such amounts or proportions and in such manner as may be approved by the Board of Directors of the Company for every financial year commencing from Financial Year 2018-19.”

14 Ratification of Remuneration payable to the Cost Auditors for the Financial Year 2019-20

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 3,30,000/- (Rupees Three Lakh Thirty Thousand Only) plus applicable taxes and out of pocket expenses at actuals, if any, payable to M/s. N. Ritesh & Associates, Mumbai, (Firm Registration No.: M/26963), Cost Accountants who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company to conduct the Audit of the Cost Records maintained by the Company as prescribed under the Companies (Cost Record and Audit) Rules, 2014, as amended, for the Financial Year ending 31st March 2020.

15 Retention of rights to appoint Director by International Finance Corporation (IFC)

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Article 103 of Articles of Association and other applicable provisions, if any, of the Companies Act, 2013, the consent of the members of the Company be and is hereby accorded to the retention of rights of International Finance Corporation (‘IFC’) to nominate one (1) Director on the Board of Directors of the Company not an obligation, till IFC holds at least five percent (5%) of the share capital of the Company.”

By Order of the Board of Polycab India Limited

Sai Subramaniam Narayana
Company Secretary & Compliance Officer
M.No: F5221

Place : Mumbai

Date : 14th May 2019

Registered Office : E-554, Greater Kailash-II,
New Delhi - 110048, India

Phone no. 011-29228574

Website : www.polycab.com

NOTES

- 1 An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Ordinary / Special Business under Item No. 4 to 15 to be transacted at the Annual General Meeting (AGM) is annexed hereto.
- 2 **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty Members holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Members holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, only the first fifty proxies received by the Company shall be considered as valid. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / letter of authority, as applicable.
- 3 Corporate Members intending to send their authorized representatives to attend the AGM, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
- 4 Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from 20th June 2019 to 26th June 2019 (both days inclusive).
- 5 The Dividend for the financial year ended 31st March 2019, as recommended by the Board, if approved at the AGM, will be paid on or before 25th July 2019 to those Members whose name appear in the Register of Members of the Company as on the book closure date.
- 6 Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar & Share Transfer Agents cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
- 7 Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to Karvy Fintech Private Limited (Karvy) / Secretarial Department of the Company immediately.
- 8 Details as required in Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations') in respect of the Directors seeking appointment / re-appointment at the AGM is attached as Annexure I & II, forming part of this Report.
- 9 Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Members who have not registered their e-mail address with the Company can now register the same by submitting a duly filled-in 'e-communication Registration Form' available on the website of the Company www.polycab.com, to Karvy or Secretarial Department of the Company. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon request.
- 10 The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
- 11 Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Listing Regulations, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 19th June 2019, i.e., the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the resolutions set forth in this

Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting).

The remote e-voting period will commence at 9.00 a.m. on Sunday, 23rd June 2019 and will end at 5.00 p.m. on Tuesday, 25th June, 2019. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed M/s. Dilip Bharadiya & Associates, Practicing Company Secretaries, Mumbai, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

PROCEDURE FOR REMOTE E-VOTING

I The Company has entered into an arrangement with Karvy for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under:

(a) In case of Member(s) receiving an e-mail from Karvy:

- (i) Launch an internet browser and open <https://evoting.karvy.com/>
- (ii) Enter the login credentials i.e. User ID and Password, provided in the e-mail received from Karvy. However, if Member(s) are already registered with Karvy for e-voting, Member(s) can use existing User ID and Password for casting the vote.
- (iii) After entering the above details, click on - 'Login'.
- (iv) Password change menu will appear and it is mandatory that password must be changed by Member(s). The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will also prompt members to update their contact details like mobile number, email address, etc. on first login. Member(s) may also enter a secret question and answer of his/her choice to retrieve their password incase it is forgotten. It is strongly recommended that Member(s) do not share his/her password with any other person and that Member(s) take utmost care to keep his/her password confidential.

After changing the password, Member(s) need to login again with the new credentials.

- (v) On successful login, the system will prompt Member(s) to select the e-Voting Event.
- (vi) Select 'EVENT' of Polycab India Limited – AGM and click on - 'Submit'.
- (vii) Now Member(s) are ready for e-voting as 'Ballot Form' page opens.
- (viii) Cast the vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
- (ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (x) Once Member(s) have confirmed his/her vote on the resolution, Member(s) cannot modify their vote.
- (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at dilipbcs@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

(b) In case of Member(s) receiving physical copy of the Notice of AGM and Attendance Slip

- (i) Initial User ID and Password is provided at the bottom of the Attendance Slip in the following format:

| USER ID | PASSWORD |
|---------|----------|
| _____ | _____ |

- (ii) Please follow all steps from Sr. No. (a)(i) to Sr. No. (a)(xi) mentioned above, to cast vote.
- II In case of any queries, Member(s) may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of the e-voting website of Karvy <https://evoting.karvy.com/>.
- III The voting rights shall be as per the number of equity shares held by the Member(s) as on Wednesday, 19th June 2019 being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- IV Members who have acquired shares after the dispatch of the Annual Report and before the book closure may obtain the User ID and Password by sending a request at evoting@karvy.com. However, if Member(s) are already registered with Karvy for remote e-voting, then Member(s) can use their existing User ID and Password for casting the vote.

If Member(s) have forgotten their Password, it can be reset by using 'Forgot Password' option available on https://evoting.karvy.com or contact Karvy at toll free no. 1-800-3454-001 or e-mail at evoting@karvy.com.

In case of any other queries/grievances connected with voting by electronic means, Member(s) may also contact Rajeev Kumar of Karvy, at telephone no. +91 040 67161512. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote at the Meeting.

- 12 The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection in the Annual General Meeting.
- 13 Members can also provide their feedback on the shareholder services of the Company using the 'Shareholders Satisfaction Survey' form available on the 'Investor Relations' page of the website of the Company i.e. www.polycab.com. This feedback will help the Company in improving Shareholder Service Standards.
- 14 The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Karvy by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. In the alternative Members are requested to submit a copy of bank passbook/statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.
- 15 All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection without any fee at the Registered Office of the Company during working hours on all working days except Saturdays, up to and including the date of the AGM of the Company.
- 16 A Route Map showing directions to reach to the venue of the AGM is given at the end of this Notice as required under Secretarial Standard 2 (SS-2) issued by the ICSI.
- 17 Any Member desirous of receiving any information on the Financial Statements or Operations of the Company is requested to forward his/her queries to the Company at least seven working days prior to the AGM, so that the required information can be made available at the AGM.
- 18 Dividend on Equity shares, as recommended by the Board of Directors of the Company, for the Financial Year ended 31st March 2019, if declared, at the AGM, will be paid to:
- i) Those Members whose names shall appear in the Register of Members of the Company, at the end of business hours on Wednesday, 19th June 2019 after giving effect to all valid share transfers in physical mode lodged with the Company/ RTA on or before Wednesday, 19th June 2019.
 - ii) Those Beneficial owners entitled thereto, in respect of shares held in electronic mode, whose names shall appear in the statements of beneficial ownership furnished by respective Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the end of business hours on Wednesday, 19th June 2019.
- 19 As per Regulation 12 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule I to the said Regulations, it is mandatory for all the Companies to use bank details furnished by the investors for distributing dividends, interests, redemption or repayment amounts to them through National/Regional/Local Electronic Clearing Services (ECS) or Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), National Automated Clearing House (NACH) wherever ECS/RTGS/NEFT/NACH and bank details are available. In the absence of electronic facility, Companies are required to mandatorily print bank details of the investors on 'payable-at-par' warrants or cheques for distribution of Dividends or other cash benefits to the investors. In addition to that, if bank details of investors are not available, Companies shall mandatorily print the address of the investor on such payment instruments.
- Therefore, Members holding shares in physical mode are requested to update their bank details with the Company or Registrar and Transfer Agent (RTA) immediately. Members holding shares in demat mode are requested to record the ECS mandate with their DPs concerned.
- 20 Shareholders who have not registered their e- mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, circulars etc from the Company electronically.
- 21 Members desirous of making a nomination in respect of their shareholding, under Section 72 of the Companies Act, 2013, are requested to send their request to the Secretarial Department in the prescribed form.
- 22 The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through electronic voting system provided at the AGM venue and remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, within 48 hours of conclusion of the AGM, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith. The resolution(s) shall be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes.
- 23 The results declared along with the scrutinizer's report shall be placed on the website of the Company i.e., www.polycab.com under the head "Investor Relations" and on the website of Karvy immediately after the results are declared by the Chairman or a person authorised by him in writing. The same shall be communicated by the Company to the stock exchanges i.e., BSE Limited and National Stock Exchange of India Limited

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

M/s. S R B C & Co. LLP Chartered Accountants, Mumbai, (ICAI Firm Registration No.324982E/E300003), were appointed as the Statutory Auditors of the Company at the 18th Annual General Meeting (AGM) of the Company held on 20th September 2014 for a second term of five years, to hold office till the conclusion of this AGM.

M/s. S R B C & Co. LLP who have been the Statutory Auditors of the Company since financial year 2009-10 will continue as the Auditors of the Company only up to the conclusion of this Annual General Meeting ('AGM'), having completed their Second term as per the provisions of Section 139 of the Act.

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on 14th May 2019, proposed the appointment of M/s. B S R & Co. LLP Chartered Accountants, (Firm Registration No: 101248W/W-100022) (one among the Big Four Audit Firms) as the Statutory Auditors of the Company for a term of 5 consecutive years, to hold office from the conclusion of this 23rd AGM till the conclusion of the 28th AGM to be held in the financial year 2023-24.

M/s. B S R & Co. LLP Chartered Accountants, (Firm Registration No: 101248W/W-100022) have consented to their appointment as the Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The following disclosure is made further to the requirement of sub-regulation (5) of Regulation 36 of the SEBI (LODR), 2015, viz.

The Board of Directors of the Company, based on the fee proposal received and on the recommendation of the Audit Committee, has proposed the payment to M/s. B S R & Co., LLP, Chartered Accountants, (Firm Registration No: 101248W/W-100022) for the Financial Year 2019-20 at a professional fee of ₹ 90,00,000/- plus applicable taxes, and reimbursement of out of pocket expenses at actuals, if any, that may be incurred towards carrying out the Statutory Audit of the Company, with liberty to the Board of Directors to revise the fee payable to the Statutory Auditors as per the recommendation of the Audit Committee and as may be mutually agreed to between the Board of Directors and the Statutory Auditors of the Company.

The Company had paid a professional fee of ₹1,27,00,000/- plus taxes, to the outgoing Statutory Auditors i.e. M/s. S R B C & Co. LLP Chartered Accountants, Mumbai, (ICAI Firm Registration No.324982E/E300003) for the financial year 2018-19. In the opinion of the Audit Committee and the Board of Directors of the Company, the fees payable to M/s. B S R & Co. LLP Chartered Accountants, is based on the fee proposal received at the time of selection of the Statutory Auditors by the Audit Committee. Considering the Company being a listed Company, the Board of Directors has been given with the liberty to revise the said fees as may be mutually agreed to between the Board of Directors and the Statutory Auditors of the Company at the time of finalization of the accounts of the Company.

The Board recommends the Ordinary Resolution set out at Item No.4 of the notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 4 of the Notice.

Copy of all the documents would be available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday & Sunday from the date hereof up to the date of the AGM.

Item No. 5

The members of the Company had appointed Inder T. Jaisinghani as the Managing Director of the Company for a period of five years with effect from 28th August 2014 and the present term of his appointment would lapse on 27th August 2019.

The Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved the re-appointment of Inder T. Jaisinghani as the Managing Director, post completion of his present term, for a further period of five years.

Inder T. Jaisinghani is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Managing Director of the Company. Inder T. Jaisinghani satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his appointment.

The broad terms and conditions of the proposed re-appointment of and remuneration payable to Inder T. Jaisinghani are mentioned below:

A REMUNERATION (Effective from 28th August 2019 to 27th August 2024)

a) SALARY

Basic Salary not exceeding ₹ 17.50 Lakhs per month, with an annual increment not exceeding 15% of the annual salary.

The annual increments to be decided by the Board based on the recommendation of the Nomination and Remuneration Committee within the said maximum limit.

b) COMMISSION

He shall be entitled to commission as may be determined by the Board from time to time not exceeding 1% of the net profit of the company as per the provisions of the Companies Act, 2013.

c) HOUSE RENT ALLOWANCE ('HRA')

He shall be entitled for HRA equivalent to 50% of the basic salary.

d) ALLOWANCES

He shall be entitled for the following allowances, in aggregate not exceeding 50% of the basic salary:

- i Education Allowance;
- ii Supplementary Allowance;
- iii Meal card;
- iv Leave Travel Allowance ('LTA'); and
- v Ex-gratia (in lieu of bonus).

e) PERQUISITES

- i Mediciclaim Insurance Policy, Term Insurance Policy, Personal Accident Insurance Policy as per Company's Policy;
- ii Provision of car for use on company's business and for private purpose shall be billed by the Company;
- iii Telephone at residence and provision of mobile and internet facilities. Personal long distance calls shall be billed by the Company;
- iv The appointee shall also be entitled to Superannuation and Gratuity as per Company's policy;
- v Reimbursement of entertainment expenses incurred for the business of the Company; and
- vi Leave: As per Company's Policy.

B MINIMUM REMUNERATION

At present the Company achieves adequate profits and in terms of Section 197 of the Companies Act, 2013, viz.

The total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of that company for that financial year computed in the manner laid down in section 198 except that the remuneration of the directors shall not be deducted from the gross profits:

Provided that the company in general meeting may authorise the payment of remuneration exceeding eleven percent, of the net profits of the company, subject to the provisions of Schedule V of the Companies Act, 2013.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Inder T. Jaisinghani, the Company has no profits or its profits are inadequate, the Company will pay remuneration, by way of Salary, Benefits, Perquisites and Allowances as specified above, subject to further approvals as required under Schedule V of the Act, or any modification(s) thereto.

The brief profile, nature of his experience and expertise, is given in **Annexure-I** to this notice, as per Secretarial Standard on General Meetings (SS-2) and SEBI (LODR) Regulations which forms part of this Explanatory Statement.

In accordance with the provisions of Sections 196, 197 & other applicable provisions of the Act, read with Schedule V to the said Act, the proposed re-appointment and the terms of remuneration payable to Inder T. Jaisinghani requires approval of the members by passing an ordinary resolution.

The Board recommends the resolution set out at Item No. 5, for approval of the shareholders.

Except Inder T. Jaisinghani (Self), Ajay T. Jaisinghani (Brother), Ramesh T. Jaisinghani (Brother) and their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, financially or otherwise in the said resolution.

Copy of all the relevant documents would be available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday & Sunday from the date hereof up to the date of the AGM.

Item No. 6

The members of the Company had appointed Ajay T. Jaisinghani as the Whole-Time Director of the Company for a period of five years with effect from 28th August 2014 and the present term of his re-appointment would lapse on 27th August 2019.

The Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members, approved the re-appointment of Ajay T. Jaisinghani as Whole Time Director, post completion of his present term on 27th August 2019 for a further period of five years.

Ajay T. Jaisinghani is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Whole-Time Director of the Company. Ajay T. Jaisinghani satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his re-appointment.

The broad terms and conditions of the proposed re-appointment of and remuneration to Ajay T. Jaisinghani are mentioned below:

A REMUNERATION (Effective from 28th August 2019 to 27th August 2024)

a) SALARY PER MONTH

Basic Salary Not exceeding ₹ 10.40 Lakhs per month, with an annual increment not exceeding 15% of the annual salary.

The annual increments to be decided by the Board based on the recommendation of the Nomination and Remuneration Committee within the said maximum limit.

b) HOUSE RENT ALLOWANCE ('HRA')

He shall be entitled for HRA equivalent to 50% of the basic salary.

c) ALLOWANCES

He shall be entitled for the following allowances, in aggregate not exceeding 50% of the basic salary viz.:

- i Education Allowance;
- ii Supplementary Allowance;
- iii Meal card;
- iv Leave Travel Allowance ('LTA'); and
- v Ex-gratia (in lieu of bonus).

d) PERQUISITES

- i Mediclaim Insurance Policy, Term Insurance Policy, Personal Accident Insurance Policy as per Company's Policy;
- ii Provision of car for use on company's business and for private purpose shall be billed by the Company;
- iii Telephone at residence and provision of mobile and internet facilities. Personal long distance calls shall be billed by the Company;
- iv The appointee shall also be entitled to Superannuation and Gratuity as per Company's policy;
- v Reimbursement of entertainment expenses incurred for the business of the Company; and
- vi Leave: As per Company's Policy.

e) VARIABLE PAY

He shall also be entitled for variable pay annually on the basis of the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company.

B MINIMUM REMUNERATION

At present the Company achieves adequate profits and in terms of Section 197 of the Companies Act 2013, i.e.

The total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent, of the net profits of that company for that financial year computed in the manner laid down in section 198 except that the remuneration of the directors shall not be deducted from the gross profits.

Provided that the company in general meeting may authorise the payment of remuneration exceeding eleven per cent, of the net profits of the company, subject to the provisions of Schedule V of the Companies Act, 2013.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Ajay T. Jaisinghani, the Company has no profits or its profits are inadequate, the Company will pay remuneration, by way of Salary, Benefits, Perquisites and Allowances as specified above, subject to further approvals as required under Schedule V of the Act, or any modification(s) thereto.

The brief profile, nature of his experience and expertise, is given in **Annexure -I** to this notice, as per Secretarial Standard on General Meetings (SS-2) and SEBI (LODR) Regulations and forming part of this Explanatory Statement.

In accordance with the provisions of Sections 196, 197 & other applicable provisions of the Act, read with Schedule V to the said Act, the proposed re-appointment and the terms of remuneration payable to Ajay T. Jaisinghani requires approval of members by passing an ordinary resolution.

The Board recommends the resolution at Item No. 6 for approval of the shareholders.

Except Ajay T. Jaisinghani (Self), Inder T. Jaisinghani (Brother), Ramesh T. Jaisinghani (Brother) and their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, financially or otherwise in the said resolution.

Copy of all the relevant documents would be available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday & Sunday from the date hereof up to the date of the AGM.

Item No. 7

The members of the Company had appointed Ramesh T. Jaisinghani as the Whole-Time Director of the Company for a period of five years with effect from 28th August 2014 and the present term of his appointment would lapse on 27th August 2019.

The Board has, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the members, approved the re-appointment of Ramesh T. Jaisinghani as Whole-Time Director for a further period of five years, post completion of his present term on 27th August 2019.

Ramesh T. Jaisinghani is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Whole-Time Director of the Company. Ramesh T. Jaisinghani satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V to the Act, for being eligible for his re-appointment.

The broad terms and conditions of the proposed re-appointment of and remuneration to Ramesh T. Jaisinghani are mentioned below:

A REMUNERATION (Effective from 28th August 2019 to 27th August 2024)

a) SALARY

Basic Salary Not exceeding ₹ 10.40 Lakhs per month, with an annual increment not exceeding 15% of the annual salary.

The annual increments to be decided by the Board based on the recommendation of the Nomination and Remuneration Committee within the said maximum amount.

b) HOUSE RENT ALLOWANCE ('HRA')

He shall be entitled for HRA equivalent to 50% of the basic salary.

c) ALLOWANCES

He shall be entitled for the following allowances, in aggregate not exceeding 50% of the basic salary viz.:

- i Education Allowance;
- ii Supplementary Allowance;
- iii Meal card;
- iv Leave Travel Allowance ('LTA'); and
- v Ex-gratia (in lieu of bonus).

d) PERQUISITES

- i Medclaim Insurance Policy, Term Insurance Policy, Personal Accident Insurance Policy as per Company's Policy;
- ii Provision of car for use on company's business and for private purpose shall be billed by the Company;
- iii Telephone at residence and provision of mobile and internet facilities. Personal long distance calls shall be billed by the Company;
- iv The appointee shall also be entitled to Superannuation and Gratuity as per Company's policy;
- v Reimbursement of entertainment expenses incurred for the business of the Company; and
- vi Leave: As per Company's Policy.

e) VARIABLE PAY

He shall also be entitled for variable pay annually on the basis of the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company.

B MINIMUM REMUNERATION

At present the Company achieves adequate profits and in terms of Section 197 of the Companies Act 2013, i.e.

The total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of that company for that financial year computed in the manner laid down in section 198 except that the remuneration of the directors shall not be deducted from the gross profits.

Provided that the company in general meeting may authorise the payment of remuneration exceeding eleven per cent, of the net profits of the company, subject to the provisions of Schedule V of the Companies Act, 2013.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Ramesh T. Jaisinghani, the Company has no profits or its profits are inadequate, the Company will pay remuneration, by way of Salary, Benefits, Perquisites and Allowances as specified above, subject to further approvals as required under Schedule V of the Act, or any modification(s) thereto.

The brief profile, nature of his experience and expertise, is given in **Annexure -I** to this notice, as per Secretarial Standard on General Meetings (SS-2) and SEBI (LODR) Regulations and forming part of this Explanatory Statement.

In accordance with the provisions of Sections 196, 197 & other applicable provisions of the Act, read with Schedule V to the said Act, the proposed re-appointment and the terms of remuneration payable to Ramesh T. Jaisinghani requires approval of members by passing an ordinary resolution.

The Board recommends the resolution at Item No. 7 for approval of the shareholders.

Except Ramesh T. Jaisinghani (Self), Inder T. Jaisinghani (Brother), Ajay T. Jaisinghani (Brother), and their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, financially or otherwise in the said resolution.

Copy of all the relevant documents would be available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday & Sunday from the date hereof up to the date of the AGM.

Item No. 8

Shyam Lal Bajaj is the Chief Financial Officer and Whole-Time Director of our Company. He holds a bachelor's degree in commerce from Rajasthan University and is a qualified Chartered Accountant, appointed as a Whole-Time Director of our Company with effect from 15 December 2016 and as Chief Financial Officer on 25 September 2018. Prior to joining our Company, he served as the Director Finance at Vedanta Limited (including at Sesa Sterlite Limited now merged with Vedanta Limited). He has also served as the Chief Financial Officer of Hindustan Zinc Limited, served as Chief Financial Officer and Vice President of Finance at Sterlite Technologies Limited (formerly called 'Sterlite Optical Technologies Limited') and Senior General Manager at Sterlite Industries (India) Limited now Vedanta Limited.

Shyam Lal Bajaj is having more than 40 years of experience in the accounts & finance functions.

Taking into consideration his experience and expertise, it is proposed to revise his remuneration as recommended by Nomination and Remuneration Committee and approved by Audit Committee and the Board of Directors as per the terms and condition mentioned below.

A REMUNERATION (Effective from 01st April 2019 to 14th December 2021)

a) SALARY

Basic Salary Not exceeding ₹ 9.24 Lakhs per month, with an annual increment not exceeding 10% of the annual salary.

The annual increments to be decided by the Board based on the recommendation of the Nomination and Remuneration Committee within the said maximum amount.

b) HOUSE RENT ALLOWANCE ('HRA')

He shall be entitled for HRA equivalent to 50% of the basic salary i.e. ₹ 4.62 lakhs.

c) ALLOWANCES

He shall be entitled for the following allowances, in aggregate not exceeding 50% of the basic salary viz.:

- i Education Allowance;
- ii Grade Allowance;
- iii Supplementary Allowance;
- iv Meal card;
- v Leave Travel Allowance ('LTA'); and
- vi Ex-gratia(in lieu of bonus).

d) PERQUISITES

- i Mediclaim Insurance Policy, Term Insurance Policy, Personal Accident Insurance Policy as per Company's Policy;
- ii Provision of car for use on company's business and for private purpose shall be billed by the Company;
- iii Telephone at residence and provision of mobile and internet facilities. Personal long distance calls shall be billed by the Company;
- iv The appointee shall also be entitled to Superannuation and Gratuity as per Company's policy;
- v Reimbursement of entertainment expenses incurred for the business of the Company; and
- vi Leave: As per Company's Policy.

e) VARIABLE PAY

He shall also be entitled for variable pay annually on the basis of the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company.

B MINIMUM REMUNERATION

At present the Company achieves adequate profits and in terms of Section 197 of the Companies Act 2013, viz:

The total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of that company for that financial year computed in the manner laid down in section 198 except that the remuneration of the directors shall not be deducted from the gross profits.

Provided that the company in general meeting may authorise the payment of remuneration exceeding eleven per cent, of the net profits of the company, subject to the provisions of Schedule V of the Companies Act, 2013.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Shyam Lal Bajaj, the Company has no profits or its profits are inadequate, the Company will pay remuneration, by way of Salary, Benefits, Perquisites and Allowances as specified above, subject to further approvals as required under Schedule V of the Act, or any modification(s) thereto.

The brief profile, nature of his experience and expertise, is given in **Annexure -I** to this notice, as per Secretarial Standard on General Meetings (SS-2) and SEBI (LODR) Regulations and forming part of this Explanatory Statement.

In accordance with the provisions of Sections 196, 197 & other applicable provisions of the Act, read with Schedule V to the said Act, the proposed re-appointment and the terms of remuneration payable to Shyam Lal Bajaj requires approval of members by passing an ordinary resolution.

The Board recommends the resolution at Item No.8 for approval of the shareholders.

Copy of all the relevant documents would be available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday & Sunday from the date hereof up to the date of the AGM.

Except Shyam Lal Bajaj and his relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, financially or otherwise in the said resolution.

ITEM No. 9

T. P. Ostwal (DIN: 00821268) was appointed as an Additional Director (Independent) of the Company, by the Board of Directors of the Company on 20th September 2018 and holding office upto the date of the ensuing Annual General Meeting of the members of the Company.

In the opinion of the Board, T. P. Ostwal fulfills the conditions specified in the Act and the Rules made thereunder to be appointed as an Independent Director of the Company.

T. P. Ostwal does not hold any share and is independent of the Management of the Company.

He has given his consent to act as a Director of the Company, along with a declaration stating that he is not disqualified from being appointed as a Director in the Company in terms of Section 164 of the Companies Act, 2013. Further, he has submitted the declaration as required pursuant to section 149 (7) of the Act stating that he meets the criteria of independence as provided in sub section (6) of Section 149 of the Act.

The Company has also received a notice under Section 160 of the Companies Act 2013, from a member proposing the appointment of T. P. Ostwal as an Independent Director of the Company.

The brief profile of T. P. Ostwal as per the requirements of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 {SEBI (LODR), Regulations, 2015} and the rules made thereunder and the Secretarial Standard on General Meetings (SS-2) are given in **Annexure -II**, forming part of this Explanatory Statement.

The Board recommends the resolution set out under Item No.9, for approval of the members of the Company by way of an Ordinary Resolution.

Except T. P. Ostwal, none of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, financially or otherwise in the said resolution.

Copy of all the relevant documents would be available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday & Sunday from the date hereof up to the date of the AGM.

ITEM No. 10

R. S. Sharma (DIN: 00013208) was appointed as an Additional Director (Independent) of the Company, by the Board of Directors of the Company on 20th September 2018 and holding office upto the date of the ensuing Annual General Meeting of the members of the Company.

In the opinion of the Board, R. S. Sharma fulfills the conditions specified in the Act and the Rules made thereunder to be appointed as an Independent Director of the Company.

R. S. Sharma does not hold any share and is independent of the Management of the Company.

He has given his consent to act as a Director of the Company, along with a declaration stating that he is not disqualified from being appointed as a Director in the Company in terms of Section 164 of the Companies Act, 2013. Further, he has submitted

the declaration as required pursuant to section 149 (7) of the Act stating that he meets the criteria of independence as provided in sub section (6) of Section 149 of the Act.

The Company has also received a Notice under Section 160 of the Companies Act 2013, from a member proposing the appointment of R. S. Sharma as an Independent Director of the Company.

The brief profile of R. S. Sharma as per the requirements of the Companies Act, 2013, and the SEBI (LODR), Regulations, 2015 and the rules made thereunder and the Secretarial Standard on General Meetings (SS-2) is given in **Annexure -II**, forming part of this Explanatory Statement.

The Board recommends the resolution set out under Item No.10, for approval of the members of the Company by way of an Ordinary Resolution.

Except R. S. Sharma, none of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, financially or otherwise in the said resolution.

Copy of all the relevant documents would be available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday & Sunday from the date hereof up to the date of the AGM.

Item No.11

Pradeep Poddar (DIN: 00025199) was appointed as an Additional Director (Independent) of the Company, by the Board of Directors of the Company on 20th September 2018 and holding office upto the date of the ensuing Annual General Meeting of the members of the Company.

In the opinion of the Board, Pradeep Poddar fulfills the conditions specified in the Act and the Rules made thereunder to be appointed as an Independent Director of the Company.

Pradeep Poddar does not hold any share and is independent of the Management of the Company.

He has given his consent to act as a Director of the Company, along with a declaration stating that he is not disqualified from being appointed as a Director in the Company in terms of Section 164 of the Companies Act, 2013. Further, he has submitted the declaration as required pursuant to Section 149 (7) of the Act stating that he meets the criteria of independence as provided in sub section (6) of Section 149 of the Act.

The Company has also received a Notice under Section 160 of the Companies Act 2013, from a member proposing the appointment of Pradeep Poddar as an Independent Director of the Company.

The brief profile of Pradeep Poddar as per the requirements of the Companies Act, 2013, and the SEBI (LODR), Regulations, 2015 and the rules made thereunder and the Secretarial Standard on General Meetings (SS-2) are given in **Annexure -II**, forming part of this Explanatory Statement.

The Board recommends the resolution set out under Item No.11, for approval of the members of the Company by way of an Ordinary Resolution.

Except Pradeep Poddar, none of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, financially or otherwise in the said resolution.

Copy of all the relevant documents would be available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday & Sunday from the date hereof up to the date of the AGM.

Item No.12

Hiroo Mirchandani (DIN: 06992518) was appointed as an Additional Director (Independent) of the Company, by the Board of Directors of the Company on 20th September 2018 and holding office upto the date of the ensuing Annual General Meeting of the members of the Company.

In the opinion of the Board, Hiroo Mirchandani fulfills the conditions specified in the Act and the Rules made thereunder to be appointed as an Independent Director of the Company.

Hiroo Mirchandani does not hold any share and is independent of the Management of the Company.

She has given her consent to act as a Director of the Company, along with a declaration stating that she is not disqualified from being appointed as a Director in the Company in terms of Section 164 of the Companies Act, 2013. Further, she has submitted the declaration as required pursuant to section 149 (7) of the Act stating that she meets the criteria of independence as provided in sub section (6) of Section 149 of the Act.

The Company has also received a Notice under Section 160 of the Companies Act 2013, from a member proposing the appointment of Hiroo Mirchandani as an Independent Director of the Company.

The brief profile of Hiroo Mirchandani as per the requirements of the Companies Act, 2013, and the SEBI (LODR), Regulations, 2015 and the rules made thereunder and the Secretarial Standard on General Meetings (SS-2) are given in **Annexure -II**, forming part of this Explanatory Statement.

The Board recommends the resolution set out under Item No.12, for approval of the members of the Company by way of an Ordinary Resolution.

Except Hiroo Mirchandani, none of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, financially or otherwise in the said resolution.

Copy of all the relevant documents would be available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday & Sunday from the date hereof up to the date of the AGM.

Item No.13

In accordance with the provisions of Section 197 of the Companies Act, 2013 and Regulation 17(6)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, payment of remuneration to Independent Directors of the Company by way of commission, is permitted, if the Company authorizes such payment by obtaining the approval of the shareholders at the ensuing General Meeting of the Company.

Taking into consideration the significant professional expertise and contribution made by Independent Directors to the performance and growth of the Company, and based on the recommendation of the Nomination and Remuneration Committee, it is proposed to pay the commission not exceeding ₹ 20,00,000/- (Rupees Twenty Lakhs only) per annum to the Independent Directors of the Company, in every financial year commencing from FY 2018-19 onwards,.

The Board recommends the resolution set forth in Item No.13 for approval of the Members by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel or their respective relatives, except all of the Independent Directors of the Company viz. T. P. Ostwal, Pradeep Poddar, R. S. Sharma and Hiroo Mirchandani are deemed to be concerned or interested in the said Resolution.

Item No. 14

Based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 14th May 2019, had appointed M/s. N. Ritesh & Associates a firm of Cost Accountants as Cost Auditors of the Company for auditing the cost records maintained by the company for the financial year 2019-20 and also fixed their remuneration for the said purpose.

Pursuant to the provisions of Section 148 and any other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) remuneration payable to the Cost Auditors is required to be ratified and confirmed by the members of the Company.

The Board recommends the resolution set forth in Item No.14 for approval of the Members by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, financially or otherwise in the said resolution.

Copy of all the relevant documents would be available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday & Sunday from the date hereof up to the date of the AGM.

Item No. 15

In accordance with the terms of the amendment cum Termination Agreement entered into amongst Polycab India Limited (formerly Polycab Wires Limited), International Finance Corporation (IFC), and Inder T. Jaisinghani, Ajay T. Jaisinghani, Girdhari T. Jaisinghani, Ramesh T. Jaisinghani, Reina R. Jaisinghani and Raju G. Jaisinghani, dated 28th September 2018 all special rights which were available to International Finance Corporation (IFC) under the Shareholders Agreement (SHA) and Option Agreement (OA) stood automatically terminated upon listing and trading of the Equity Shares on the Stock Exchanges on 16th April 2019 pursuant to the Initial Public Offer (IPO), (without requiring any further action by any party) except for, inter alia, the right of IFC to nominate one Director on our Board, till the time IFC continues to hold at least 5% of the issued and fully paid-up equity share capital of the Company ("Right to Nominate"). The Right to Nominate shall be exercisable by IFC only after obtaining the approval of the Shareholders through a special resolution in a general meeting of the Company to be held after the listing of the Equity Shares on the Stock Exchanges.

The Board recommends the resolution at Item No.15 for approval of the shareholders as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, financially or otherwise in the said resolution.

A copy of agreement entered into amongst Polycab India Limited (erstwhile Polycab Wires Limited), International Finance Corporation (IFC) would be available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday & Sunday from the date hereof up to the date of the AGM.

By Order of the Board of Polycab India Limited

Sai Subramaniam Narayana
Company Secretary & Compliance Officer
M.No: F5221

Place : Mumbai
Date : 14th May 2019

Annexure I

For item 5 to 8

INFORMATION ON DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT/REVISION OF REMUNERATION AT THE ENSUING ANNUAL GENERAL MEETING OF THE COMPANY

As per SEBI Regulation 36 of (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India

(₹ Million)

| | Inder T Jaisinghani | Ajay T Jaisinghani | Ramesh T Jaisinghani | Shyam Lal Bajaj |
|--|--|--|---|---|
| Age | 65 | 67 | 62 | 65 |
| Qualification | Secondary school certificate level | Secondary school certificate level | Secondary school certificate level | BCom and FCA |
| Experience (including expertise in specific functional area)/Brief Resume | Sales, Marketing, Production and other support services for more than 40 years. | Sales, Marketing, Production and other support services for more than 40 years. | Sales, Marketing, Production and other support services for more than 40 years. | Expertise in Finance, Accounts & Taxation for more than 40 years. |
| Terms and Conditions of Appointment / Reappointment | As per the resolution at Item No. 5 of the Notice convening this meeting read with Explanatory Statement, Inder T Jaisinghani is proposed to be re-appointed as Managing Director of the Company | As per the resolution at Item No. 6 of the Notice convening this meeting read with Explanatory Statement, Ajay T. Jaisinghani is proposed to be re-appointed as Whole Time Director of the Company | As per the resolutions at Item No 2&7 of the Notice convening this meeting read with Explanatory Statement, Ramesh T. Jaisinghani is liable to retire by rotation at the meeting and eligible for re-appointment and also proposed to be reappointed as Whole Time Director of the Company. | As per the resolution at Item No. 8 of the Notice convening this meeting read with Explanatory Statement, the revised remuneration payable to Shyam Lal Bajaj, Chief Financial Officer & Whole Time Director, of the Company. |
| Remuneration last drawn (including sitting fees, if any) Cost to Company | 86.19 | 28.25 | 28.25 | 25.76 |
| Stock Option | | | | 1,00,000 granted. Value 5.99 |
| Remuneration proposed to be paid | Basic Salary ₹17.50 Lakhs per month, with an annual increment not exceeding 15% of the annual salary and other perquisites mentioned in the Explanatory Statement. | Basic Salary ₹10.40 Lakhs per month, with an annual increment not exceeding 15% of the annual salary and other perquisites mentioned in the Explanatory Statement. | Basic Salary ₹10.40 Lakhs per month, with an annual increment not exceeding 15% of the annual salary and other perquisites mentioned in the Explanatory Statement. | Basic Salary ₹ 9.24 Lakhs per month, with an annual increment not exceeding 10% of the annual salary and other perquisites mentioned in the Explanatory Statement. |
| Date of first appointment on the Board | 20 th December 1997 | 1 st September 2007 | 10 th January 1996 | 15 th December 2016 |
| Shareholding in the Company as on 31st March 2019 | 2,08,54,229 | 2,06,78,935 | 2,06,76,393 | - |
| Relationship with other Directors/Key Managerial Personnel | Other than Inder T. Jaisinghani, Ajay T. Jaisinghani and Ramesh T. Jaisinghani being brothers, there is no family relationship among our Directors | Other than Ajay T. Jaisinghani, Inder T. Jaisinghani, and Ramesh T. Jaisinghani being brothers, there is no family relationship among our Directors | Other than Ramesh T. Jaisinghani, Inder T. Jaisinghani, and Ajay T. Jaisinghani being brothers, there is no family relationship among our Directors | Nil |
| Number of meetings of the Board attended during the year | 11 | 11 | 11 | 11 |
| Directorships of other Boards as on 31st March 2019 | Dowells Cable Accessories Private Limited Jaisingh Finance Private Limited Tirupati Reels Private Limited | Jaisingh Finance Private Limited | Dowells Cable Accessories Private Limited Jaisingh Finance Private Limited Techno Electromech Private Limited | Nil |
| Membership / Chairmanship of Committees of other Boards, including Polycab India Limited as on 31st March 2019 | - | - | - | Membership-2 Chairmanship- Nil |

Includes only Audit Committee and Stakeholders' Relationship Committee.

Annexure II

For item 9 to 12

INFORMATION ON DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING OF THE COMPANY

As per SEBI Regulation 36 of (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India

(₹ Million)

| | TP Ostwal | RS Sharma | Pradeep Poddar | Hiroo Mirchandani |
|---|---|---|--|--|
| Age | 64 | 68 | 64 | 57 |
| Qualification | Qualified Chartered Accountant | Bachelors of Arts | Bachelor's in Chemical Engineering and Post-Graduate in Management from Indian Institute of Management | BCom & MBA |
| Experience (including expertise in specific functional area)/Brief Resume | He is a practicing chartered accountant and is a senior partner with T.P.Ostwal and Associates LLP. He is also a partner at DTS & Associates and Ostwal Desai & Kothari, Chartered Accountants. He has served as a member of the advisory group for advising and establishing transfer pricing regulations in India, set up by the Central Board of Direct Taxes, Ministry of Finance, Government of India. He is a member of the sub-committee on Transfer Pricing for Developing Countries of United Nations. | He has passed the final certificate examination from the Institute of Cost and Works Accountants of India and the associate examination from the Indian Institute of Bankers. Prior to joining our Board, he has served as Chairman and Managing Director at Oil and Natural Gas Corporation Limited. | He has significant experience in consumer goods industry, having worked in Glindia Limited (formerly known as 'Glaxo Laboratories (India) Limited'), Heinz India Private Limited and TATA Group. He represented the Tatas on the Nourishco Board (Joint Venture with Pepsi). He is also on the Boards of Monsanto India Limited, Welspun India Limited, and Uflex Limited. | She serves on the board of directors of listed companies like Tata Teleservices (Maharashtra) Limited, DFM Foods Limited and Nilkamal Limited. Mirchandani is a former shareholder director of Punjab National Bank. Her business career of over thirty years has primarily been in Consumer Goods & Healthcare sectors where she grew from being a Branch Manager at Asian Paints to Business Unit Head at Pfizer. She has also held leadership roles at Dabur, World Gold Council & BPL Telecom. She is a Chevening Gurukul Scholar from the London School of Economics. |
| Terms and Conditions of Appointment/ Reappointment | The appointment of T.P.Ostwal is subject to ratification in the ensuing Annual General Meeting for a term of 5 years as Independent Director. | The appointment of R.S Sharma is subject to ratification in the ensuing Annual General Meeting for a term of 5 years as Independent Director. | The appointment of Pradeep Poddar is subject to ratification in the ensuing Annual General Meeting for a term of 5 years as Independent Director. | The appointment of Hiroo Mirchandani is subject to ratification in the ensuing Annual General Meeting for a term of 5 years as Independent Director. |
| Remuneration last drawn (including sitting fees, if any)@ | 2.26 | 2.26 | 2.18 | 1.76 |
| Remuneration proposed to be paid | - | - | - | - |
| Date of first appointment on the Board | 20 th September, 2018 | 20 th September, 2018 | 20 th September, 2018 | 20 th September, 2018 |
| Shareholding in the Company as on 31st March 2019 | - | - | - | - |
| Relationship with other Directors/ Key Managerial Personnel | No relation with other Director and KMPs | No relation with other Director and KMPs | No relation with other Director and KMPs | No relation with other Director and KMPs |
| Number of meetings of the Board attended during the year | 6 | 6 | 6 | 5 |
| Directorships of other Boards as on March 31st 2019 | Oberoi Realty Limited Oberoi Constructions Ltd Intas Pharmaceutical Ltd Incline Realty Private Ltd | Sembcorp Energy India Ltd Hinduja Leyland Finance Ltd Jubilant Industries Ltd Jubilant Agri and Consumer Products Ltd | Uflex Limited Welspun India Limited Welspun Flooring Limited MonsantoIndia Limited | Nilkamal Limited Tata Communications Payments Solutions Limited Tata Teleservices (Maharashtra Limited) Roots Corporation Limited DFM Foods Limited |
| Membership/ Chairmanship of Committees of other Boards, including Polycab India Limited as on 31st March 2019 | Chairmanship- 5 Membership- 6 | Chairmanship- 1 Membership- 4 | Chairmanship- 2 Membership- 6 | Chairmanship- 1 Membership- 5 |

Includes only Audit Committee and Stakeholders' Relationship Committee.

@ Remuneration includes a Commission of ₹ 1.00 million to each of the Independent Directors of the Company for the FY 2018-19 payable in FY 2019-20.



POLYCAB

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POLYCAB INDIA LIMITED

Formerly known as Polycab Wires Limited

Annual Report 2018-19

Board's Report



BOARD'S REPORT

To

The Members

Polycab India Limited

(Formerly Polycab Wires Limited)

Your Directors take pleasure in submitting the 23rd Annual Report of the business and operations of your Company ('the Company' or 'Polycab') and the audited financial statements for the financial year ended 31st March 2019.

1 FINANCIAL HIGHLIGHTS OF THE COMPANY

(₹ Million)

| Sr. No. | Particulars | Standalone | | Consolidated | |
|---------|---------------------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| | | Current Year 31.03.2019 | Previous Year 31.03.2018 | Current Year 31.03.2019 | Previous Year 31.03.2018 |
| 1 | Revenue from operations | 79,105.53 | 69,024.40* | 79,559.83 | 69,149.52* |
| | Other Income | 935.22 | 671.30 | 933.49 | 644.37 |
| | Total Income | 80,040.75 | 69,695.70 | 80,493.32 | 69,793.89 |
| 2 | Profit before Interest & Depreciation | 10,124.31 | 7,909.57 | 10,142.15 | 7,934.22 |
| | Less: i) Interest | 1,157.72 | 921.70 | 1,167.06 | 936.80 |
| | ii) Depreciation | 1,400.71 | 1,319.70 | 1,414.45 | 1,329.53 |
| 3 | Profit before Tax | 7,565.88 | 5,668.17 | 7,560.64 | 5,667.89 |
| | Less: Provision for Taxation | 2,551.49 | 2,084.30 | 2,557.58 | 2,082.28 |
| 4 | Profit after Tax | 5,014.39 | 3,583.87 | 5,003.06 | 3,585.61 |
| | Earnings Per Share (In ₹) | | | | |
| | Basic | 35.51 | 25.38 | 35.39 | 25.35 |
| | Diluted | 35.51 | 25.38 | 35.39 | 25.35 |

* Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July 2017, Central Excise, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Ind AS 115 on Revenue and Schedule III of the Companies Act, 2013, unlike Excise Duties, levies like GST, VAT, etc. are not part of Revenue. Accordingly, the figures of the period up to 30th June 2017 are not strictly relatable to those thereafter.

(₹ Million)

| Particulars | Standalone | | Consolidated | |
|---|----------------------------|-----------------------------|----------------------------|-----------------------------|
| | Current Year 31.03.2019 | Previous Year 31.03.2018 | Current Year 31.03.2019 | Previous Year 31.03.2018 |
| Revenue from operations | 79,105.53 | 69,024.40 | 79,559.83 | 69,149.52 |
| Less: Excise Duty on Sale | - | 1,437.51 | - | 1,446.47 |
| Revenue from operations excluding Excise Duty (net revenue) | 79,105.53 | 67,586.89 | 79,559.83 | 67,703.05 |

2 OPERATIONS OF THE COMPANY

During the year, your Company achieved a Standalone Turnover of ₹ 79,105.53 Millions (17%) as against ₹ 67,586.89 Million in the previous year. The operating profit before Finance costs, depreciation and tax is ₹ 10,124.31 Millions as against ₹ 7,909.57 Millions for the previous year. Standalone Profit after tax is ₹ 5,014.39 Millions as compared to ₹ 3,583.87 Millions of the preceding year.

On a consolidated basis, the Company achieved a turnover of ₹ 79,559.83 Millions (18%) as against ₹ 67,703.05 Millions in the previous year. The consolidated operating profit before Finance costs, depreciation and tax is ₹ 10,142.15 Millions as against ₹ 7,934.22 Millions for the previous year. The Consolidated Profit after tax is ₹ 5,003.06 Millions as compared to ₹ 3,585.61 Millions of preceding year.

3 AWARDS AND ACCOLADES

During the year under review, Polycab was honoured with:

- a. Super brand Awards in Delhi on 20th September 2018; and
- b. ACETECH Grand Stand Awards for stall design in Delhi on 16th December 2018.

4 GENERAL RESERVE

No amount has been transferred to the General Reserve for the financial year 2018-19.

5 DIVIDEND

The Directors of your Company are pleased to recommend a dividend @ ₹ 3/- (30%) per Equity Share of the face value of ₹ 10/- each on 14,86,45,905 fully paid-up Equity Shares for the financial year ended 31st March 2019, subject to approval of the shareholders of the Company at the ensuing Annual General Meeting. The total cash out flow on account of the dividend payment and dividend distribution tax would be ₹ 44,59,37,715/- (Rupees Forty Four Crores Fifty Nine Lakhs Thirty Seven Thousand Seven Hundred and Fifteen only) and ₹ 9,16,63,809/- (Rupee Nine Crores Sixteen Lakhs Sixty Three Thousand Eight Hundred and Nine Only) respectively.

6 INITIAL PUBLIC OFFER (IPO)

The Company successfully made its Initial Public Offer ('IPO') of 2,50,22,067 Equity Shares @ ₹ 538/- (including a share premium of ₹ 528/-) per equity share of ₹ 10/- each, (with a discount of ₹ 53/- to employees at an offer price of ₹ 485/- per share on 1,75,000 Equity Shares) which includes a fresh issue of 74,40,067 Equity Shares of ₹ 10/- each for raising funds for the Company to the tune of ₹ 4,000 Million and an offer for sale by the selling shareholders of 1,75,82,000 Equity Shares of face value of ₹ 10/- each of the Company.

Subsequent to the completion of the IPO, the paid-up Equity Share Capital of the Company has been increased from ₹ 1,412,058,380/- to ₹ 1,486,459,050/-. The Company's Equity Shares got listed on BSE and NSE on 16th April 2019 and are currently available for trading.

7 SHARE CAPITAL

The paid-up equity share capital as on 31st March 2019 was ₹ 1,412,058,380/- divided into 14,12,05,838 Equity Shares of face value of ₹ 10/- each.

Subsequent to IPO the paid up equity share capital of the Company has been increased to ₹ 1,486,459,050/- divided into 14,86,45,905 equity shares of face value of ₹ 10/- each.

8 EMPLOYEES' STOCK OPTION PLANS

Your Company had instituted the ESOP Plan, 2018 ("ESOP 2018" / "Plan") for issue of up to 35,30,000 options to eligible employees. The Company had granted 21,47,500 options to the eligible employees of the Company vide ESOP Performance Scheme and 1,42,250 options vide ESOP Privilege Scheme.

The details of the ESOP are as under:

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable

(a) ESOP Plan 2018

Pursuant to the resolution passed by our Board on 30th August, 2018 and by our Shareholders on 30th August, 2018 our Company had instituted the ESOP Plan 2018, ESOP Performance Scheme, and ESOP Privilege Scheme, for issue of options to eligible employees. The ESOP Plan 2018, will be administered by the Nomination and Remuneration (NRC) Committee. The objectives of the ESOP Plan 2018 includes attaining and exceeding performance targets, encourage retention of talent and loyalty to our Company, enable fundamental alignment to value creation, align with shareholders' interest, and encourage employee ownership in the Company or its Subsidiaries.

Under the ESOP Plan 2018, the NRC Committee is authorised to grant not exceeding 3,530,000 options on a consolidated basis under ESOP Performance Scheme and ESOP Privilege Scheme, to the eligible employees in one or more branches, from time to time, which in aggregate are exercisable into not more than 3,530,000 Equity Shares, with each such option conferring a right upon the eligible employees to apply for one Equity Share in accordance with the terms and conditions as may be decided under this Plan.

(b) ESOP Performance Scheme

Our Company / Board / NRC Committee shall grant the options to the eligible employees in accordance with the terms and conditions of the ESOP Performance Scheme notified under the ESOP Plan 2018. The options granted shall vest not earlier than one year and not later than maximum vesting period of five years from the date of grant. All the grants shall vest in the following manner:

- ▶▶ 15% of options granted shall vest on the first anniversary from the date of grant,
- ▶▶ 15% of options granted shall vest on the second anniversary from the date of grant,
- ▶▶ 20% of options granted shall vest on the third anniversary from the date of grant,
- ▶▶ 20% of options granted shall vest on the fourth anniversary from the date of grant, and
- ▶▶ 30% of options granted shall vest on the fifth anniversary from the date of grant. The exercise period in respect of the option shall commence immediately on vesting and be subject to a maximum period of eight years from the date of grant.

The exercise price per option shall be ₹ 405.

(c) ESOP Privilege Scheme

Our Company / Board / NRC Committee shall grant the options to the eligible employees in accordance with the terms and conditions of the ESOP Privilege Scheme notified under the ESOP Plan 2018. All the options granted shall vest at the end of one year from the date of grant. The exercise period in respect of the option shall commence immediately on vesting and be subject to a maximum period of five years from the date of grant. The exercise price per option shall be ₹ 405

The schemes are in line with the SEBI (Share Based Employee Benefits) Regulations, 2014 ('SBEB Regulations'). The Company has received a certificate from the Auditors of the Company that the schemes are implemented in accordance with the SBEB Regulations and the resolutions passed by the members. The details as required to be disclosed under the SBEB Regulations and certificate from the Auditors are placed on the website of the Company at www.polycab.com

9 CHANGE IN NATURE OF BUSINESS, IF ANY

During the financial year, there has been no change in the business of the company or in the nature of business carried by the Company during the financial year under review.

10 MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments, if any, affecting the financial position of the Company which have occurred between end of the financial year of the Company to which the financial statements relate and the date of the report except the fund raised to the tune of ₹ 4,000 Million through the Initial Public Offer (IPO) as mentioned above.

11 SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

A. SUBSIDIARY COMPANIES

As on 31st March 2019, your Company has 3 (Three) subsidiary companies out of which two companies i.e., Tirupati Reels Private Limited and Dowells Cable Accessories Pvt. Ltd, are registered in India, and Polycab Wires Italy SRL, is registered in Italy.

I Tirupati Reels Private Limited

The subsidiary company, in which the Company holds 55% Equity Share Capital, is engaged in the business of inter-alia, manufacturing, exporting, importing, dealing and distributing the reels, drums, pallets, packaging material made of wood, steel or any articles and its by-products.

During the year under review, the following are the performance of the subsidiary company:

| Sr. No. | Particulars | ₹ Million |
|---------|-------------------------|-----------|
| 1 | Revenue from Operations | 590.74 |
| 2 | Profit before tax | 7.48 |
| 3 | Profit after tax | 4.27 |

II Dowells Cable Accessories Pvt. Ltd

The subsidiary company, in which the Company holds 51% Equity Share Capital, is involved in the business of inter-alia, manufacturing, designing, importing, exporting, of copper and aluminum terminals, brass cable glands, crimping tools, cable sockets for electrical wires, connectors and accessories.

During the year under review, the following are the performance of the Company:

| Sr. No. | Particulars | ₹ Million |
|---------|-------------------------|-----------|
| 1 | Revenue from Operations | 246.75 |
| 2 | Profit before tax | 11.30 |
| 3 | Profit after tax | 8.38 |

III Polycab Wires Italy SRL (Milano, Italy)

The Subsidiary Company, in which the Company holds 100% equity share capital, is involved in the business of inter alia, manufacturing, engineering, promotion, development and marketing of electrical cables, and supply of services and consultancies to companies in the sector of marketing.

During the year under review, the following are the performance of the Company

| Sr. No. | Particulars | ₹ Million |
|---------|-------------------------|-----------|
| 1 | Revenue from Operations | 22.95 |
| 2 | Profit before tax | 1.15 |
| 3 | Profit after taxz | 1.19 |

B JOINT VENTURES

Your Company has 2 (Two) Joint Venture companies (50:50) Ryker Base Pvt. Ltd and Techno Electromech Pvt. Ltd.

I Ryker Base Pvt Ltd (Ryker)

Ryker is involved in the business of inter alia, manufacturing, formulating, processing, producing, converting, distilling, refine making, buying, selling and dealing in conductors, wires, cables and rods made of ferrous and non-ferrous metals and their compounds.

During the year under review, the following are the performance of the Joint Venture company:

| Sr. No. | Particulars | ₹ Million |
|---------|-------------------------|-----------|
| 1 | Revenue from Operations | 0 |
| 2 | Profit before tax | (82.00) |
| 3 | Profit after tax | (62.50) |

II Techno Electromech Pvt. Ltd. (Techno)

Techno is involved in the business of, inter alia, manufacturing of light emitting diodes, lighting and luminaires, and LED drivers.

During the year under review, the following are the performance of the Joint Venture company:

| Sr. No. | Particulars | ₹ Million |
|---------|-------------------------|-----------|
| 1 | Revenue from Operations | 1,672.19 |
| 2 | Profit before tax | 47.65 |
| 3 | Profit after tax | 34.17 |

In accordance with Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company www.polycab.com.

Further, as per the fourth proviso of the said Section, the audited annual accounts of each of the subsidiary companies have also been placed on the website of the Company www.polycab.com.

Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary and Compliance Officer at the Company's Corporate Office at 771, Polycab House, Mogul Lane, Mahim (West), Mumbai - 400 016

Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of financial statement of Subsidiaries / Joint Ventures is annexed as **Annexure 1**.

12 DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

13 CHANGE OF NAME OF THE COMPANY

With the approval of the members of the Company, the Company was converted into a public limited company, with effect from 29th August 2018. Thereafter, the name of our Company was changed from 'Polycab Wires Limited' to 'Polycab India Limited' with effect from 13th October 2018.

14 DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

| Sr. No. | Name of Director | Designation | Appointment Date | Resignation Date |
|---------|----------------------|---|----------------------------------|-------------------------------|
| 1 | Inder T Jaisinghani | Chairman and Managing Director | 20 th December, 1997 | - |
| 2 | Ajay T Jaisinghani | Whole-time Director | 27 th April, 2006 | - |
| 3 | Ramesh T Jaisinghani | Whole-time Director | 10 th January, 1997 | - |
| 4 | Shyam Lal Bajaj | CFO and Whole-time Director | 15 th December, 2016 | - |
| 5 | RS Sharma | Additional Director (Independent Director) | 20 th September, 2018 | - |
| 6 | TP Ostwal | Additional Director (Independent Director) | 20 th September, 2018 | - |
| 7 | Pradeep Poddar | Additional Director (Independent Director) | 20 th September, 2018 | - |
| 8 | Hiroo Mirchandani | Additional Director (Independent Director) | 20 th September, 2018 | - |
| 9 | SS Narayana | Company Secretary | 14 th December, 2012 | - |
| 10 | #R Ramakrishnan | Joint Managing Director | 01 st April, 2012 | 23 rd May, 2018 |
| 11 | @Michel Lemaire | Director | 08 th March, 2010 | 21 st August, 2018 |

As on 31st March 2019, the following were the Whole-Time Directors and Key Managerial Personnels of the Company as per Section 203 of the Companies Act, 2013 and the rules made thereunder:

- ▶▶ Inder T. Jaisinghani – Chairman & Managing Director;
- ▶▶ Ajay T. Jaisinghani - Whole-time Director
- ▶▶ Ramesh T. Jaisinghani - Whole-time Director
- ▶▶ Shyam Lal Bajaj – CFO and Whole-Time Director &
- ▶▶ S. S. Narayana – Company Secretary.

The Board of Directors at its meeting held on 20th September, 2018, had approved the appointment of T. P. Ostwal (DIN:00821268) R. S. Sharma (DIN: 00013208) Pradeep Poddar (DIN: 00025199) and Hiroo Mirchandani (DIN:06992518)

as Additional Directors (Non-Executive & Independent) and recommends the same for the approval by the Shareholders of the Company at the ensuing Annual General Meeting. Necessary resolutions seeking their appointment forms part of the Annual General Meeting Notice.

It may also be noted that pursuant to the provisions of Section 152 of the Companies Act, 2013, Ramesh T. Jaisinghani, (DIN:00309314) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his appointment as a Director liable to retire by rotation at the ensuing Annual General Meeting of the Company.

The tenure of Inder T. Jaisinghani (DIN: 00309108), as Managing Director, Ajay T. Jaisinghani (DIN: 00276588) & Ramesh T. Jaisinghani (DIN: 00309314), as Whole-Time Directors of the Company would lapse on 27th August 2019, and are eligible for re-appointment. The Board of Directors on the basis of the recommendation of the Nomination and Remuneration Committee and the Audit Committee has proposed their re-appointment, subject to approval of the Members of the Company at the ensuing Annual general Meeting for further period of 5 years commencing from 28th August 2019 to 27th August 2024. Necessary resolutions seeking re-appointment and remuneration payable to the Managing & Whole-Time Directors form part of the AGM Notice.

The details of Directors being recommended for appointment / re-appointment as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening ensuing Annual General Meeting of the Company. Appropriate Resolution(s) seeking your approval to the re-appointment of Directors is also included in the Notice.

R. Ramakrishnan, had resigned from the Company as the Joint Managing Director and Director of the Company with effect from 23rd May 2018. The Board takes on record his contributions to the business of the Company, during his tenure as the Joint Managing Director of the Company.

@ Michel Lemaire, had resigned from the Company as the Director of the Company with effect from 21st Aug 2018. The Board takes on record his contributions to the business of the Company, during his tenure as the Director of the Company.

15 MEETINGS OF THE BOARD OF DIRECTORS

During the year under review 11 meetings of the Board of Directors of the Company were held which are as under:

| Sr. No | Date of Board Meeting |
|--------|----------------------------------|
| 1 | 28 th May, 2018 |
| 2 | 03 rd July, 2018 |
| 3 | 08 th August, 2018 |
| 4 | 30 th August, 2018 |
| 5 | 20 th September, 2018 |
| 6 | 25 th September, 2018 |
| 7 | 09 th October, 2018 |
| 8 | 24 th October, 2018 |
| 9 | 20 th December, 2018 |
| 10 | 05 th February, 2019 |
| 11 | 25 th March, 2019 |

The composition of the Board and other details relating to the Board meetings have been provided in the Corporate Governance Report. The gap between two Board Meetings didn't exceed 120 days as per Section 173 of the Companies Act, 2013.

16 COMMITTEES

The Company has duly constituted the following mandatory Committees in terms of the provisions of the Companies Act, 2013 read with rules framed thereunder viz.

- i) Audit Committee;
- ii) Nomination and Remuneration Committee;
- iii) Stakeholders' Relationship Committee; and
- iv) Corporate Social Responsibility Committee.

The Composition of all such Committees, number of meetings held during the year under review, brief terms of reference and other details have been provided in the Corporate Governance Report which forms part of this Annual Report. All the Recommendations made by the Committees were accepted by the Board.

17 DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors to the best of their knowledge hereby state and confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards have been followed and there are no material departures.
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March 2019 and of the profit of the Company for the year ended as on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

18 DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated under Section 149(6) of the Companies Act, 2013.

There has been no change in the circumstances affecting their status as Independent Directors of the Company so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant regulations.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

In terms of requirements of Schedule IV of the Companies Act, 2013, the Independent Directors of the Company met separately on 29th March 2019 to inter alia review the performance of Non-Independent Directors (including the Chairman), the entire Board and the quality, quantity and timeliness of the flow of information between the Management and the Board.

19 COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS

The Company has been following a policy with respect to appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The appointment of Directors on the Board is subject to the recommendation of the Nomination and Remuneration Committee (NRC). Based on the recommendation of the NRC, the remuneration of Executive Director is fixed in accordance with the provisions of the Companies Act, 2013 which comprises of Basic Salary, Perquisites, Allowances and Commission. The Remuneration of Non-Executive Directors comprises of sitting fees and commission in accordance with the provisions of Companies Act, 2013.

The criteria for appointment of Board of Directors and Remuneration Policy of your Company are placed on the website of the Company www.polycab.com

20 BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The details of performance evaluation has been mentioned in the Corporate Governance Report.

21 EXTRACT OF THE ANNUAL RETURN

The details forming part of extract of the Annual Return in Form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, has been annexed with this report as **Annexure 2**

22 AUDITORS

STATUTORY AUDITORS

M/s. S R B C & Co. LLP Chartered Accountants, Mumbai, (ICAI Firm Registration No.324982E/E300003), were appointed as the Statutory Auditors of the Company at the Annual General Meeting (AGM) of the Company held on 20th September 2014 for a term of 5 consecutive years, to hold office till the conclusion of the ensuing Annual General Meeting.

M/s. S R B C & Co. LLP have been the Auditors of the Company since financial year 2009-2010.

As per the provisions of Section 139 of the Act, no listed Company can appoint or re-appoint an audit firm as auditors for more than two terms of five consecutive years.

Taking into consideration the above provisions of the Act, M/s. S R B C & Co. LLP can continue as the Statutory Auditors of the Company only up to the conclusion of the ensuing Annual General Meeting.

Hence, based on the recommendation of the Audit Committee, it is proposed to appoint M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No: 101248W/W-100022), as the Statutory Auditors of the Company in place of M/s. S R B C & Co. LLP, Chartered Accountants, Mumbai, for a term of Five consecutive years commencing from the conclusion of 23rd Annual General Meeting till the conclusion of 28th Annual General Meeting to be held in F.Y. 2023-2024.

The approval of shareholders of the Company, is sought for the appointment of and remuneration to M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No: 101248W/W-100022), as the Statutory Auditors of the Company.

23 STATUTORY AUDITORS' REPORT

The Auditors' Report on Standalone and Consolidated Financial Statements for the financial year 2018-19, issued by M/s. S R B C & Co. LLP Chartered Accountants, does not contain any qualification, observation, disclaimer, reservation or adverse remark.

24 COST AUDITORS

Your Company is maintaining the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and have appointed M/s. N. Ritesh & Associates, Cost Accountants, as Cost Auditors, to issue Cost Audit Report for the Financial year 2019-20 at a professional fee of ₹ 3,00,000/- (Rupees Three Lakhs Only) plus applicable taxes and out of pocket expenses at actual.

Necessary resolution has been recommended to be passed by the shareholders in the ensuing Annual General Meeting to ratify the remuneration of the Cost Auditors for the F.Y. 2019-20

25 SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Dilip Bharadiya & Associates were appointed as the Secretarial Auditors of the Company to issue the secretarial Audit for the year ended 31st March 2019.

Secretarial Audit Report

The Secretarial Audit Report for the Financial Year ended 31st March 2019 is annexed to this report. (**Annexure – 3**)
The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

26 PARTICULARS OF LOAN GIVEN, INVESTMENTS MADE, GURANTEE GIVEN AND SECURITIES PROVIDED UNDER SECTION 186 OF THE ACT

The details of loans given, guarantee given and investment made under Section 186 of the Act read with Companies (Meeting of the Board and its Power) Rules, 2014 are as follows:

A) Loan Given

- i. Dowells Cable Accessories Pvt. Ltd – ₹ 4.60 Million (repaid loan ₹ 10.76 Million)
(Repayment includes loan taken in earlier year)
- ii. Techno Electromech Pvt. Ltd – Nil (repaid loan ₹ 24.89 Million)
- iii. Tirupati Reels Private Limited – ₹ 40.00 Million (repaid loan ₹ 40.00 Million)

B) Details of Investments:

| Sr. No | Name of the Company | Amount (₹ Million) |
|--------|---|--------------------|
| 1 | Dowells Cable Accessories Pvt. Ltd. (51% Subsidiary) | 39.27 |

C) Guarantee given by the Company during the year

| Guarantee | Business Entities | Amount (₹ Million) |
|-----------------------|---------------------|--------------------|
| Shortfall Undertaking | Ryker Base Pvt. Ltd | USD 4.5 |

27 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered by the Company with Related Parties during the financial year 2018-19 as defined under Section 2 (76) of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014 were in the ordinary course of business and at arm's length pricing basis. There were no materially significant transactions with related parties during the financial year 2018-19, which were in conflict with the interest of the Company. Suitable disclosures as required under IND AS - 24 have been made in the Notes to the financial statements.

The form AOC - 2 pursuant to section 134(3)(h) of the companies Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as **Annexure - 4** to this report depicting the details of related party transactions as required under Ind AS 24 and as per section 188 of the Companies Act, 2013. The policy on related party transaction can be accessed on the website of the Company www.polycab.com.

28 DEPOSITS

During the year under review, the Company has not accepted any deposit from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014. The Company has no unclaimed/unpaid matured deposit or interest due thereon.

29 CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company believes that Corporate Social Responsibility is an integral part of its business. It seeks to operate its business in a sustainable manner which would benefit the Society at large in alignment with the interest of its stakeholders. As per the requirements of Section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility ("CSR") your Company has duly constituted a Corporate Social Responsibility Committee ("CSR Committee").

The CSR Policy of the Company framed under the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is available on the Company's website www.polycab.com. The Company was required to spend ₹ 92.01 million on CSR activities. The Company has so far spent ₹ 34.94 million and has initiated necessary steps to identify further suitable projects to spend the balance amount in the near future. The Company is sincerely committed in its Corporate Social Responsibility to ensure the required participation in the Nation's building.

CSR activities for the financial year ended 31st March 2019 along with the composition of CSR Committee is marked as **Annexure – 5** and forms part of this Report.

30 RISK MANAGEMENT

The Company has a risk management frame work for identification, assessment and mitigation of risks. This frame work essentially creates transparency, and minimizes the risk and adverse impact on the business objectives and enhances

the Company's competitive edge. This frame work consists of various risk models helping in identifying risk, risk trends, exposure and potential influence analysis separately for various business segments and at various levels of the Company. Business planning and forecasting encompasses inter alia the risk management of the Company.

Based on the operations of the Company new risks, if any, are identified, appropriate steps are taken to mitigate them.

By aligning operating controls with the mission and vision of the Company, this risk management frame work fully supports Company management to meet its objectives.

Polycab India Limited, being a large player, its business no doubt are exposed to various risks. Polycab realizes the importance of identifying and taking steps to manage the risk faced by the Company.

Our internal control encompasses various managements systems, structures of organization, standard and code of conduct which all put together help in managing the risks associated with the Company. In order to ensure the internal controls systems are meeting the required standards, it is reviewed at periodical intervals. If any weaknesses are identified in the process of review, the same are addressed to strengthen the internal controls which are also revised at frequent intervals.

31 AUDIT COMMITTEE

As of 31st March, 2019 the Audit committee of the Board of Directors of the Company comprises of 4 (Four) members namely:

- a. T.P. Ostwal- Audit committee Chairman (Independent Director);
- b. R.S. Sharma- Member (Independent Director);
- c. Pradeep Poddar- Member (Independent Director); and
- d. Shyam Lal Bajaj- Member (Non- Independent, CFO & Whole-Time Director).

The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

32 DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. It includes policies and procedures that :

- 1) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.
- 2) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 3) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company.

33 DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Your Company is committed to highest standards of ethical, moral and legal conduct of its business. In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standard of professionalism, honesty, integrity and ethical behaviour, the Company has adopted a comprehensive Vigil Mechanism/Whistle Blower Policy in compliance with the provisions of Section 177 (9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Vigil Mechanism/Whistle Blower Policy is available on the website of the Company www.polycab.com.

34 SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)

The Directors state that applicable Secretarial Standard have been followed during the financial year 2018-19.

35 DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013

The details of remuneration as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) forms part of this Report are annexed herewith as **Annexure-6**.

Pursuant to the provisions of the first proviso to Section 136(1) of the Companies Act 2013, the disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) will be sent to the members of the Company on request.

Further, the said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary at the Corporate Office of the Company.

36 DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Company has provided a safe and dignified work environment for employee which is free of discrimination. The objective of this policy is to provide protection against sexual harassment of women at workplace and for redressal of any such complaints of harassment. Internal Complaints Committee (ICC) has been set up to redress the complaints, received, if any.

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with the Rules thereunder, it is hereby declared that the Company has not received any complaint of sexual harassment during the year under review.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

37 CREDIT RATINGS

During the year under review, the credit ratings of the Company has been upgraded for Bank Facilities as follows:

- a. Rating & Research (Fitch Group) : from AA- to AA;
- b. CRISIL Limited : AA.

38 CORPORATE GOVERNANCE

A Report on Corporate Governance along with a certificate from the Statutory Auditors of the Company confirming of corporate governance requirements as stipulated under Regulation 27 of SEBI (LODR) Regulations forms part of this Annual Report.

39 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS STIPULATED UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo comprise:

A) Conservation of energy

a) Steps taken or impact on conservation of energy

Energy Preservation Measure (EPM) for environmental sustainability is prime importance for our Company. Technology up gradation, modernization, and the introduction of control instrumentation are practiced realizing the full potential of energy conservation in our organization. Our company emphasis on the establishment of a system of collection, analysis, and reporting of parameters vital for energy conservation for long term sustainability. Our main energy management strategies are conservation and efficiency.

Within our organization, The Company does a continual improvement for optimum utilization of resources to ensure minimize consumption of energy, water, natural resources & CO₂ emission while maximizing production volumes in eco-friendly manner.

During the year, approximately the company has undertaken various projects to reduce energy consumption. Some of the projects undertaken & sustained every year are:

- ▶▶ Installation of Variable Frequency Drive (VFD) in Motor.
- ▶▶ Replacing of existing Metal Halide (MH) lights and installation of LED light in new projects resulting 20% of energy saving in lighting.
- ▶▶ VFD hydro pumping panel in pumps to save 20% of power in energy.
- ▶▶ Plants & street lights are equipped with timer which results in 20% power saving.
- ▶▶ VRF system is set to auto controlled air conditioning to save energy.
- ▶▶ During the year, approximately we had undertaken various projects to reduce water consumption. The project undertaken & sustained every year is:
- ▶▶ Installation of STP & ETP plant.

In addition to energy & water saving we are concerned to reduce pollution by effective waste disposal plan. Some of the projects undertaken & sustained every year are:

- ▶▶ E Waste disposal system.
- ▶▶ Hazardous waste disposal system.

b) Additional investment

Following are additional proposals, which are initiated for implementation during FY 18-19

- ▶▶ Additional Solar power generation of 200 KW.
- ▶▶ Waste water recycling capacity increase.
- ▶▶ Improving recovery of drinking water RO plant.

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

Within the company there are continuous efforts towards improving operational efficiencies, minimizing consumption of energy and water.

As a result, within couple of years the Company had reduced energy per ton drastically. With implementation of 87% LEDs by replacing MHL, the Company had reduced 20% saving in light, wind energy contributes to about 22% out of total (Polycab-Halol) energy consumption.

d) The steps taken by the Company for utilising alternate energy sources

- (i) Polycab has 05 wind mills (03 Nos. of 1.5 MW and 02 Nos. of 1.8 MW) 20% of total energy consumed in manufacturing unit (Polycab - Halol) are compensated by renewable sources.
- (ii) The capital investment in energy conservation equipment
 - a) LED Lights : ₹ 10.2 million
 - b) STP and ETP plant : ₹ 4.3 million
 - c) VRF system for Air conditioner : ₹ 10.6 million
 - d) Solar system : ₹ 7.1 million

B TECHNOLOGY ABSORPTION

- i. the efforts made towards technology absorption: Nil
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution: Nil
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
 - a. the details of technology imported: Nil
 - b. the year of import: Nil
 - c. whether the technology been fully absorbed: Nil
 - d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Nil

C FOREIGN EXCHANGE EARNINGS & OUTGO

The following are the details as enumerated below

| Sr. No. | Particulars | ₹ Million |
|---------|---------------------------------|-----------|
| A | Earning in Foreign exchange | 2,436.53 |
| B | CIF Value of Import | 35,176.88 |
| C | Expenditure of Foreign Currency | 342.45 |

D RESEARCH AND DEVELOPMENT

During the year under review the Research & Development activities carried out by the Company is given in **Annexure 7**

40 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34 of SEBI (LODR) Regulations is presented in a separate section forming part of the Annual Report

41 FRAUD REPORTING

During the year under review, no fraud has been reported by Auditors under sub-section (12) of Section 143 of the Companies Act, 2013.

42 CAUTIONARY STATEMENT

Statements in the Annual Report, including those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

43 ACKNOWLEDGMENTS

The Directors wish to convey their appreciation to all employees for their enormous efforts at the individual level as well as their collective contribution to the Company's performance. The Directors would also like to thank the shareholders, customers, dealers, suppliers, bankers, Government and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

For and on behalf of the Board of Polycab India Limited

Inder T Jaisinghani
Chairman & Managing Director
DIN: 00309108

Place: Mumbai
Date: 14th May 2019

Annexure 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part A Subsidiaries

| Sr. No. | Name of the subsidiary | Date of incorporation of subsidiary | Reporting Period | Reporting currency | Share Capital | Reserves & Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit/(Loss) before tax | Provision for tax | Profit/(Loss) | Proposed Dividend | ₹ Million | |
|---------|------------------------------------|-------------------------------------|--|--------------------|---------------|--------------------|--------------|-------------------|-------------|----------|--------------------------|-------------------|---------------|-------------------|-------------------|--|
| | | | | | | | | | | | | | | | % of shareholding | |
| 1 | Tirupati Reels Private Limited | 21/01/2015 | 1 st Apr-31 st Mar | ₹ | 60.00 | 6.32 | 464.17 | 397.85 | Nil | 590.74 | 7.48 | 3.21 | 4.27 | Nil | 55 | |
| 2 | Dowells Cable Accessories Pvt. Ltd | 01/12/2015 | 1 st Apr-31 st Mar | ₹ | 90.00 | 21.23 | 242.68 | 131.45 | Nil | 246.75 | 11.30 | 2.92 | 8.38 | Nil | 51 | |
| 3 | Polycab Wires Italy SRL | 09/07/2012 | 1 st Apr-31 st Mar | EURO | 0.06 | 0.16 | 0.27 | 0.05 | Nil | 0.28 | 0.01 | 0.00 | 0.01 | Nil | 100 | |

Part B Joint Venture

| Sr. No. | Name of the Joint Venture | Date of incorporation of Joint Venture | Reporting Period | Reporting currency | Capital | Reserves | Total Assets | Total Liabilities | Investments | Turnover | Profit/(Loss) before tax | Provision for tax | Profit/(Loss) | Proposed Dividend | ₹ Million | |
|---------|----------------------------|--|--|--------------------|---------|----------|--------------|-------------------|-------------|----------|--------------------------|-------------------|---------------|-------------------|--------------|--|
| | | | | | | | | | | | | | | | % of holding | |
| 1 | Techno Electromech Pvt Ltd | 25/01/2011 | 1 st Apr-31 st Mar | ₹ | 10.80 | 168.53 | 969.99 | 790.66 | Nil | 1672.19 | 47.65 | 13.48 | 34.17 | Nil | 50 | |
| 2 | Ryker Base Pvt Ltd | 15/07/2016 | 1 st Apr-31 st Mar | ₹ | 520.20 | (49.76) | 3148.13 | 2677.69 | Nil | - | (82.00) | (19.49) | (62.50) | Nil | 50 | |

For and on behalf of the Board of Polycab India Limited

Inder T Jaisinghani

Chairman & Managing Director

Place: Mumbai

Date: 14th May 2019

Annexure 2

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March 2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS

| Sr. No. | CIN | U31300DL1996PLC266483 |
|---------|--|--|
| 1 | Registration Date | 10/01/1996 |
| 2 | Name of the Company | POLYCAB INDIA LIMITED |
| 3 | Category/Sub-category of the Company | Company Limited by Shares. |
| 4 | Address of the Registered office & contact details | E-554, Greater Kailash -II, New Delhi – 110048 Tel. No. 011-2922 8574 |
| 5 | Whether listed company | The Company was not Listed Company as on 31 st March, 2019. The Company became Listed Company as on 16 th April, 2019. |
| 6 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Karvy Fintech Private Limited Karvy Selenium, Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel. No. 040 6716 2222 |

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

| Sr. No. | Name and Description of main products | NIC Code of the Product | % to total turnover of the company |
|---------|---------------------------------------|-------------------------|------------------------------------|
| 1 | Wires & Cables | 2732 | 87.09 |

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding/Subsidiary /Associate | % of shares held | Applicable Section |
|---------|---|-----------------------|-------------------------------|------------------|--------------------|
| 1 | Techno Electromech Private Limited | U31901GJ2011PTC063797 | Joint Venture Company | 50% | 2(6) |
| 2 | Ryker Base Private Limited | U36999DL2016PTC303057 | Joint Venture Company | 50% | 2(6) |
| 3 | Dowells Cable Accessories Private Limited | U28910MH2015PTC270585 | Subsidiary company | 51% | 2(87) |
| 4 | Polycab Wires Italy SRL | NA | Subsidiary company | 100% | 2(87) |
| 5 | Tirupati Reels Private Limited | U20232DL2015PTC275797 | Subsidiary company | 55% | 2(87) |

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year (01.04.2018) | | | | No. of Shares held at the end of the year (31.03.2019) | | | |
|--------------------------|--|----------|------------|-------------------|--|----------|-------------|-------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares |
| A Promoters | | | | | | | | |
| 1 Indian | | | | | | | | |
| a) Individual/ HUF | 9,45,99,682 | - | 945,99,682 | 66.994 | 9,36,46,582 | - | 9,36,46,582 | 66.319 |
| b) Central Govt | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | - | - | - | - | - | - | - |

| Category of Shareholders | No. of Shares held at the beginning of the year (01.04.2018) | | | | No. of Shares held at the end of the year (31.03.2019) | | | |
|---|--|----------|--------------------|-------------------|--|----------|--------------------|-------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares |
| e) Banks / FI | - | - | - | - | - | - | - | - |
| f) Any other [(PROMOTER GROUP)] | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) | 9,45,99,682 | - | 9,45,99,682 | 66.994 | 9,36,46,582 | - | 9,36,46,582 | 66.319 |
| B Public Shareholding | | | | | | | | |
| 1 Institutions | - | - | - | - | - | - | - | - |
| a) Mutual Funds | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - |
| Others (Promoter group & Public) | 4,66,06,156 | - | 4,66,06,156 | 33.006 | 4,75,57,956 | - | 4,75,57,956 | 33.680 |
| Sub-total (B)(1): | 4,66,06,156 | - | 4,66,06,156 | 33.006 | 4,75,57,956 | - | 4,75,57,956 | 33.680 |
| 2 Non-Institutions | | | | | | | | |
| a) Bodies Corp. | - | - | - | - | - | - | - | - |
| i) Indian | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - |
| b) Individuals | - | - | - | - | - | - | - | - |
| i) Individual shareholders holding nominal share capital up to ₹ 1 lakh | - | - | - | - | - | - | - | - |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | - | - | - | - | - | - | - | - |
| c) Others (specify) | - | - | - | - | - | - | - | - |
| Non Resident Indians | - | - | - | - | - | - | - | - |
| Overseas Corporate Bodies | - | - | - | - | - | - | - | - |
| Foreign Nationals | - | - | - | - | - | - | - | - |
| Clearing Shareholders | - | - | - | - | - | - | - | - |
| Trusts | - | - | - | - | 1300 | - | 1300 | 0.001% |
| Foreign Bodies - D R | - | - | - | - | - | - | - | - |
| Sub-total (B)(2):- | - | - | - | - | 1300 | - | 1300 | 0.001% |
| Total Promoter Group & Public Shareholding (B)=(B)(1)+ (B)(2) | 4,66,06,156 | - | 4,66,06,156 | 33.006% | 4,75,59,256 | - | 4,75,59,256 | 33.681% |

| Category of Shareholders | No. of Shares held at the beginning of the year (01.04.2018) | | | | No. of Shares held at the end of the year (31.03.2019) | | | |
|---|--|----------|---------------------|-------------------|--|----------|---------------------|-------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 14,12,05,838 | - | 14,12,05,838 | 100% | 14,12,05,838 | - | 14,12,05,838 | 100% |

ii Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year (01.04.2018) | | | Shareholding at the end of the year (31.03.2019) | | | % change in shareholding during the year |
|---------|------------------------|--|----------------------------------|--|--|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged / encumbered to total shares | |
| 1 | Inder T Jaisinghani | 23778779 | 16.84 | - | 23540579 | 16.67 | - | -0.17 |
| 2 | Ramesh T Jaisinghani | 23578264 | 16.70 | - | 23339964 | 16.53 | - | -0.17 |
| 3 | Ajay T Jaisinghani | 23580806 | 16.70 | - | 23342506 | 16.53 | - | -0.17 |
| 4 | Girdhari T Jaisinghani | 23661833 | 16.76 | - | 23423533 | 16.59 | - | -0.17 |

iii) Changes in Promoters' Shareholding (please specify, if there is no change)

| Sr. No. | Particulars | Shareholding at the beginning of the year (01.04.2018) | | Transactions during the year | | Cumulative Shareholding during the year | |
|---------|--|--|----------------------------------|---------------------------------|---------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | Date of Transaction | No. of shares | No. of shares | % of total shares of the Company |
| 1 | Inder T. Jaisinghani | | | | | | |
| | At the beginning of the year 01.04.2018) | 2,37,78,779 | 16.8398 | | | 2,37,78,779 | 16.8398 |
| | Transfer | | | 23 rd May 2018 | 89250 | 2,36,89,529 | 16.7766 |
| | Transfer | | | 27 th September 2018 | 148750 | 2,35,40,779 | 16.6713 |
| | Transfer | | | 16 th February 2019 | 200 | 2,35,40,579 | 16.6711 |
| | At the end of the year (31.03.2019) | | | | | 2,35,40,579 | 16.6711 |
| 2 | Ramesh T. Jaisinghani | | | | | | |
| | At the beginning of the year 01.04.2018) | 2,35,78,264 | 16.6978 | | | 2,35,78,264 | 16.6978 |
| | Transfer | | | 23 rd May 2018 | 89250 | 2,34,89,014 | 16.6346 |
| | Transfer | | | 27 th September 2018 | 148750 | 2,33,40,264 | 16.5292 |
| | Transfer | | | 16 th February 2019 | 300 | 2,33,39,964 | 16.5290 |
| | At the end of the year (31.03.2019) | | | | | 2,33,39,964 | 16.5290 |
| 3 | Ajay T. Jaisinghani | | | | | | |
| | At the beginning of the year 01.04.2018) | 2,35,80,806 | 16.6996 | | | 2,35,80,806 | 16.6996 |
| | Transfer | | | 23 rd May 2018 | 89250 | 2,34,91,556 | 16.6364 |
| | Transfer | | | 27 th September 2018 | 148750 | 2,33,42,806 | 16.5310 |
| | Transfer | | | 16 th February 2019 | 300 | 2,33,42,506 | 16.5308 |
| | At the end of the year (31.03.2019) | | | | | 2,33,42,506 | 16.5308 |

| | | | | | | | |
|---|---|-------------|---------|---------------------------------|--------|-------------|---------|
| 4 | Girdhari T. Jaisinghani | | | | | | |
| | At the beginning of the year (01.04.2018) | 2,36,61,833 | 16.7570 | | | 2,36,61,833 | 16.7570 |
| | Transfer | | | 23 rd May 2018 | 89250 | 2,35,72,583 | 16.6938 |
| | Transfer | | | 27 th September 2018 | 148750 | 2,34,23,833 | 16.5884 |
| | Transfer | | | 16 th February 2019 | 300 | 2,34,23,533 | 16.5882 |
| | At the end of the year (31.03.2019) | | | | | 2,34,23,533 | 16.5882 |

iv Share holding pattern of top ten Shareholders (other than Director, Promoters and Holders of GDRs and ADRs)

| Sr. No. | Particulars | Shareholding at the beginning of the year (01.04.2018) | | Transactions during the year | | Cumulative Shareholding during the year | |
|---------|--|--|----------------------------------|--------------------------------|---------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | Date of Transaction | No. of shares | No. of shares | % of total shares of the Company |
| 1 | International Financial Corporation | | | | | | |
| | At the beginning of the year (01.04.2018) | 2,11,76,446 | 14.9968 | - | - | 2,11,76,446 | 14.9968 |
| | At the end of the year (31.03.2019) | 2,11,76,446 | 14.9968 | - | - | 2,11,76,446 | 14.9968 |
| 2 | Bharat A Jaisinghani | | | | | | |
| | At the beginning of the year (01.04.2018) | 60,01,992 | 4.2505 | - | - | 60,01,992 | 4.2505 |
| | At the end of the year (31.03.2019) | 60,01,992 | 4.2505 | - | - | 60,01,992 | 4.2505 |
| 3 | Nikhil R Jaisinghani | | | | | | |
| | At the beginning of the year (01.04.2018) | 60,01,992 | 4.2505 | - | - | 60,01,992 | 4.2505 |
| | Transfer | | | 13 th February 2019 | 100 | | |
| | At the end of the year (31.03.2019) | 60,01,892 | 4.2504 | - | - | 60,01,892 | 4.2504 |
| 4 | Anil Hariani | | | | | | |
| | At the beginning of the year (01.04.2018) | 58,20,363 | 4.1219 | - | - | 58,20,363 | 4.1219 |
| | At the end of the year (31.03.2019) | 58,20,363 | 4.1219 | - | - | 58,20,363 | 4.1219 |
| 5 | Kunal Jaisinghani | | | | | | |
| | At the beginning of the year (01.04.2018) | 58,20,363 | 4.1219 | - | - | 58,20,363 | 4.1219 |
| | Transfer | | | 13 th February 2019 | 100 | | |
| | At the end of the year (31.03.2019) | 58,20,263 | 4.1218 | - | - | 58,20,263 | 4.1218 |
| 6 | R Ramakrishnan | | | | | | |
| | At the beginning of the year (01.04.2018) | 27,37,000 | 1.9383 | - | - | 27,37,000 | 1.9383 |
| | At the end of the year (31.03.2019) | 27,37,000 | 1.9383 | - | - | 27,37,000 | 1.9383 |

v Shareholding of Directors and Key Managerial Personnel

| Sr. No. | Particulars | Shareholding at the beginning of the year (01.04.2018) | | Transactions during the year | | Cumulative Shareholding during the year | |
|----------|---|--|----------------------------------|---------------------------------|---------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | Date of Transaction | No. of shares | No. of shares | % of total shares of the Company |
| 1 | Inder T Jaisinghani | | | | | | |
| | At the beginning of the year (01.04.2018) | 2,37,78,779 | 16.8398 | | | 2,37,78,779 | 16.8398 |
| | Transfer | | | 23 rd May 2018 | 89250 | 2,36,89,529 | 16.7766 |
| | Transfer | | | 27 th September 2018 | 148750 | 2,35,40,779 | 16.6713 |
| | Transfer | | | 16 th February 2019 | 200 | 2,35,40,579 | 16.6711 |
| | At the end of the year (31.03.2019) | | | | | 2,35,40,579 | 16.6711 |
| 2 | Ramesh T Jaisinghani | | | | | | |
| | At the beginning of the year (01.04.2018) | 2,35,78,264 | 16.6978 | | | 2,35,78,264 | 16.6978 |
| | Transfer | | | 23 rd May 2018 | 89250 | 2,34,89,014 | 16.6346 |
| | Transfer | | | 27 th September 2018 | 148750 | 2,33,40,264 | 16.5292 |
| | Transfer | | | 16 th February 2019 | 300 | 2,33,39,964 | 16.5290 |
| | At the end of the year (31.03.2019) | | | | | 2,33,39,964 | 16.5290 |
| 3 | Ajay T. Jaisinghani | | | | | | |
| | At the beginning of the year (01.04.2018) | 2,35,80,806 | 16.6996 | | | 2,35,80,806 | 16.6996 |
| | Transfer | | | 23 rd May 2018 | 89250 | 2,34,91,556 | 16.6364 |
| | Transfer | | | 27 th September 2018 | 148750 | 2,33,42,806 | 16.5310 |
| | Transfer | | | 16 th February 2019 | 300 | 2,33,42,506 | 16.5308 |
| | At the end of the year (31.03.2019) | | | | | 2,33,42,506 | 16.5308 |

V INDEBTEDNESS

| Indebtedness of the Company including interest outstanding/accrued but not due for payment. | | | | (₹ Millions) |
|---|----------------------------------|-----------------|-----------------------|----------------|
| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits Indebtedness | Total |
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 7856.60 | 33.80 | - | 7890.40 |
| ii) Interest due but not paid | 1.73 | - | - | 1.73 |
| iii) Interest accrued but not due | 11.61 | - | - | 11.61 |
| Total (i+ ii+ iii) | 7869.94 | 33.80 | - | 7903.74 |
| Change in Indebtedness during the financial year | | | | |
| - Addition | 9613.22 | 5331.21 | - | 14944.43 |
| - Reduction | 14958.16 | 5294.91 | - | 20253.07 |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 2511.67 | 70.82 | - | 2582.49 |
| ii) Interest due but not paid | 5.41 | 0.20 | - | 5.61 |
| iii) Interest accrued but not due | 4.03 | - | - | 4.03 |
| Total (i+ii+iii) | 2521.11 | 71.02 | - | 2592.13 |

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

| A. Remuneration to Managing Director, Whole-time Directors and/or Manager | | | | | | (₹ Millions) |
|---|--|---|--------------------|----------------------|----------------------------|---------------|
| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
| | | Inder T Jaisinghani | Ajay T Jaisinghani | Ramesh T Jaisinghani | Shyam Lal Bajaj | |
| 1 | Gross salary | | | | | |
| | (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 36.54 | 28.25 | 28.25 | 25.76 | 118.80 |
| | (b)Value of perquisites u/s17(2) Income-tax Act, 1961 | - | - | - | - | - |
| | (c)Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 0 | 0 | 0 | 0 | 0 |
| 2 | Stock Option | - | - | - | 100000 granted. Value 5.99 | 5.99 |
| 3 | Sweat Equity | - | - | - | - | - |
| | Commission - as % of profit - others, specify... | 49.65 | - | - | - | 49.65 |
| 4 | Others, please specify | - | - | - | - | - |
| | Total(A) | 86.19 | 28.25 | 28.25 | 31.75 | 174.44 |
| | Ceiling as per the Act | Not exceeding 10% of the net profit of the Company. | | | | |

B. Remuneration to other directors

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
|---------|--|---|-------------|-------------------|----------------|--------------|
| | | TP Ostwal | RS Sharma | Hiroo Mirchandani | Pradeep Poddar | |
| 1 | Independent Directors | | | | | |
| | • Fee for attending board committee meetings | 1.26 | 1.26 | 0.76 | 1.18 | 4.46 |
| | • Commission | 1.00 | 1.00 | 1.00 | 1.00 | 4.00 |
| | • Others, please specify | - | - | - | - | - |
| | Total (1) | 2.26 | 2.26 | 1.76 | 2.18 | 8.46 |
| 2 | Other Non-Executive Directors | - | - | - | - | - |
| | • Fee for attending board committee meetings | - | - | - | - | - |
| | • Commission | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - |
| | Total(2) | - | - | - | - | - |
| | Total(B)=(1+2) | 2.26 | 2.26 | 1.76 | 2.18 | 8.46 |
| | Total Managerial Remuneration | - | - | - | - | - |
| | Overall Ceiling as per the Act | Sitting Fees not exceeding ₹ 1,00,000 per meeting for attending Board Meeting and Committee Meeting and overall Commission not exceeding 1% of the Net profit of the Company. | | | | |

| C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD | | | | (₹ Millions) |
|---|---|---------------------------|-----------------------------|--------------|
| Sl. No. | Particulars of Remuneration | KEY MANAGERIAL PERSONNEL | | |
| | | Company Secretary | CFO | Total |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 3.33 | 25.76 | 29.09 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - |
| 2 | Stock Option | 11000 (*) Value ₹ 0.75 | 100000 (**) Value ₹ 5.99 | 6.74 |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission - as % of profit - others, specify... | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total | 4.08 | 31.75 | 35.83 |

Note

(*) 10000 options granted under Employees Stock Option Plan 2018 – Employee Stock Option Performance Scheme 2018 and 1000 options granted under Employee Stock Option Privilege Scheme 2018.

(**) 1,00,000 Employees Stock Options granted.

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | Nil | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | Nil | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | Nil | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

For and on behalf of the Board of Polycab India Limited

Inder T Jaisinghani
Chairman and Managing Director
DIN No.: 00309108

Place: Mumbai
Date: 14th May 2019

Annexure 3

FORM MR - 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

POLYCAB INDIA LIMITED

(Formerly known as Polycab Wires Limited)

E- 554, Greater Kailash II, New Delhi South, Delhi 110048

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by POLYCAB INDIA LIMITED (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in Annexure I, for the financial year ended on 31st March, 2019 according to the provisions of:

- i The Companies Act, 2013 ("the Act") and the Companies Amendment Act, 2017 as amended from time to time and the rules made thereunder;
- ii The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder; to the extent applicable to the Company during the audit period;
- iii The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; to the extent applicable to the Company during the audit period;
- iv The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") were not applicable to the Company during the audit period:-
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the financial year under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- ▶▶ The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ▶▶ Adequate notice is given to all the Directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent in advance and a system exists for convening the Board Meeting and committee meeting at a shorter notice with due consent from the Board of Directors. A system also exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- ▶▶ All decisions at the Board and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that based on review of compliance mechanism established by the Company and on basis of the representations made by the Company and its Officers & other Senior Management Personnel and taken on record by the Board at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines to the Company.

We further report that, during the year under review:

- i Members of the Company in the Extra Ordinary General Meeting dated 09.10.2018 approved the resolution for Change of Name of the Company from Polycab Wires Limited to Polycab India Limited, to which the Company received the Certificate of Change of Name from the Registrar of Companies dated 13.10.2018.
- ii Subsequent to the year end, the Company successfully made its Initial Public Offer ('IPO') of 25,022,067 equity shares, which include a fresh issue of 7,440,067 Equity Shares of ₹ 10/- each for raising funds for the Company to the tune of ₹ 4,000,000,000/- (Rupees Four Hundred Crore only) and an offer for sale of 17,582,000 Equity Shares of face value of ₹10/- each of the Company. Subsequent to the completion of the IPO, the paid up Equity Share capital of the Company got increased from ₹ 1,412,058,380/- to ₹ 1,486,459,050/-. The Company's Equity shares got listed on BSE and NSE on 16th April 2019 and are currently available for trading.

For DILIP BHARADIYA & ASSOCIATES

DILIP BHARADIYA

Proprietor

FCS No.: 7956, C P No.: 6740

Place: Mumbai

Date: 14th May 2019

Annexure I

Other relevant documents which were verified during the course of audit include:

- 1 Memorandum & Articles of Association of the Company;
- 2 Annual Report for the Financial Year ended March 31, 2018.
- 3 Minutes of the meetings of the Independent Directors Meeting, Board of Directors, Nomination and Remuneration Committee held during the financial year under review, along with the Attendance Registers;
- 4 Minutes of General Body Meeting held during the financial year under review;
- 5 Statutory Registers viz.
 - ▶▶ Register of Directors & KMP & Directors' Shareholding;
 - ▶▶ Register of loans, guarantees and security and acquisition made by the Company;
 - ▶▶ Register of Charge;
 - ▶▶ Register of Related Party Transaction- Transactions are in the Ordinary Course of Business at Arm's Length Basis.
 - ▶▶ Register of Members;
- 6 Agenda papers submitted to all the Directors/Members for the Board and Committee Meetings;
- 7 Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2), Section 149(3) and Section 149(7) of the Companies Act, 2013;
- 8 E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956, if any, and Companies Act, 2013, as amended from time to time alongwith the attachments thereof, during the financial year under review.

To,

The Members,

POLYCAB INDIA LIMITED

(Formerly known as Polycab Wires Limited)

DELHI

Our report of even date is to be read along with this letter,

- 1 Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
- 2 I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
- 3 I have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
- 4 Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5 The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- 6 The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For DILIP BHARADIYA & ASSOCIATES

DILIP BHARADIYA

Proprietor

FCS No.: 7956, C P No.: 6740

Place : Mumbai

Date : 14th May 2019

Annexure 4

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third provision thereto.

1 Details of contracts or arrangements or transactions not at arm's length basis

NA

2 Details of contracts or arrangements or transactions at arm's length basis

(₹ Million)

| Name(s) of the related party and nature of relationship | Nature of contracts / arrangements / transactions | Duration of contracts / arrangements / transactions | Salient terms of the contracts or arrangements or transactions including value, if any, with justification |
|---|---|---|---|
| Tirupati Reels Private Limited | Sale of goods, purchase of goods, loan given & repaid, interest income, expenses recovered | On going | In normal course of business & in line with Market Parameters Sale: 308.31, Purchase: 399.98, Loan given 40.00, Loan given repaid : 40.00, Interest received : 1.35, Other charges recovered : 0.07. |
| Dowells Cables Accessories Private Limited | Sale of goods, purchase of goods, interest income, loans given, loans given repaid, interest received, investments, job work charges paid | On going | In normal course of business & in line with Market Parameters Sale : 11.82, Purchase: 0.45, Investment : 39.27, Job work charges : 0.63, Loans given : 4.60, Rent Received : 5.00, Loan given repaid : 10.76, Interest received : 1.88. |
| Polycab Italy SRL | Commission | On going | In normal course of business & in line with Market Parameters Commission: 15.74. |
| Techno Electromech Private Limited | Sale of goods, purchase of goods, interest income, loans given repaid, purchase of Machinery | On going | In normal course of business & in line with Market Parameters Sale: 4.04, Purchase: 951.98, Purchase of Machinery 30.71, Loan given repaid : 24.89, Interest received : 15.61. |
| Ryker Base Private Limited | Sale of goods, purchase of goods, rent received, corporate guarantee given, job work charges paid | On going | In normal course of business & in line with Market Parameters Sale: 56.27, Purchase 0.54, Rent received: 2.81, Job work charges : 110.52, Corporate Guarantee : 4.5 million USD (fair value : 3.8) |
| AK Enterprise | Rent paid | On going | In normal course of business & in line with Market Parameters Rent paid: 29.11. |

Note: Appropriate approvals have been taken for related party transactions.

For and on behalf of the Board of Polycab India Limited

Inder T Jaisinghani

Chairman & Managing Director

DIN No : 00309108

Place: Mumbai

Date: 14th May 2019

Annexure 5

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1 A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

Polycab's core philosophy to be a "Safe & Sustainable Company" finds its reflection in our CSR Policy. Our CSR is not charity or mere donations. It reflects the manner in which we conduct our business – by directly focusing on the needs of society. We as a socially responsible entity not limiting to using resources to engage in activities that increase only their profits, but rather evolve appropriate business processes and strategies to reflect our commitment to the societal enhancement. We believe that profit is a by-product that will surely follow when CSR is integrated to the economic, environmental and social objectives with the company's operations and growth.

Our CSR Policy is available on our website www.polycab.com

Our Focus has been on the basic needs of our beneficiaries

We have taken initiatives in sanitation, by building toilet blocks not only for villages but also for schools, where there is no such facility. As a result we have seen a distinct change for the better in girls drop-outs.

Our Mobile Medical Unit reaches out to the interior villages where there is no medical facility & people have to travel at a distance to avail such facility. We offer them OPD, medicines, health talks, camps & counselling, on an average 90 to 100 patients per day take advantage of this service.

By adopting a village, we have brought up the village to a level, that the basic amenities of life are available to them.

On the Education front, in schools we have been having regular counselling sessions, competitions in various areas like – Public speaking, sports, drawing, singing etc to bring out the finer, hidden talent.

A Study Science, Technology, Engineering & Mathematics (STEM) Laboratory was set up for students to get & learn the practical aspects of education

Every year, we are arranging a summer camp for the students wherein we expose them to different areas like art & craft, theatre, singing, dancing, safety (road & domestic), budgeting, games.

Sports grounds were made in three Ashramshalas & in 26 schools we arranged for different types of games.

A Leadership Enrichment for Adolescence through Assessment and Development (LEAAD) programme was organised for two Primary School, whereby students were exposed to building Leadership Qualities

Animals in Panchmahal dist of Gujarat take a critical stand in a life of a person. Touching all aspects of a person's life, we have taken initiatives of arranging animal check-up camps whereby the cattle are checked & due vaccinations, treatment given. We have also had talks & sessions on better practices of animal rearing.

Skill development project was undertaken wherein we taught sewing to 20 women. We made two self help groups under the Government of Gujarat (GOG) Scheme. These women are now stitching uniforms for school children & earning livelihood.

Government of Gujarat had initiated a programme – "Sujalam Sufalam", whereby we deepened the water reservoirs in villages Asoj, Bodidra & Waghodia. Polycab has received an appreciation certificate for this.

To facilitate the water crisis, we have arranged for tube wells in two villages. Now water reaches each of the dwelling in these two villages

We are making a model aanganwadi with facility that would give a child an opportunity to grow. The project was undertaken when we observed the state of aanganwadis in the villages. Focus is on giving children an adequate infrastructure with learning through fun, games, music, & visuals. This will get replicated in 5 other aanganwadi

In the forthcoming year, our focus would be on softer aspect, like learning & development, teaching, counselling, mentoring, skill development etc ie with a Private Public Partnership (PPP) Mode, along with GOG we are planning to set up a school in the tribal belt of Halol taluka.

We are also working out with the govt for teachers training programme for enhancement of the teacher skills.

To meet the water crisis in this area, we are in talks with Water and Sanitation Management (WASMO) for water harvesting.

Polycab is planning to set up Polycab Institute in the field of electrical area, whereby youngsters would undergo extensive training & get certified as "Polycab Certified Electricians". They would be picked from all states of India.

We have launched an in-house scheme “Parinamin” (bringing to a full bloom). Under this scheme, we have identified a school whose students will be adopted for their education & all-round development by our Polycabian team. They would be the Mentors to these children.

The details of projects undertaken during the financial year 2018-19 are as under:

| Sr. No. | CSR Project Activity identified | Sector in which the Activity is Covered | Projects or Programmes. Local area or other. Specify the state/Dist where the Proj/Activity was undertaken | Amount outlay (budget) Programme or Project wise | Amount spent on the Project or Programme subheads 1.Direct Expenditure on /Projects/ Programme 2. Overheads | Cummulative Expenditure upto the reporting period | Amount spent: direct or through implementing agency |
|---------|---------------------------------|--|---|--|---|---|---|
| 1 | Toilet Blocks | Village/ Schools | Village Gadhmahuda & 26 Govt. Primary Schools, Tal Halol, Dist Panchmahal | 16300000 | 4458291 | 4458291 | Direct |
| 2 | Community Activities | Villages | Villages- Zakhariya, Govindpuri, Chachariya, Kansaravav, Tal Halol, Dist Panchmahal | 2470000 | 87351 | 87351 | Direct |
| 3 | MMU | Villages | Villages- Zakhariya, Govindpuri, Chachariya, Kansaravav, Ranipura, Chhatardivav, Nathkuva, Amrapura, Ryankhand, Chhadivadi, Juni & Navi Bhat, Jimiyapura, Bediyapura, Nani & Moti Ranbhet, Gadhmahuda, Gamirpura, Muladri, Tal Halol, Dist Panchmahal | 2220000 | 498740 | 498740 | Direct |
| 4 | Health Camps | Villages & Schools | Villages- Chachariya, Kansaravav, Jhalaria, Nana & Mota Sandhiya, 26 Govt Primary Schools, Tal Halol, Dist Panchmahal | 932000 | 245939 | 245939 | Direct |
| 5 | Medical Health Cards | Villages & Schools | 26 Govt. Primary Schools, Tal Halol, Dist Panchmahal | 80000 | 20650 | 20650 | Direct |
| 6 | Skill Development | Village | Village Chhadivadi, Tal Halol, Dist Panchmahal | 644000 | 68234 | 68234 | Direct |
| 7 | LEAAD Prog | Schools | Schools in Juna & Nava Zakhariya, Tal Halol, Dist Panchmahal | 949500 | 236517 | 236517 | Direct |
| 8 | Water Facility | Villages, Referral Hospital, PHC, School | Villages- Govindpuri & Chachariya, Referral Hospital, PHC, Chachariya School, Tal Halol, Dist Panchmahal | 1000000 | 222151 | 222151 | Direct |
| 9 | Agriculture | Villages | Villages- Jimiyapura, Muladri, Zakhariya, Tal Halol, Dist Panchmahal | 45000 | 12250 | 12250 | Direct |
| 10 | Animal Husbandry | Villages | Villages- Jimiyapura, Muladri, Zakhariya, Tal Halol, Dist Panchmahal | 150000 | 21370 | 21370 | Direct |
| 11 | Sports Ground & Facility | Schools | Villages- Zakhariya, Kansaravav, Govindpuri, Chachariya, Tal Halol, Dist Panchmahal | 1000000 | 279085 | 279085 | Direct |

| Sr. No. | CSR Project Activity identified | Sector in which the Activity is Covered | Projects or Programmes. Local area or other. Specify the state/Dist where the Proj/Activity was undertaken | Amount outlay (budget) Programme or Project wise | Amount spent on the Project or Programme subheads 1.Direct Expenditure on /Projects/ Programme 2. Overheads | Cummulative Expenditure upto the reporting period | Amount spent: direct or through implementing agency |
|---------|------------------------------------|---|---|--|---|---|---|
| 12 | Infrastructure | Villages & Schools | Village-Baska, Vaseti, Chachariya - Class Room/Aanganwadi, Tal Halol, Dist Panchmahal | 9500000 | 2100130 | 2100130 | Direct |
| 13 | Water Harvesting | Village | Water Reservoirs in Vilages- Asoj & Bodidra under GOG Scheme- "Sujalam Sufalam", Tal Halol, Dist Panchmahal | 40000000 | 9282210 | 9282210 | Direct |
| 14 | Donations | Institutes /Persons | Panch Mahotsav Primary Health Clinic, Taluka Health Office Kanjari Shreeji Surgical Equipment Shreyan Darji Leprosy Mission Trust Blood Donation Camp Gujarat Corporate Social Responsibility Authority (GCSRA) Samarpan Sports & Charitable Trust Village Asoj & Hasapura - Tree Guards Bochasan Akshar Purshottam (BAPS) Shree Halol Stree Samaj Baroda Dist Amateur Athletics Assn Sarvajanic Girls High School, Halol, Dist Panchmahal | 16000000 | 3865724 | 3865724 | Direct |
| 15 | STEM Laboratory | School | Ashramshala in Narukot | 650000 | 117787 | 117787 | Direct |
| 16 | Nandghar | Village/ Schools | Daman | 32500000 | 8295912 | 8295912 | Direct |
| 17 | Street Light | Costal Highway Circle | Daman | 9000000 | 2378000 | 2378000 | Direct |
| 18 | Health Camps | Hospital | Coimbatore | 2000000 | 500000 | 500000 | Direct |
| 19 | Promotion of Education | Schools | Tal. Khalapur, Dist. Raigad, Maharashtra | 5500000 | 1100000 | 1100000 | Direct |
| 20 | Health care facility and awareness | Hospital | Mumbai | 1500000 | 300000 | 300000 | Direct |
| 21 | Social Empowerment | Village | Mumbai | 800000 | 175000 | 175000 | Direct |
| 22 | Swachh Drive Activity | Village | Ranchi | 800000 | 175000 | 175000 | Direct |
| 23 | Health Camps | Hospital | Coimbatore | 3000000 | 500000 | 500000 | Direct |
| | Total | | | 95740500 | 34940341 | 34940341 | |

2 The Composition of the CSR Committee

| Sr. No. | Name | Category | Designation |
|---------|---------------------|------------------------------|-------------|
| 1 | Inder T Jaisinghani | Executive Non Independent | Chairman |
| 2 | Ajay T Jaisinghani | Executive Non Independent | Member |
| 3 | Hiroo Mirchandani | Non-Executive Independent | Member |
| 4 | Pradeep Poddar | Non-Executive Independent | Member |

3 Average net profit of the Company for the last three financial years is ₹ 4557.37 million

4 Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) ₹ 91.15 million

5 Details of CSR spent during the year 2018-19

a Total amount spent for the year 2018-19 : ₹ 34.94 million

b Amount unspent, if any: ₹ 56.21 million

c Manner in which the amount spent during the financial year 2018-19 is detailed below:

| Sr. No. | Activity | Amount in ₹ Million |
|---------|----------------------------------|---------------------|
| 1 | Rural development programmes | 11.53 |
| 2 | Social empowerment | 1.32 |
| 3 | Promotion of education | 15.19 |
| 4 | Health care facility & awareness | 3.42 |
| 5 | Environmental awareness | 2.95 |
| 6 | Others | 0.53 |
| | Total | 34.94 |

Responsibility Statement

The implementation and monitoring of Corporate Social Responsibility Policy, is in compliance with CSR objectives and policy of the Company.

Inder T Jaisinghani

Chairman & Managing Director

DIN No: 00309108

Place: Mumbai

Date: 14th May 2019

Annexure 6

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

| Name of Director | Designation | Ratio to median remuneration of the employees* |
|----------------------|------------------------------|--|
| Inder T Jaisinghani | Chairman & Managing Director | 374.68 |
| Ajay T Jaisinghani | Whole Time Director | 122.78 |
| Ramesh T Jaisinghani | Whole Time Director | 122.78 |
| Shyam Lal Bajaj | CFO & Whole Time Director | 138.06 |
| TP Ostwal | Independent Director | 09.83 |
| RS Sharma | Independent Director | 09.83 |
| Hiroo Mirchandani | Independent Director | 07.65 |
| Pradeep Poddar | Independent Director | 09.48 |

* Employees for the above purpose includes all employees excluding employees governed under collective bargaining.

ii The % increase in remuneration of each director#, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

| Name of Employee | Designation | % increase in remuneration |
|--------------------------|------------------------------|----------------------------|
| Narayana Subramaniam Sai | Company Secretary | 20 |
| Inder T Jaisinghani | Chairman & Managing Director | 12 |
| Ajay T Jaisinghani | Whole Time Director | 12 |
| Ramesh T Jaisinghani | Whole Time Director | 12 |
| Shyam Lal Bajaj | CFO & Whole Time Director | 12 |
| TP Ostwal | Independent Director | Not Applicable |
| RS Sharma | Independent Director | Not Applicable |
| Hiroo Mirchandani | Independent Director | Not Applicable |
| Pradeep Poddar | Independent Director | Not Applicable |

Note: The above Independent Directors were appointed w.e.f. 20th September 2018, % increase in remuneration is not applicable.

iii The % increase in the median remuneration of employees in the financial year:

Since the employee joined on 15th May 2018, not eligible for Increment.

iv The number of permanent employees on the rolls of the Company was 4659.

v Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average increase in remuneration of Managerial Personnel – 20%

Average increase in remuneration of employees other than the Managerial Personnel is not applicable, as the median employee joined the Company on 15th May 2018.

The remuneration paid to Managerial personnel is as per Company's policy and there are no exceptional circumstances for increase in the managerial remuneration.

vi The key parameters for any variable component of remuneration availed by the Directors:

Business Performance

vii It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Polycab India Limited

Inder T Jaisinghani

Chairman & Managing Director

DIN No: 00309108

Place: Mumbai

Date: 14th May 2019

Annexure 7

Research & Development activities carried out by the Company

ON-GOING PROJECTS (2018-19)

| Sr. No. | Title of the Project | Scope of the Project | Applicable Standard | Project Leader | Year of Start | Duration | Remarks |
|---------|---|---|---|----------------|---------------|----------|---------------------------|
| 1 | Development of polyolefin based electron beam cross linkable, UV resistant photovoltaic wire suitable for 90°C dry & 90°C wet operation | The photovoltaic wire will be used at 90°C dry and 90°C wet operating condition at working voltage up to 2000 V for interconnection wiring of grounded and ungrounded photovoltaic power systems | UL 4703 UL 44 UL 854 | Dr N Mongal | 2018 | 12 | Process under development |
| 2 | Electrical Power and Control Tray Cables with Optional Optical-Fiber Members | These electrical and composite electrical/optical-fiber cables are intended for use optical and electrical functions associated in the case of a composite cable in cable trays, in raceways, and where supported in outdoor locations by a messenger wire. | UL 1277 | Dr N Mongal | 2018 | 12 | Process under development |
| 3 | Electron beam cross-linkable polyolefin based thin wall heat resistant low voltage un-screened single core cable for automobile | The cable developed is to be used for automobiles at a voltage of 25 Volt a.c or 60 Volt d.c | JASO D 611 | Dr N Mongal | 2018 | 12 | Process under development |
| 4 | Single & Multi-Pair, cross-linked PE Insulated, Collective Screen, Armour, PVC-Sheath suitable for 90°C application for transmission of analogue and digital signals in instrument and control systems | The cable developed is used for transmission of analogue or digital signals in measurement, process control and data system technologies | BS EN 50288 Part 7 BS EN 50290-2-22 (TM 53) | Dr N Mongal | 2018 | 12 | Process under development |
| 5 | Low voltage energy cables of rated voltages up to and including 450/750 V (U0/U). Cables with special fire performance. Single core non-sheathed cables with halogen-free cross-linkable insulation, and low emission of smoke. | Single core non-sheathed cables with halogen-free cross-linkable insulation, with special fire performance. | BS EN 50525-3-41 | Dr N Mongal | 2018 | 12 | Process under development |
| 6 | Electron beam cross-linked elastomeric insulated and sheathed flexible cable for charging of electric road vehicles at a standard a.c supply up to 750 Volt | This cable is to be used for providing electrical power for electric road vehicles when connected to the supply network. | IEC 60245 | Dr N Mongal | 2018 | 12 | Process under development |
| 7 | Electron beam cross-linked zero halogen fire retardant polyolefin insulated and sheathed cable suitable for use at a temperature ranging from -52° to 90°C application | The cables are intended for electric installations at stationary laying in lighting and power electric networks. | GOST 31565 | Dr N Mongal | 2018 | 12 | Process under development |

FUTURE PROJECTS (2019-20)

A CABLE DEVELOPMENT

| Sr No | Title of the Project | Scope of the Project | Applicable Standard | Project Leader | Year of Start | Duration | Remarks |
|-------|--|---|---|----------------|---------------|----------|--|
| 1 | Development of single core automotive cables suitable for wide temperature ranges from -40° to 150°C application where the system voltage is up to 60 Volt DC or 25 Volt AC | Suitable for use in road vehicle application | ISO 6722; Class D | Dr. N Mongal | 2019 | 12 | For Automotive application |
| 2 | Development of thin walled, Electron Beam Cross-linked halogen free polyolefin Insulated single core/Multi pair/ Multicore/Unscreened/ individually screened/ collectively screened cable suitable for 600 V & 1800 V (for single core) operation at an operating temperature of -65° to 120°C | The cables are to be used on board surface ships and crafts for power, control, lighting purpose. Also for communication and instrumentation circuits in submarines | EED-50-12 NES 525 NES 526 NES 527 | Dr. N Mongal | 2019 | 12 | For Defense application |
| 3 | Development of thin walled Electron Beam Cross-linked halogen free polyolefin Insulated & sheathed high temperature resistant single core/multicore/multipair, individually or collectively screened fire survival cable suitable for 440 V operation at an operating temperature of -30° to 120°C | The cable will be used for Power Lighting, Control & Communication and Instrumentation Circuits in Surface Ships and Submarines. | EED-50-12 EED-50-13 NES 525 NES 526 NES 527 | Dr. N Mongal | 2019 | 12 | For Defense application |
| 4 | Development of High oil resistance thermoplastic PVC sheathed flexible communication cable suitable for use at 70°C application | The cable is to be used for communication purpose where it can come in contact with lubricating oil. | BS EN 50290 | Dr. N Mongal | 2019 | 12 | High oil resistance flexible PVC communication cable |

B COMPOUND DEVELOPMENT

| Sr No | Title of the Project | Scope of the Project | Applicable Standard | Project Leader | Year Of Start | Duration | Remarks |
|-------|---|---|---|----------------|---------------|----------|---|
| 1 | Development of electron beam cross-linkable halogen free fire retardant compound suitable for -40° to 150°C application | Suitable for use as insulation of road vehicle cables | ISO 6722; Class D | Dr N Mongal | 2019 | 12 | For automotive cable insulation compound |
| 2 | Development of electron beam cross-linkable halogen free fire retardant insulation & sheath compound suitable for 600 V & 1800 V operation at an operating temperature of -65° to 120°C | Suitable for use as insulation & sheathing of cables for power, control & Communication in surface ships & submarines | EED-50-12 EED 50-13 NES 525 NES 526 NES 527 | Dr N Mongal | 2019 | 12 | For Defense cable application |
| 3 | Development of high oil resistance thermoplastic flexible PVC sheath compound for communication cable | The compound will be used as sheathing of communication cable which is in contact with lubricating oil | BS EN 50290 | Dr N Mongal | 2019 | 12 | Flexible oil resistance cable sheath compound |

For and on behalf of the Board of Polycab India Limited

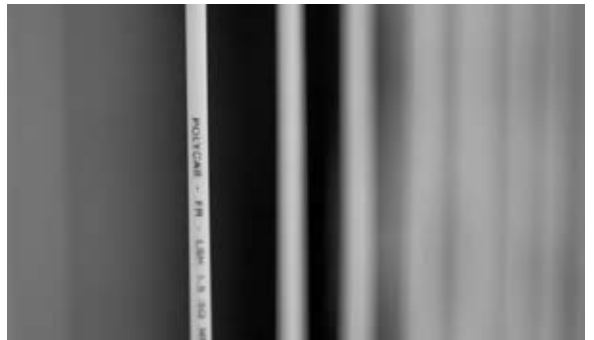
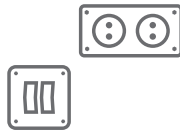
Inder T Jaisinghani

Chairman & Managing Director

DIN No: 00309108

Place: Mumbai

Date: 14th May 2019




POLYCAB

Connection Zindagi Ka
POLYCAB INDIA LIMITED
 Formerly known as Polycab Wires Limited



Connection Zindagi Ka

POLYCAB INDIA LIMITED

Formerly known as Polycab Wires Limited

Annual Report 2018-19

Corporate Governance Report



CORPORATE GOVERNANCE REPORT

The Company's shares are listed with BSE Limited and National Stock Exchange of India Limited with effect from 16th April 2019. This Report on Corporate Governance is prepared and presented on voluntary basis and on account of the belief and practices of the Management in good Corporate Governance.

1 BRIEF STATEMENT ON PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company has adopted a Code of Conduct for its employees and the Board of Directors, which includes Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {SEBI (LODR), 2015}. These codes are available on the Company's website i.e. www.polycab.com

2 BOARD OF DIRECTORS

The Board of Directors has an optimum combination of Executive and Non-Executive Directors with one woman independent director; fifty per cent of the Board of Directors comprises of non-executive independent directors. The Chairman of the Board is an executive director.

a Composition and category of Directors (e.g. Promoter, Executive, Non-Executive Independent, Nominee Director- institution represented and whether as lender or as equity investor)

As on 31st March 2019, the composition of the Board of Directors of the Company was as follows:

| Sr. No. | Name of the Director | Designation | Category / Remark |
|---------|----------------------|------------------------------|---|
| 1 | Inder T Jaisinghani | Chairman & Managing Director | Executive & Non-Independent (Promoter Director) |
| 2 | Ajay T Jaisinghani | Whole Time Director | Executive & Non-Independent (Promoter Director) |
| 3 | Ramesh T Jaisinghani | Whole Time Director | Executive & Non-Independent (Promoter Director) |
| 4 | Shyam Lal Bajaj | CFO & Whole Time Director | Executive & Non-Independent |
| 5 | RS Sharma | Additional Director | Non-executive & Independent Director |
| 6 | TP Ostwal | Additional Director | Non-executive & Independent Director |
| 7 | Hiroo Mirchandani | Additional Director | Non-executive & Independent Director |
| 8 | Pradeep Poddar | Additional Director | Non-executive & Independent Director |

b Attendance of each Director at the meeting of the Board of Directors and the last Annual General Meeting

| Directors | Board Meeting held during the tenure of Director | Board Meeting attended during the year | Whether attended Last AGM held on 09 th August 2018 | Remarks |
|----------------------|--|--|--|---|
| Inder T Jaisinghani | 11 | 11 | Yes | - |
| Ajay T Jaisinghani | 11 | 11 | Yes | - |
| Ramesh T Jaisinghani | 11 | 9 | Yes | - |
| Shyam Lal Bajaj | 11 | 11 | NA | - |
| TP Ostwal | 7 | 7 | NA | Appointed as an Additional Director (Independent Director) w.e.f. 20 th September 2018 |
| RS Sharma | 7 | 7 | NA | Appointed as an Additional Director (Independent Director) w.e.f. 20 th September 2018 |
| Hiroo Mirchandani | 7 | 6 | NA | Appointed as an Additional Director (Independent Director) w.e.f. 20 th September 2018 |
| Pradeep Poddar | 7 | 7 | NA | Appointed as an Additional Director (Independent Director) w.e.f. 20 th September 2018 |
| R Ramakrishnan | 1 | 1 | NA | Resigned as Joint Managing Director w.e.f. 23 rd May 2018 |
| Michel Lemaire | 3 | - | NA | Resigned as Director w.e.f. 21 st August 2018 |

c Number of other Board of Directors or committees in which a director is a member or chairperson as on 31st March 2019

| Sr. No. | Name of the Director | Directorship in Other Board of Directors including Polycab India Limited # | Membership of Committees of Other Boards including Polycab India Limited @ | Chairmanship of Committees of Other Boards including Polycab India Limited @ | Name of the other listed entities holding Directorship / Designation |
|---------|----------------------|--|--|--|---|
| 1 | Inder T Jaisinghani | 1 | 0 | 0 | 0 |
| 2 | Ajay T Jaisinghani | 1 | 0 | 0 | 0 |
| 3 | Ramesh T Jaisinghani | 1 | 0 | 0 | 0 |
| 4 | Shyam Lal Bajaj | 1 | 2 | 0 | 0 |
| 5 | TP Ostwal | 5 | 6 | 5 | Oberoi Realty Limited - Non-executive, Independent Director Incline Realty Private Limited (Debt Listed) - Non-executive, Independent Director |
| 6 | RS Sharma | 5 | 4 | 1 | Jubilant Industries Limited - Non-executive, Independent Director |
| 7 | Hiroo Mirchandani | 6 | 5 | 1 | Tata Teleservices (Maharashtra Limited)- Non-executive, Independent Director Nilkamal Limited - Non-executive, Independent Director DFM Foods Limited - Non-executive, Independent Director |
| 8 | Pradeep Poddar | 5 | 6 | 2 | Welspun India Limited - Non-executive, Independent Director Uflex Limited- Non-executive, Independent Monsanto India Limited - Non-executive, Independent Director |

Notes

Number of Directorships held excludes Directorships in Private Limited Companies, Foreign Companies, Companies under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and alternate Directorships & includes Directorship of Polycab India Limited

@ Only covers Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee of Listed and Unlisted Public Limited Companies including committee memberships/Chairmanships of Polycab India Limited

None of the Directors on the Board is a Member of more than 10 Board Committees and a Chairman of more than 5 such Committees, across all Companies in which he/she is a Director.

None of the Directors holds directorships in more than 20 Companies and more than 10 Public Companies pursuant to the provisions of the Companies Act, 2013.

Further, in compliance with Regulation 25(1) of SEBI (LODR) Regulations, 2015, none of the Independent Directors holds directorship in more than seven listed companies.

d Number of meetings of the Board of Directors held and dates on which held

During the financial year 2018-19, 11 Board Meetings were held respectively on 28th May 2018, 3rd July 2018, 8th August 2018, 30th August 2018, 20th September 2018, 25th September 2018, 09th October, 2018, 24th October 2018, 20th December 2018, 05th February 2019 and 25th March 2019.

Urgent matters were also approved by the Board by passing resolutions through circulation.

e Disclosure of relationships between Directors inter-se

No other Directors are related to each other except Inder T. Jaisinghani, Ramesh T. Jaisinghani and Ajay T. Jaisinghani who are related to each other as brothers.

f Number of shares and convertible instruments held by non-executive Directors

None of the Non-Executive Directors hold any share in the Company.

g Web link where details of familiarization programs imparted to independent directors is disclosed

As per Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the independent Directors of the Company need to be imparted with familiarization programs. However, since the Company got itself listed on National Stock Exchange of India Limited (NSE) and BSE limited on 16th April 2019, the Company has initiated compliance with the familiarization program of the Company from financial year 2019-20 and after, the details of which will be available on the website of the Company i.e. www.polycab.com

Separate Meeting of the Independent Directors

During the year under review, a meeting of Independent Directors of the Company as per the requirements of Schedule IV of the Companies Act, 2013 was held on 29th March 2019.

Company's Policy on Prohibition of Insider Trading

The Company has formulated a Code of Conduct to Regulate, Monitor, Report Trading by Insiders to deter the insider trading in the securities of the Company based on the unpublished price sensitive information. The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company.

The full text of the Code is available on the website of the Company under the heading "Policies" in the investor relations tab which can be accessed at www.polycab.com.

Subsidiary

The Board has approved a "Policy for determining Material Subsidiaries" of the Company viz. Polycab India Limited and the same is available on the website of the Company under the heading "Policies" in the investor relations tab which can be accessed at www.polycab.com.

The Audit Committee of the Company reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies.

The Minutes of the Board Meetings of the unlisted subsidiary companies are placed at the Board Meeting(s) of the Company held at the end of every quarter.

The Management periodically brings to the attention of the Board of Directors, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies.

Related Party Transactions

The Board of Directors has approved a Policy on "Related Party Transactions" and also on dealing with Related Party Transactions.

The Policy is available on the website of the Company under the heading "Policies" in the investor relations tab which can be accessed at www.polycab.com

Further, a statement on all related party transactions is presented before the Audit Committee on a quarterly basis for its review.

3 AUDIT COMMITTEE

a Brief description of terms of reference

The terms of reference of the Audit Committee are as per the governing provisions of the Companies Act, 2013 (Section 177) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II).

The Role of the Audit Committee includes the following:

- 1 Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- 2 Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
- 3 Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- 4 Approving payments to statutory auditors for any other services rendered by the statutory auditors;
- 5 Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
 - b Changes, if any, in accounting policies and practices and reasons for the same;
 - c Major accounting entries involving estimates based on the exercise of judgment by management;
 - d Significant adjustments made in the financial statements arising out of audit findings;
 - e Compliance with listing and other legal requirements relating to financial statements;

- f Disclosure of any related party transactions; and
 - g Modified opinion(s) in the draft audit report.
 - h Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- 6 Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
 - 7 Approval or any subsequent modifications of transactions of the Company with related parties;
 - 8 Scrutinising of inter-corporate loans and investments;
 - 9 Valuation of undertakings or assets of the Company, wherever it is necessary;
 - 10 Evaluating of internal financial controls and risk management systems;
 - 11 Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances
 - 12 Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
 - 13 Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - 14 Discussing with internal auditors on any significant findings and follow up there on;
 - 15 Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - 16 Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - 17 Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
 - 18 Reviewing the functioning of the whistle blower mechanism;
 - 19 Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and
 - 20 Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act or the Listing Regulations or by any other regulatory authority.
 - 21 Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

The powers of the Audit Committee include the following:

- 1 To investigate any activity within its terms of reference;
- 2 To seek information from any employee;
- 3 To obtain outside legal or other professional advice; and
- 4 To secure attendance of outsiders with relevant expertise, if it considers necessary.

The audit committee shall mandatorily review the following information:

- a management discussion and analysis of financial condition and results of operations;
- b statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c management letters / letters of internal control weaknesses issued by the statutory auditors;
- d internal audit reports relating to internal control weaknesses; and
- e the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f statement of deviations:
 - ▶ quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - ▶ annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

b Composition, name of members and chairperson

The Audit Committee comprises of 4 (Four) Directors out of which 3 (Three) are Non- Executive Independent Directors & 1 (one) is Executive Non-Independent Director.

The Chairman of the Committee is Non- Executive, Independent Director.

All Members are financially literate and possess sound knowledge of accounts, finance and audit matters.

The Internal Auditors of the Company attend the meetings of the Audit Committee on invitation of the Chairman of the Committee.

The Composition of Audit Committee as on 31st March 2019, is given below:

| Sr. No. | Name | Category | Designation |
|---------|-----------------|---------------------------|-------------|
| 1 | TP Ostwal | Non-Executive Independent | Chairman |
| 2 | RS Sharma | Non-Executive Independent | Member |
| 3 | Pradeep Poddar | Non-Executive Independent | Member |
| 4 | Shyam Lal Bajaj | Executive Non-Independent | Member |

The Company Secretary of the Company acts as the Secretary to the Audit Committee.

c Meetings and attendance during the year

| Sr. No. | Name | Attendance in Audit Committee Meetings held on | | | | |
|---------|-----------------|--|------------|------------|------------|------------|
| | | 25/09/2018 | 24/10/2018 | 20/12/2018 | 09/01/2019 | 05/02/2019 |
| 1 | TP Ostwal | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2 | RS Sharma | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3 | Pradeep Poddar | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4 | Shyam Lal Bajaj | ✓ | ✓ | ✓ | ✓ | ✓ |

4 NOMINATION AND REMUNERATION COMMITTEE**a Brief description of terms of reference**

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Managing Director and Whole-time Directors as well as the nomination and appointment of Directors.

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II).

Further, in terms of the SEBI (Share Based Employee Benefits) Regulations, 2014, the Nomination and Remuneration Committee also supervises the ESOP/ESPS Plans of the Company namely - Polycab Employees' Stock Option Performance 2018 Scheme, Polycab Employee Stock Option Plan 2018 and Polycab Employee Stock Option Privilege Scheme 2018.

b Composition, name of members and chairperson

The Nomination and Remuneration Committee comprises of 3 (Three) Non-Executive Directors, the Chairman being Non- Executive and Independent Director.

The Composition of Nomination and Remuneration Committee as on 31st March 2019, is given below:

| Sr. No. | Name | Category | Designation |
|---------|-------------------|---------------------------|-------------|
| 1 | RS Sharma | Non-Executive Independent | Chairman |
| 2 | TP Ostwal | Non-Executive Independent | Member |
| 3 | Hiroo Mirchandani | Non-Executive Independent | Member |

The Company Secretary of the Company acts as Secretary to the Nomination and Remuneration Committee.

c Meetings and attendance during the year

| Sr. No. | Name | Attendance in Nomination and Remuneration Committee Meetings held on 25.09.2018 |
|---------|-------------------|---|
| 1 | RS Sharma | ✓ |
| 2 | TP Ostwal | ✓ |
| 3 | Hiroo Mirchandani | ✓ |

d Performance evaluation

The Nomination and Remuneration Committee of the Board has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee had carried out the performance evaluation of the Individual Directors, Committees at its meeting held on 14th May, 2019, on the basis of the criteria / performance evaluation policy, approved by the Board of Directors.

5 REMUNERATION OF DIRECTORS

a All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed entity shall be disclosed in the annual report.

There are no pecuniary relationship or transactions, except sitting fees and commission paid to Non-Executive Independent Directors.

Criteria of making payments to Non-Executive Directors

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board.

The Policy is also available on the website of the Company www.polycab.com under the heading "Policies" section in the investor relations tab.

The Non-Executive Independent Directors, are entitled to Sitting fees for attending meetings of the Board, and its Committees.

b Disclosures with respect to remuneration

(i) Details of remuneration/sitting fees paid to Directors during the Financial Year 2018-19 are given below:

(₹ Million)

| Sr. No. | Name of Director | Service Term | No. of shares held | Sitting Fee (A) | Salary & Perks (B) | Commission (C) | Total (A+B+C) | Remarks |
|---------|----------------------|--------------------------|--------------------|-----------------|--------------------|----------------|---------------|---|
| 1 | Inder T Jaisinghani | 01.04.2018 to 31.03.2019 | 2,08,54,029 | 0 | 36.54 | 49.65 | 86.19 | Commission of FY 2018-19 will be paid in FY 2019-20 |
| 2 | Ajay T Jaisinghani | 01.04.2018 to 31.03.2019 | 2,06,78,635 | 0 | 28.25 | 0 | 28.25 | Variable pay of FY 2015-16 i.e. ₹ 4.66 & Variable pay of FY 2017-18 i.e. ₹ 5.82 paid in FY 2018-19. |
| 3 | Ramesh T Jaisinghani | 01.04.2018 to 31.03.2019 | 2,06,76,093 | 0 | 28.25 | 0 | 28.25 | Variable pay of FY 2015-16 i.e. ₹ 4.66 & Variable pay of FY 2017-18 i.e. ₹ 5.82 paid in FY 2018-19. |
| 4 | Shyam Lal Bajaj | 01.04.2018 to 31.03.2019 | 0 | 0 | 25.76 | 0 | 25.76 | Variable pay of FY 2017-18 i.e. ₹ 5.00 paid in FY 2018-19 and 1,00,000 stock options granted for value ₹ 5.99 |
| 5 | TP Ostwal | 20.09.2018 to 31.03.2019 | 0 | 1.26 | 0 | 1.00 | 2.26 | Commission for FY 2018-19 will be paid in FY 2019-20 |
| 6 | RS Sharma | 20.09.2018 to 31.03.2019 | 0 | 1.26 | 0 | 1.00 | 2.26 | Commission for FY 2018-19 will be paid in FY 2019-20 |
| 7 | Hiroo Mirchandani | 20.09.2018 to 31.03.2019 | 0 | 0.76 | 0 | 1.00 | 1.76 | Commission for FY 2018-19 will be paid in FY 2019-20 |
| 8 | Pradeep Poddar | 20.09.2018 to 31.03.2019 | 0 | 1.18 | 0 | 1.00 | 2.18 | Commission for FY 2018-19 will be paid in FY 2019-20 |

- (ii) Service contracts, notice period, severance fees

The appointment of the Executive Directors is governed by resolutions passed by the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate letter of employment issued by the company to the Executive Directors.

- (iii) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable

6. EMPLOYEES' STOCK OPTION PLANS

Your Company had instituted the ESOP Plan, 2018 ("ESOP 2018" / "Plan") for issue of up to 35,30,000 options to eligible employees. The Company had granted 21,47,500 options to the eligible employees of the Company vide ESOP Performance Scheme and 1,42,250 options vide ESOP Privilege Scheme.

The details of the ESOP are as under:

(a) ESOP Plan 2018

Pursuant to the resolution passed by our Board on 30th August, 2018 and by our Shareholders on 30th August, 2018 our Company had instituted the ESOP Plan 2018, ESOP Performance Scheme, and ESOP Privilege Scheme for issue of options to eligible employees (as defined therein). The ESOP Plan 2018, will be administered by the NRC Committee. The objectives of the ESOP Plan 2018 includes attaining and exceeding performance targets, encourage retention of talent and loyalty to our Company, enable fundamental alignment to value creation, align with shareholders' interest, and encourage employee ownership in the Company or our Subsidiaries.

Under the ESOP Plan 2018, the NRC Committee is authorised to grant not exceeding 35,30,000 options on a consolidated basis under ESOP Performance Scheme and ESOP Privilege Scheme, to the eligible employees in one or more branches, from time to time, which in aggregate are exercisable into not more than 35,30,000 Equity Shares, with each such option conferring a right upon the eligible employees to apply for one Equity Share in accordance with the terms and conditions as may be decided under this Plan.

(b) ESOP Performance Scheme

Our Company/Board/NRC Committee shall grant the options to the eligible employees in accordance with the terms and conditions of the ESOP Performance Scheme notified under the ESOP Plan 2018. The options granted shall vest not earlier than one year and not later than maximum vesting period of five years from the date of grant. All the grants shall vest in the following manner:

- ▶▶ 15% of options granted shall vest on the first anniversary from the date of grant,
- ▶▶ 15% of options granted shall vest on the second anniversary from the date of grant,
- ▶▶ 20% of options granted shall vest on the third anniversary from the date of grant,
- ▶▶ 20% of options granted shall vest on the fourth anniversary from the date of grant, and
- ▶▶ 30% of options granted shall vest on the fifth anniversary from the date of grant. The exercise period in respect of the option shall commence immediately on vesting and be subject to a maximum period of eight years from the date of grant. The exercise price per option shall be ₹ 405.

(c) ESOP Privilege Scheme

Our Company/Board/NRC Committee shall grant the options to the eligible employees in accordance with the terms and conditions of the ESOP Privilege Scheme notified under the ESOP Plan 2018. All the options granted shall vest at the end of one year from the date of grant. The exercise period in respect of the option shall commence immediately on vesting and be subject to a maximum period of five years from the date of grant. The exercise price per option shall be ₹ 405.

The schemes are in line with the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"). The Company has received a certificate from the Auditors of the Company that the schemes are implemented in accordance with the SBEB Regulations and the resolutions passed by the members. The details as required to be disclosed under the SBEB Regulations and certificate from the Auditors are placed on the website of the Company i.e www.polycab.com.

7 STAKEHOLDERS' RELATIONSHIP COMMITTEE

The terms of reference and the ambit of powers of Stakeholders Relationship Committee are as per the governing provisions of the Companies Act, 2013 (section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The status of shareholder correspondences, queries, grievances etc. are endeavored to be addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders Relationship Committee.

a Name of Non-Executive Director heading the Committee

Pradeep Poddar, Non-Executive Independent Director is the Chairman of the Stakeholders Relationship Committee. The Stakeholders' Relationship Committee comprises of 3 (Three) members out of which 2 (Two) are Non-Executive Independent Directors.

The Composition of Stakeholders Relationship Committee as on 31st March 2019, is given below:

| Sr. No. | Name | Category | Designation |
|---------|-------------------|---------------------------|-------------|
| 1 | Pradeep Poddar | Non-Executive Independent | Chairman |
| 2 | Hiroo Mirchandani | Non-Executive Independent | Member |
| 3 | Shyam Lal Bajaj | Executive Non Independent | Member |

The Company Secretary of the Company acts as Secretary to the Stakeholders' Relationship Committee.

b Name and designation of compliance officer

Sai Subramaniam Narayana, Company Secretary is the Compliance Officer of the Company.

c Number of shareholders' complaints received so far

No complaints were received during the year 2018-19.

d Meetings and attendance during the year

During the year 2018-19, no meeting of Stakeholder Relationship Committee was held.

8 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

a Brief description of terms of reference

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the Board, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, to recommend the amount of expenditure to be incurred on such activities and to monitor the "CSR Policy" of the company from time to time.

The "CSR Policy" is available on the website of the Company under the heading "Policies" in the investor relations tab.

The details of the "CSR Policy" of the Company has also been disclosed in the Director's Report section of the Annual Report.

b Composition, name of members and chairperson

The Corporate Social Responsibility Committee comprises of 4 (Four) members of which 2 (Two) are Non-Executive and Independent, the Chairman being Executive and Non Independent Director.

The Composition of Corporate Social Responsibility Committee as on 31st March 2019, is given below:

| Sr. No. | Name | Category | Designation |
|---------|---------------------|---------------------------|-------------|
| 1 | Inder T Jaisinghani | Executive Non Independent | Chairman |
| 2 | Ajay T Jaisinghani | Executive Non Independent | Member |
| 3 | #Hiroo Mirchandani | Non-Executive Independent | Member |
| 4 | #Pradeep Poddar | Non-Executive Independent | Member |

The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility Committee.

#Hiroo Mirchandani & Pradeep Poddar became the Independent Directors of the Company w.e.f. 20th September 2018

c Meetings and attendance during the year

| Sr. No. | Name | Attendance in Corporate Social Responsibility Committee Meetings held on | | |
|---------|---------------------|--|------------|------------|
| | | 18.05.2018 | 10.07.2018 | 16.08.2018 |
| 1 | Inder T Jaisinghani | ✓ | ✓ | ✓ |
| 2 | Ajay T Jaisinghani | ✓ | ✓ | ✓ |
| 3 | Shyam Lal Bajaj | ✓ | ✓ | ✓ |

9 OTHER COMMITTEES OF THE BOARD

In addition to the existing Committees of the Board, the following Committees were also constituted by the Board:

- Financial Operations Committee, to attend to the funds and administrative requirements of the Company;
- IPO Committee, to attend to the requirements of the Initial Public Offer (IPO) and Listing the shares of the Company with the Stock Exchanges BSE Limited and National Stock Exchange of India Limited.

10 GENERAL BODY MEETINGS

a Location and time, where last three Annual General Meetings held

| Date of AGM | Location | Time |
|---------------------------------|--|----------|
| 09 th August 2018 | E-554, Greater Kailash – II, New Delhi – 110 048 | 11:30 am |
| 28 th September 2017 | E-554, Greater Kailash – II, New Delhi – 110 048 | 11:30 am |
| 15 th December 2016 | E-554, Greater Kailash – II, New Delhi – 110 048 | 05.00 pm |

b Whether any special resolutions passed in the previous three annual general meetings

| Date of AGM | Details of Special resolutions passed, if any |
|---------------------------------|--|
| 09 th August 2018 | Conversion of Polycab Wires Pvt. Ltd to Polycab Wires Ltd and Adoption of new set of Memorandum of Association and Articles of Association (and change of name of the Company from Polycab Wires Ltd to Polycab India Ltd. |
| 28 th September 2017 | NIL |
| 15 th December 2016 | NIL |

c During the year the Extra - Ordinary General Meetings were held on 30th August 2018, 20th September 2018, 25th September 2018 and 09th October 2018.

11 MEANS OF COMMUNICATION

a Quarterly results

The Company got itself listed on stock exchanges on 16th April, 2019.

In respect of the fourth quarter ended 31st March, 2019, the Company had published the audited financial results for the quarter and year ended 31st March, 2019.

b Newspapers wherein results normally published

The Company publishes its results in one English daily newspaper (Financial Express) and one Hindi Newspaper (Jansatta) within 48 hours of approval thereof.

c Website, where displayed

www.polycab.com

d Official news releases

The Company shall regularly publish information, update on its financial results and also displays official news releases in the investor relations section of its website.

e Presentations made to institutional investors or to the analysts

The Company holds analysts meet and make investors calls to apprise the public regarding Company's working and future outlook.

12 GENERAL SHAREHOLDER INFORMATION

a Annual General Meeting - date, time and venue

Day Wednesday

Date 26th June 2019

Time 9.00 am

Venue Air Force Auditorium, Subroto Park, New Delhi-110010

b Financial Year

The financial year of the Company starts from 1st April of a year and ends on 31st March of the following year.

c Dividend Payment Date

The Board of Directors of your Company has recommended a dividend of ₹ 3/-per equity share of ₹ 10 each i.e. @ 30% for the financial year 2018-19.

Date of payment of dividend would be within 30 days from the date of declaration of dividend at the Annual General Meeting to be held on 26th June 2019.

d Name and address of each stock exchange(s) at which the listed entity's securities are listed and confirmation about payment of annual listing fee to each of such stock exchange(s)

The equity shares of the Company are listed at:

▶ The National Stock Exchange of India Ltd. (NSE), Exchange Plaza, C/1 Block , Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

▶ BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

The annual listing fee for the financial year 2018-19 has been paid by the Company to both the stock exchanges within the stipulated time.

e Stock code

| NSE | BSE | ISIN |
|---------|--------|--------------|
| POLYCAB | 542652 | INE455K01017 |

f Market price data - high, low during each month in last Financial Year

The Company got listed on 16th April, 2019, hence, the provision of the above data is not applicable.

g In case the securities are suspended from trading, the Director's Report shall explain the reason there of

Not Applicable

h Registrar and Share Transfer Agent

Karvy Fintech Private Limited
 Karvy Selenium, Tower B,
 Plot 31-32, Gachibowli, Financial District,
 Nanakramguda, Hyderabad –500 032
 Telephone No. +91 40 6716 2222
 Fax No. +91 40 2343 1551
 Email: einward.risk@karvy.com
 Website: <https://karisma.karvy.com>

i Share transfer system

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialised form.

j Shareholding Pattern as on 31st March 2019

| Holder's Name | No. of Shares |
|---|---------------------|
| Polycab India Limited - Escrow Account (Transferred for IPO Purpose) | 2,18,17,870 |
| Inder T Jaisinghani | 2,08,54,029 |
| Girdhari T Jaisinghani | 20,750,212 |
| Ajay T Jaisinghani | 2,06,78,635 |
| Ramesh T Jaisinghani | 2,06,76,093 |
| International Finance Corporation | 1,27,04,096 |
| Kunal Inder Jaisinghani | 58,20,263 |
| Bharat Jaisinghani | 53,21,330 |
| Nikhil Ramesh Jaisinghani | 53,21,230 |
| Anil Hariram Hariani | 51,60,774 |
| Rama krishnan Ramamurthi | 21,00,006 |
| Inder T Jaisinghani/MeenaInder Jaisinghani (Inder Kunal Trust) | 100 |
| Inder T Jaisinghani/MeenaInder Jaisinghani (Inder Shikha Trust) | 100 |
| Ajay T Jaisinghani/Aarti Ajay Jaisinghani (Bharat Jaisinghani Family Trust) | 100 |
| Ramesh T Jaisinghani/Reina R Jaisinghani (Deepika Sehgal Family Trust) | 100 |
| Girdhari T Jaisinghani/Raju Girdhari Jaisinghani (Girdhari Reshma Trust) | 100 |
| Girdhari T Jaisinghani/Raju Girdhari Jaisinghani (Girdhari Karina Trust) | 100 |
| Girdhari T Jaisinghani/Raju Girdhari Jaisinghani (Girdhari Juhi Trust) | 100 |
| Kunal Inder Jaisinghani/Inder T Jaisinghani (Kunal Trust) | 100 |
| Ajay T Jaisinghani/Aarti Ajay Jaisinghani (Kiara Duhlani Family Trust) | 100 |
| Ramesh T Jaisinghani/Reina R Jaisinghani (Nikhil Jaisinghani Family Trust) | 100 |
| Nikhil Ramesh Jaisinghani (Ritika Bharwani Family Trust) | 100 |
| Ramesh T Jaisinghani (Mrinalini Jaisinghani Family Trust) | 100 |
| Ajay T Jaisinghani (Akansha Punjabi Family Trust) | 100 |
| Total | 14,12,05,838 |

Ownership Pattern as on 31st March, 2019

| Category | No. of Shareholders | No. of Shares Held | % of Total Holding |
|---|---------------------|---------------------|--------------------|
| Promoters | | | |
| Indian Promoters | 4 | 8,29,58,969 | 58.75 |
| Non Promoters | | | |
| Institutional Investors | | | |
| Mutual Fund and Alternative Investment Funds | - | - | - |
| Foreign Portfolio Investors | - | - | - |
| Bank, Financial Institutions and Insurance Companies | - | - | - |
| Central Government/ State Government(s) | - | - | - |
| Non-Institutions | | | |
| Indian Public | - | - | - |
| NRI | - | - | - |
| Bodies Corporate | 1 | 1,27,04,096 | 9.00 |
| Promoter group, Public, Promoter Trust & Shares in Escrow Account | 18 | 4,55,42,773 | 32.25 |
| Promoter Trust | | | |
| Grand Total | 23 | 14,12,05,838 | 100 |

List of Shareholders other than Promoters holding more than 1% as on 31st March 2019

| Sr. No. | Name of Shareholder | No. of Shares held | % of Total Shareholding |
|---------|-----------------------------------|--------------------|-------------------------|
| 1 | International Finance Corporation | 1,27,04,096 | 9.00 |
| 2 | Kunal Inder Jaisinghani | 58,20,363 | 4.12 |
| 3 | Bharat Jaisinghani | 53,21,330 | 3.77 |
| 4 | Nikhil Ramesh Jaisinghani | 53,21,330 | 3.77 |
| 5 | Anil Hariram Hariani | 51,60,774 | 3.65 |
| 6 | Ramakrishnan Ramamurthi | 21,00,006 | 1.49 |

k Dematerialisation of shares and liquidity

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As at 31st March 2019, all the shares of the Company were held in Demat Mode.

l Outstanding global depository receipts or American depository receipts or warrants or any Convertible instruments, conversion date and likely impact on equity

There are no GDRs/ ADRs/ Warrants outstanding as on 31st March 2019.

m Commodity price risk or foreign exchange risk and hedging activities

The Company has established controls in forex management to hedge its few currency risk liabilities. Forex related matters are reviewed periodically for taking necessary action within overall frame of forex policy. By hedging, mitigating the impact of short term movements in currency on the businesses. Appropriate sensitivity analysis is carried out for domestic borrowings and foreign borrowings at the time borrowing decisions are taken

Price of major raw materials i.e. Copper and Aluminum are dependent on the movement of the metal on the London Metal Exchange. The company has taken adequate and effective measures to mitigate the risk of this price movement in accordance with the risk mitigation measures.

n Plant locations

| Sr. No. | Products | Location Address |
|---------|----------------|---|
| 1 | LV Power Cable | UH – 1 335,334,339-2-2/1-2, Halol Vadodara Road, Tal Halol, Panchmahal, Gujarat - 389350 |
| 2 | LV Power Cable | UH – 2 Plot NO.65-1,30-31,34,42-1,63,1-4, Rameshwara Road, Village Baska, Tal Halol, Panchmahal, Gujarat - 389352 |

| Sr. No. | Products | Location Address |
|---------|---------------------------|--|
| 3 | LV Control Cable | UH – 2A Plot NO.65-1,30-31,34,42-1,63,1-4, Rameshwara Road, Village Baska, Tal Halol, Panchmahal, Gujarat - 389352 |
| 4 | LDC | UH – 3A Plot No.13,15,16A,17,18,19,20p1-1,21,22,23,24,25,26A-B,30,31,32,33,34/1-2, Village Rampura, Halol Vadodara Road, Tal Halol, Panchmahal, Gujarat - 389350 |
| 5 | Instruments Cable | UH – 3B Plot No.13,15,16A,17,18,19,20p1-1,21,22,23,24,25,26A-B,30,31,32,33,34/1-2, Village Rampura, Halol Vadodara Road, Tal Halol, Panchmahal, Gujarat - 389350 |
| 6 | Rubber Cable | UH – 3C Plot No.13,15,16A,17,18,19,20p1-1,21,22,23,24,25,26A-B,30,31,32,33,34/1-2, Village Rampura, Halol Vadodara Road, Tal Halol, Panchmahal, Gujarat - 389350 |
| 7 | Control and special Cable | UH – 3D Plot No.13,15,16A,17,18,19,20p1-1,21,22,23,24,25,26A-B,30,31,32,33,34/1-2, Village Rampura, Halol Vadodara Road, Tal Halol, Panchmahal, Gujarat - 389350 |
| 8 | Solar Cable | UH – 3G Plot No.13,15,16A,17,18,19,20p1-1,21,22,23,24,25,26A-B,30,31,32,33,34/1-2, Village Rampura, Halol Vadodara Road, Tal Halol, Panchmahal, Gujarat - 389350 |
| 9 | Multicore LDC | UH – 3H Plot No.13,15,16A,17,18,19,20p1-1,21,22,23,24,25,26A-B,30,31,32,33,34/1-2, Village Rampura, Halol Vadodara Road, Tal Halol, Panchmahal, Gujarat - 389350 |
| 10 | Tinning | UH – 3I Plot No.13,15,16A,17,18,19,20p1-1,21,22,23,24,25,26A-B,30,31,32,33,34/1-2, Village Rampura, Halol Vadodara Road, Tal Halol, Panchmahal, Gujarat - 389350 |
| 11 | Optical Fibre cables | UH – 3F Plot No.13,15,16A,17,18,19,20p1-1,21,22,23,24,25,26A-B,30,31,32,33,34/1-2, Village Rampura, Halol Vadodara Road, Tal Halol, Panchmahal, Gujarat - 389350 |
| 12 | MV Cable | UH – 4 Plot NO 67-69, 71-72,75-76,102,103,104/1-2,105,106,106/2, Halol Vadodara Road, Village Nulpura, Tal Halol, Panchmahal, Gujarat - 389350 |
| 13 | Steel Plant | UH – 5 Plot No.49,51-1-2,52-1-3,54, Rameshwara Road, Village Baska, Tal Halol, Panchmahal, Gujarat - 389352 |
| 14 | Compounding Plant | UH – 6 Plot No.79-1-3,80-1-2, Ujeti Road, Village Baska, Tal Halol, Panchmahal, Gujarat - 389352 |
| 15 | Pipe – Fittings | UH – 6 Plot No.79-1-3,80-1-2, Ujeti Road, Village Baska, Tal Halol, Panchmahal, Gujarat - 389352 |
| 16 | LDC | UH – 7A Plot No.74-1,74-1p,74-2-1.74-2-2,80, Village Vaseti, Baska Rameshwara Road, Village Baska, Tal Halol, Panchmahal, Gujarat - 389352 |
| 17 | Tape | UH – 7B Plot No.74-1,74-1p,74-2-1.74-2-2,80, Village Vaseti, Baska Rameshwara Road, Village Baska, Tal Halol, Panchmahal, Gujarat - 389352 |

| Sr. No. | Product | Location Address |
|---------|-----------------------|--|
| 1 | CU COND | JWPL-1 Polycab India Limited Plot No. 74/7 Daman Industrial Estate, Village-Kadaiya Daman-396210 |
| 2 | LDC | PWPL-U1 Polycab India Limited Plot No. 74/8,9 Daman Industrial Estate, Village-Kadaiya Daman-396210 |
| 3 | MV Cable | PWPL-U1 Polycab India Limited Plot No. 74/10,11 Daman Industrial Estate, Village-Kadaiya Daman-396210 |
| 4 | LV Control Cable | PCPL Polycab India Limited Plot No. 52/1,2 53/1,3,4 Daman Industrial Estate, Village-Kadaiya Daman-396210 |
| 5 | LV Control Cable | PIDPL-1 Polycab India Limited Plot No. 52/5,6,7,8 Daman Industrial Estate, Village-Kadaiya Daman-396210 |
| 6 | Instrumentation Cable | PWPL-U3 Polycab India Limited Plot No. 96/1-7 100/2-6 Daman Industrial Estate, Village-Kadaiya Daman-396210 |
| 7 | LV Power Cable | PWPL-U2 Polycab India Limited Plot No. 38/1-6 , 42/1,2 Daman Industrial Estate, Village-Kadaiya Daman-396210 |
| 8 | LDC | PWIPL-1 Polycab India Limited Plot No. 353/1,2 Village-Kachigam Daman-396210 |
| 9 | PVC COMP | PWIPL-U1 Polycab India Limited Plot No. 353/3, 355/P Village-Kachigam Daman-396210 |
| 10 | PVC – COMP | PWPL-BNK Polycab India Limited Plot No. 35-35A GOA IDC, Somnath Road Somnath Daman-396210 |

Address for correspondence

Sai Subramaniam Narayana
Company Secretary & Compliance Officer
Polycab India Limited

(Secretarial Department)
771, Polycab House, Mogul Lane, Mahim (West),
Mumbai – 400016

Address for Correspondence with the Registrar and Transfer Agents

Karvy Fintech Private Limited

Karvy Selenium, Tower B, Plot 31-32,
Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032
Telephone No. +91 40 6716 2222
Fax No. +91 40 2343 1551
Email: einward.risk@karvy.com

13 OTHER DISCLOSURES

a Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large

During the financial year 2018-19, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. For reference, the details of related party transaction in accordance with IND AS-24 are given in Note No. 37 of Notes to Accounts of the Annual Report.

b Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

Not Applicable, as the Company got listed on 16th April 2019.

c Details of establishment of vigil mechanism, whistleblower policy and affirmation that no personnel has been denied access to the audit committee

The Company has adopted a Whistle Blower Policy to file a grievance if he/ she notices any irregularity.
No person has been denied access to the Audit Committee for any grievance.

d Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015 to the extent applicable and will ensure to comply with non-mandatory requirements in coming years.

e Web link where policy for determining 'material' subsidiaries is disclosed

The policy for determining 'material' subsidiaries is available on the website of the Company under the heading "policies" in the investor relations tab which can be accessed from www.polycab.com.

f Web link where policy on dealing with related party transactions is disclosed

The policy on dealing with related party transactions is available on the website of the Company under the heading "policies" in the investor relations tab which can be accessed from www.polycab.com.

14 DISCLOSURE OF THE EXTENT TO WHICH THE DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II HAVE BEEN ADOPTED

a The Board: Not applicable, as the Company got listed on 16th April 2019.

b Shareholder Rights: Quarterly financial statements shall be published in leading newspapers and uploaded on Company's website www.polycab.com

c Modified opinion(s) in audit report: The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements.

d Reporting of Internal Auditor: The Company has appointed M/s. Pricewaterhouse Coopers Private Limited as the Internal Auditors for conducting the internal audit, representatives whereof report to Chairman of the Audit Committee.

15 DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46

The Company has complied with Corporate Governance Requirements specified in Regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015 to the extent applicable, as the Company got listed on Stock Exchanges (NSE & BSE) on 16th April 2019.

16 DECLARATION SIGNED BY THE CHIEF FINANCIAL OFFICER STATING THAT THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL HAVE AFFIRMED COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. Polycab Code of Ethics is intended to provide guidance and help in recognizing and dealing with ethical issues, mechanisms to report unethical conduct and to help foster a culture of honesty and accountability.

The Board has adopted a Code of Ethics for Directors, Senior Management and other Employees of the Company.

The Code is available on the website of the Company under the heading "Policies" in the investor relations tab which can be accessed at www.polycab.com.

This is to certify that, in line with the requirement of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, all the Directors of the Board and Senior Management Personnel have solemnly affirmed that to the best of their knowledge and belief, they have complied with the provisions of the Code of Conduct during the financial year 2018-19.

Shyam Lal Bajaj
CFO & Whole-Time Director

17 COMPLIANCE CERTIFICATE FROM EITHER THE AUDITORS OR PRACTICING COMPANY SECRETARIES REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE.

The Compliance certificate on Corporate Governance for the year ended 31st March, 2019, issued by M/s. S R B C & Co. LLP, Statutory Auditors of the Company forms part of the Corporate Governance Report.

18 DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The details of complaints filed, disposed & pending are given below:

Number of complaints filed during the year – Nil

Number of complaints disposed of during the year – Not Applicable

Number of complaints pending as on end of the financial year – Not Applicable

19 OTHER USEFUL INFORMATION FOR SHAREHOLDERS ECS FACILITY

The Company provides facility of "Electronic Clearing Service" (ECS) for payment of dividend to its shareholders. ECS facility assists in quick remittance of dividend without possible loss/ delay in postal transit. Shareholders holding shares in physical form are requested to provide details of their bank account for availing ECS facility. However, if the shares are held in dematerialised form, the ECS mandate has to be communicated to the respective Depository Participant (DP). Changes, if any, in the details furnished earlier may also be communicated to the Company or DP, as the case may be

20 UPDATE E-MAILS FOR RECEIVING NOTICE/DOCUMENTS IN E-MODE

The Ministry of Corporate Affairs (MCA) has through its circulars issued in 2011, allowed service of documents by companies including Notice calling General Meeting(s), Annual Report etc. to their shareholders through electronic mode. This green initiative was taken by MCA to reduce paper consumption and contribute towards a green environment. As a responsible corporate citizen, your Company fully supports the MCA's endeavor.

In accordance of the same, your company had proposed to send Notice calling General Meetings, Annual Report and other documents in electronic mode in future to all the shareholders on their email addresses. It was also requested to inform the Company in case the shareholders wish to receive the above documents in physical form. Accordingly, the Annual Report along with Notice will be sent to the shareholders in electronic mode at their email addresses.

The shareholders who have not registered their email addresses with the Company are requested to kindly register their e-mail addresses with the Company in the KYC Form annexed with the Notice of Annual General Meeting enabling the Company to better service shareholder correspondence through e-mode. The shareholders have also an option to register their email addresses with their Depository through Depository Participant.

21 ENCASH DIVIDEND PROMPTLY

The shareholders are advised to encash their dividend promptly to avoid hassles of revalidation or losing right to claim dividend owing to transfer of unclaimed dividends beyond 7 (Seven) years to the Investor Education and Protection Fund.

22 DEMATERIALISATION OF SHARES

Equity Shares of the Company are under compulsory demat trading segment. Considering the advantages of scripless trading, members are advised to consider dematerialization of their shareholding so as to avoid inconvenience involved in the physical shares such as mutilation, possibility of loss/misplacement, delay in transit etc. and also to ensure safe and speedy transaction in securities.

Separate communications in this regard were also sent during the financial year to all those Shareholders of the Company who have not yet dematerialised their physical share certificates, outlining the procedure for dematerialisation and benefits thereof.

23 TRANSFER/TRANSMISSION/TRANSPPOSITION OF SHARES

The Securities and Exchange Board of India (SEBI), vide its Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009 and Circular No. MRD/DoP/SE/RTA/Cir-03/2010 dated 7th January, 2010 made it mandatory that a copy of the PAN Card is to be furnished to the Company in the following cases:

- ▶ registration of physical transfer of shares;
- ▶ deletion of name of deceased shareholder(s) where shares are held jointly in the name of two or more shareholders;
- ▶ transmission of shares to the legal heirs where shares are held solely in the name of deceased shareholder; and
- ▶ transposition of shares where order of names of shareholders are to be changed in the physical shares held jointly by two or more shareholders.

Investors, therefore, are requested to furnish the self-attested copy of PAN card, at the time of sending the physical share certificate(s) to the Company, for effecting any of the above stated requests.

Shareholders are also requested to keep record of their specimen signature before lodgment of shares with the Company to avoid probability of signature mismatch at a later date.

24 CONSOLIDATION OF MULTIPLE FOLIOS

Shareholder(s) of the Company who have multiple accounts in identical name(s) or holding more than one Share Certificate in the same name under different Ledger Folio(s) are requested to apply for consolidation of such Folio(s) and send the relevant Share Certificates to the Company.

25 NOMINATION FACILITY

Provision of Section 72 of the Companies Act, 2013 read with rule 19(1) of the rules made thereunder extends nomination facility to individuals holding shares in the physical form. To help the legal heirs/ successors get the shares transmitted in their favour, shareholder(s) are requested to furnish the particulars of their nomination in the prescribed Nomination Form. Shareholder(s) holding shares in Dematerialised form are requested to register their nominations directly with their respective DPs.

26 UPDATE YOUR CORRESPONDENCE ADDRESS/ BANK MANDATE/PAN/ EMAIL ID

To ensure all communications/ monetary benefits received promptly, all shareholders holding shares in physical form are requested to notify to the Company, change in their address/ bank details/ PAN/ email Id instantly by written request under the signatures of sole/ first joint holder.

Shareholder(s) holding shares in dematerialised form are requested to notify change in bank details/ address/ email Id directly with their respective DPs.

27 QUOTE FOLIO NO./DP ID NO.

Shareholders/ Beneficial Owners are requested to quote their Folio Nos./ DP ID Nos., as the case may be, in all correspondence with the Company.

Shareholders are also requested to quote their E-mail IDs, and Contact number for prompt reply to their correspondence.

For and on behalf of the Board of Polycab India Limited

Inder T Jaisinghani
Chairman and Managing Director
DIN No: 00309108

Date: 14th May 2019
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

To
The Members of
Polycab India Limited
(formerly known as Polycab Wires Limited)
E-554, Greater Kailash-II
New Delhi 110048, India

- 1 The accompanying Corporate Governance Report prepared by Polycab India Limited (Polycab Wires Limited) (here in after the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

- 2 The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
- 3 The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

- 4 Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
- 5 We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- 6 We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
- 7 The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met through out the reporting period;
 - iii Obtained and read the Directors' Register as on 31st March 2019 and verified that atleast one woman director was on the Board during the year;
 - iv Obtained and read the minutes of the following meetings held through the period from 01st April 2018 to 31st March 2019, viz;
 - (a) Board of Directors Meeting;
 - (b) Audit Committee Meeting;
 - (c) Annual General Meeting;
 - (d) Extra-Ordinary General Meeting;

- (e) Nomination and Remuneration Committee Meeting;
 - (f) IPO Committee Meeting;
 - (g) Financial Operations Committee Meeting;
 - (h) Corporate Social Responsibility Committee Meeting; and
 - (i) Independent Directors' Meeting.
- v Obtained necessary representations and declarations from directors of the Company including the independent directors; and
 - vi Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

- 8 Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31st March 2019, referred to in paragraph 1 above.

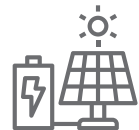
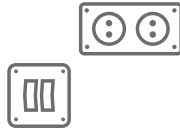
Other matters and Restriction on Use

- 9 This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- 10 This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **SRBC & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sudhir Soni**
Partner
Membership Number: 41870

Place of Signature: Mumbai
Date: 14th May 2019



POLYCAB

Connection Zindagi Ka

POLYCAB INDIA LIMITED

Formerly known as Polycab Wires Limited

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

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

Responsibilities of Management for the Standalone Ind AS Financial Statements

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

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

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

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

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

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

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

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

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

Other Matters

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

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income,

the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 33 (C) to the standalone Ind AS financial statements;
 - ii The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SRBC & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Sudhir Soni**

Partner

Membership Number: 41870

Place: Mumbai

Date: 14 May 2019

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the -name of the Company except the following: -
- title deeds of freehold land amounting to ₹ 33.05 million are not in the name of the Company. The Company has initiated the process of transferring these properties in its name;
 - title deeds of freehold land amounting to ₹ 36.45 million are not available;
 - title deeds of freehold land amounting to ₹ 10.48 million is in dispute and is pending resolution with the government authority in Gujarat
- (ii) The management has conducted physical verification of inventory except for inventory lying with third parties aggregating to ₹ 1787.77 million as at year end, which have not been verified during or at the end of the year. In our opinion, the frequency of verification is reasonable. Inventories lying with third parties have been confirmed by them as at year end. No material discrepancies were noticed on such physical verification.
- (iii) (a) The Company has granted loans to three companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- (b) The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
- (c) There are no amounts of loans granted to Companies listed in the register maintained under Section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of electric wires and cables, electric appliances, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, customs duty, goods and service tax, cess and other statutory dues have been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of professional tax.

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

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

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

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

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank. There are no borrowings from government or dues to debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer during the year ended March 31, 2019. Accordingly, we have not commented on the utilisation of the same. The Company has not raised any money through debt instruments and term loans, hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xxvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **SRBC & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sudhir Soni**
Partner
Membership Number: 41870

Place: Mumbai
Date: 14 May 2019

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

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

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

Opinion

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

For **SRBC & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sudhir Soni**
Partner
Membership Number: 41870

Place: Mumbai
Date: 14 May 2019

Standalone Balance Sheet as at 31 March 2019

(₹ Million)

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

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

As per our report of even date

For **SRBC & CO LLP** Chartered Accountants
ICAI Firm Registration No. 324982E/E300003

per **Sudhir Soni** Partner
Membership No. 41870

Place: Mumbai
Date: 14 May 2019

Inder T Jaisinghani Chairman & Managing Director
DIN : 00309108

SL Bajaj CFO & Whole Time Director
DIN : 02734730

Place: Mumbai

For and on behalf of the Board of Directors of

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

Ramesh T Jaisinghani Whole Time Director
DIN : 00309314

SS Narayana Company Secretary
Membership No. F5221

Date: 14 May 2019

Standalone Statement of Profit & Loss for the year ended 31 March 2019 (₹ Million)

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

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

As per our report of even date

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per **Sudhir Soni**

Partner

Membership No. 41870

Place: Mumbai

Date: 14 May 2019

For and on behalf of the Board of Directors of

Polycab India Limited

(Formerly known as 'Polycab Wires Limited')

CIN: U31300DL1996PLC266483

Inder T Jaisinghani

Chairman & Managing Director

DIN: 00309108

SL Bajaj

CFO & Whole Time Director

DIN: 02734730

Place: Mumbai

Date: 14 May 2019

Ramesh T Jaisinghani

Whole Time Director

DIN: 00309314

SS Narayana

Company Secretary

Membership No. F5221

Standalone Statement of Changes in Equity for the year ended 31 March 2019

| A) EQUITY SHARE CAPITAL | ₹ Million) (except for no. of shares) | |
|---|---------------------------------------|-----------------|
| | Numbers | Amount |
| As at 1 April 2018 | 141,205,838 | 1,412.06 |
| Changes in equity share capital during the year | - | - |
| As at 31 March 2019 | 141,205,838 | 1,412.06 |

| B) OTHER EQUITY | Reserves & Surplus | | | | | Total other equity |
|--|--------------------|--------------------|-----------------|------------------|-------------------|--------------------|
| | Capital Reserve | Securities Premium | General Reserve | ESOP outstanding | Retained Earnings | |
| As at 1 April 2017 | 0.13 | 3,205.60 | 650.69 | - | 14,778.52 | 18,634.94 |
| Net profit for the year | | | | | 3,583.87 | 3,583.87 |
| Other comprehensive income | | | | | | |
| Other comprehensive income for the year, net of tax | | | | | 17.30 | 17.30 |
| Total comprehensive income | - | - | - | - | 3,601.17 | 3,601.17 |
| Dividends | | | | | | |
| Interim equity dividend | | | | | (141.21) | (141.21) |
| Tax on interim equity dividend | | | | | (28.75) | (28.75) |
| As at 31 March 2018 | 0.13 | 3,205.60 | 650.69 | - | 18,209.73 | 22,066.15 |
| Net profit for the year | | | | | 5,014.39 | 5,014.39 |
| Share based payments to employees | | | | | | 149.51 |
| Share issue expense (refer note 12(D)) | | (148.28) | | | | (148.28) |
| Other comprehensive income | | | | | | |
| Other comprehensive income for the year, net of tax | | | | | (4.39) | (4.39) |
| Total comprehensive income | - | (148.28) | - | 149.51 | 5,010.00 | 5,011.23 |
| As at 31 March 2019 | 0.13 | 3,057.32 | 650.69 | 149.51 | 23,219.73 | 27,077.38 |
| Corporate information and summary of significant accounting policies | | | | | | Note 1 & 2 |
| Contingent liabilities and commitments | | | | | | Note 33 |
| Other notes to accounts | | | | | | Note 34 to 48 |

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

As per our report of even date

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per **Sudhir Soni**

Partner

Membership No. 41870

Place: Mumbai

Date: 14 May 2019

For and on behalf of the Board of Directors of

Polycab India Limited

(Formerly known as 'Polycab Wires Limited')

CIN: U31300DL1996PLC266483

Inder T Jaisinghani

Chairman & Managing Director

DIN: 00309108

SL Bajaj

CFO & Whole Time Director

DIN: 02734730

Place: Mumbai

Date: 14 May 2019

Ramesh T Jaisinghani

Whole Time Director

DIN: 00309314

SS Narayana

Company Secretary

Membership No. F5221

Standalone Statement of Cash Flows for the year ended 31 March 2019 (₹ Million)

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

Standalone Statement of Cash Flows for the year ended 31 March 2019 (₹Million)

| | Notes | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|----------|-----------------------------|-----------------------------|
| Non-cash investing and financing transaction | | | |
| Gain/(loss) on fair valuation of Financial asset | | (32.51) | (8.57) |
| Gain/(loss) on fair valuation of Financial liability | | 6.10 | (55.00) |
| Corporate Information and Summary of significant accounting policies | 1 & 2 | | |
| Contingent liabilities and Commitments | 33 | | |
| Other Notes to Accounts | 34 to 48 | | |

Notes Figures in brackets indicates outflows.

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

As per our report of even date

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per **Sudhir Soni**

Partner

Membership No. 41870

Place: Mumbai

Date: 14 May 2019

For and on behalf of the Board of Directors of

Polycab India Limited

(Formerly known as 'Polycab Wires Limited')

CIN: U31300DL1996PLC266483

Inder T Jaisinghani

Chairman & Managing Director

DIN: 00309108

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CFO & Whole Time Director

DIN: 02734730

Place: Mumbai

Date: 14 May 2019

Ramesh T Jaisinghani

Whole Time Director

DIN: 00309314

SS Narayana

Company Secretary

Membership No. F5221

1 Corporate information

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

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

2 Significant Accounting Policies

2.1 Basis of preparation

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

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

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

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

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

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

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

2.2 Summary of significant accounting policies

a Investment in subsidiaries and joint ventures

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

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

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

b Joint operation

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

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

c Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

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

The Company classifies all other liabilities as non-current.

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

d Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Property, plant and equipment

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

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

Leasehold lands are amortized over the period of lease.

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

f **Intangible assets**

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

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

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

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

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

g Leases

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

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

Company as a Lessee

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

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

h Borrowing costs

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

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

i Impairment of non-financial assets

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

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

j Non-current assets held for sale

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

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

k Inventories

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

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

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

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

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

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

I Revenue recognition

Revenue from contracts with customers for sale of goods, construction contracts and its related provision of services. The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- a) The Company's performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.
- b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

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

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. Taxes collected on behalf of the government are excluded from revenue.

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

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

Sale of goods

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

Revenue from construction contracts

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

Warranty

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

Right to return

When a contract provides a customer with a right to return the goods within a specified period, the Company estimates the expected returns using a probability-weighted average amount approach similar to the expected value method under Ind AS 115.

Under Ind AS 115, the consideration received from the customer is variable because the contract allows the customer to return the products. The Company used the expected value method to estimate the goods that will not be returned. For goods expected to be returned, the Company presented a refund liability and an asset for the right to recover products from a customer separately in the balance sheet.

Export incentives

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

Interest

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

Dividends

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

m Foreign currency translation

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

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

Measurement of foreign currency item at the Standalone Balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing on the reporting date.

Exchange differences

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

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

n Employee benefits

i Employee benefits

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

The Company has revised its leave policy applicable to all employees except for certain categories of employees in Daman factory location effective 1 April 2019. The Company estimates and provides the liability for such short-term and long term benefits based on the terms of the policy. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement

purposes. Such long-term compensated advances are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Remeasurement gains/losses on defined benefit plans are immediately taken to the Statement of Standalone Statement of Profit & Loss and are not deferred.

ii Defined contribution plans

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

iii Defined benefit plan

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

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

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

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

iv. Share based payment

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

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

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

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

o Income taxes

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

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

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

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

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

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

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

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

p Segment reporting

Identification of segments

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

Inter-segment transfers

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

Allocation of common costs/assets & liabilities

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

Unallocated items

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

Segment accounting policies

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

q Earnings per share

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

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

r Provisions, contingent liabilities and capital commitments

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of Standalone Statement of Profit & Loss. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

Capital Commitments includes the amount of purchase orders (net of advances) issued to parties for completion of assets.

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

s Cash and cash equivalents

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

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

t Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through Standalone Statement of Profit & Loss, transaction costs that are attributable to the acquisition of the financial asset.

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

Subsequent measurement

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

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

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

a Financials assets carried at amortised cost

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

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

b Financials assets at fair value through other comprehensive income

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

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

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

c Financials assets at fair value through profit or loss

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

Derecognition

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

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

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

Impairment of financial assets

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

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

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

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

a Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are

classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

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

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

c Loans and borrowings

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

Derecognition

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

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

u Derivative financial instruments

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

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

v Acceptances

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

w Embedded derivatives

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

Hedge Accounting: Fair Value Hedges

The Company designates the copper and aluminum price risk in such instruments as hedging instruments, with copper and aluminum inventory considered to be the hedged item. The hedged risk is copper and aluminum spot

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

x Business combination under common control

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

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

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

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

y Government grants

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

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

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

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

2.3 Significant accounting judgements, estimates and assumptions

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

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

(a) Judgements

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

Leasehold land arrangement

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

(b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date,

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

(i) Cost to complete

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

(ii) Impairment of investments in subsidiaries and joint ventures

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

(iii) Provisions and liabilities

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

(iv) Contingencies

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

(v) Fair value measurements

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

(vi) Taxes

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

(vii) Impairment of non-financial assets

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

(viii) Defined benefit plans

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

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

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

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

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

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

2.4 Standards issued but not effective

The Company has applied the Companies (Indian Accounting Standards), Amendment Rules 2018 which is effective from 01 April 2018, while preparing the restated Ind AS financial statements.

Accordingly, the Company has applied the standards and interpretations issued which are not effective to the reporting period presented. Thus, all the Ind AS applicable till date have been applied, and there are no standards which are issued but not yet effective. (refer note 47)

Notes to Standalone Financial Statements for the year ended 31 March 2019

3. Property, plant and equipment

(₹ Million)

| | Freehold land | Leasehold land | Buildings | Plant & equipments | Electrical installations | Furniture & fixtures | Office equipments | Windmill | Vehicles | Leasehold improvements | Total | Capital Work in Progress |
|--|-----------------|----------------|-----------------|--------------------|--------------------------|----------------------|-------------------|---------------|---------------|------------------------|------------------|--------------------------|
| Gross carrying amount (at cost) | | | | | | | | | | | | |
| At 01 April 2017 | 1,007.15 | 56.55 | 4,967.54 | 6,295.94 | 428.60 | 95.87 | 139.20 | 294.99 | 78.40 | 3.09 | 13,367.33 | 1,648.77 |
| Additions | 62.80 | - | 515.20 | 1,381.40 | 13.10 | 15.10 | 56.40 | - | 12.50 | 0.10 | 2,056.60 | 1,532.89 |
| Transfer (Refer note -c) | - | - | - | - | - | - | - | - | - | - | - | (1,827.70) |
| Disposals/Adjustment | (64.30) | - | - | (4.10) | - | (5.00) | (3.70) | - | (0.60) | - | (7.70) | - |
| At 31 March 2018 | 1,005.65 | 56.55 | 5,482.74 | 7,673.24 | 441.70 | 105.97 | 191.90 | 294.99 | 90.30 | 3.19 | 15,346.23 | 1,353.96 |
| Additions | 17.09 | - | 921.70 | 1,011.79 | 80.65 | 34.36 | 61.76 | - | 20.97 | 0.70 | 2,149.02 | 2,383.61 |
| Transfer (Refer note -c) | - | - | - | - | - | - | - | - | - | - | - | (1,878.90) |
| Disposals/Adjustment | (12.75) | - | (3.54) | (10.86) | - | (0.39) | (5.30) | - | (6.02) | - | (38.86) | - |
| At 31 March 2019 | 1,009.99 | 56.55 | 6,400.90 | 8,674.17 | 522.35 | 139.94 | 248.36 | 294.99 | 105.25 | 3.89 | 17,456.39 | 1,858.67 |
| Accumulated depreciation | | | | | | | | | | | | |
| At 01 April 2017 | - | 13.20 | 319.90 | 1,739.90 | 102.30 | 20.80 | 56.20 | 31.40 | 17.00 | 1.40 | 2,302.10 | - |
| Depreciation charge for the year | - | 1.10 | 208.50 | 940.90 | 55.50 | 11.50 | 33.80 | 15.70 | 10.70 | 0.80 | 1,278.50 | - |
| Disposals/Adjustment | - | - | - | (1.30) | - | (2.40) | (2.60) | - | (0.40) | - | (6.70) | - |
| At 31 March 2018 | - | 14.30 | 528.40 | 2,679.50 | 157.80 | 29.90 | 87.40 | 47.10 | 27.30 | 2.20 | 3,573.90 | - |
| Depreciation charge for the year | - | 0.47 | 231.27 | 1,014.40 | 56.19 | 12.72 | 38.90 | 15.79 | 12.41 | 0.35 | 1,382.50 | - |
| Disposals/Adjustment | - | - | (0.21) | (6.42) | - | (0.19) | (4.93) | - | (3.35) | - | (15.10) | - |
| At 31 March 2019 | - | 14.77 | 759.46 | 3,687.48 | 213.99 | 42.43 | 121.37 | 62.89 | 36.36 | 2.55 | 4,941.30 | - |
| Net Book Value | | | | | | | | | | | | |
| At 31 March 2019 | 1,009.99 | 41.78 | 5,641.44 | 4,986.69 | 308.36 | 97.51 | 126.99 | 232.10 | 68.89 | 1.34 | 12,515.09 | 1,858.67 |
| At 31 March 2018 | 1,005.65 | 42.25 | 4,954.34 | 4,993.74 | 283.90 | 76.07 | 104.50 | 247.89 | 63.00 | 0.99 | 11,772.33 | 1,353.96 |

Notes

(a) Capital work in progress includes machinery in transit ₹ 9.27 million (31 March 2018: ₹ 36.5 million.)

(b) All property, plant and equipment are held in the name of the Company except following :

- Title deed for freehold land amounting to ₹ 33.05 million (31 March 2018: ₹ 25.16 million) were not in the name of Company. The Company has initiated process of transferring these properties in its name.
- Title deed for freehold land amounting to ₹ 36.45 million (31 March 2018: ₹ 42.00 million) were not available.
- Title deed is in dispute for freehold land amounting to ₹ 10.48 million (31 March 2018: ₹ 10.48 million) and is pending resolution with government authority at Gujarat. The Company has initiated the process of transferring these properties in its name.

(c) Various assets appearing in capital work in progress and capitalized during the year 31 March 2019 ₹ 1,878.90 million (31 March 2018 : ₹ 1827.70 million) have been shown in addition in respective class of Property, Plant and Equipments and as transfers in CWIP.

(d) There is a first pari passu charge by way of registered mortgage on specific immovable fixed assets at Halol and hypothecation of all movable fixed assets acquired on or after 1 April 2015.

4 Intangible assets

(₹ Million)

Computer - Software

Gross carrying amount (at cost)

| | |
|-------------------------|--------|
| At 01 April 2017 | 134.77 |
|-------------------------|--------|

| | |
|-----------|------|
| Additions | 7.94 |
|-----------|------|

| | |
|-------------------------|--------|
| At 31 March 2018 | 142.71 |
|-------------------------|--------|

| | |
|-----------|-------|
| Additions | 26.15 |
|-----------|-------|

| | |
|-------------------------|---------------|
| At 31 March 2019 | 168.86 |
|-------------------------|---------------|

Accumulated amortization

| | |
|-------------------------|-------|
| At 01 April 2017 | 74.52 |
|-------------------------|-------|

| | |
|----------------------------------|-------|
| Amortisation charge for the year | 41.15 |
|----------------------------------|-------|

| | |
|-------------------------|--------|
| At 31 March 2018 | 115.67 |
|-------------------------|--------|

| | |
|----------------------------------|-------|
| Amortisation charge for the year | 18.21 |
|----------------------------------|-------|

| | |
|-------------------------|---------------|
| At 31 March 2019 | 133.88 |
|-------------------------|---------------|

Net Book Value

| | |
|-------------------------|--------------|
| At 31 March 2019 | 34.98 |
|-------------------------|--------------|

| | |
|------------------|-------|
| At 31 March 2018 | 27.04 |
|------------------|-------|

5 Non-current financial assets

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|--|-----------------|---------------|
| (A) INVESTMENTS | | |
| I. Investments (at fair value through profit or loss (FVTPL) (fully paid))- Unquoted | | |
| Investment in Mutual Funds | - | 1.40 |
| Total FVTPL Investments | - | 1.40 |
| II. Investments carried at cost- Unquoted | | |
| (a) Investment in Equity Instruments of Subsidiaries | | |
| 1,50,000 (31 March 2018 : 1,50,000) Equity shares of Polycab Wires Italy SRL of 1 Euro each fully paid up | 10.89 | 10.89 |
| 33,00,000 (31 March 2018 : 33,00,000) Equity shares of Tirupati Reels Private Limited of ₹ 10 each fully paid up | 33.00 | 33.00 |
| 45,90,000 (31 March 2018 : 6,63,000) Equity shares of Dowells Cable Accessories Private Limited of ₹10 each fully paid up | 45.90 | 6.63 |
| (b) Investment in Equity Instruments of Joint Venture | | |
| 2,60,10,000 (31 March 2018 : 2,60,10,000) Equity shares of Ryker Base Private Limited of ₹10 each fully paid up (refer note - 2 & 3 below) | 273.45 | 270.40 |
| 5,40,000 (31 March 2018 : 5,40,000) Equity shares of Techno Electromech Private Limited of ₹10 each fully paid up | 70.20 | 70.20 |
| Total Investments (Gross) | 433.44 | 391.12 |
| Less: Impairment allowance for investment in Polycab Wires Italy SRL Euro 90,000 (31 March 2018 : Euro 90,000) | (6.50) | (6.50) |
| Total Investments (Net) | 426.94 | 386.02 |
| Aggregate market value of unquoted mutual fund investment (Refer note -40 & 41) | - | 1.40 |
| Notes | | |
| 1. Investments at fair value through profit or loss (fully paid) reflect investment in unquoted mutual fund. Refer note 41 for determination of their fair values. | | |
| 2. The fair value of corporate guarantee ₹13.35 Million (31 March 2018 ₹10.30 Million) has been included in carrying cost of investment in Ryker base Private Limited. The movement of the investment in Ryker base Private Limited is given as under: | | |
| Investment in Ryker | 260.10 | 260.10 |
| Add : Guarantee provided on credit facility | 13.35 | 10.30 |
| | 273.45 | 270.40 |
| 3. Joint Venture partner of the Ryker base Private Limited has the option to put their entire shareholding to the company at any time after a lock in period i.e. earlier of | | |
| (a) Fifth anniversary of the date on which the Plant commences production; | | |
| (b) The date failing six years and six months after the completion date at a price being higher of: | | |
| • Fair market value of the shares or sum of: | | |
| • Subscription price paid by Joint Venture partner and | | |
| • Additional Finance amounts contributed by Joint Venture partner from time to time | | |
| (B) TRADE RECEIVABLES (AT AMORTISED COST) | | |
| Trade receivables (Unsecured, considered good) | 1,351.27 | 880.00 |
| Total Trade receivables | 1,351.27 | 880.00 |
| (C) OTHER FINANCIAL ASSETS (AT AMORTISED COST) | | |
| Earnest money deposits and Security deposits | 49.59 | 56.90 |
| Deposits with bank having maturity period of more than 12 months | - | 0.50 |
| Total other financial assets | 49.59 | 57.40 |

6 Non-current income tax assets (Net)

(₹ Million)

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

7 Other non-current assets

(₹ Million)

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

8 Inventories (Net)

(₹ Million)

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

Notes

(i) The above includes goods in transit as under:

| | | |
|---|----------|----------|
| Raw material | 4,447.72 | 1,215.22 |
| Traded goods | 3.71 | 58.32 |
| Packing material | 39.85 | - |
| Project materials for long-term contracts | 52.44 | 48.20 |

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

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

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

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

9 Current financial assets

(₹ Million)

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

Notes

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

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

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

(B) CASH AND CASH EQUIVALENTS (AT AMORTISED COST)

| | | |
|---|-----------------|--------------|
| Balances with banks | | |
| In current accounts | 1,281.37 | 62.67 |
| Deposits with original maturity of less than 3 months | 494.50 | - |
| Cash in hand | 1.57 | 0.89 |
| Cheques in hand | - | 3.94 |
| | 1,777.44 | 67.50 |

(C) BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS (AT AMORTISED COST)

| | | |
|--|-----------------|--------------|
| Deposits with original maturity for more than 12 months | 3.67 | 8.10 |
| Deposits with original maturity for more than 3 months but less than 12 months | 1,375.00 | 16.00 |
| Margin money deposit | 0.80 | - |
| | 1,379.47 | 24.10 |

(D) LOANS (AT AMORTISED COST)

Unsecured, considered good unless stated otherwise

| | | |
|--|---------------|---------------|
| Loans to employees | 12.79 | 11.20 |
| Loans to related party | | |
| Considered Good - Unsecured | 126.55 | 157.60 |
| Credit Impaired | 30.17 | 30.50 |
| Total Loans (Gross) | 169.51 | 199.30 |
| Less: Impairment allowance for loan recoverable form Polycab Wires Italy SRL (Refer Note - 45) | (30.17) | (30.50) |
| | 139.34 | 168.80 |

9 Current financial assets

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
| (E) OTHER FINANCIAL ASSETS | | |
| At amortised cost | | |
| Earnest money deposits and Security deposits# | 28.90 | 33.00 |
| Contract asset | 260.51 | 140.26 |
| Insurance claim receivables | 35.43 | 6.50 |
| Interest accrued on bank deposits | 11.25 | 1.24 |
| Public issue expense recoverable from selling shareholders | 388.77 | - |
| At fair value through profit or loss | | |
| Derivative instruments | | |
| Interest rate and cross currency swap | 7.40 | 3.30 |
| | 732.26 | 184.30 |
| Less: Impairment allowance for Contract Assets considered doubtful | (7.58) | - |
| | 724.68 | 184.30 |
| #Includes deposits given to Related Parties (Refer Note - 37(A)) | 6.17 | 6.17 |

10 Other current assets

(₹ Million)

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

11 Assets classified as held for disposal

(₹ Million)

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

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

12 Share capital

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

(B) ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARES

| (Equity shares of ₹ 10 each) | | |
|------------------------------|--------------------|-----------------|
| | Numbers | (₹ Million) |
| At 1 April 2017 | 141,205,838 | 1,412.06 |
| Changes during the year | - | - |
| At 31 March 2018 | 141,205,838 | 1,412.06 |
| Changes during the year | - | - |
| At 31 March 2019 | 141,205,838 | 1,412.06 |

(C) TERMS/RIGHTS ATTACHED TO EQUITY SHARES

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

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

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

(D) DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

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

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

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

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

Notes to Standalone Financial Statements for the year ended 31 March 2019

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

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

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

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

(E) Aggregate number of bonus share issued and share issued for consideration other than cash during the period of 5 years immediately preceding the reporting date:

70,602,919 equity shares of ₹ 10 each fully paid up issued as Bonus shares in the ratio of 1:1 by capitalization of Securities premium during the year ended 31 March 2015.

13 Other equity

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|--------------------------------------|------------------|------------------|
| (A) CAPITAL RESERVE | 0.13 | 0.13 |
| (B) SECURITIES PREMIUM* | | |
| Opening balance | 3,205.60 | 3,205.60 |
| Less: Share issue expenses | (148.28) | - |
| | 3,057.32 | 3,205.60 |
| (C) GENERAL RESERVE** | 650.69 | 650.69 |
| (D) ESOP OUTSTANDING# | 149.51 | - |
| (E) RETAINED EARNINGS | | |
| Opening balance | 18,209.73 | 14,778.52 |
| Add: Profit during the period | 5,010.00 | 3,601.17 |
| Less: Interim equity dividend | - | (141.21) |
| Less: Tax on interim equity dividend | - | (28.75) |
| | 23,219.73 | 18,209.73 |
| Total (A+B+C+D+E) | 27,077.38 | 22,066.15 |

* Securities premium represents the surplus of proceeds received over the face value of share at the time of issue of shares. The Company's share of IPO expenses has been adjusted with securities premium account considering the successful completion of IPO process on 16 April 2019.

** General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit or loss.

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

14 Non-current financial liabilities

(₹ Million)

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

The above loans are secured by way of:

- First pari passu charge by way of registered mortgage on specific immovable fixed assets at Halol and hypothecation of all movable fixed assets acquired on or after 1 April 2015.
- Second pari passu charge by way of hypothecation of all movable fixed assets appearing in balance sheet as on 31 March 2015 and on all current assets of the Company.
- Charges with respect to above borrowing has been created in favor of lead banker in the consortium. No separate charge created for each of the borrowing.

Maturity profile of non-current borrowings

(₹ Million)

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

15 Non-current provisions

(₹ Million)

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

16 Income taxes

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|--|-----------------|---------------|
| (A) INCOME TAX EXPENSE IN THE STATEMENT OF PROFIT AND LOSS COMPRISES: | | |
| Current income tax | | |
| In respect of current year | 2,947.07 | 2,172.43 |
| Adjustments of tax relating to earlier years | (73.55) | (320.63) |
| Deferred tax | | |
| Relating to origination and reversal of temporary differences | (322.03) | 232.50 |
| Income tax expense reported in the statement of profit or loss | 2,551.49 | 2,084.30 |
| (B) OCI SECTION - DEFERRED TAX RELATED TO ITEMS RECOGNISED IN OCI DURING IN THE YEAR | | |
| Net loss/(gain) on remeasurements of defined benefit plans | (2.36) | 9.20 |
| Income tax expense charged to OCI | (2.36) | 9.20 |
| (C) RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT MULTIPLIED BY COMPANY'S DOMESTIC TAX RATE | | |
| Profit before tax | 7,565.88 | 5,668.17 |
| Applicable tax rate | 34.94% | 34.61% |
| Tax using applicable tax rate | 2,643.82 | 1,961.64 |
| Effect of: | | |
| Expense not allowed for tax purpose | 48.83 | 506.69 |
| Income not considered for tax purpose | (35.88) | (32.90) |
| Tax exempt income | (31.73) | (30.50) |
| Adjustments of tax relating to earlier years | (73.55) | (320.63) |
| Income tax charged to statement of profit and loss account | 2,551.49 | 2,084.30 |

(D) DEFERRED TAX LIABILITIES

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

| (E) RECONCILIATION OF DEFERRED TAX ASSETS/LIABILITIES (NET): | | (₹ Million) |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| At the beginning of the year | 552.19 | 310.50 |
| Tax (income)/expense during the period recognised in profit or loss | (322.03) | 232.49 |
| Tax (income)/expense during the period recognised in OCI | (2.36) | 9.20 |
| At the end of year | 227.80 | 552.19 |

Notes

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

17 Other non-current liabilities

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

Note

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

18 Current financial liabilities

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

Notes

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

(B) TRADE PAYABLE (AT AMORTISED COST)

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

18 Current financial liabilities

- (i) Acceptances represent amounts payable to banks on due date as per usance period of Letter of Credit (LCs) issued to raw material vendors under non-fund based working capital facility approved by Banks for the Company. These letter of credit are discounted by the vendors with their banks and the payments are made on due date to Banks by the Company along with interest payable as per terms of LCs. Non-fund limits are secured by first pari-passu charge over the present and future current assets of the Company.
- (ii) For explanations on the Group's liquidity risk management processes. (Refer note - 42 (C))
- (iii) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31 March 2019 and year ended 31 March 2018 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

| | (₹ Million) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| a) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act: | | |
| Principal | 103.88 | 77.70 |
| Interest | 1.94 | 2.50 |
| b) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act. | - | - |
| d) The amount of interest accrued and remaining unpaid at the end of each accounting year. | 1.94 | 2.50 |
| e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | - | - |

(C) OTHER CURRENT FINANCIAL LIABILITIES

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

Note

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

19 Other current liabilities

(₹ Million)

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

20 Current provisions

(₹ Million)

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

Note

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

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

21 Current tax liabilities (Net)

(₹ Million)

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

22 Revenue from operations

(₹ Million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| Revenue from contracts with customers | | |
| Sale of products | | |
| Finished goods | 70,334.75 | 62,534.12 |
| Traded goods | 3,684.03 | 3,076.36 |
| Revenue from construction contracts | 3,795.50 | 2,063.59 |
| | 77,814.28 | 67,674.07 |
| Other operating revenue | | |
| Scrap sales | 1,238.93 | 1,281.99 |
| Total revenue from contracts with customers | 79,053.21 | 68,956.06 |
| Export incentives | 52.32 | 68.34 |
| Total Revenue from operations | 79,105.53 | 69,024.40 |
| i) Disaggregated revenue information | | |
| Type of Goods or Services | | |
| Wires & Cables | 68,841.65 | 62,039.62 |
| Fast Moving Electrical Goods (FMEG) | 6,416.06 | 4,852.85 |
| Revenue from construction contracts | 3,795.50 | 2,063.59 |
| Total revenue from contracts with customers | 79,053.21 | 68,956.06 |
| India | 76,570.73 | 65,365.28 |
| Outside India | 2,482.48 | 3,590.78 |
| Total revenue from contracts with customers | 79,053.21 | 68,956.06 |
| Timing of revenue recognition | | |
| Goods transferred at a point in time | 75,207.48 | 66,892.47 |
| Goods and Services transferred over a period of time | 3,845.73 | 2,063.59 |
| Total revenue from contracts with customers | 79,053.21 | 68,956.06 |
| Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information | | |
| Total revenue from contracts with customers | 79,053.21 | 68,956.06 |
| Export incentives | 52.32 | 68.34 |
| Other income excluding finance income | 806.48 | 643.10 |
| Total income as per segment | 79,912.01 | 69,667.50 |

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

22 Revenue from operations

| iii) Reconciliation between revenue with customers and contracted price as per Ind AS 115: | | (₹ Million) | |
|---|-------------------------------------|-------------------------------------|-----------------------------|
| Revenue reconciliation | Year ended 31 March 2019 | Year ended 31 March 2018 | |
| Revenue as per contracted price | 81,964.69 | 70,740.52 | |
| Less: Adjustments | | | |
| Price adjustments such as Discounts, Rebates and Sales Promotion Schemes | (1,607.45) | (1,015.30) | |
| Excess Revenue - EPC | (1,415.23) | (777.02) | |
| Provisions for expected sales return | (95.79) | (54.00) | |
| Other adjustments | (53.52) | (78.40) | |
| Add: Adjustments | | | |
| Unbilled Revenue - EPC | 260.51 | 140.26 | |
| Revenue from contract with customers | 79,053.21 | 68,956.06 | |
| iv) Contract Balances as at: | | | |
| Contract Balances | As at 31 March 2019 | As at 31 March 2018 | |
| Trade Receivables | 14,767.18 | 13,792.44 | |
| Contract Assets | 260.51 | 140.26 | |
| Contract Liabilities | 1,415.23 | 777.02 | |
| v) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 31 March 2019, ₹ 540.92 Million (31 March 2018: ₹ 421.00 Million) was recognised as provision for expected credit losses on trade receivables. The Company has channel finance arrangement for providing credit to its dealers. Evaluation is made as per the terms of the contract i.e. if the Company does not retain any risk and rewards or control over the financial assets, then the entity derecognises such assets upon transfer of financial assets under such arrangement with the banks. | | | |
| vi) Contract assets are initially recognised for revenue earned from installation services as receipt of consideration is conditional on successful completion of installation. Upon completion of installation and acceptance/certifications by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The increase in contract assets in March 2019 is the result of the increase in ongoing installation services at the end of the year. In March 2019, ₹ 7.58 Million (March 2018: Nil) was recognised as provision for expected credit losses on contract assets. | | | |
| vii) Contract liabilities include advances received towards EPC projects as well as transaction price allocated to unexpired service contracts. The outstanding balances of these accounts increased in 2018-19 due to the continuous increase in the Company's customer base and contracts where billing is in excess of revenue. | | | |
| | | (₹ Million) | |
| viii) Set out below is the amount of revenue recognised from | | Year ended 31 March 2019 | Year ended 31 March 2018 |
| Amounts included in contract liabilities at the beginning of the year | | 390.75 | 286.06 |
| Performance obligations satisfied in previous years | | 140.28 | 100.58 |
| ix) Refund assets and refund liabilities | | | |
| | | As at 31 March 2019 | As at 31 March 2018 |
| Refund assets | | 242.34 | 168.54 |
| Refund liabilities | | 318.33 | 222.54 |
| x) Performance obligation | | | |
| Aggregate amount of the transaction price (net of tax) allocated to long-term construction contracts that are partially or fully unsatisfied as at 31 March 2019 ₹14,431.36 Million (31 March 2018 ₹8,518.78 Million). The unsatisfied performance obligation is expected to be recognised within 24 months. Based on the general trend of period of contract and its period of execution approximately 54% of the unsatisfied performance obligation amount is expected to be satisfied within one year. The remaining amount is expected to be realised within the next 12-24 months. In certain contract, where the company has extended warranty/maintenance services obligation, a separate performance obligation is identified and the transaction price is allocated accordingly. | | | |

22 Revenue from operations

xi) Impact of Ind AS 115

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

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

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

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

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

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

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

23 Other income

(₹ Million)

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

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

24 Cost of materials consumed

(₹ Million)

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

25 Purchases of traded goods

(₹ Million)

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

26 Changes in inventories of finished goods, traded goods and work-in-progress

(₹ Million)

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

27 Project bought outs and other cost

(₹ Million)

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

28 Employee benefits expense

(₹ Million)

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

29 Finance cost

(₹ Million)

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

30 Depreciation and amortization expense

(₹ Million)

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

31 Other expenses

(₹ Million)

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

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

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

As auditor

Audit fee

Certification fees

Other services

| | |
|--------------|--------------|
| 11.95 | 17.57 |
| 0.75 | 0.93 |
| 12.70 | 18.50 |
| 9.00 | - |
| 21.70 | 18.50 |

32 Earnings per share (EPS)

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

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

| | | (₹ Million) | |
|--|-----------|-----------------------------|-----------------------------|
| The following reflects the income and share data used in the basic and diluted EPS computations: | | Year ended 31 March 2019 | Year ended 31 March 2018 |
| Profit attributable to equity holders for basic earnings: | (A) | 5,014.39 | 3,583.87 |
| Weighted average number of equity shares for basic EPS | (B) | 14,12,05,838 | 14,12,05,838 |
| Effect of dilution: | | | |
| Share options | (C) | 6,575 | - |
| Weighted average number of Equity shares adjusted for the effect of dilution | (D = B+C) | 14,12,12,413 | 14,12,05,838 |
| Basic earnings per share (₹) | (A/B) | 35.51 | 25.38 |
| Diluted earnings per share (₹) | (A/D) | 35.51 | 25.38 |

Employee Stock Option Plan 2018

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

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

Employee Stock Option Performance Scheme 2018 and Employee Stock Option Privilege Scheme 2018

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

33 Commitments and contingencies

(A) LEASES

Operating lease: Company as lessee

The Company has taken industrial premises, residential building, land (space for godowns) under various lease agreements. There are no restrictions placed upon the Company by entering into these leases. There are no clauses on contingent rent.

(₹ Million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| Future minimum rentals payable under non-cancellable operating leases are as follows: | | |
| Expense for the year | 175.88 | 154.70 |
| Within one year | 37.33 | 41.20 |
| After one year but not more than five years | 78.55 | 147.05 |
| More than five years | 62.56 | 108.10 |
| (B) CAPITAL AND OTHER COMMITMENTS | | |
| Estimated amounts of contracts remaining to be executed on account of capital commitments and not provided for (net of advances) | 1,880.28 | 1,177.30 |
| (C) CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR) | | |
| a) Guarantees given | 12,942.31 | 4,849.00 |
| b) Other matters for which the Company is contingently liable | | |
| Period to which relates | | |
| i) Taxation matters | | |
| (a) Disputed liability in respect of sales tax/VAT demand & pending sales tax/VAT forms | 2007-08 to 2016-17 | 370.56 |
| (b) Disputed liability in respect of excise duty demand | 2007-08 to 2014-15 | 45.55 |
| (c) Disputed liability in respect of custom duty demand | 2010-11 and 2016-17 | 21.67 |
| (ii) Claims made against the Company, not acknowledged as debts | 2018-19 | 634.21 |
| | | - |

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

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

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

(₹ Million)

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

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

35 Details of Corporate Social Responsibility (CSR) expenditure

(₹ Million)

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

36 Gratuity and other post-employment benefit plans

(A) DEFINED BENEFIT PLAN- AS PER ACTUARIAL VALUATION

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

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

STATEMENT OF PROFIT AND LOSS

Net employee benefits expense recognised in profit or loss

| | (₹ Million) | |
|-----------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2019 | Year ended 31 March 2018 |
| Current service cost | 45.57 | 45.42 |
| Net interest cost | 14.27 | 11.90 |
| Past service cost | - | 21.18 |
| Net benefits expense | 59.84 | 78.50 |

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

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

Balance sheet

| | | |
|---|-----------------|-----------------|
| Benefits liability | | |
| Present value of defined benefit obligation | (409.38) | (352.94) |
| Fair value of plan assets | 213.89 | 170.02 |
| Plan liability | (195.49) | (182.92) |

Changes in the present value of the defined benefit obligation are as follows

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

Changes in the fair value of plan assets are as follows

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

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

36 Gratuity and other post-employment benefit plans

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

| | (₹ Million) | |
|-------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2019 | Year ended 31 March 2018 |
| Current | 100.30 | 87.80 |
| Non-current | 95.19 | 95.10 |

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

| | | |
|-------------------------|------|------|
| Investment with insurer | 100% | 100% |
|-------------------------|------|------|

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

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

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

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

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

A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is:

Sensitivity analysis

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

Usefulness and methodology adopted for sensitivity analysis:

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Maturity analysis of projected benefit obligation from the fund.

Projected benefits payable in future years from the date of reporting.

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

36 Gratuity and other post-employment benefit plans

(B) DEFINED CONTRIBUTION PLAN

The Company has recognised expenses towards defined contribution plan as under:

(₹ Million)

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

(C) SHARE-BASED PAYMENTS

Employee stock option plan

During the year ended 31 March 2019, the Company had instituted an ESOP Plan 2018, ESOP Performance Scheme, and ESOP Privilege Scheme as approved by the Board of Directors and Shareholders dated 30 August 2018 for issuance of stock option to eligible employees of the Company.

Under Employee Stock Options Performance Scheme 2018 the options will be vested in the specified ratio subject to fulfilment of the employee performance criteria laid down in the scheme. This shall be monitored annually as per the performance evaluation cycle of the company and options shall vest based on the achieved rating to the employee.

Under Employee Stock Options Privilege Scheme 2018 the options are vested over a period of one year subject to fulfilment of service condition.

Expected volatility is based on historical stock volatility of comparable Companies operating within the same industry. The historical stock prices of comparable Companies has been observed for a period commensurate to the life of option.

Pursuant to the said scheme, Stock options convertible into 2,147,500 equity shares vide ESOP Performance Scheme (Previous year: NIL) and 142,250 equity shares vide ESOP Privilege Scheme (Previous year: NIL) of ₹ 10/- each were granted to eligible employee at an exercise price of ₹ 405/-.

Subject to terms and conditions of the scheme, options are classified into three categories

| | Performance Scheme | | Privilege Scheme |
|--|--------------------------------|--------------------------------|--------------------------------|
| | I | II | III |
| No. of options | 21,02,500 | 45,000 | 1,42,250 |
| Method of accounting | Fair value | Fair value | Fair value |
| Vesting period | 5 years graded vesting | 5 years graded vesting | 1 year |
| Grant date | 30 Aug 18 | 18 Oct 18 | 30 Aug 18 |
| Exercise/Expiry date | 29 Aug 26 | 17 Oct 26 | 29 Aug 23 |
| Exercise period | 8 years from the date of grant | 8 years from the date of grant | 5 years from the date of grant |
| Weighted average share price | ₹ 535.30 | ₹ 535.30 | ₹ 535.30 |
| Grant/Exercise price | ₹ 405 | ₹ 405 | ₹ 405 |
| Method of settlement | Equity - settled | Equity - settled | Equity - settled |
| Weighted average remaining contractual life of options (in days) | 1612 | 1612 | 151 |

Movement of options granted

| | 31 March 2019 | | 31 March 2018 | |
|---------------------------|---|-------------------|---|-------------------|
| | Average exercise price per share option | Number of options | Average exercise price per share option | Number of options |
| Opening balance | - | - | - | - |
| Granted during the year | 405.00 | 22,89,750 | - | - |
| Exercised during the year | - | - | - | - |
| Forfeited during the year | 405.00 | 35,000 | - | - |
| Closing balance | | 22,54,750 | | - |
| Vested | | NIL | | NIL |

36 Gratuity and other post-employment benefit plans

The model inputs for fair value of option granted as on the grant date

| Inputs | Performance Scheme | | | | | Privilege Scheme |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| | Year 1 15% vesting | Year 2 15% vesting | Year 3 20% vesting | Year 4 20% vesting | Year 5 30% vesting | Year 1 100% vesting |
| Exercise price | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 |
| Dividend yield | 0.19% | 0.19% | 0.19% | 0.19% | 0.19% | 0.19% |
| Risk free interest rate | 8.20% | 8.20% | 8.20% | 8.20% | 8.30% | 8.00% |
| Expected volatility | 48.30% | 48.20% | 49.20% | 48.20% | 47.30% | 44.50% |
| Fair value per option | ₹ 310.1 | ₹ 321.9 | ₹ 335.1 | ₹ 343.0 | ₹ 350.4 | ₹ 259.8 |
| Model used | Black Scholes | Black Scholes | Black Scholes | Black Scholes | Black Scholes | Black Scholes |

Expense on the Schemes debited to the statement of profit and loss during the year ended 31 March 2019 is ₹ 149.51 Million (31 March 2018 - Nil)

Notes to Standalone Financial Statements for the year ended 31 March 2019

37 Related party disclosures

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Related parties where control exists

Polycab Wires Italy SRL (PWISRL), Tirupati Reels Private Limited (TRPL), Dowells Cable Accessories Private Limited (DCAPL), Ryker Base Private Limited (Ryker), Techno Electromech Private Limited (TEPL)
Enterprises owned or significantly influenced by key managerial personnel

Microcab Industries & Logistics Private Limited (MILPL), AK Enterprises (A.K)

(A) TRANSACTIONS WITH SUBSIDIARIES/ENTERPRISES SIGNIFICANTLY INFLUENCED

| | PWISRL | | MILPL | | TRPL | | DCAPL | | AK Enterprises | | TEPL | | Ryker | |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|----------------|--------|--------|--------|--------|--------|
| | Mar 19 | Mar 18 | Mar 19 | Mar 18 | Mar 19 | Mar 18 | Mar 19 | Mar 18 | Mar 19 | Mar 18 | Mar 19 | Mar 18 | Mar 19 | Mar 18 |
| Sale of goods | - | - | 308.31 | 138.80 | - | - | 11.82 | 5.89 | - | - | 4.04 | 42.40 | 56.27 | 14.60 |
| Purchase of goods | - | - | 399.98 | 163.80 | - | - | 0.45 | 1.02 | - | - | 951.98 | 480.40 | 0.54 | - |
| Job work charges | - | - | - | - | - | - | 0.63 | - | - | - | - | - | 110.52 | - |
| Commission | 15.74 | 35.88 | - | - | - | - | - | - | - | - | - | - | - | - |
| Rent paid | - | - | - | - | - | - | - | - | 29.11 | 28.90 | - | - | - | - |
| Purchase of Machinery | - | - | - | 4.20 | - | - | - | - | - | - | - | - | - | - |
| Sale of Land | - | - | - | - | - | - | - | - | - | - | - | - | - | 127.40 |
| Investment in subsidiary | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Corporate guarantee | - | - | - | - | - | - | 39.27 | - | - | - | - | - | - | - |
| Loans given | - | - | 40.00 | - | - | - | 4.60 | 20.00 | - | - | - | 140.00 | 3.80 | 10.30 |
| Loan given repaid | - | 1.46 | 40.00 | - | - | - | 10.76 | 2.40 | - | - | 24.89 | - | - | 255.70 |
| Rent received | - | - | - | - | - | - | 5.00 | - | - | - | - | - | 2.81 | - |
| Interest received | - | - | 1.35 | - | - | - | 1.88 | 1.10 | - | - | 15.61 | 4.80 | - | 5.50 |
| Other charges recovered | - | - | 0.07 | - | - | - | - | - | - | - | - | - | - | - |
| Expense incurred on behalf of others | - | - | - | - | - | - | - | - | - | 0.70 | - | - | - | 22.50 |
| Reimbursement of expenses recovered | - | - | - | - | - | - | - | - | - | - | - | 2.70 | - | 22.50 |
| BALANCES AT THE PERIOD END | | | | | | | | | | | | | | |
| Loans | 30.17 | 30.50 | - | - | - | - | 11.44 | 17.60 | - | - | 115.11 | 140.00 | - | - |
| Provision against loans | 30.17 | 30.50 | - | - | - | - | 3.29 | - | - | - | 29.28 | 46.10 | 17.38 | 12.90 |
| Receivables | - | - | 174.26 | 85.60 | - | - | - | - | 6.17 | 6.17 | - | - | - | - |
| Security Deposits | - | - | - | - | - | - | - | - | - | - | - | 66.50 | - | - |
| Advances | - | - | - | - | - | - | - | - | - | - | - | 4.30 | - | - |
| Interest accrued | - | - | 1.21 | - | - | - | 0.02 | - | - | - | 3.17 | - | - | - |
| Trade payables | 5.20 | 24.00 | 74.56 | 19.60 | - | - | 0.68 | 0.98 | - | - | 22.62 | - | 51.44 | - |

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

37 Related party disclosures

KEY MANAGEMENT PERSONNEL

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

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

Relatives of key management personnel

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

(B) REMUNERATION PAID

(₹ Million)

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

Terms and conditions of transactions with related parties

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

37 Related party disclosures

(C) REMUNERATION OF KEY MANAGEMENT PERSONNEL (KMP)

Remuneration paid for the year and outstanding as on 31 March 2019 to key managerial personnel are (₹ Million)

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

* Mr R Ramakrishnan was key management personnel and Joint Managing Director of the Company till 23 May 2018, hence remuneration disclosed till he continued as KMP.

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

(D) RECOVERY OF SHARE ISSUE EXPENSE FROM KMP AND RELATIVES OF KMP (₹ Million)

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

* exclusive of GST, since these are provisional amounts.

(E) SHARE BASED PAYMENTS TO KMP* (₹ Million)

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

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

38 List of subsidiaries & joint ventures

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

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

39 Segment information

Basis for segmentation

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

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

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

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

Information about reportable segments

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

(A) PRIMARY SEGMENT REPORTING (BY BUSINESS SEGMENT)

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

Notes to Standalone Financial Statements for the year ended 31 March 2019

39 Segment information

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

(B) SECONDARY SEGMENT INFORMATION

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

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

40 Fair value measurements

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

(₹ Million)

| | Carrying value | | Fair value | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| Financial assets at fair value through profit or loss account (FVTPL) | | | | |
| Units of mutual funds | - | 1.40 | - | 1.40 |
| Financial assets at amortised cost | | | | |
| Trade receivables | 1,351.27 | 880.00 | 1,351.27 | 880.00 |
| Other financial assets | 49.59 | 57.40 | 49.59 | 57.40 |
| Derivatives not designated as hedges | | | | |
| Interest rate and cross currency swap | 7.40 | 3.30 | 7.40 | 3.30 |
| Total | 1,408.26 | 942.10 | 1,408.26 | 942.10 |
| Financial liabilities | | | | |
| Borrowings - External Commercial Borrowings from HSBC | 691.71 | 1,084.10 | 691.71 | 1,084.10 |
| Borrowings - Rupee loan from Citibank | 867.30 | 1,137.30 | 867.30 | 1,137.30 |
| Embedded Derivative | 54.60 | 278.87 | 54.60 | 278.87 |
| Derivatives not designated as hedges | | | | |
| Foreign exchange forward contracts | 172.48 | 11.50 | 172.48 | 11.50 |
| Fair value of written put options | 48.90 | 55.00 | 48.90 | 55.00 |
| Total | 1,834.99 | 2,566.77 | 1,834.99 | 2,566.77 |

Interest rate swaps, foreign exchange forward contracts and embedded commodity derivative are valued using valuation techniques, which employ the use of market observable inputs (closing rates of foreign currency and commodities).

Embedded foreign currency and commodity derivatives are measured similarly to the foreign currency forward contracts and commodity derivatives. The embedded derivatives are commodity and foreign currency forward contracts which are separated from purchase contracts.

The management assessed that cash and cash equivalents, trade receivables, trade payables, short-term borrowings, loans to related party, loans to employees, short term security deposit and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

Fixed-rate and variable-rate loans are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The non-performance risk as at 31 March 2019 was assessed to be insignificant.

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

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

The fair value of put option is determined using Monte Carlo Simulation which assumes a Geometric Brownian Motion for modelling equity value.

The key assumptions used for fair valuation of Put option are:

- Cost of Equity – 17.0% - 17.5%
- WACC – 12.5% - 12.75%
- Terminal growth rate – 6.0%

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

41 Fair value hierarchy

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

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

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

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

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

42 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments and enters into derivative transactions.

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

(A) MARKET RISK

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

(i) Interest rate risk

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

The Company manages its interest rate risk by having a fixed and variable rate loans and borrowings. The Company's approach is to keep its majority of borrowings at fixed rates of interest for long term funding. The Company also enters into interest rate swaps for long term foreign currency borrowings, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2019, after taking into account the effect of interest rate swaps, approximately 72 % of the Company's borrowings are at a fixed rate of interest (31 March 2018: 96%).

INTEREST RATE SENSITIVITY

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

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

(ii) Foreign currency risk

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

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

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

| Currency | 31 March 2019 | | 31 March 2018 | |
|----------|------------------|-------------------|------------------|-------------|
| | Foreign currency | (₹ Million) | Foreign currency | (₹ Million) |
| USD | (88.78) | (6,141.26) | (68.49) | (4,455.13) |
| Euro | (0.39) | (30.46) | (3.02) | (243.60) |
| GBP | 0.58 | 52.38 | 0.12 | 11.19 |
| CHF | (0.01) | (0.74) | - | - |
| AUD | 0.24 | 12.07 | - | - |

Figures shown in bracket represent payable .

42 Financial risk management objectives and policies

FOREIGN CURRENCY SENSITIVITY

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

IMPACT ON PROFIT BEFORE TAX AND EQUITY

| Currency | 31 March 2019 | | 31 March 2018 | |
|----------|---------------|----------|---------------|---------|
| | +2% | -2% | +2% | -2% |
| | USD | (122.83) | 122.83 | (89.10) |
| Euro | (0.61) | 0.61 | (4.87) | 4.87 |
| GBP | 1.05 | (1.05) | 0.22 | (0.22) |
| CHF | (0.01) | 0.01 | - | - |
| AUD | 0.24 | (0.24) | - | - |

Figures shown in bracket represent payable

(iii) Commodity price risk

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

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

Exposure of Company in respective commodities at period end

| | 31 March 2019 | | 31 March 2018 | |
|-----------|--------------------------|-----------------------|--------------------------|-----------------------|
| | Exposure in Metric Tonne | Exposure in ₹ Million | Exposure in Metric Tonne | Exposure in ₹ Million |
| Copper | 16.00 | 7.64 | 310.19 | 142.06 |
| Aluminium | 6,750.66 | 1,001.50 | - | - |

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

IMPACT ON PROFIT BEFORE TAX AND EQUITY

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

(B) CREDIT RISK

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

(i) Trade receivables

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

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

42 Financial risk management objectives and policies

(C) LIQUIDITY RISK

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

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

| | (₹ Million) | | |
|---------------------------------|------------------|-------------------|------------------|
| | < 1 year | > equal to 1 year | Total |
| Year ended 31 March 2019 | | | |
| Borrowings | 1,023.47 | 785.83 | 1,809.30 |
| Other financial liabilities | 1,774.20 | - | 1,774.20 |
| Trade and other payables | 15,099.00 | - | 15,099.00 |
| | 17,896.67 | 785.83 | 18,682.50 |
| Year ended 31 March 2018 | | | |
| Borrowings | 5,669.00 | 1,517.70 | 7,186.70 |
| Other financial liabilities | 1,360.04 | - | 1,360.04 |
| Trade and other payables | 9,144.81 | - | 9,144.81 |
| | 16,173.85 | 1,517.70 | 17,691.55 |

43 Hedging activity and derivatives

Fair value hedge of copper and aluminium price risk in inventory

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

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

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

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

43 Hedging activity and derivatives

Disclosure of effects of fair value hedge accounting on financial position

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

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

(₹ Million)

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

Figures shown in bracket represent payable

44 Capital management

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

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

(₹ Million)

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

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

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

45 Provision for investment and loan to subsidiary

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

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

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

46 Subsequent events

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

47 Standards issued but not effective

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

(i) Impact of Ind AS 116 - Leases

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

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

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
 - Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
 - An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (1 April 2019). Accordingly, comparatives for the year ended 31 March 2019 will not be retrospectively adjusted.

47 Standards issued but not effective

(ii) Amendment to existing issued Ind AS

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

- (a) Appendix C to Ind AS 12: Uncertainty over Income Tax Treatment
- (b) Amendments to Ind AS 109: Prepayment Features with Negative Compensation
- (c) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement
- (d) Amendments to Ind AS 28: Long-term interests in associates and joint ventures
- (e) Annual improvement to Ind AS (2018)

Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation

Amendments to Ind AS 111: Joint Arrangements

Amendments to Ind AS 12: Income Taxes

Amendments to Ind AS 23: Borrowing Costs

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

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

48 Others

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

As per our report of even date

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per **Sudhir Soni**

Partner

Membership No. 41870

Place: Mumbai

Date: 14 May 2019

For and on behalf of the Board of Directors of

Polycab India Limited

(Formerly known as 'Polycab Wires Limited')

CIN: U31300DL1996PLC266483

Inder T Jaisinghani

Chairman & Managing Director

DIN: 00309108

SL Bajaj

CFO & Whole Time Director

DIN: 02734730

Place: Mumbai

Date: 14 May 2019

Ramesh T Jaisinghani

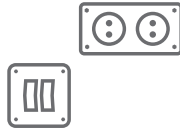
Whole Time Director

DIN: 00309314

SS Narayana

Company Secretary

Membership No. F5221




POLYCAB

Connection Zindagi Ka
POLYCAB INDIA LIMITED
 Formerly known as Polycab Wires Limited



Connection Zindagi Ka

POLYCAB INDIA LIMITED

Formerly known as Polycab Wires Limited

Annual Report 2018-19

Consolidated Financial Statements



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

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

a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent Company, as aforesaid. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures of which we are the independent auditors to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Other Matters

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2019 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures, none of the directors of the Group's companies and its joint ventures incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Parent Company and its subsidiary companies, and joint ventures incorporated in India, refer to our separate Report in “Annexure 1” to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint ventures and joint operations incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Parent Company, its subsidiaries and jointly controlled companies/joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, joint ventures and joint operations, as noted in the ‘Other matter’ paragraph:
 - i The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, and its joint ventures in its consolidated Ind AS financial statements – Refer Note 34 (C) to the consolidated Ind AS financial statements;
 - ii Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, and its joint ventures;
 - iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent Company, its subsidiaries and joint ventures incorporated in India during the year ended March 31, 2019.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni

Partner

Membership Number: 41870

Place of Signature: Mumbai

Date: 14 May 2019

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

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

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

Opinion

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

Other Matters

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

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Sudhir Soni**

Partner

Membership Number: 41870

Place of Signature: Mumbai

Date: 14 May 2019

Consolidated Balance Sheet as at 31 March 2019

(₹ Million)

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

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

As per our report of even date

For **SRBC & CO LLP** Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per **Sudhir Soni** Partner

Membership No. 41870

Place: Mumbai

Date: 14 May 2019

For and on behalf of the Board of Directors of

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

CIN: U31300DL1996PLC266483

Ramesh T Jaisinghani Whole Time Director

DIN: 00309314

SS Narayana Company Secretary

Membership No. F5221

Date: 14 May 2019

Inder T Jaisinghani Chairman & Managing Director

DIN: 00309108

SL Bajaj CFO & Whole Time Director

DIN: 02734730

Place: Mumbai

Consolidated Statement of Profit & Loss for the year ended 31 March 2019

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

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

As per our report of even date
For **SRBC & CO LLP** Chartered Accountants
ICAI Firm Registration No. 324982E/E300003
per **Sudhir Soni** Partner
Membership No. 41870
Place: Mumbai
Date: 14 May 2019

Inder T Jaisinghani Chairman & Managing Director
DIN: 00309108
SL Bajaj CFO & Whole Time Director
DIN: 02734730
Place: Mumbai

For and on behalf of the Board of Directors of
Polycab India Limited (Formerly known as 'Polycab Wires Limited')
CIN: U31300DL1996PLC266483
Ramesh T Jaisinghani Whole Time Director
DIN: 00309314
SS Narayana Company Secretary
Membership No. F5221
Date: 14 May 2019

Consolidated Statement of Changes in Equity for the year ended 31 March 2019

(₹ Million)

A) EQUITY SHARE CAPITAL

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

B) OTHER EQUITY

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

Corporate information & summary of significant accounting policies 1 & 2
 Contingent liabilities and commitments 34
 Other notes to accounts 35 to 51

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

As per our report of even date

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per **Sudhir Soni**

Partner

Membership No. 41870

Place: Mumbai

Date: 14 May 2019

For and on behalf of the Board of Directors of

Polycab India Limited

(Formerly known as 'Polycab Wires Limited')

CIN: U31300DL1996PLC266483

Inder T Jaisinghani

Chairman & Managing Director

DIN: 00309108

SL Bajaj

CFO & Whole Time Director

DIN: 02734730

Place: Mumbai

Ramesh T Jaisinghani

Whole Time Director

DIN: 00309314

SS Narayana

Company Secretary

Membership No. F5221

Date: 14 May 2019

Consolidated Statement of Cash Flows for the year ended 31 March 2019

(₹ Million)

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

Consolidated Statement of Cash Flows for the year ended 31 March 2019

(₹Million)

| | Notes | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|----------|-----------------------------|-----------------------------|
| Non-cash investing and financing transaction | | | |
| Gain/(loss) on fair valuation of Financial asset | | (32.51) | (8.57) |
| Gain/(loss) on fair valuation of Financial liability | | 6.10 | (55.00) |
| Corporate Information and Summary of significant accounting policies | 1 & 2 | | |
| Contingent liabilities and Commitments | 34 | | |
| Other Notes to Accounts | 35 to 51 | | |

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

As per our report of even date

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per **Sudhir Soni**

Partner

Membership No. 41870

Place: Mumbai

Date: 14 May 2019

For and on behalf of the Board of Directors of

Polycab India Limited

(Formerly known as 'Polycab Wires Limited')

CIN: U31300DL1996PLC266483

Inder T Jaisinghani

Chairman & Managing Director

DIN: 00309108

SL Bajaj

CFO & Whole Time Director

DIN: 02734730

Place: Mumbai

Date: 14 May 2019

Ramesh T Jaisinghani

Whole Time Director

DIN: 00309314

SS Narayana

Company Secretary

Membership No. F5221

Notes to Consolidated Financial Statements for the year ended 31 March 2019

1 Corporate information

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

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

2 Significant Accounting Policies

2.1 Basis of preparation

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

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

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

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

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

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

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

2.2 Basis of consolidation

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

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

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

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

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

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

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

Consolidation procedure

a Subsidiaries

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

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

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

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

b Joint ventures

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

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

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

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

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

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

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

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

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

c **Joint Operation**

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

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

2.3 Summary of significant accounting policies

a **Current versus non-current classification**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;

- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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

b Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Property, plant and equipment

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

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

Leasehold lands are amortized over the period of lease.

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

d Intangible assets

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

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

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

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

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

e Leases

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

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

Group as a Lessee:

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

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

f Borrowing costs

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

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

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

g Impairment of non-financial assets

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

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

h Non-current assets held for sale

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

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

i Inventories

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

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

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

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

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

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

j Revenue recognition

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

The Group satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- a) The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date.
- b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- c) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract

based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability. In case of multiple performance obligation revenue for each performance obligation is recognized when it is satisfied.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. Taxes collected on behalf of the government are excluded from revenue.

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

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

Sale of goods

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

Revenue from construction contracts

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

Warranty

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

Right to return

When a contract provides a customer with a right to return the goods within a specified period, the Group estimates the expected returns using a probability-weighted average amount approach similar to the expected value method under Ind AS 115.

Under Ind AS 115, the consideration received from the customer is variable because the contract allows the customer to return the products. The Group used the expected value method to estimate the goods that will not be returned. For goods expected to be returned, the Group presented a refund liability and an asset for the right to recover products from a customer separately in the balance sheet.

Export incentives

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

Interest

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

Dividends

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

k Foreign currency translation

The Group's financial statements are presented in Indian rupee (INR) which is also the Group's functional currency. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency item at the Consolidated Balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing on the reporting date.

Exchange differences

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

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

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

l Employee benefits

i Employee benefits

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

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

ii Defined contribution plans

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

iii Defined benefit plan

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

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

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

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

iv Share based payment

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

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

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

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

m Income taxes

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

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

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

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

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

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

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

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

n Segment reporting**Identification of segments**

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

Inter-segment transfers

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

Allocation of common costs/Assets & liabilities

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

Unallocated items

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

Segment accounting policies

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

o Earnings per share

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

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

p Provisions, contingent liabilities and capital commitments

A provision is recognised when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Consolidated Statement of Profit & Loss. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

Capital Commitments includes the amount of purchase orders (net of advances) issued to parties for completion of assets.

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

q Cash and cash equivalents

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

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

r Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

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

a Financials assets carried at amortised cost

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

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

b Financials assets at fair value through other comprehensive income

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

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

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

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

c Financials assets at fair value through profit or loss

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

Derecognition

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

a Financial liabilities at fair value through profit or loss

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

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

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

c Loans and borrowings

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

Derecognition

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

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

s Derivative financial instruments

The Group enters into derivative contracts with an intention to hedge its foreign exchange price risk and interest risk. Derivative contracts which are linked to the underlying transactions are recognised in accordance with the contract

terms. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss.

t Acceptances

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

u Embedded derivatives

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

Hedge Accounting: Fair Value Hedges

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

v Business combination under common control

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

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

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

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

w Government grants

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

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

When the grant relates to an asset, its recognition as income in the Consolidated Statement of Profit & Loss is linked to fulfilment of associated export obligations.

The Group has chosen to present grants received to income as other income in the Consolidated Statement of Profit & Loss.

2.4 Significant accounting judgements, estimates and assumptions

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

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

(a) Judgements

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

Leasehold land arrangement

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

(b) Estimates and assumptions

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

(i) Cost to complete

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

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

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

(iii) Provisions and liabilities

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

(iv) Contingencies

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

(v) Fair value measurements

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

(vi) Taxes

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

(vii) Impairment of non-financial assets

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

vii) Defined benefit plans

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

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

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

The Group recognize the following changes in the net defined benefit obligation under Employee benefit expenses in Consolidated Statement of Profit & Loss:

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

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

2.5 Standards Issued but not Effective

The Group has applied the Companies (Indian Accounting Standards), Amendment Rules 2018 which is effective from April 1, 2018, while preparing the Ind AS financial statements.

Accordingly, the Group has applied the standards and interpretations issued which are not effective to the reporting period presented. Thus, all the Ind AS applicable till date have been applied, and there are no standards which are issued but not yet effective. (Refer note 50)

3 Property, plant and equipment

| | Freehold land | Leasehold land | Buildings | Plant & equipment's | Electrical installations | Furniture & fixtures | Office equipment's | Windmill | Vehicles | Leasehold improvements | Total | Capital Work in Progress |
|--|-----------------|----------------|-----------------|---------------------|--------------------------|----------------------|--------------------|---------------|---------------|------------------------|------------------|--------------------------|
| Gross carrying amount (at cost) | | | | | | | | | | | | |
| At 01 April 2017 | 1,007.21 | 56.47 | 5,034.16 | 6,382.45 | 435.07 | 96.63 | 139.88 | 295.04 | 80.19 | 3.15 | 13,530.25 | 1,648.80 |
| Additions/Adjustments | 62.80 | - | 516.71 | 1,400.50 | 13.10 | 15.10 | 56.79 | - | 14.93 | 0.10 | 2,080.03 | 1,538.79 |
| Transfer (Refer note -c) | - | - | - | - | - | - | - | - | - | - | - | (1,827.66) |
| Disposals | (64.33) | - | - | (4.10) | - | (5.00) | (3.70) | - | (0.60) | - | (77.73) | - |
| At 31 March 2018 | 1,005.68 | 56.47 | 5,550.87 | 7,778.85 | 448.17 | 106.73 | 192.97 | 295.04 | 94.52 | 3.25 | 15,532.55 | 1,359.93 |
| Additions/Adjustments | 17.08 | - | 927.22 | 1,050.28 | 80.77 | 35.37 | 63.11 | - | 22.01 | 0.69 | 2,196.53 | 2,493.39 |
| Transfer (Refer note -c) | - | - | - | - | - | - | - | - | - | - | - | (1,923.35) |
| Disposals | (12.76) | - | (3.54) | (10.84) | - | (0.39) | (5.44) | - | (6.02) | - | (38.99) | - |
| At 31 March 2019 | 1,010.00 | 56.47 | 6,474.55 | 8,818.29 | 528.94 | 141.71 | 250.64 | 295.04 | 110.51 | 3.94 | 17,690.09 | 1,929.97 |
| Accumulated depreciation | | | | | | | | | | | | |
| At 01 April 2017 | - | 13.27 | 321.71 | 1,742.21 | 102.45 | 20.89 | 56.19 | 31.44 | 17.17 | 1.36 | 2,306.69 | - |
| Depreciation charge for the year | - | 1.10 | 210.76 | 947.28 | 56.13 | 11.50 | 34.10 | 15.70 | 10.96 | 0.80 | 1,288.33 | - |
| Disposals | - | - | - | (1.30) | - | (2.40) | (2.60) | - | (0.40) | - | (6.70) | - |
| At 31 March 2018 | - | 14.37 | 532.47 | 2,688.19 | 158.58 | 29.99 | 87.69 | 47.14 | 27.73 | 2.16 | 3,588.32 | - |
| Depreciation charge for the year | - | 0.44 | 233.68 | 1,024.30 | 56.61 | 12.84 | 39.29 | 15.72 | 12.99 | 0.37 | 1,396.24 | - |
| Disposals | - | - | (0.24) | (6.48) | - | (0.19) | (5.07) | - | (3.35) | - | (15.33) | - |
| At 31 March 2019 | - | 14.81 | 765.91 | 3,706.01 | 215.19 | 42.64 | 121.91 | 62.86 | 37.37 | 2.53 | 4,969.23 | - |
| Net Book Value | | | | | | | | | | | | |
| At 31 March 2019 | 1,010.00 | 41.66 | 5,708.64 | 5,112.28 | 313.75 | 99.07 | 128.73 | 232.18 | 73.14 | 1.41 | 12,720.86 | 1,929.97 |
| At 31 March 2018 | 1,005.68 | 42.10 | 5,018.40 | 5,090.66 | 289.59 | 76.74 | 105.28 | 247.90 | 66.79 | 1.09 | 11,944.23 | 1,359.93 |

Notes

(a) Capital work in progress includes machinery in transit ₹ 9.27 million (31 March 2018: ₹ 36.50 million)

(b) All property, plant and equipment are held in the name of the Company, except following :

i) Title deeds of freehold land amounting to ₹ 33.05 million (31 March 2018: ₹ 25.16 million) were not in the name of the Company. The Company has initiated the process of transferring these properties in its name;

ii) Title deeds of freehold land amounting to ₹ 36.45 million (31 March 2018: ₹ 42.00 million);

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

(c) Various assets appearing in capital work in progress and capitalized for the year 31 March 2019 ₹ 1923.35 million (31 March 2018: ₹ 1827.66 million) have been shown in addition in respective class of Property, Plant and Equipments and as transfers in CWIP.

(d) There is a first pari passu charge by way of registered mortgage on specific immovable fixed assets at Halol and hypothecation of all movable fixed assets acquired on or after 1 April 2015.

4 Intangible assets

(₹ Million)

| | Computer - Software |
|--|---------------------|
| Gross carrying amount (at cost) | |
| At 01 April 2017 | 134.82 |
| Additions | 7.94 |
| Disposals | - |
| At 31 March 2018 | 142.76 |
| Additions | 26.15 |
| Disposals | - |
| At 31 March 2019 | 168.91 |
| Accumulated amortization | |
| At 01 April 2017 | 74.52 |
| Amortisation charge for the year | 41.20 |
| Disposals | - |
| At 31 March 2018 | 115.72 |
| Amortisation charge for the year | 18.21 |
| Disposals | - |
| At 31 March 2019 | 133.93 |
| Net Book Value | |
| At 31 March 2019 | 34.98 |
| At 31 March 2018 | 27.04 |

5 Investment in Joint Venture

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| Investment in Equity Instruments of Joint Venture | | |
| 26,010,000 (31 March 2017 : 26,010,000) Equity shares of Ryker Base Private Limited of ₹10 each fully paid up | 239.36 | 256.20 |
| Add: Corporate guarantee given during the year | 3.80 | 10.30 |
| Less: Corporate Guarantee Amortised | (0.75) | - |
| Add: Share in current period profit/(loss) | (37.02) | (2.84) |
| Less: Elimination of profit element in sale of fixed asset (Net of tax) | - | (24.30) |
| | 205.39 | 239.36 |
| 540,000 (31 March 2017 : 540,000) Equity shares of Techno Electromech Private Limited of ₹10 each fully paid up | 26.60 | 22.71 |
| Add: Share in current period profit | 13.76 | 3.89 |
| | 40.36 | 26.60 |
| Goodwill on acquisition | 48.10 | 48.10 |
| | 88.46 | 74.70 |
| Total Investments (Net) | 293.85 | 314.06 |

Notes

Joint Venture partner of Ryker Base Private Limited have the option to put their entire shareholding to the company at any time after a lock in period i.e. earlier of

- Fifth anniversary of the date on which the Plant commences production;
- The date failing six years and six months after the completion date at a price being higher of:

Fair market value of the shares or

Sum of:

Subscription price paid by Joint Venture partner and

Additional Finance amounts contributed by Joint Venture partner from time to time.

6 Non-current financial assets

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---|-----------------|---------------|
| (A) INVESTMENTS | | |
| Investments (at fair value through profit or loss (FVTPL) (fully paid))- Unquoted | | |
| Investment in Mutual Funds | - | 1.40 |
| Total FVTPL Investments | - | 1.40 |
| Aggregate market value of unquoted mutual fund investment | - | 1.40 |
| Note: | | |
| Investments at fair value through profit or loss (fully paid) reflect investment in unquoted mutual fund.(Refer note 43 & 44) | | |
| (B) TRADE RECEIVABLES (AT AMORTISED COST) | | |
| Trade receivables - unsecured considered good | 1,351.27 | 880.00 |
| Total Trade receivables | 1,351.27 | 880.00 |
| (C) OTHER FINANCIAL ASSETS (AT AMORTISED COST) | | |
| Earnest money and security deposits | 50.88 | 58.32 |
| Deposits with bank having maturity period of more than 12 months | - | 2.84 |
| Total other financial assets | 50.88 | 61.16 |

7 Non-current income tax assets (Net)

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---------------------------------------|---------------|---------------|
| Advance income-tax (net of provision) | 105.84 | 321.67 |
| | 105.84 | 321.67 |

8 Other non-current assets

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---|---------------|---------------|
| Capital advances - Unsecured, considered good | 386.37 | 219.04 |
| Capital advances - Unsecured, considered doubtful | 65.99 | 41.10 |
| Prepaid expenses | 59.60 | 6.90 |
| Balances with Statutory/Government authorities | 98.12 | 86.52 |
| | 610.08 | 353.56 |
| Less: Impairment allowance of capital advances, considered doubtful | (65.99) | (41.10) |
| | 544.09 | 312.46 |

9 Inventories (Net)

| | (₹ Million) | |
|---|------------------|------------------|
| | 31 March 2019 | 31 March 2018 |
| Raw materials | 9,540.53 | 4,938.36 |
| Traded goods | 939.18 | 480.03 |
| Work-in-progress | 1,416.42 | 1,055.78 |
| Finished goods | 6,643.47 | 6,452.22 |
| Packing materials | 262.78 | 85.49 |
| Scrap materials | 200.64 | 134.70 |
| Stores and spares | 177.86 | 81.00 |
| Project materials for long-term contracts | 776.97 | 429.40 |
| | 19,957.85 | 13,656.98 |

Notes

(i) The above includes goods in transit as under:

| | | |
|---|----------|----------|
| Raw Material | 4,447.72 | 1,215.26 |
| Traded goods | - | 58.32 |
| Packing Material | 39.85 | - |
| Project materials for long-term contracts | 52.44 | 48.20 |

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

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

(iv) Inventories are hypothecated with the bankers against working capital limits. (Refer note - 19(A))

(v) The Group enters into purchase contract of copper and aluminium, in which the amount payable is not fixed on the date of purchase and the same is affected by changes in London Metal Exchange (LME) prices in future. Such transactions are entered into to protect the Group against the risk of price movement in the purchased copper and aluminium. This is designated as a fair value hedge as it is taken to hedge the exposure to changes in fair value due to commodity price risks. The open hedge exposures are valued at the fair value and the impact is adjusted to the value of the inventory to the extent the hedged is considered effective. (Refer Note 44 (A)(iii))

10 Current financial assets

| | (₹ Million) | |
|---|-------------------|-------------------|
| | 31 March 2019 | 31 March 2018 |
| (A) TRADE RECEIVABLES (AT AMORTISED COST) | | |
| Considered Good - Unsecured | 14,197.67 | 13,520.28 |
| Receivables - Credit Impaired | 548.79 | 544.41 |
| Receivables from related parties (Refer note - 39(A)) | 46.66 | 58.97 |
| Trade receivables (Gross) | 14,793.12 | 14,123.66 |
| Less: Impairment allowance for trade receivables | (1,449.96) | (1,215.50) |
| | 13,343.16 | 12,908.16 |

Notes

- Trade receivables are non-interest bearing and are generally on credit terms upto 90 days except EPC business.

- For EPC business trade receivables are non-interest bearing and credit terms are specific to contracts.

- For explanations on the Group's credit risk management processes (Refer note - 44 (B)).

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

| | | |
|-----------------------------------|-----------------|-----------------|
| At the beginning of period | 1,215.50 | 947.60 |
| Provision during the period/ year | 541.04 | 421.00 |
| Bad debts written off | (306.58) | (153.10) |
| At the end of the period/ year | 1,449.96 | 1,215.50 |

(B) CASH AND CASH EQUIVALENTS (AT AMORTISED COST)

| | | |
|---|-----------------|--------------|
| Balances with banks | | |
| In current accounts | 1,294.42 | 76.68 |
| Deposits with original maturity of less than 3 months | 494.50 | - |
| Cash in hand | 1.67 | 1.74 |
| Cheques in hand | - | 3.90 |
| | 1,790.59 | 82.32 |

10 Current financial assets

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|--|-----------------|---------------|
| (C) BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS (AT AMORTISED COST) | | |
| Deposits with original maturity for more than 12 months | 9.38 | 8.10 |
| Deposits with original maturity for more than 3 months but less than 12 months | 1,375.00 | 16.00 |
| Margin money deposit | 0.90 | - |
| | 1,385.28 | 24.10 |
| (D) LOANS (AT AMORTISED COST) | | |
| Unsecured, considered good unless stated otherwise | | |
| Loans to employees | 12.83 | 11.20 |
| Loans to related party | | |
| Considered Good - Unsecured | 165.51 | 141.54 |
| Total Loans (Gross) | 178.34 | 152.74 |
| (E) OTHER FINANCIAL ASSETS | | |
| At amortised cost | | |
| Earnest money deposits and Security deposits# | 29.06 | 39.67 |
| Contract asset | 260.51 | 140.30 |
| Insurance claim receivables | 35.43 | - |
| Interest accrued on bank deposits | 11.28 | 1.27 |
| Public issue expense recoverable from selling shareholders | 388.77 | - |
| At fair value through profit or loss | | |
| Derivative instruments at fair value through profit or loss | | |
| Interest rate and cross currency swap | 7.40 | 3.30 |
| | 732.45 | 184.54 |
| Less: Impairment allowance for Contract Assets considered doubtful | (7.58) | - |
| | 724.87 | 184.54 |
| #Includes deposits given to Related Parties (Refer Note - 39(A)) | 6.17 | 6.17 |

11 Other current assets

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|--|-----------------|---------------|
| Advances for materials and services | 852.93 | 735.75 |
| Prepaid expenses | 73.44 | 85.68 |
| Balances with statutory/government authorities | 648.22 | 1,195.35 |
| Export incentive receivable | 39.48 | 48.80 |
| Refund Assets | 242.34 | 168.54 |
| Others | 14.49 | 13.40 |
| | 1,870.90 | 2,247.52 |

12 Assets classified as held for disposal

(₹ Million)

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

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

13 Share capital

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

| (B) ISSUED, SUBSCRIBED AND FULLY PAID-UP SHARES (Equity shares of ₹ 10 each) | Equity shares | |
|---|--------------------|-----------------|
| | Numbers | (₹ Million) |
| At 1 April 2017 | 141,205,838 | 1,412.06 |
| Changes during the year | - | - |
| At 31 March 2018 | 141,205,838 | 1,412.06 |
| Changes during the year | - | - |
| At 31 March 2019 | 141,205,838 | 1,412.06 |

(C) TERMS/RIGHTS ATTACHED TO EQUITY SHARES

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

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

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

(D) DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE GROUP

| Name of the shareholder | As at 31 March 2019 | | As at 31 March 2018 | |
|---|---------------------|---------------|---------------------|-----------|
| | No. of Shares | % holding | No. of Shares | % holding |
| Polycab India Ltd. Escrow Account - IPO * | 2,18,17,870 | 15.45% | - | 0.00% |
| Mr Inder T Jaisinghani | 2,08,54,229 | 14.77% | 2,37,78,779 | 16.84% |
| Mr Girdhari T Jaisinghani | 2,07,50,512 | 14.70% | 2,36,61,833 | 16.76% |
| Mr Ajay T Jaisinghani | 2,06,78,935 | 14.64% | 2,35,80,806 | 16.70% |
| Mr Ramesh T Jaisinghani | 2,06,76,393 | 14.64% | 2,35,78,264 | 16.70% |
| International Finance Corporation (IFC) | 1,27,04,096 | 9.00% | 2,11,76,446 | 15.00% |

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

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

| Name of the shareholder | As at 31 March 2019 | |
|---|---------------------|---------------|
| | No. of Shares | % holding |
| Mr Inder T Jaisinghani | 26,86,550 | 1.90% |
| Mr Girdhari T Jaisinghani | 26,63,871 | 1.89% |
| Mr Ajay T Jaisinghani | 26,63,871 | 1.89% |
| Mr Ramesh T Jaisinghani | 26,73,321 | 1.89% |
| Mr Bharat A Jaisinghani | 6,80,662 | 0.48% |
| Mr Nikhil R Jaisinghani | 6,80,662 | 0.48% |
| Mr R Ramakrishnan | 6,36,994 | 0.45% |
| Mr Anil Hariani | 6,59,589 | 0.47% |
| International Finance Corporation (IFC) | 84,72,350 | 6.00% |
| | 2,18,17,870 | 15.45% |

13 Share capital

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

| | Offer for sale | Fresh Issue | Total |
|----------------|-------------------|------------------|-------------------|
| General Public | 17,459,009 | 7,388,058 | 24,847,067 |
| Employee Quota | 122,991 | 52,009 | 175,000 |
| Total | 17,582,000 | 7,440,067 | 25,022,067 |

At the time of filing of prospectus, shares over and above OFS were transferred to respective selling shareholders demat accounts which stands in excess as at reporting period.

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

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

Aggregate number of bonus share issued and share issued for consideration other than cash during the period of 5 years immediately preceding the reporting date :

70,602,919 equity shares of ₹ 10 each fully paid up issued as Bonus shares in the ratio of 1:1 by capitalization of Securities premium during the year ended 31 March 2015.

14 Other equity

| | (₹ Million) | |
|--|------------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| (A) SECURITIES PREMIUM* | | |
| Opening balance | 3,205.60 | 3,205.60 |
| Less: Share issue expenses | (148.28) | - |
| | 3,057.32 | 3,205.60 |
| (B) GENERAL RESERVE** | 614.00 | 614.00 |
| (C) ESOP OUTSTANDING# | 149.51 | - |
| (D) FOREIGN CURRENCY TRANSLATION RESERVE | | |
| Opening Balance | 1.94 | (4.50) |
| Add : Exchange Difference during the year on net investment in non-integral foreign operations | (0.51) | 6.44 |
| | 1.43 | 1.94 |
| (E) RETAINED EARNINGS | | |
| Opening balance | 18,242.59 | 14,815.12 |
| Add: Profit during the period | 4,992.64 | 3,597.43 |
| Less: Interim equity dividend | - | (141.21) |
| Less: Tax on interim equity dividend | - | (28.75) |
| | 23,235.23 | 18,242.59 |
| Total (A+B+C+D+E) | 27,057.49 | 22,064.13 |

* Securities premium represents the surplus of proceeds received over the face value of share at the time of issue of shares. The company's share of IPO expenses has been adjusted with securities premium account considering the successful completion of IPO process on 16 April 2019.

** General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit or loss.

The Parent Company has two stock option schemes under which options to subscribe for the Company's shares have been granted to certain employees. The ESOP Outstanding is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 37(C) for further details of these plans.

15 Non-current financial liabilities

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---|-----------------|-----------------|
| Borrowings (at amortised cost) | | |
| External commercial borrowing (secured) | | |
| Foreign currency loan from HSBC Bank (Mauritius) Ltd | 691.71 | 1,084.10 |
| Rupee loan (secured) | | |
| Indian rupee loan from HDFC Bank | 134.47 | 94.19 |
| Indian rupee loan from Citibank N.A. | 867.30 | 1,137.30 |
| | 1,693.48 | 2,315.59 |
| Less: Current maturities of long-term borrowings (Refer Note - 19(C)) | (804.23) | (726.10) |
| | 889.25 | 1,589.49 |

The above loans are secured by way of:

- First pari passu charge by way of registered mortgage on specific immovable fixed assets at Halol and hypothecation of all movable fixed assets acquired on or after 1 April 2015.
- Second pari passu charge by way of hypothecation of all movable fixed assets appearing in balance sheet as on 31 March 2015 and on all current assets of the Group.
- Charges with respect to above borrowing has been created in favor of lead banker in the consortium. No separate charge created for each of the borrowing.

Maturity profile of non-current borrowings

(₹ Million)

| | Remark | < 1 Year | 1-3 Years | 3-5 Years |
|--|--------------------------------------|---------------|---------------|--------------|
| External commercial borrowing (secured) | | | | |
| Foreign currency loan from HSBC Bank (Mauritius) Ltd | Repayable in 6 instalment in 3 year | 460.68 | 231.03 | - |
| Rupee loan (secured) | | | | |
| Indian rupee loan from Citibank N.A. | Repayable in 16 quarterly instalment | 312.50 | 512.32 | 42.48 |
| Indian rupee loan from HDFC Bank | Repayable in 48 monthly instalment | 31.05 | 71.92 | 31.50 |
| As At 31 March 2019 | | 804.23 | 815.27 | 73.98 |
| As At 31 March 2018 | | 726.10 | 1,316.40 | 273.09 |

16 Non-current provisions

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---------------------------------|---------------|---------------|
| Provision for employee benefits | | |
| Gratuity (Refer Note - 37(A)) | 95.71 | 95.10 |
| Compensated absences | 66.71 | - |
| | 162.42 | 95.10 |

17 Income taxes

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---|-----------------|-----------------|
| (A) INCOME TAX EXPENSE IN THE STATEMENT OF PROFIT AND LOSS COMPRISES: | | |
| Current income tax: | | |
| In respect of current year | 2,951.12 | 2,176.05 |
| Adjustments of tax relating to earlier years | (73.55) | (320.63) |
| Deferred tax: | | |
| Relating to origination and reversal of temporary differences | (319.99) | 226.86 |
| Income tax expense reported in the statement of profit or loss | 2,557.58 | 2,082.28 |

17 Income taxes

(B) OCI SECTION - DEFERRED TAX RELATED TO ITEMS RECOGNISED IN OCI DURING IN THE YEAR:

| | (₹ Million) | |
|--|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Net loss/(gain) on remeasurements of defined benefit plans | (2.36) | 9.20 |
| Income tax expense charged to OCI | (2.36) | 9.20 |

(C) RECONCILIATION OF TAX EXPENSE AND THE ACCOUNTING PROFIT MULTIPLIED BY GROUP'S DOMESTIC TAX RATE:

| | | |
|---|-----------------|-----------------|
| Profit before tax | 7,560.64 | 5,667.89 |
| Applicable tax rate | 34.94% | 34.61% |
| Tax using applicable tax rate | 2,641.99 | 1,961.54 |
| Effect of: | | |
| Expense not allowed for tax purpose | 56.75 | 504.77 |
| Income not considered for tax purpose | (35.88) | (32.90) |
| Additional allowances for tax purpose | (31.73) | (30.50) |
| Adjustments of tax relating to earlier years | (73.55) | (320.63) |
| Income tax charged to statement of profit and loss account | 2,557.58 | 2,082.28 |

(D) DEFERRED TAX LIABILITIES COMPRISES:

| | Consolidated Balance Sheet | | Consolidated Statement of profit and loss | |
|---|----------------------------|---------------|---|---------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| Deferred tax liability | | | | |
| Property Plant & Equipments: Impact of difference between tax depreciation and depreciation/ amortization charged to Statement of Profit and Loss | 835.26 | 890.65 | (55.39) | 49.57 |
| Duties and taxes allowable under Income Tax Act on payment basis | 133.08 | 318.00 | (184.92) | 318.00 |
| Gross deferred tax liability | 968.34 | 1,208.65 | (240.31) | 367.57 |
| Deferred tax asset | | | | |
| Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis | 238.05 | 234.50 | (3.55) | (32.10) |
| Provision for expected credit loss (ECL) | 500.82 | 420.68 | (80.14) | (92.70) |
| Tax (income)/expense during the period recognised in OCI | | | 2.36 | (9.20) |
| Deferred tax on unrealised profit sale to asset to joint venture | | | | (7.30) |
| Gross deferred tax asset | 738.87 | 655.18 | (81.33) | (141.30) |
| Deferred tax expense/(income) | - | - | (321.64) | 226.27 |
| Deferred tax liability (net) | 229.47 | 553.47 | | |

(E) DEFERRED TAX ASSET COMPRISES:

| | | | | |
|---|---------------|--------|---------------|--------|
| Deferred tax Asset | | | | |
| Property Plant & Equipments: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | (5.23) | (1.50) | 3.73 | (3.83) |
| Deferred tax Liability | | | | |
| On account of carry forward of business loss | 3.36 | 1.60 | (1.76) | 4.43 |
| Duties and taxes allowable under Income Tax Act on payment basis | 0.32 | - | (0.32) | - |
| Gross deferred tax asset/(liability) | (1.55) | 0.10 | | |
| Deferred tax expense/(income) | | | 1.65 | 0.60 |
| Deferred tax asset (net) | (1.55) | 0.10 | | |

17 Income taxes

(F) RECONCILIATION OF DEFERRED TAX ASSETS/LIABILITIES (NET)

| | (₹ Million) | |
|---|-----------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| At the beginning of the year | 553.37 | 310.00 |
| Tax (income)/expense during the period recognised in profit or loss | (319.99) | 226.87 |
| Deferred tax on unrealised profit sale to asset to joint venture | - | 7.30 |
| Tax (income)/expense during the period recognised in OCI | (2.36) | 9.20 |
| At the end of year | 231.02 | 553.37 |

Notes

- (i) The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- (ii) Company has received CIT(A) order dated 09 March 2018 for AY 2012-13, 2013-14, 2014-15 and 2015-16 allowing Company's major claims relating to sales tax subsidy as capital receipt, additional depreciation, disallowance u/s 14A read with rule 8D and consequently carry forward losses and payment of tax under MAT. Company's claim was partly allowed, Income Tax Dept has filed appeals in the tribunal against the company and company has also filed appeal against disallowance in these orders, Since subject matter is pending in the higher courts and therefore company has not accounted for refund received / receivable on these orders which is ₹ 1003.42 million including interest ₹ 163.89 million u/s 234B and 234C of the Income Tax Act, 1961.
- (iii) Company Controls the dividend policy of its subsidiary and joint ventures. It is able to control the timing of the reversal of the temporary differences associated with that investment (including the temporary differences arising from undistributed profits). Therefore Company has determined that those profit will not be distributed in the foreseeable future and has not recognised a deferred tax liability. Undistributed profits of the Subsidiaries and joint venture amounting to ₹ 90.71 million (31 March 2018 ₹ 78.43 million).

18 Other non-current liabilities

| | (₹ Million) | |
|---------------------------|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Deferred government grant | 163.29 | 182.20 |
| Deferred liability | 93.75 | - |
| | 257.04 | 182.20 |

Note

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

19 Current financial liabilities

| | (₹ Million) | |
|--|-----------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| (A) BORROWINGS (AT AMORTISED COST) | | |
| Loan repayable on demand (from banks) | | |
| Buyer's Credit (Secured) | 516.49 | 4,156.20 |
| Cash Credit from banks (Secured) | 7.15 | 59.25 |
| Short-term loan from banks (Secured) | 436.25 | 1,087.00 |
| Packing Credit (Secured) | - | 351.20 |
| Packing Credit (Unsecured) | 70.82 | 33.80 |
| | 1,030.71 | 5,687.45 |

Note

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

19 Current financial liabilities

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|---|------------------|-----------------|
| (B) TRADE PAYABLE (AT AMORTISED COST) | | |
| Total outstanding dues of micro and small enterprises - (Refer note below (iii)) | | |
| Trade payables - Others | 106.00 | 77.70 |
| Trade payables to related parties (Refer Note - 39(A)) | 52.41 | - |
| Total outstanding dues of creditors other than micro and small enterprises | 158.41 | 77.70 |
| Acceptances - (Refer note below (i)) | 8,032.85 | 4,603.20 |
| Other than acceptances | | |
| Trade payables - Others | 6,910.92 | 4,508.08 |
| Trade payables to related parties (Refer Note - 39(A)) | 99.64 | 31.89 |
| | 15,043.41 | 9,143.17 |
| (i) Acceptances represent amount payable to banks on due date as per usance period of Letter of Credit (LCs) issued to raw material vendors under non-fund based working capital facility approved by Banks for the group. These letter of credit are discounted by the vendors with their banks and the payments are made on due date to Banks by the group along with interest payable as per terms of LCs. Non-fund limits are secured by first pari-passu charge over the present and future current assets of the Company. | | |
| (ii) For explanations on the Group's liquidity risk management processes. (Refer note - 44 (C)) | | |
| (iii) Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31 March 2019 and year ended 31 March 2018 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Group: | | |
| a) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act: | | |
| Principal | 158.41 | 77.70 |
| Interest | 1.94 | 2.50 |
| b) "The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year." | - | - |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act. | - | - |
| d) The amount of interest accrued and remaining unpaid at the end of each accounting year. | 1.94 | 2.50 |
| e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006 | - | - |
| (C) OTHER CURRENT FINANCIAL LIABILITIES | | |
| At amortised cost | | |
| Current maturities of long-term borrowings (refer note- 15) | 804.23 | 726.10 |
| Security deposit | 40.37 | 42.01 |
| Interest accrued but not due on borrowings | 24.71 | 15.78 |
| Interest accrued and due on borrowings | 6.52 | 1.50 |
| Creditors for capital expenditure | 346.97 | 222.71 |
| At fair value through profit and loss (FVTPL) | | |
| Derivative liability | 221.38 | 66.50 |
| Refund liability | 318.33 | 222.54 |
| Deferred liability | 38.15 | 78.40 |
| Other (refer note below) | 12.98 | 10.30 |
| | 1,813.64 | 1,385.84 |

Note

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

20 Other current liabilities

| | (₹ Million) | |
|------------------------|-----------------|-----------------|
| | 31 March 2019 | 31 March 2018 |
| Advance from customers | 4,076.76 | 224.13 |
| Contract Liability | 1,415.23 | 777.02 |
| Other statutory dues | 770.64 | 48.77 |
| | 6,262.63 | 1,049.92 |

21 Current provisions

| | (₹ Million) | |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Provision for employee benefits | | |
| Gratuity (Refer Note - 37(A)) | 100.30 | 87.80 |
| Compensated absences | 24.87 | 196.08 |
| Provision for tax on proposed interim equity dividend | - | 28.75 |
| Provision for warranty (Refer note below) | 83.54 | 63.70 |
| | 208.71 | 376.33 |

Note

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

| | | |
|------------------------------|--------------|--------------|
| At the beginning of the year | 63.70 | 31.37 |
| Arising during the year | 58.01 | 45.03 |
| Utilised during the year | (38.17) | (12.70) |
| At the end of the year | 83.54 | 63.70 |

22 Current tax liabilities (Net)

| | (₹ Million) | |
|--|-----------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Provision for Current Tax (Net of advance tax) | 1,671.91 | 823.76 |
| | 1,671.91 | 823.76 |

23 Revenue from operations

| | (₹ Million) | |
|--|-----------------------------|-----------------------------|
| | Year ended 31 March 2019 | Year ended 31 March 2018 |
| Revenue from contracts with customers | | |
| Sale of products | | |
| Finished goods | 70,785.05 | 62,789.98 |
| Traded goods | 3,684.03 | 2,948.48 |
| Revenue from construction contracts | 3,795.50 | 2,063.59 |
| | 78,264.58 | 67,802.05 |
| Other operating revenue | | |
| Scrap sales | 1,242.93 | 1,279.17 |
| Total revenue from contracts with customers | 79,507.51 | 69,081.22 |
| Export incentives | 52.32 | 68.30 |
| Total revenue from operations | 79,559.83 | 69,149.52 |
| i) Disaggregated revenue information | | |
| Type of Goods or Services | | |
| Wires & Cables | 68,841.65 | 62,039.71 |
| Fast Moving Electrical Goods (FMEG) | 6,416.06 | 4,852.85 |
| Revenue from construction contracts | 3,795.50 | 2,063.59 |
| Others | 454.30 | 125.07 |
| Total revenue from contracts with customers | 79,507.51 | 69,081.22 |
| India | 77,025.03 | 65,490.44 |
| Outside India | 2,482.48 | 3,590.78 |
| Total revenue from contracts with customers | 79,507.51 | 69,081.22 |

23 Revenue from operations

(₹ Million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|-----------------------------|-----------------------------|
| Timing of revenue recognition | | |
| Goods transferred at a point in time | 75,661.78 | 67,017.63 |
| Goods and Services transferred over a period of time | 3,845.73 | 2,063.59 |
| Total revenue from contracts with customers | 79,507.51 | 69,081.22 |
| Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information | | |
| Total revenue from contracts with customers | 79,507.51 | 69,081.22 |
| Export incentives | 52.32 | 68.30 |
| Other income excluding finance income | 805.59 | 616.97 |
| Total income as per Segment | 80,365.42 | 69,766.49 |

ii) Revenue from contracts with customers includes excise duty collected of ₹ Nil (31 March 2018: ₹ 1446.47 Million). Revenue from contracts with customers net of applicable taxes is ₹ 79,507.51 Million (31 March 2018: ₹ 67,634.75 million). Revenue from operations for previous periods up to 30 June 2017 includes excise duty. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The group collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended 31 March 2019 is not comparable with 31 March 2018.

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|--|--------------------------------|--------------------------------|
| Revenue reconciliation | | |
| Revenue as per contracted price | 82,418.99 | 70,865.68 |
| Less: Adjustments | | |
| Price adjustments such as Discounts, Rebates and Sales Promotion Schemes | (1,607.45) | (1,015.30) |
| Excess Revenue - EPC | (1,415.23) | (777.02) |
| Provisions for expected sales return | (95.79) | (54.00) |
| Other adjustments | (53.52) | (78.40) |
| Add: Adjustments | | |
| Unbilled Revenue - EPC | 260.51 | 140.26 |
| Revenue from contract with customers | 79,507.51 | 69,081.22 |
| Contract Balances as at: | | |
| Contract Balances | As at 31 March 2019 | As at 31 March 2018 |
| Trade Receivables | 14,694.43 | 13,788.16 |
| Contract Assets | 260.51 | 140.30 |
| Contract Liabilities | 1,415.23 | 777.02 |

v) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. In 31 March 2019: ₹ 541.04 Million (31 March 2018: ₹ 421.00 Million) was recognised as provision for expected credit losses on trade receivables. The group has channel finance arrangements with banks for providing credit to its dealers. Evaluation is made as per the terms of the contracts i.e. if the group does not retain any risk and rewards or control over the financial assets, then the entity derecognises such assets upon transfer of financial assets under such arrangements with the banks.

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

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

23 Revenue from operations

(₹ Million)

| viii) Set out below is the amount of revenue recognised from | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Amounts included in contract liabilities at the beginning of the year | 390.75 | 286.06 |
| Performance obligations satisfied in previous years | 140.28 | 100.58 |
| ix) Refund assets and refund liabilities | As at 31 March 2019 | As at 31 March 2018 |
| Refund assets | 242.34 | 168.54 |
| Refund liabilities | 318.33 | 222.54 |

x) Performance obligations

Aggregate amount of the transaction price (net of tax) allocated to long-term construction contracts that are partially or fully unsatisfied as at 31 March 2019 ₹ 14,431.36 Million (31 March 2018 ₹ 8,518.78 Million). The unsatisfied performance obligation is expected to be recognised within 24 months. Based on general trend of period of contract and its period of execution approximately 54% of the unsatisfied performance obligation is expected to be satisfied within one year. The remaining is expected to be recognised within 12 to 24 months. In certain contracts, where the company has extended warranty/maintenance services obligation, a separate performance obligation is identified and the transaction price is allocated accordingly.

xi) Impact of Ind AS 115

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

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

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

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

The joint operation does not recognise margin on revenue until the contract achieves completion percentage in line with internally set threshold.

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

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

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

24 Other income

(₹ Million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Interest income on | | |
| Bank deposits | 28.33 | 4.47 |
| Others | 99.57 | 22.93 |
| Sundry balances written back | 60.48 | 103.50 |
| Miscellaneous income | 37.10 | 27.63 |
| Gain on sale of property, plant and equipment | 21.01 | 49.00 |
| Government Grant | 295.69 | 128.20 |
| Exchange differences (net) | 385.21 | 300.04 |
| Fair value of put option | 6.10 | - |
| Fair valuation gain on financial asset* | - | 8.60 |
| | 933.49 | 644.37 |

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

25 Cost of materials consumed

(₹ Million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|-----------------------------------|-----------------------------|-----------------------------|
| Copper | 30,701.55 | 27,129.44 |
| Aluminium | 9,400.74 | 8,722.21 |
| Steel | 2,813.05 | 2,268.30 |
| PVC Compound/HDPE/LDPE/XLPE/Resin | 7,491.96 | 6,494.90 |
| Packing Materials | 920.95 | 952.39 |
| Others | 3,494.94 | 2,109.00 |
| | 54,823.19 | 47,676.24 |

26 Purchases of traded goods

(₹ Million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|-------------------------------|-----------------------------|-----------------------------|
| Electrical wiring accessories | 362.20 | 275.92 |
| Electrical appliances | 2,838.40 | 1,965.28 |
| Others | 169.81 | 230.94 |
| | 3,370.41 | 2,472.14 |

27 (Increase)/Decrease in Inventories of finished goods, traded goods and work-in-progress

(₹ Million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Inventory at the beginning of the year | | |
| Work-in-progress | 1,055.78 | 1,263.50 |
| Finished goods | 6,452.22 | 6,884.83 |
| Traded goods | 480.03 | 519.54 |
| Scrap materials | 134.70 | 112.80 |
| | 8,122.73 | 8,780.67 |
| Inventory at the end of the year | | |
| Work-in-progress | 1,416.42 | 1,055.78 |
| Finished goods | 6,643.47 | 6,452.22 |
| Traded goods | 939.18 | 480.03 |
| Scrap materials | 200.64 | 134.70 |
| | 9,199.71 | 8,122.73 |
| Changes in Inventories of finished goods, traded goods and work-in-progress | (1,076.98) | 657.94 |

28 Project bought outs and other cost

(₹ Million)

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

29 Employee benefits expense

(₹ Million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Salaries, wages and bonus | 2,607.34 | 2,336.05 |
| Expense on employee stock option scheme (Refer Note: 37(C)) | 149.51 | - |
| Contribution to provident and other funds (Refer Note: 37(A & B)) | 155.10 | 163.85 |
| Staff welfare expense | 90.53 | 92.65 |
| | 3,002.48 | 2,592.55 |

30 Finance cost

(₹ Million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|----------|-----------------------------|-----------------------------|
| Interest | 585.27 | 736.04 |
| Others | 581.79 | 200.76 |
| | 1,167.06 | 936.80 |

31 Depreciation and amortization expense

(₹ Million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Depreciation of tangible assets (Refer note -3) | 1,396.24 | 1,288.33 |
| Amortization of intangible assets (Refer note -4) | 18.21 | 41.20 |
| | 1,414.45 | 1,329.53 |

32 Other expenses

(₹ Million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Consumption of stores and spares | 463.30 | 502.17 |
| Sub-contracting expenses | 956.32 | 678.40 |
| Increase in excise duty on closing stock of finished goods | - | (741.00) |
| Power and fuel | 1,076.48 | 896.28 |
| Rent | 177.45 | 156.88 |
| Rates and taxes | 17.38 | 21.56 |
| Insurance | 30.39 | 35.13 |
| Repairs and maintenance | - | - |
| Plant and machinery | 49.46 | 44.32 |
| Buildings | 33.48 | 33.30 |
| Others | 248.97 | 195.66 |
| Advertising and sales promotion | 1,158.51 | 936.94 |
| Brokerage and commission | 314.16 | 355.56 |
| Travelling and conveyance | 220.78 | 205.83 |
| Communication Cost | 33.61 | 27.77 |
| Legal and professional fees | 362.07 | 391.11 |
| Director Sitting Fees | 5.31 | - |
| Freight & forwarding expenses | 1,498.81 | 1,250.24 |
| Payment to auditor (Refer Note below) | 14.53 | 19.43 |
| Sundry advances written off | 24.95 | 8.01 |
| Public Issue Expenditure | 17.05 | - |
| Loss on fair valuation of financial asset * | 136.32 | - |
| Impairment allowance for trade receivable considered doubtful | 548.62 | 421.00 |
| Fair value of written put options | - | 55.00 |
| CSR expenditure (Refer Note 36) | 34.94 | 58.60 |
| Miscellaneous expenses | 242.88 | 216.16 |
| | 7,665.77 | 5,768.35 |

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

Note

Payments to the auditor (excluding applicable taxes)

As auditor

Audit fee

Certification fees

Other services

| | |
|--------------|--------------|
| 13.78 | 18.49 |
| 0.75 | 0.93 |
| 14.53 | 19.42 |
| 9.00 | - |
| 23.53 | 19.42 |

33 Earnings per share (EPS)

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

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

| | | (₹ Million) | |
|--|-----------|-----------------------------|-----------------------------|
| The following reflects the income and share data used in the basic and diluted EPS computations: | | Year ended 31 March 2019 | Year ended 31 March 2018 |
| Profit attributable to equity holders for basic earnings: | (A) | 4,997.03 | 3,580.13 |
| Weighted average number of equity shares for basic EPS | (B) | 141,205,838 | 141,205,838 |
| Effect of dilution: | | | |
| Share options | (C) | 6,575 | - |
| Weighted average number of Equity shares adjusted for the effect of dilution | (D = B+C) | 141,212,413 | 141,205,838 |
| Basic earnings per share (₹) | (A/B) | 35.39 | 25.35 |
| Diluted earnings per share (₹) | (A/D) | 35.39 | 25.35 |

Employee Stock Option Plan 2018

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

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

Employee Stock Option Performance Scheme 2018 and Employee Stock Option Privilege Scheme 2018

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

34 Commitments and contingencies

(A) LEASES

Operating lease: Group as lessee

The Company has taken industrial premises, residential building, land (space for godowns) under various lease agreements. There are no restrictions placed upon the Company by entering into these leases. There are no clauses on contingent rent.

(₹ Million)

| Future minimum rentals payable under non-cancellable operating leases are as follows: | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| Expense for the year | 177.45 | 156.88 |
| Within one year | 43.69 | 46.18 |
| After one year but not more than five years | 79.08 | 153.94 |
| More than five years | 62.56 | 108.10 |

(B) CAPITAL AND OTHER COMMITMENTS

Estimated amounts of contracts remaining to be executed on account of capital commitments and not provided for (net of advances)

1,880.28 1,246.16

(C) CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

a) Guarantees

i) Guarantees given by the Group's bankers to Group

12,950.17 4,849.00

b) Other matters for which the Group is contingently liable

Period to which relates

i) Taxation matters

(a) Disputed liability in respect of sales tax /VAT demand & pending sales tax/VAT forms

2007-08 to
2016-17

370.56

359.14

(b) Disputed liability in respect of excise duty demand

2007-08 to
2014-15

45.55

45.60

(c) Disputed liability in respect of custom duty demand

2010-11 and
2016-17

21.67

15.50

(ii) Claims made against the Company, not acknowledged as debts

2018-19

634.21

-

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

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

35 Disclosure in terms of Ind AS 115 on the accounting of construction contract is as under

(₹ Million)

| | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----------------------------|-----------------------------|
| a) Contract revenue recognised for the year (Net of tax) | 3,795.50 | 2,063.59 |
| b) Contract that are in progress as on reporting date | | |
| (i) Contract costs incurred and recognised profits (less recognised losses) | 3,795.50 | 2,063.59 |
| (ii) Amount of retentions* | 1,240.14 | 792.20 |
| (iii) Recognised and included in financial statement as: | | |
| Contract Asset | 260.51 | 140.30 |
| Contract Liability | 1,415.23 | 777.02 |

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

36 Details of Corporate Social Responsibility (CSR) expenditure

(₹ Million)

| | | Year ended 31 March 2019 | Year ended 31 March 2018 |
|---|-----|-----------------------------|-----------------------------|
| Gross amount required to be spent by the Group during the period as per provisions of section 135 of the Companies Act, 2013 | A | 92.01 | 57.93 |
| Gross amount spent by the Group during the year | | | |
| Rural development programmes | | 11.53 | 5.70 |
| Social empowerment | | 1.32 | 5.90 |
| Promotion of education | | 15.19 | 37.30 |
| Health care facility & awareness | | 3.42 | 3.80 |
| Environmental awareness | | 2.95 | 4.50 |
| Others | | 0.53 | 1.40 |
| Total | B | 34.94 | 58.60 |
| Shortfall/(Excess) | A-B | 57.07 | (0.67) |

37 Gratuity and other post-employment benefit plans

(A) DEFINED BENEFIT PLAN-AS PER ACTUARIAL VALUATION

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

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

STATEMENT OF PROFIT AND LOSS

Net employee benefits expense recognised in profit or loss

| | (₹ Million) | |
|-----------------------------|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Current service cost | 46.09 | 45.40 |
| Net interest cost | 14.27 | 11.90 |
| Past service cost | - | 21.20 |
| Net benefits expense | 60.36 | 78.50 |

Net actuarial (gain)/loss recognised in other comprehensive income for the period

| | | |
|--|-------------|----------------|
| Actuarial (gain)/loss on obligations | 5.95 | (36.30) |
| Return on plan assets, excluding interest income | 0.80 | 9.80 |
| Net (Income)/Expense for the period recognized in OCI | 6.75 | (26.50) |

Balance sheet

| | | |
|---|-----------------|-----------------|
| Benefits liability | | |
| Present value of defined benefit obligation | (409.90) | (352.90) |
| Fair value of plan assets | 213.89 | 170.00 |
| Plan liability | (196.01) | (182.90) |

Changes in the present value of the defined benefit obligation

| | | |
|---|---------------|---------------|
| Opening defined benefit obligation | 352.94 | 315.85 |
| Interest cost | 27.53 | 22.80 |
| Current service cost | 46.09 | 45.41 |
| Past service cost | - | 21.19 |
| Benefits paid | (22.61) | (16.05) |
| Actuarial (gains)/losses on obligations | | |
| Due to change in financial assumptions | 4.57 | (42.29) |
| Due to experience | 1.38 | 5.99 |
| Closing defined benefit obligation | 409.90 | 352.90 |

Changes in the fair value of plan assets

| | | |
|--|---------------|---------------|
| Opening fair value of plan assets | 170.02 | 151.02 |
| Interest Income | 13.27 | 10.90 |
| Contribution by employer | 54.01 | 34.00 |
| Benefits paid | (22.61) | (16.10) |
| Actuarial gains | (0.80) | (9.80) |
| Closing fair value of plan assets | 213.89 | 170.02 |

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

37 Gratuity and other post-employment benefit plans

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

| | (₹ Million) | |
|-------------|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Current | 100.30 | 87.80 |
| Non-current | 95.71 | 95.10 |

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

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

The principal assumptions used in determining gratuity for the Group's plans are shown below

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

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

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

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

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

Sensitivity analysis

| | | |
|---|---------|---------|
| Projected benefit obligation on current assumptions | 409.89 | 352.94 |
| Delta effect of +1% change in rate of discounting | (27.08) | (23.75) |
| Delta effect of -1% change in rate of discounting | 31.10 | 27.33 |
| Delta effect of +1% change in rate of salary increase | 27.80 | 24.89 |
| Delta effect of -1% change in rate of salary increase | (25.17) | (22.37) |
| Delta effect of +1% change in rate of employee turnover | (6.39) | (5.63) |
| Delta effect of -1% change in rate of employee turnover | 7.16 | 6.32 |

Usefulness and methodology adopted for sensitivity analysis

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Maturity analysis of projected benefit obligation from the fund.

Projected benefits payable in future years from the date of reporting.

| | | |
|---------------------------------|--------|--------|
| 1st following year | 58.27 | 48.29 |
| 2nd following year | 30.37 | 27.73 |
| 3rd following year | 33.73 | 28.00 |
| 4th following year | 35.50 | 30.24 |
| 5th following year | 36.98 | 30.67 |
| Sum of years 6 to 10 | 176.59 | 30.67 |
| Sum of years 11 years and above | 463.77 | 427.45 |

37 Gratuity and other post-employment benefit plans

(B) DEFINED CONTRIBUTION PLAN

The Group has recognised expenses towards defined contribution plan as under

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
| Contribution to provident fund and other funds | 94.74 | 85.35 |

(C) SHARE-BASED PAYMENTS

Employee stock option plan

During the year ended 31 March 2019, the company had instituted an ESOP Plan 2018, ESOP Performance Scheme, and ESOP Privilege Scheme as approved by the Board of Directors and Shareholders dated 30 August 2018 for issuance of stock option to eligible employees of the company.

Under Employee Stock Options Performance Scheme 2018 the options will be vested in the specified ratio subject to fulfillment of the employee performance criteria laid down in the scheme. This shall be monitored annually as per the performance evaluation cycle of the company and options shall vest based on the achieved rating to the employee.

Under Employee Stock Options Privilege Scheme 2018 the options are vested over a period of one year subject to fulfillment of service condition.

Expected volatility is based on historical stock volatility of comparable companies operating within the same industry. The historical stock prices of comparable companies has been observed for a period commensurate to the Life of option.

Pursuant to the said scheme, Stock options convertible into 2,147,500 equity shares vide ESOP Performance Scheme (Previous year: NIL) and 142,250 equity shares vide ESOP Privilege Scheme (Previous year: NIL) of ₹ 10 each were granted to eligible employee at an exercise price of ₹ 405/-.

Subject to terms and conditions of the scheme, options are classified into three categories

| | Performance Scheme | | Privilege Scheme |
|--|--------------------------------|--------------------------------|--------------------------------|
| No. of options | 2,102,500 | 45,000 | 142,250 |
| Method of accounting | Fair value | Fair value | Fair value |
| Vesting period | 5 years graded vesting | 5 years graded vesting | 1 year |
| Grant date | 30 Aug 18 | 18 Oct 18 | 30 Aug 18 |
| Exercise/ Expiry date | 29 Aug 26 | 17 Oct 26 | 29 Aug 23 |
| Exercise period | 8 years from the date of grant | 8 years from the date of grant | 5 years from the date of grant |
| Weighted average share price | ₹ 535.30 | ₹ 535.30 | ₹ 535.30 |
| Grant/Exercise price | ₹ 405 | ₹ 405 | ₹ 405 |
| Method of settlement | Equity - settled | Equity - settled | Equity - settled |
| Weighted average remaining contractual life of options (in days) | 1702 | 1751 | 241 |

Movement of options granted

| | 31 March 2019 | | 31 March 2018 | |
|---------------------------|---|-------------------|---|-------------------|
| | Average exercise price per share option | Number of options | Average exercise price per share option | Number of options |
| Opening balance | - | - | - | - |
| Granted during the year | 405.00 | 2,289,750 | - | - |
| Exercised during the year | - | - | - | - |
| Forfeited during the year | 405.00 | 35,000 | - | - |
| Closing balance | | 2,254,750 | | - |
| Vested | | NIL | | NIL |

37 Gratuity and other post-employment benefit plans

The model inputs for fair value of option granted as on the grant date

| Inputs | Performance Scheme | | | | | Privilege Scheme |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| | Year 1 15% vesting | Year 2 15% vesting | Year 3 20% vesting | Year 4 20% vesting | Year 5 30% vesting | Year 1 100% vesting |
| Exercise price | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 | ₹ 405 |
| Dividend yield | 0.19% | 0.19% | 0.19% | 0.19% | 0.19% | 0.19% |
| Risk free interest rate | 8.20% | 8.20% | 8.20% | 8.20% | 8.30% | 8.00% |
| Expected volatility | 48.30% | 48.20% | 49.20% | 48.20% | 47.30% | 44.50% |
| Fair value per option | ₹ 310.1 | ₹ 321.9 | ₹ 335.1 | ₹ 343.0 | ₹ 350.4 | ₹ 259.8 |
| Model used | Black Scholes | Black Scholes | Black Scholes | Black Scholes | Black Scholes | Black Scholes |

Expense on the Schemes debited to the statement of profit and loss during the year ended 31 March 2019 is ₹ 149.51 Million (31 March 2018 - Nil).

38 Interest in joint ventures

- a) Ryker Base Private Limited (Ryker): On 7 November 2016, The parent Company had acquired Ryker Base Private Limited as a wholly owned subsidiary company. On 31 March 2017, Ryker Base Private Limited has been converted into 50% joint venture (JV) with Trafigra Pte Ltd with a consideration of ₹ 260.10 Million by allotment of 26,010,000 equity shares of ₹ 10 each of Ryker Base Private Limited.
- b) Techno Electromech Private Limited (TEPL): Polycab India Limited has invested ₹ 70.20 Million for acquiring 50% shares of Techno Electromech Private Limited in the previous year as per joint venture agreement, Techno Electromech Private Limited has become JV company with effect from 9 March 2017. The goodwill has been arrived as per below calculation:

| | (₹ million) |
|--|--------------|
| Net worth on the date of joint venture | 44.21 |
| Polycab India Limited's share (50%) | 22.10 |
| Purchase consideration paid | 70.20 |
| Goodwill | 48.10 |

The Group has followed Equity method of accounting as per Ind AS 28 "Investments in Associates and Joint Ventures".

Summarised balance sheet as at 31 March 2019

(₹ million)

| | TEPL | | Ryker | |
|---|---------------|---------------|---------------|---------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| Current assets, including cash and cash equivalents | 570.91 | 646.37 | 660.44 | 765.67 |
| Non-current assets | 400.82 | 340.85 | 2,487.69 | 1,649.47 |
| Current liabilities, including tax payable | (526.59) | (553.28) | (170.18) | (126.51) |
| Non-current liabilities, including deferred tax liabilities | (264.43) | (288.82) | (2,506.99) | (1,761.25) |
| Equity | 180.71 | 145.12 | 470.96 | 527.38 |
| Proportion of the Group's ownership | 50% | 50% | 50% | 50% |
| Group's share of net worth | 90.35 | 72.56 | 235.48 | 263.69 |

Reconciliation of summarised balance sheet to the carrying amount of interest in Ryker base Private limited recognised in the consolidated balance sheet

| | 31 March 2019 | 31 March 2018 |
|--|---------------|---------------|
| Net Assets of Ryker Base Private Limited | 470.96 | 527.38 |
| Proportion of the Group's Ownership interest in Ryker Base Private limited | 50% | 50% |
| | 235.48 | 263.69 |
| Elimination of unrealised profit on sale of fixed assets (net of tax) | (24.33) | (24.33) |
| | (5.76) | - |
| Carrying amount of Group's interest in Ryker Base Private Limited | 205.39 | 239.36 |

38 Interest in joint ventures

Summarised statement of profit and loss of the joint ventures

(₹ million)

| | TEPL | TEPL | Ryker | Ryker |
|---|---------------|---------------|----------------|----------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| Revenue | 1,716.09 | 830.62 | 13.26 | 29.35 |
| Cost of raw material and components consumed | (1,367.06) | (665.39) | - | - |
| Depreciation & amortization | (17.15) | (5.64) | - | - |
| Finance cost | (46.48) | (21.10) | (45.80) | (29.90) |
| Employee benefit | (62.27) | (36.60) | (13.16) | (1.47) |
| Other expense | (173.56) | (88.84) | (36.30) | (8.09) |
| Profit before tax | 49.57 | 13.05 | (82.00) | (10.11) |
| Income tax expense | (14.01) | (1.73) | 19.49 | 4.43 |
| Profit for the period | 35.56 | 11.32 | (62.51) | (5.68) |
| Other comprehensive (income)/expense for the period | (0.05) | (0.65) | - | - |
| Total comprehensive income for the period | 35.61 | 11.97 | (62.51) | (5.68) |
| Group's share of Profit/(Loss) for the period | 17.81 | 5.99 | (31.26) | (2.84) |
| Elimination of unrealised profit from transaction with joint ventures | (4.05) | (2.10) | (5.76) | - |
| Share of profit/(loss) of joint ventures (Net of tax) carried over to statement of profit and loss | 13.76 | 3.89 | (37.02) | (2.84) |

The Parent Company had no contingent liabilities or capital commitments relating to its interest in joint ventures as at 31 March 2019 except the corporate guarantee provided to bank against the borrowing by Ryker base pvt. ltd (Refer note - 19(C)). Joint ventures can not distribute this profits until they obtain consent from the venture partners.

Notes to Consolidated Financial Statements for the year ended 31 March 2019

39 Related party disclosures

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period

Related parties where control exists

Nature of Relationship

Joint Venture (w.e.f. 31 March 2017)

Joint Venture (w.e.f. 9 March 2017)

Enterprises owned or significantly influenced by key managerial personnel:

Microcab Industries & Logistics Private Limited (MILPL)

AK Enterprises (A.K)

Dowells Elektro Werke (DEW)

Dowells Electricals (DE)

D J Electricals Private Limited (DJEPL)

Tirupati Tradelinks Private Limited (TTPL)

(A) TRANSACTIONS WITH SUBSIDIARIES/FELLOW SUBSIDIARIES/ENTERPRISES SIGNIFICANTLY INFLUENCED

| | DEW | | DE | | DJEPL | | TTPL | | MILPL | | A.K | | TEPL | | Ryker | |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Mar 19 | Mar 18 | Mar 19 | Mar 18 | Mar 19 | Mar 18 | Mar 19 | Mar 18 | Mar 19 | Mar 18 | Mar 19 | Mar 18 | Mar 19 | Mar 18 | Mar 19 | Mar 18 |
| Sales of Goods | - | - | - | 0.07 | - | - | - | - | - | - | - | - | 4.04 | 42.40 | 56.27 | 14.60 |
| Purchase of Goods | - | - | 3.80 | - | 28.87 | 61.13 | 145.16 | - | - | - | - | - | 951.98 | 480.40 | 0.54 | - |
| Purchase of Service | 2.36 | - | 0.50 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Job work charges | - | - | - | - | - | 1.25 | 0.98 | - | - | - | - | - | - | - | 110.52 | - |
| Rent paid | - | - | - | - | - | - | - | - | 4.20 | 28.90 | - | - | - | - | - | - |
| Sale of Land | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 127.40 |
| Receipt of Services | - | 0.87 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loans given to related party | - | - | - | - | - | - | - | - | - | - | - | - | - | 140.00 | - | 253.70 |
| Loan given repaid | - | - | - | - | - | - | - | - | - | - | - | - | 24.79 | - | - | 253.70 |
| Rent received | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2.81 | - |
| Interest received | - | - | - | - | - | - | - | - | - | - | - | - | 15.61 | 4.80 | - | 5.50 |
| Reimbursement of expenses recovered | - | - | - | 0.43 | - | 0.25 | - | - | - | - | - | - | - | 2.70 | - | 22.50 |
| Purchase of Fixed Assets | - | - | 0.12 | 6.40 | 10.36 | - | - | - | - | - | - | - | 30.71 | - | - | - |
| Corporate Guarantee | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 3.80 | 10.30 |
| Reimbursement of Expenses | - | - | 0.20 | 0.06 | 0.02 | 0.23 | - | - | - | - | 0.70 | - | - | - | - | 22.50 |
| Balances at period end | | | | | | | | | | | | | | | | |
| Loans | - | - | - | - | - | - | - | - | - | - | - | - | 115.21 | 140.00 | - | - |
| Receivables | - | - | - | - | - | - | - | - | - | - | - | - | 29.28 | 46.10 | 17.38 | 12.90 |
| Advances | - | - | - | - | - | - | - | - | - | - | - | - | 66.50 | - | - | - |
| Interest accrued | - | - | - | - | - | - | - | - | - | - | - | - | 3.17 | 4.30 | - | - |
| Security Deposits | - | - | - | - | - | - | - | - | - | - | 6.17 | 6.17 | - | - | - | - |
| Trade Payable | 1.30 | - | 0.32 | 6.08 | 23.96 | 0.02 | 52.41 | 19.56 | - | - | - | - | 22.62 | - | 51.44 | - |

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

39 Related party disclosures

Key management personnel

| | |
|---------------------------------|---|
| Mr Inder T Jaisinghani | Chairman and Managing Director |
| Mr R Ramakrishnan | Chief Executive *(upto 23 May 2018) |
| Mr Ramesh T Jaisinghani | Whole time Director |
| Mr Ajay T Jaisinghani | Whole time Director |
| Mr Shyam Lal Bajaj | Chief Financial officer (w.e.f. 25 September 2018)and Whole time Director-Finance (w.e.f. 15 December 2016) |
| Mr Radhey Shyam Sharma | Independent Director (w.e.f. 20 September 2018) |
| Mr Tilokchand Punamchand Ostwal | Independent Director (w.e.f. 20 September 2018) |
| Mr Pradeep Poddar | Independent Director (w.e.f. 20 September 2018) |
| Mrs Hiroo Mirchandani | Independent Director (w.e.f. 20 September 2018) |
| Mr Subramaniam Sai Narayana | Company Secretary |
| Mr Jayantibhai S Patel (JSP) | Managing Director (Dowells Cable Accessories Private Limited) |
| Ms Divyaprabha J Patel (DJP) | Director (Dowells Cable Accessories Private Limited) |
| Mr Suresh Kumar Jajodia | Whole time Director (Tirupati Reels Private Limited) |
| Mr Pratik Suresh Jajodia | Whole time Director (Tirupati Reels Private Limited) |
| Mr Rishikesh Suresh Rajurkar | Director (Tirupati Reels Private Limited) |

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

Relatives of Key management personnel

| | |
|---------------------------|-----------------------------------|
| Mr Bharat A Jaisinghani | Son of Mr Ajay T Jaisinghani |
| Mr Girdhari T Jaisinghani | Brother of Mr Inder T Jaisinghani |
| Mr Kunal I Jaisinghani | Son of Mr Inder T Jaisinghani |
| Mr Nikhil R Jaisinghani | Son of Mr Ramesh T Jaisinghani |
| Ms Anita Devi Jajodia | Wife of Mr Suresh Kumar Jajodia |
| Mr Nikhil Jajodia | Son of Mr Suresh Kumar Jajodia |

(B) REMUNERATION PAID

(₹ Million)

| Name of the director/relative | Year ended 31 March 2019 | Outstanding at the period ended 31 March 2019 | Year ended 31 March 2018 | Outstanding at the period ended 31 March 2018 |
|-------------------------------|--------------------------|---|--------------------------|---|
| Mr Girdhari T Jaisinghani | 9.40 | 2.17 | 8.95 | 2.07 |
| Mr Bharat A Jaisinghani | 11.68 | 2.58 | 10.83 | 2.35 |
| Mr Nikhil R Jaisinghani | 11.68 | 2.58 | 10.83 | 2.35 |
| Mr Kunal Jaisinghani | 1.27 | - | 1.20 | - |
| Mr Nikhil Jajodia | 0.96 | - | 0.96 | - |

(C) RENT PAID

(₹ Million)

| Name of the director/relative | Year ended 31 March 2019 | Year ended 31 March 2018 |
|-------------------------------|--------------------------|--------------------------|
| Ms Anita Devi Jajodia | 0.44 | 0.44 |
| Mr Nikhil Jajodia | 0.24 | 0.24 |
| Mr Pratik Suresh Jajodia | 0.13 | 0.13 |
| Mr Suresh Kumar Jajodia | 0.23 | 0.23 |

(D) EXPENSES REIMBURSED

(₹ Million)

| Name of the director/relative | Year ended 31 March 2019 | Year ended 31 March 2018 |
|-------------------------------|--------------------------|--------------------------|
| Mr Jayantibhai S Patel | 1.17 | 0.74 |

39 Related party disclosures

(E) REPAYMENT OF EXPENSES REIMBURSED (₹ Million)

| Name of the director/relative | Year ended 31 March 2019 | Year ended 31 March 2018 |
|-------------------------------|--------------------------|--------------------------|
| Mr Jayantibhai S Patel | - | 0.88 |

(F) CONTRIBUTION RECEIVED FROM MINORITY INTEREST FOR RIGHT ISSUE

| Name of the director/relative | Year ended 31 March 2019 | Year ended 31 March 2018 |
|-------------------------------|--------------------------|--------------------------|
| Mr Jayantibhai S Patel | 18.87 | - |
| Ms Divyaprabha J Patel | 18.87 | - |

Terms and conditions of transactions with related parties

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

(G) REMUNERATION OF KEY MANAGEMENT PERSONNEL (KMP)

Remuneration paid for the period ended and outstanding as on 31 March 2019 to key managerial personnels (₹ Million)

| | 31 March 2019 | | 31 March 2018 | |
|---------------------------------|--------------------|-------------------------------|--------------------|-----------------------------|
| | For the year ended | Outstanding at the period end | For the year ended | Outstanding at the year end |
| Mr Inder T Jaisinghani | 86.19 | 49.65 | 68.08 | 35.48 |
| Mr Ramesh T Jaisinghani | 28.25 | 6.52 | 29.9 | 10.48 |
| Mr Ajay T Jaisinghani | 28.25 | 6.52 | 29.9 | 10.48 |
| Mr R Ramakrishnan* | 3.58 | 1.27 | 31.2 | 8.14 |
| Mr Shyam Lal Bajaj | 25.76 | 5.60 | 22.8 | 5.00 |
| Mr Subramaniam Sai Narayana | 3.33 | 0.36 | 2.6 | 0.19 |
| Mr Jayantibhai S Patel | 0.95 | 0.85 | - | 0 |
| Mr Pratik Suresh Jajodia | 1.44 | - | 1.44 | 0.11 |
| Ms Hiroo Mirchandani | 1.94 | 1.18 | - | - |
| Mr Pradeep Narendra Poddar | 2.35 | 1.27 | - | - |
| Mr Radhey Shyam Sharma | 2.51 | 1.35 | - | - |
| Mr Tilokchand Punamchand Ostwal | 2.51 | 1.35 | - | - |
| Total | 187.06 | 75.92 | 185.92 | 69.88 |

* Mr R Ramakrishnan was Key Management personnel and Joint Managing Director of the Company till 23 May 2018, hence remuneration disclosed till he continued as KMP.

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

39 Related party disclosures

(H) RECOVERY OF SHARE ISSUE EXPENSE FROM KMP AND RELATIVES OF KMP (₹ Million)

| | Recoverable amount * |
|---------------------------|----------------------|
| Mr Inder T Jaisinghani | 46.21 |
| Mr Ramesh T Jaisinghani | 45.82 |
| Mr Ajay T Jaisinghani | 45.82 |
| Mr Girdhari T Jaisinghani | 45.98 |
| Mr Bharat A Jaisinghani | 11.71 |
| Mr Nikhil R Jaisinghani | 11.71 |
| Total | 207.25 |

* exclusive of GST, since these are provisional amounts.

(I) PAYABLES TO RELATED PARTIES

| | (₹ Million) | |
|--------------------------|---------------|----------------|
| | 31 March 2019 | March 31, 2018 |
| Mr Jayantibhai S Patel | 1.27 | 0.25 |
| Mr Nikhil Jajodia | 0.05 | 0.07 |
| Mr Suresh Kumar Jajodia | - | 0.02 |
| Ms Anita Devi Jajodia | - | 0.03 |
| Mr Pratik Suresh Jajodia | 0.29 | - |

(J) RECEIVABLE FROM RELATED PARTIES

| | (₹ Million) | |
|------------------------|---------------|----------------|
| | 31 March 2019 | March 31, 2018 |
| Mr Jayantibhai S Patel | 50.40 | 1.50 |

(K) SHARE BASED PAYMENTS TO KMP*

| | (₹ Million) |
|-----------------------------|---------------|
| | 31 March 2019 |
| Mr Shyam Lal Bajaj | 5.99 |
| Mr Subramaniam Sai Narayana | 0.75 |

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

40 List of subsidiaries & joint ventures

Set out below is the list of subsidiaries and joint ventures

| | Nature | Country of incorporation | Ownership interest (%) | |
|--|---------------|--------------------------|------------------------|---------------|
| | | | 31 March 2019 | 31 March 2018 |
| Polycab Wires Italy SRL | Subsidiary | Italy | 100.00% | 100.00% |
| Tirupati Reels Private Limited | Subsidiary | India | 55.00% | 55.00% |
| Dowell's Cable Accessories Private Limited | Subsidiary | India | 51.00% | 51.00% |
| Ryker Base Private Limited # | Joint Venture | India | 50.00% | 50.00% |
| Techno Electromech Private Limited @ | Joint Venture | India | 50.00% | 50.00% |

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

(a) # Joint venture w.e.f. 31 March 2017.

(b) @ Joint venture w.e.f. 9 March 2017.

Notes to Consolidated Financial Statements for the year ended 31 March 2019

41 Segment information

Basis for segmentation

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

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

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

| Reportable segments | Operations |
|-------------------------------------|--|
| Wires & Cables | - Manufacture and sale of electric wires and cables. |
| Fast moving electrical goods (FMEG) | - Electric consumer durable business comprises of business covering electric wiring accessories and electric appliances. |
| Others | - Other business comprises EPC business which includes design, engineering, supply, execution and commissioning of power distribution & rural electrification projects. It also comprises manufacture of cable accessories, equipments, wooden pallets, outer Laggings and cable drums and share of interests in the joint operation undertaken. |

Information about reportable segments

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

(A) PRIMARY SEGMENT REPORTING (BY BUSINESS SEGMENT)

| | 31 March 2019 | | | | | 31 March 2018 | | | | |
|---|------------------|-----------------|-----------------|-------------------|------------------|------------------|-----------------|-----------------|-----------------|------------------|
| | Wires & Cables | FMEG | Others | Eliminations | Total | Wires & Cables | FMEG | Others | Eliminations | Total |
| Income | | | | | | | | | | |
| External sales | 69,295.08 | 6,432.94 | 4,637.40 | | 80,365.42 | 62,472.92 | 4,852.85 | 2,490.72 | | 69,766.49 |
| Inter segment revenue | 1,348.00 | | | (1,348.00) | - | 746.82 | | | (746.82) | - |
| Total income | 70,643.08 | 6,432.94 | 4,637.40 | (1,348.00) | 80,365.42 | 63,169.74 | 4,852.85 | 2,490.72 | (746.82) | 69,766.49 |
| Segment Results | | | | | | | | | | |
| Segment/Operating results | 8,350.62 | 74.51 | 197.93 | - | 8,623.06 | 6,407.15 | 88.30 | 80.79 | - | 6,576.24 |
| Un-allocated items: | | | | | | | | | | |
| Financial income | - | - | - | - | 127.90 | - | - | - | - | 27.40 |
| Finance costs | - | - | - | - | 1,167.06 | - | - | - | - | 936.80 |
| Profit before tax | | | | | 7,583.90 | | | | | 5,666.84 |
| Provision for taxation | - | - | - | - | 2,557.58 | - | - | - | - | 2,082.28 |
| Profit for the period | | | | | 5,026.32 | | | | | 3,584.56 |
| Share of profit/(loss) of joint venture (Net of tax) | | 13.76 | (37.02) | | (23.26) | | 3.89 | (2.84) | | 1.05 |
| Depreciation & Amortisation expenses | 1,319.27 | 80.70 | 14.48 | - | 1,414.45 | 1,244.59 | 74.70 | 10.24 | - | 1,329.53 |
| Total cost incurred during the year to acquire segment assets (Net of disposal) | 2,364.10 | 350.04 | 99.39 | - | 2,813.53 | 1,501.40 | 202.40 | 39.56 | - | 1,743.36 |

(₹ Million)

Notes to Consolidated Financial Statements for the year ended 31 March 2019

41 Segment information

| Other Information | 31 March 2019 | | | | | 31 March 2018 | | | | | (₹ Million) |
|---------------------------------------|------------------|-----------------|-----------------|--------------|------------------|------------------|---------------|-----------------|--------------|------------------|-------------|
| | Wires & Cables | FMEG | Others | Eliminations | Total | Wires & Cables | FMEG | Others | Eliminations | Total | |
| Segment assets | 41,044.74 | 4,993.78 | 6,689.52 | - | 52,728.04 | 35,244.35 | 4,226.94 | 4,013.85 | - | 43,485.14 | |
| Un-allocated assets | - | - | - | - | 3,261.06 | - | - | - | - | 681.90 | |
| Investment in Joint Venture | - | - | - | - | 293.85 | - | - | - | - | 314.07 | |
| Total assets | 16,595.20 | 1,002.51 | 5,364.81 | - | 22,962.52 | 12,921.67 | 509.53 | 3,100.33 | - | 16,531.53 | |
| Segment liabilities | - | - | - | - | 4,766.63 | - | - | - | - | 4,432.90 | |
| Un-allocated liabilities & provisions | - | - | - | - | 27,729.15 | - | - | - | - | 20,964.43 | |
| Total liabilities | - | - | - | - | 27,729.15 | - | - | - | - | 20,964.43 | |

(B) SECONDARY SEGMENT INFORMATION

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

| | 31 March 2019 | | | 31 March 2018 | | | (₹ Million) |
|------------------------------|---------------|---------------|-----------|---------------|---------------|-----------|-------------|
| | Within India | Outside India | Total | Within India | Outside India | Total | |
| Segment revenue | 77,882.94 | 2,482.48 | 80,365.42 | 66,175.73 | 3,590.78 | 69,766.51 | |
| Segment assets | 55,853.70 | 429.25 | 56,282.95 | 43,791.39 | 689.72 | 44,481.11 | |
| Capital expenditure incurred | 2,813.53 | - | 2,813.53 | 1,743.36 | - | 1,743.36 | |

42 Fair value measurements

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

| | (₹ Million) | | | |
|--|-----------------|---------------|-----------------|---------------|
| | Carrying value | | Fair value | |
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| Financial assets at fair value through profit or loss account (FVTPL) | | | | |
| Units of mutual funds | - | 1.40 | - | 1.40 |
| Financial assets at amortised cost | | | | |
| Trade receivables | 1,351.27 | 880.00 | 1,351.27 | 880.00 |
| Other financial assets | 50.88 | 61.16 | 50.88 | 61.16 |
| Derivatives not designated as hedges | | | | |
| Interest rate and cross currency swap | 7.40 | 3.30 | 7.40 | 3.30 |
| Total | 1,409.55 | 945.86 | 1,409.55 | 945.86 |
| Financial liabilities | | | | |
| Borrowings - ECB from HSBC | 691.71 | 1,084.10 | 691.71 | 1,084.10 |
| Borrowings - Term loan from Citi bank | 867.30 | 1,137.30 | 867.30 | 1,137.30 |
| Indian rupee loan from HDFC Bank | 134.47 | 94.19 | 134.47 | 94.19 |
| Embedded Derivative | 65.53 | 278.87 | 65.53 | 278.87 |
| Derivatives not designated as hedges | | | | |
| Foreign exchange forward contracts | 172.48 | 11.50 | 172.48 | 11.50 |
| Fair value of written put options | 48.90 | 55.00 | 48.90 | 55.00 |
| Total | 1,980.39 | 2,660.96 | 1,980.39 | 2,660.96 |

Interest rate swaps, foreign exchange forward contracts and embedded commodity derivative are valued using valuation techniques, which employ the use of market observable inputs (closing rates of foreign currency and commodities).

Embedded foreign currency and commodity derivatives are measured similarly to the foreign currency forward contracts and commodity derivatives. The embedded derivatives are commodity and foreign currency forward contracts which are separated from purchase contracts.

The management assessed that cash and cash equivalents, trade receivables, trade payables, short-term borrowings, loans to related party, loans to employees, short term security deposit and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

Fixed-rate and variable-rate loans are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The non-performance risk as at 31 March 2019 was assessed to be insignificant.

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

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

The fair value of put option is determined using Monte Carlo Simulation which assumes a Geometric Brownian Motion for the modelling equity value.

The key assumptions used for fair valuation of Put option are:

- Cost of equity: 17.0%-17.5%
- WACC: 12.5%-12.75%
- Terminal growth rate - 6.0%

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

43 Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2019 (₹ Million)

| | Date of valuation | Total | Fair value measurement using | | |
|---|-------------------|--------|---------------------------------|-------------------------------|---------------------------------|
| | | | Quoted prices in active markets | Significant observable inputs | Significant unobservable inputs |
| | | | (Level 1) | (Level 2) | (Level 3) |
| Assets measured at fair value | | | | | |
| Interest rate and cross currency swap | 31 March 2019 | 7.40 | - | 7.40 | - |
| Derivative financial assets | | | | | |
| Foreign exchange forward contracts | 31 March 2019 | - | - | - | - |
| Liabilities measured at fair value | | | | | |
| Derivative financial liabilities | | | | | |
| Foreign exchange forward contracts | 31 March 2019 | 172.48 | - | 172.48 | - |
| Fair value of written put options (Refer Note 5) | 31 March 2019 | 48.90 | - | - | 48.90 |

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 March 2018 (₹ Million)

| | Date of valuation | Total | Fair value measurement using | | |
|---|-------------------|-------|---------------------------------|-------------------------------|---------------------------------|
| | | | Quoted prices in active markets | Significant observable inputs | Significant unobservable inputs |
| | | | (Level 1) | (Level 2) | (Level 3) |
| Assets measured at fair value | | | | | |
| Units of mutual funds | 31 March 2018 | 1.40 | - | 1.40 | - |
| Interest rate and cross currency swap | 31 March 2018 | 3.30 | - | 3.30 | - |
| Derivative financial assets | | | | | |
| Liabilities measured at fair value | | | | | |
| Derivative financial liabilities | | | | | |
| Foreign exchange forward contracts | 31 March 2018 | 11.50 | - | 11.50 | - |
| Fair value of written put options (Refer Note 5) | 31 March 2018 | 55.00 | - | - | 55.00 |

44 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTPL investments and enters into derivative transactions.

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

(A) MARKET RISK

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

(i) Interest rate risk

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

The Group manages its interest rate risk by having a fixed and variable rate loans and borrowings. The Group's approach is to keep its majority of borrowings at fixed rates of interest for long term funding. The Group also enters into interest rate swaps for long term foreign currency borrowings, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2019, after taking into account the effect of interest rate swaps, approximately 72% of the Group's borrowings are at a fixed rate of interest (31 March 2018: 96%)

INTEREST RATE SENSITIVITY

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

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

(ii) Foreign currency risk

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

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

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

| Currency | 31 March 2019 | | 31 March 2018 | |
|----------|------------------|-------------|------------------|-------------|
| | Foreign currency | (₹ Million) | Foreign currency | (₹ Million) |
| USD | (88.78) | (6,141.26) | (68.49) | (4,455.13) |
| Euro | (0.39) | (30.46) | (3.02) | (243.60) |
| GBP | 0.58 | 52.38 | 0.12 | 11.19 |
| CHF | (0.01) | (0.74) | - | - |
| AUD | 0.24 | 12.07 | - | - |

44 Financial risk management objectives and policies

FOREIGN CURRENCY SENSITIVITY

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

IMPACT ON PROFIT BEFORE TAX AND EQUITY

(₹ Million)

| Currency | 31 March 2019 | | 31 March 2018 | |
|----------|---------------|--------|---------------|--------|
| | +2% | -2% | +2% | -2% |
| USD | (122.83) | 122.83 | (89.10) | 89.10 |
| Euro | (0.61) | 0.61 | (4.87) | 4.87 |
| GBP | 1.05 | (1.05) | 0.22 | (0.22) |
| CHF | (0.01) | 0.01 | - | - |
| AUD | 0.24 | (0.24) | - | - |

(iii) Commodity price risk

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

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

Exposure of Group in respective commodities

(₹ Million)

| | 31 March 2019 | | 31 March 2018 | |
|-----------|--------------------------|-----------------------|--------------------------|-----------------------|
| | Exposure in Metric Tonne | Exposure in ₹ Million | Exposure in Metric Tonne | Exposure in ₹ Million |
| Copper | 16.00 | 7.64 | 310.19 | 142.06 |
| Aluminium | 6,750.66 | 1,001.50 | - | - |

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

IMPACT ON PROFIT BEFORE TAX AND EQUITY

(₹ Million)

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

(B) CREDIT RISK

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

(i) Trade receivables

Credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group has applied Expected Credit Loss (ECL) model for measurement and recognition of impairment losses on trade receivables. ECL has been computed as a percentage of revenue on the basis of Group's historical data of delay in collection of amounts due from customers and default by the customers along with management's estimates. The group has channel finance arrangements with banks for providing credit to its dealers. Evaluation is made as per the terms of the contracts i.e. if the group does not retain any risk and rewards or control over the financial assets, then the entity derecognises such assets upon transfer of financial assets under such arrangements with the banks.

44 Financial risk management objectives and policies

(C) LIQUIDITY RISK

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

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

| | (₹ Million) | | |
|---------------------------------|------------------|-------------------|------------------|
| | < 1 year | > equal to 1 year | Total |
| Year ended 31 March 2019 | | | |
| Borrowings | 1,030.71 | 889.25 | 1,919.96 |
| Other financial liabilities | 1,813.64 | - | 1,813.64 |
| Trade and other payables | 15,201.82 | - | 15,201.82 |
| | 18,046.17 | 889.25 | 18,935.42 |
| Year ended 31 March 2018 | | | |
| Borrowings | 5,687.45 | 1,589.49 | 7,276.94 |
| Other financial liabilities | 1,385.84 | - | 1,385.84 |
| Trade and other payables | 9,220.87 | - | 9,220.87 |
| | 16,294.16 | 1,589.49 | 17,883.65 |

45 Hedging activity and derivatives

Fair value hedge of copper and aluminium price risk in inventory

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

The Group enters into contracts to purchase copper and aluminium wherein the Group has the option to fix the purchase price based on LME price of copper and aluminium during a stipulated time period. Accordingly, these contracts are considered to have an embedded derivative that is required to be separated. Such feature is kept to hedge against exposure in the value of inventory of copper and aluminium due to volatility in copper and aluminium prices. From 1 April 2016, the Group designates the embedded derivative in the payable for such purchases as the hedging instrument in fair value hedging of inventory. The Group designates only the spot-to-spot movement of the copper and aluminium inventory as the hedged risk. The carrying value of inventory is accordingly adjusted for the effective portion of change in fair value of hedging instrument. Hedge accounting is discontinued when the hedging instrument is settled, or when it no longer qualifies for hedge accounting or when the hedged item is sold.

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

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

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

(₹ Million)

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

46 Capital management

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

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

(₹ Million)

| | 31 March 2019 | 31 March 2018 |
|--|------------------|---------------|
| Borrowings (Refer note -15 & 19a) | 1,919.96 | 7,276.94 |
| Trade payables (Refer note- 19b) | 15,201.82 | 9,220.87 |
| Other payables (Refer Note -19c) | 1,813.64 | 1,385.84 |
| Less: cash and cash equivalents (Refer Note 10b) | (1,790.59) | (82.32) |
| Net debt | 17,144.83 | 17,801.33 |
| Equity | 28,469.55 | 23,476.19 |
| Total capital | 28,469.55 | 23,476.19 |
| Capital and net debt | 45,614.38 | 41,277.52 |
| Gearing ratio | 38% | 43% |

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

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

Notes to Consolidated Financial Statements for the year ended 31 March 2019

47 Information for Consolidated Financial Statement pursuant to Schedule III of the Companies Act, 2013

| | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|--|--|-----------|-------------------------------------|----------|-------------------------------------|--------|---|----------|
| | As % of consolidated net assets | Amount | As % of consolidated profit or loss | Amount | As % of consolidated OCI | Amount | As % of consolidated comprehensive income | Amount |
| | | | | | | | | |
| Parent | | | | | | | | |
| Polycab India Limited | 98.26% | 28,061.60 | 100.20% | 5,012.48 | 89.59% | (4.39) | 100.20% | 5,008.09 |
| Subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| Tirupati Reels Private Limited | 0.13% | 36.48 | 0.05% | 2.35 | 0.00% | - | 0.05% | 2.35 |
| Dowells Cable Accessories Private Limited | 0.20% | 56.72 | 0.09% | 4.27 | 0.00% | - | 0.09% | 4.27 |
| Foreign | | | | | | | | |
| Polycab Wires Italy SRL | 0.07% | 20.90 | 0.02% | 1.19 | 10.41% | (0.51) | 0.01% | 0.68 |
| Joint Venture | | | | | | | | |
| Techno Electromech Private Limited | 0.31% | 88.46 | 0.28% | 13.76 | 0.00% | - | 0.28% | 13.76 |
| Ryker Base Private Limited | 0.72% | 205.39 | -0.74% | (37.02) | 0.00% | - | -0.74% | (37.02) |
| Minority Interest in all subsidiaries | | | | | | | | |
| Indian | | | | | | | | |
| Tirupati Reels Private Limited | 0.10% | 29.75 | 0.04% | 1.93 | 0.00% | - | 0.04% | 1.93 |
| Dowells Cable Accessories Private Limited | 0.19% | 54.50 | 0.07% | 4.10 | 0.00% | - | 0.07% | 4.10 |
| TOTAL | 100.00% | 28,553.80 | 100.00% | 5,003.06 | 100.00% | (4.90) | 100.00% | 4,998.16 |

48 Investment and loan to subsidiary

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

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

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

49 Subsequent events

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

50 Standards issued but not effective

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

(i) Impact of Ind AS 116 - Leases

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
 - Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
 - An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended 31 March 2019 will not be retrospectively adjusted.

(ii) Amendment to existing issued Ind AS

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

- (a) Appendix C to Ind AS 12: Uncertainty over Income Tax Treatment
- (b) Amendments to Ind AS 109: Prepayment Features with Negative Compensation
- (c) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement
- (d) Amendments to Ind AS 28: Long-term interests in associates and joint ventures
- (e) Annual improvement to Ind AS (2018)
 - Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of a business that is a Joint Operation
 - Amendments to Ind AS 111: Joint Arrangements
 - Amendments to Ind AS 12: Income Taxes
 - Amendments to Ind AS 23: Borrowing Costs

Application of above standards are not expected to have any significant impact on the Company's Financial Statements."
Polycab India Limited (Formerly known as 'Polycab Wires Limited')

51 Others

Figures in balance sheet relating to previous years have been regrouped wherever necessary to make them comparable with the current year figures. Figures representing ₹ 0.00 Million is below ₹ 5,000.

As per our report of even date

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration No. 324982E/E300003

per **Sudhir Soni**

Partner

Membership No. 41870

Place: Mumbai

Date: 14 May 2019

For and on behalf of the Board of Directors of

Polycab India Limited

(Formerly known as 'Polycab Wires Limited')

CIN: U31300DL1996PLC266483

Inder T Jaisinghani

Chairman & Managing Director

DIN: 00309108

SL Bajaj

CFO & Whole Time Director

DIN: 02734730

Place: Mumbai

Date: 14 May 2019

Ramesh T Jaisinghani

Whole Time Director

DIN: 00309314

SS Narayana

Company Secretary

Membership No. F5221

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PROXY FORM

Form MGT 11



Connection Zindagi Ka
POLYCAB INDIA LIMITED

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U31300DL1996PLC266483

Name of the Company: Polycab India Limited

Registered office: E-554 Greater Kailash -II New Delhi - 110048

Name of the member (s):

Registered address:

E-mail Id:

DP ID and Client ID / Folio No:

I/We, being the member (s) of _____ shares of the above named Company, hereby appoint

1 Name:

Address:

E-mail Id:

Signature: _____ or failing him.

2 Name:

Address:

E-mail Id:

Signature: _____ or failing him.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 23rd Annual General Meeting of members of the Company, to be held on Wednesday, 26th June 2019 at 9:00 a.m. at Air Force Auditorium, Subroto Park, New Delhi 110010, and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr No. | Resolutions | For | Against |
|--------|---|-----|---------|
| | Ordinary Business | | |
| 1 | To receive, consider and adopt the Audited Standalone & Consolidated financial statements for the financial year ended 31 March 2019 together with the reports of the Board of Directors and Auditors thereon | | |
| 2 | To declare a Dividend of ₹ 3/- per Equity Share (30%) on 14,86,45,905 fully paid-up Equity Shares of face value of ₹ 10/- each for the financial year ended 31 March 2019. | | |
| 3 | To appoint a Director in place of Ramesh T.Jaisinghani (DIN:00309314), Whole-Time Director, who retires by rotation and being eligible, offers himself for re-appointment. | | |
| 4 | Appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No: 101248W/W-100022) as Statutory Auditors of the Company. | | |

| Sr No. | Resolutions | For | Against |
|--------|---|-----|---------|
| | Special Business | | |
| 5 | Re-appointment of Inder T. Jaisinghani (DIN:00309108), as Managing Director of the Company for a further period of 5 (Five) years. | | |
| 6 | Re-appointment of Ajay T. Jaisinghani (DIN: 00276588), as Whole-Time Director for a further period of 5 (Five) years. | | |
| 7 | Re-appointment of Ramesh T. Jaisinghani (DIN: 00309314) as Whole-Time Director for a further period of 5 (Five) years. | | |
| 8 | Revision of remuneration of Shyam Lal Bajaj (DIN: 02734730), Chief Financial Officer & Whole-Time Director for the remaining tenure of his appointment. | | |
| 9 | Appointment of T P Ostwal (DIN: 00821268) as an Independent Director of the Company. | | |
| 10 | Appointment of RS Sharma (DIN: 00013208) as an Independent Director of the Company. | | |
| 11 | Appointment of Pradeep Poddar (DIN: 00025199) as an Independent Director of the Company. | | |
| 12 | Appointment of Hiroo Mirchandani (DIN: 06992518) as an Independent Director of the Company. | | |
| 13 | Payment of Commission to the Independent Directors of the Company. | | |
| 14 | Ratification of Remuneration payable to the Cost Auditors for the Financial Year 2019-20. | | |
| 15 | Retention of rights to appoint Director by IFC. | | |

Signed this _____ day of _____ 2019

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

TWENTY-THIRD ANNUAL GENERAL MEETING

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

| | | | |
|--|--|---------------|--|
| DP Id & Client Id/ Regd. Folio No.* | | No. of Shares | |
|--|--|---------------|--|

Name(s) and address(es) of the member(s) in full _____

I/we hereby record my/our presence at the Twenty-third Annual General Meeting of the Company being held on Wednesday, 26 June 2019, 9:00 AM at Air Force Auditorium, Subroto Park, New Delhi 110010, India.

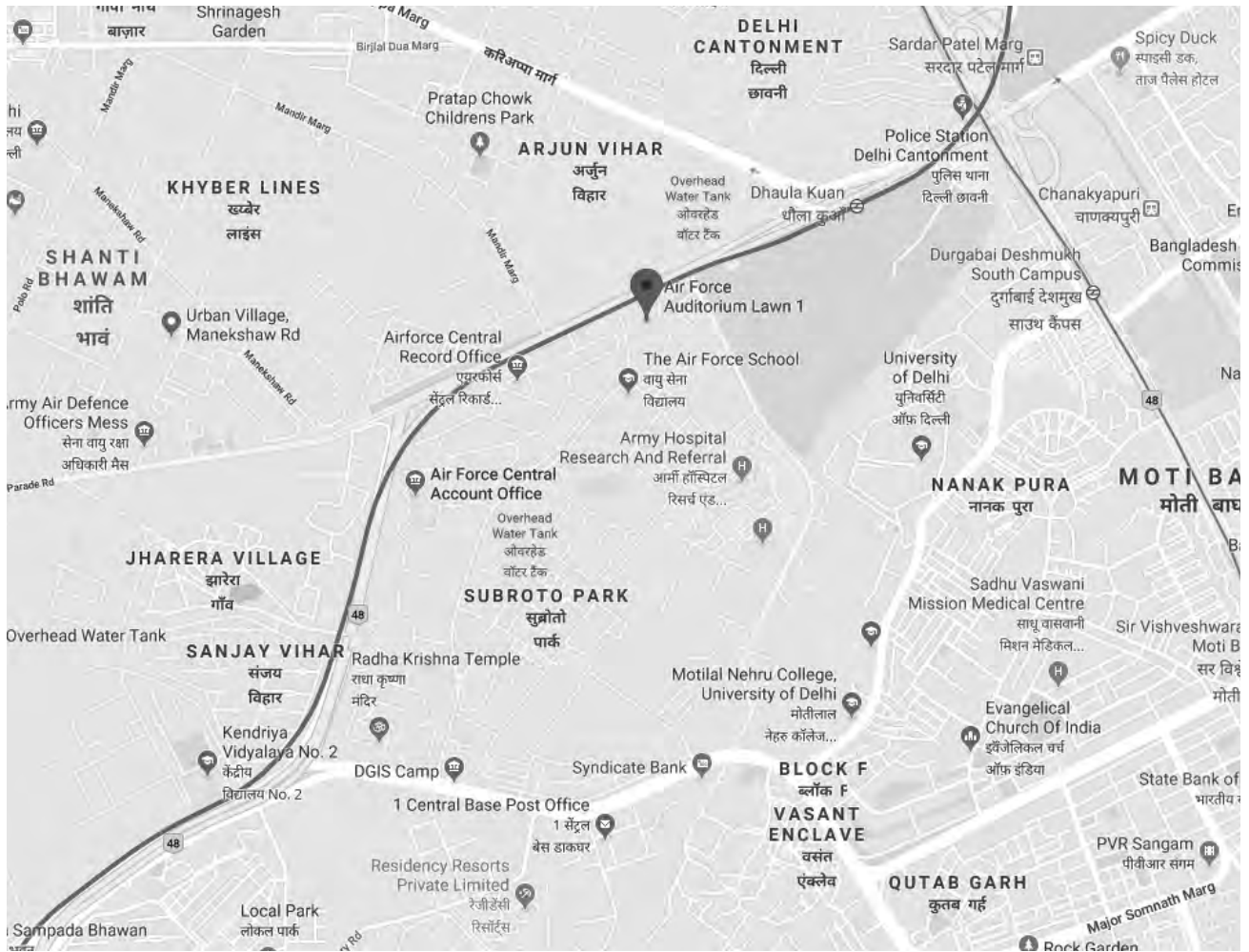
Please (✓) in the relevant box

Member Proxy

Signature of Member/Proxy

*Applicable for member holding shares in physical form.

Route Map



Polycab India Limited

23rd Annual General Meeting

Wednesday, 26 June 2019 | 09:00 AM

Air Force Auditorium, Subroto Park, New Delhi 110010

The Polycab Proposition

India's dominant leader in wires & cables

Fast-growing FMEG business

Multi-location, backward-integrated manufacturing

Strong brand visibility and recognition

B2B + B2C model leverages synergies

Pan-India distribution

Long record of continuous profitable growth



Registered office E-554 Greater Kailash-II, New Delhi 110048 | Voice +91 11 29228574 | Fax +91 11 41054838 | investor.relations@polycab.com; shares@polycab.com

Corporate Office Polycab House, 771 Mogul Lane, Mahim (West), Mumbai 400016 | Voice +91 22 24327074, 67351400 | Fax +91 22 24327075

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