



POLYCAB
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Standalone Financial Statements

Year ended 31 March 2025

Polycab USA LLC

Polycab USA LLC
Balance Sheet as at 31 March 2025

(In USD'000)

	Notes	As at 31 Mar 25	As at 31 Mar 24
ASSETS			
Non-current assets			
Property, plant and equipment	3	405.24	1.76
Capital work-in-progress	3	-	242.39
Right-of-use assets	4	1,724.62	2,274.53
Deferred tax assets (net)	5	1,222.81	-
Non-current tax assets (net)	6	391.04	388.00
Other non-current assets	7	118.68	95.70
		3,862.39	3,002.38
Current assets			
Inventories	8	35,653.36	43,817.10
Financial assets			
(a) Trade receivables	9	501.81	2,392.33
(b) Cash and cash equivalents	10	1,028.66	3,371.55
(c) Bank balances other than cash and cash equivalents	11	300.00	300.00
Other current assets	12	-	18.79
		37,483.83	49,899.77
		41,346.22	52,902.15
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	5.00	-
(b) Other equity	14	(807.63)	(242.81)
		(802.63)	(242.81)
Liabilities			
Non-current liabilities			
Financial liabilities			
(a) Lease liabilities	15A.	1,334.55	1,869.48
(b) Other financial liabilities	16	-	4,682.81
Other non-current liabilities	17	-	196.78
		1,334.55	6,749.07
Current liabilities			
Financial liabilities			
(a) Lease liabilities	15B.	541.24	503.92
(b) Trade Payables	18	35,176.19	45,677.24
(c) Others financial liabilities	19	4,900.09	
Other current liabilities	20	196.78	214.72
		40,814.30	46,395.88
		41,346.22	52,902.14
Total equity and liabilities			
Corporate information and summary of material accounting policy information	1-2		
Contingent liabilities and commitments	30		
Other notes to accounts	31-37		

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

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

Prashant Shah
Proprietor
Membership No. 303286



For and on behalf of the Board of Directors of
Polycab USA LLC

Shikha Jaisinghani
Manager

Place: Mumbai
Date: 22 April 2025

Place: Mumbai
Date: 22 April 2025

Polycab USA LLC

Statement of Profit & Loss for the year ended 31 March 2025

(In USD'000)

	Notes	Year ended 31 Mar 25	Year ended 31 Mar 24
INCOME			
Revenue from operations	21	4,905.00	4,064.33
Other income	22	277.95	248.03
Total income		5,182.95	4,312.36
EXPENSES			
Purchases of stock-in-trade	23	(4,534.23)	47,304.00
Changes in inventories of stock-in-trade	24	8,163.74	(43,817.10)
Employee benefits expense	25	123.60	35.00
Finance costs	26	306.37	279.88
Depreciation and amortisation expenses	27	592.38	458.30
Other expenses	28	1,455.66	293.09
Total expenses		6,107.52	4,553.17
Profit / (Loss) before tax		(924.57)	(240.81)
Tax expenses			
Current tax		863.06	-
Deferred tax credit		(1,222.81)	-
Total tax expenses		(359.75)	-
Total comprehensive income for the year, net of tax		(564.82)	(240.81)
Earnings per share (not annualised)			
Basic and Diluted (Face Value USD 1 each)	29	(519.18)	-
Weighted average equity shares used in computing earnings per equity share			
Basic and Diluted	(Nos)	1,781	-
Corporate information and summary of material accounting policy information	1-2		
Contingent liabilities and commitments	30		
Other notes to accounts	31-37		

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Shikha Jaisinghani
Manager

Place: Mumbai
Date: 22 April 2025

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Polycab USA LLC

Statement of Changes in Equity for the year ended 31 March 2025

A) Equity Share Capital

(In USD'000)

	31 Mar 25	31 Mar 24
Balance at the beginning of the year	-	-
Issue of equity shares	5.00	-
Balance at the end of the year	5.00	-

B) Other Equity

(In USD'000)

	Reserves & Surplus Retained Earnings	Total other equity
As at 1 Apr 2023	(2.00)	(2.00)
Loss after tax for the year	(240.81)	(240.81)
As at 31 Mar 2024	(242.81)	(242.81)
Profit / Loss after tax for the year	(564.82)	(564.82)
As at 31 Mar 2025	(807.63)	(807.63)
Corporate information and summary of material accounting policy	1-2	
Contingent liabilities and commitments	30	
Other notes to accounts	31-37	

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Manager

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Polycab USA LLC

Statement of Cash Flows for the year ended 31 March 2025

Accounting policy

Cashflows are reported using the indirect method as set out in Ind AS 7, 'Statement of Cash Flows', whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cashflows. The cash flows from operating, investing and financing activities of the Company are segregated.

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

For the purposes of statement of cash flows, cash and cash equivalents consist of cash in hand, balances with bank which are unrestricted for withdrawal and usage and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(In USD'000)

	Year ended 31 Mar 25	Year ended 31 Mar 24
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(924.57)	(240.81)
Adjustments for:		
Depreciation and amortisation expenses	592.38	458.30
Finance cost	306.37	279.88
Operating loss before working capital changes	(25.82)	497.38
Movements in working capital:		
(Increase)/ Decrease in trade receivable	1,890.52	(2,392.33)
(Increase)/ Decrease in inventories (net)	8,163.74	(43,817.10)
(Increase)/ Decrease in other current assets	18.79	(18.79)
Increase/ (Decrease) in trade payables	(10,501.05)	45,675.24
Increase in other financial liabilities	4,900.09	-
Decrease in other current liabilities	(17.94)	(885.28)
Cash generated from operations	4,428.33	(940.88)
Income tax paid (net of refunds)	(866.11)	(388.00)
Net cash generated/(used) from operating activities (A)	3,562.22	(1,328.88)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including CWIP)	(203.56)	(244.22)
Increase in other non-current assets	(22.98)	(95.70)
Bank deposits placed	-	(300.00)
Net cash used in investing activities (B)	(226.54)	(639.92)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/ (Decrease) in other financial liabilities	(4,682.81)	4,682.83
Increase/ (Decrease) in other liabilities	(196.79)	196.79
Proceed from issue of share capital	5.00	-
Payment of principal portion of lease liabilities	(497.60)	(359.39)
Payment of interest on lease liabilities	(83.54)	(84.33)
Interest and other finance cost paid	(222.83)	(195.55)
Net cash used in financing activities (C)	(5,678.57)	4,240.35
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,342.89)	2,271.55
Cash and cash equivalents at the beginning of the year	3,371.55	1,100.00
Cash and cash equivalents at end of the year (Refer below note (i))	1,028.66	3,371.55

Polycab USA LLC

Statement of Cash Flows for the year ended 31 March 2025

(In USD'000)

Note: (i)	Year ended 31 Mar 25	Year ended 31 Mar 24
(i) Cash and cash equivalents comprises of		
Balances with banks		
In current accounts	1,028.66	3,371.55
Cash and cash equivalents in Cash Flow Statement	1,028.66	3,371.55
Corporate information and summary of material accounting policy informati	1-2	
Contingent liabilities and commitments	30	
Other notes to accounts	31-37	

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Manager

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Date: 22 April 2025

Polycab USA LLC

Notes to Financial Statements for the year ended 31 March 2025

1. Corporate information

Polycab USA LLC, ("the Company") a limited liability company, is incorporated in the state of Delaware, United States of America. The Company was incorporated on January 28, 2020. The registered address of the Company is c/o 600 Eagle view Blvd, Suite 300, Exton, PA 19341USA. The Employer Identification Number is 84-4532558. The Company is incorporated for trading business of electrical cables and wires, Optical fibre Cables and consumer electrical goods.

The Board of Directors approved the Financial Statements for the year ended 31 March 2025 and authorised for issue on 22 April 2025.

2. Summary of significant accounting policies

A) Basis of preparation

i Statement of Compliance:

The Company prepares its Financial Statements to comply with the Indian Accounting Standards ("Ind AS") specified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and the presentation requirements of Division II of Schedule III of Companies Act, 2013 (Ind AS compliant Schedule III). These financial statements includes Balance Sheet as at 31 March 2025, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Cash flows and Statement of changes in equity for the year ended 31 March 2025, and a summary of material accounting policy information and other explanatory information (together hereinafter referred to as "Financial Statements").

ii Basis of Measurement:

The financial statements for the year ended 31 March 2025 have been prepared on an accrual basis and a historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Accounting policies and methods of computation followed in the financial statements are same as compared with the annual financial statements for the year ended 31 March 2024, except for adoption of new standard or any pronouncements effective from 1 April 2024.

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

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

The Company presents assets and liabilities in the Balance sheet based on current / non-current classification.

It has been classified as current or non-current as per the Company's normal operating cycle, as per para 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013.

Operating Cycle:

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

iv Functional and Presentation Currency:

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

B) Use of estimates and judgements

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

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

i Revenue Recognition

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

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

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

ii Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting year. This reassessment may result in change in depreciation expense in current and future years.

Polycab USA LLC

Notes to Financial Statements for the year ended 31 March 2025

iii Provisions

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

iv Foreign Currency Transactions / Translations

Transactions in currencies other than Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the date of transaction. At the end of the reporting year, monetary items denominated in foreign currencies are reported using the exchange rate prevailing as at reporting date. Non-monetary items denominated in foreign currencies which are carried in terms of historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at the exchange rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or expenses in the year in which they arise.

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 financial statements:

i Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting year.

ii Contingencies

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

C) Changes in material accounting policy information

The Company has applied new standards, interpretations and amendments issued and effective for annual years beginning on or after 01 April 2023. This did not have any material changes in the Company's accounting policies.

D) New and amended standards

There were no new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules applicable to the Company. Therefore, the Company has not applied any standards and amendments for the first time in the financial year ended 31 March 2025.

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

Polycab USA LLC

Notes to Financial Statements for the year ended 31 March 2025

3. Property, plant and equipment

Accounting policy

Property, plant and equipment are stated at cost, net of accumulated depreciation (other than freehold land) 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. Capitalisation of costs in the carrying amount of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the Company. 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. Incomes and expenses related to the incidental operations not necessary to bring the item to the location and the condition necessary for it to be capable of operating in the manner intended by the Company are recognized in the Statement of profit and loss. 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 Profit & Loss for the year 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 year and are carried at cost comprising direct costs, related incidental expenses, other directly attributable costs and borrowing costs.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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 Profit & Loss under 'Other expenses' or 'Other income' 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:

Assets

Buildings	30-60 years
Plant and equipments	3-15 years
Electrical installations	10 years
Furniture and fixtures	10 years
Office equipments	3-6 years
Windmill	22 years
Vehicles	8-10 years
Leasehold land and improvements	Lower of useful life of the asset or lease term

In case of certain class of assets, the Company uses different useful life than those prescribed in Schedule II of the Companies Act, 2013. The useful life has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset on the basis of the management's best estimation of getting economic benefits from those classes of assets. The Company uses its technical expertise along with historical and industry trends for arriving at the economic life of an asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively. Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'.

The changes in the carrying value of Property, plant and equipment for the year ended 31 March 2025 are as follows: (In USD'000)

	Plant & Equipments	Furniture and Fixture	Office equipments	Lease-hold Improvement	Total	Capital Work in progress
Gross carrying value (at cost)						
As at 01 April 2024	-	-	1.80	-	1.80	242.39
Additions	322.93	3.19	86.00	33.83	445.95	203.56
Transfer	-	-	-	-	-	(445.95)
Disposals/Adjustments	-	-	-	-	-	-
As at 31 March 2025	322.93	3.19	87.80	33.83	447.75	-
Accumulated depreciation						
As at 01 April 2024	-	-	0.04	-	0.04	-
Depreciation charge for the year	29.06	0.03	11.80	1.58	42.47	-
Disposals/Adjustment	-	-	-	-	-	-
As at 31 March 2025	29.06	0.03	11.84	1.58	42.51	-
Net carrying value						
As at 31 March 2025	293.87	3.16	75.96	32.25	405.24	-

The changes in the carrying value of Property, plant and equipment for the year ended 31 March 2024 are as follows: (In USD'000)

	Office equipments	Total	Capital Work in progress
Gross carrying value (at cost)			
As at 01 April 2023	-	-	-
Additions	1.80	1.80	242.39
Transfer	-	-	-
Disposals/Adjustments	-	-	-
As at 31 March 2024	1.80	1.80	242.39
Accumulated depreciation			
As at 01 April 2023	-	-	-
Depreciation charge for the year	0.04	0.04	-
Disposals/Adjustment	-	-	-
As at 31 March 2024	0.04	0.04	-
Net carrying value			
As at 31 March 2024	1.76	1.76	242.39

CWIP aging schedule as at 31 March 2025 (In USD'000)

	Less than 1 year	1-2 years	2-3 years	More than	Total
Projects in progress					
Other Projects	-	-	-	-	-

CWIP aging schedule as at 31 March 2024

	Less than 1 year	1-2 years	2-3 years	More than	Total
Projects in progress					
Other Projects	242.39	-	-	-	242.39
	242.39	-	-	-	242.39

For the purpose of this disclosure, the Company has identified project as the smallest group of assets having a common intended use.

Polycab USA LLC

Notes to Financial Statements for the year ended 31 March 2025

4. Right of use assets

Accounting policy

i. The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), variable lease and leases with low value assets. For these short-term, variable lease and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

ii. The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

iii. Finance lease

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.

iii. Others

The following is the summary of practical expedients elected on initial application:

- (a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- (b) Applied the exemption not to recognize right-of-use assets and liabilities for short term leases, variable lease and leases of low value assets.
- (c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- (d) The effective interest rate for lease liabilities is 4.05% p.a., with maturity between financial year 2022-2030.

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2025:

	As at 31 Mar 25	As at 31 Mar 24
(In USD'000)		
Gross carrying value		
As at the beginning of the year	2,732.79	-
Additions	-	2,732.79
Disposals	45,746.99	-
As at the end of the year	2,732.79	2,732.79
Accumulated depreciation		
As at the beginning of the year	458.26	-
Depreciation charge for the year	549.91	458.26
Disposals	-	-
As at the end of the year	1,008.17	458.26
Net carrying value		
As at the end of the year	1,724.62	2,274.53

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

5. Deferred tax assets

Accounting policy

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized 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 realized.

Polycab USA LLC

Notes to Financial Statements for the year ended 31 March 2025

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.

Accounting policy

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

For the year ended 31 March 2025, the Company's standard income-tax rate is 30.28%. The income-tax expense recognised in the Statement of Profit and Loss (current + deferred) equates to an effective tax rate (ETR) of 38.91%. The 8.63% percentage-point increase is due to the accrued State Taxes for FY 2024-25 which are deductible for the purpose of calculation of Federal Taxes.

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

Management yearly evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized 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 realized.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes 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 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 recognized amounts and there is an intention to settle the asset and the liability on a net basis. Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

The movement in gross deferred tax assets and liabilities for the year ended 31 March 2025 (In USD'000)

	Carrying value as at 01 April 24	Changes through profit and loss	Carrying value as at 31 Mar 25
Deferred tax assets in relation to			
Others current assets	-	(1,222.81)	1,222.81
Total deferred tax assets	-	(1,222.81)	1,222.81

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

	Carrying value as at 01 April 23	Changes through profit and loss	Carrying value as at 31 Mar 24
Deferred tax assets / (liabilities) in relation to			
Others current assets / (liabilities)	-	-	-
Total deferred tax assets / (liabilities)	-	-	-

6. Non-current tax assets (net)

	31 Mar 25	31 Mar 24
Advance tax	1,254.10	388.00
Less : Provision for taxation	(863.06)	-
	391.04	388.00

7. Other non-current assets

	31 Mar 25	31 Mar 24
Security deposits (Unsecured, considered good)		
Rental deposits (Unsecured, considered good)	118.68	95.70
	118.68	95.70

Polycab USA LLC

Notes to Financial Statements for the year ended 31 March 2025

8. Inventories

Accounting policy

Stock in trade are valued at lower of cost or net realizable value ("NRV") after providing for obsolescence and other losses, where considered necessary on an item-by-item basis.

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

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

	(In USD'000)	
	31 Mar 25	31 Mar 24
Traded goods	35,653.36	43,817.10
	35,653.36	43,817.10

9. Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the Company's unconditional right to consideration (that is, payment is due only on the passage of time). However, trade receivables that do not contain a significant financing component are measured at transaction price. Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables and contract assets, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

	(In USD'000)	
	31 Mar 25	31 Mar 24
Current		
Trade receivables - Considered Good	501.81	2,392.33
Current trade receivables	501.81	2,392.33

Notes:

- Trade receivables are usually non-interest bearing and are generally on credit terms up to 120 days. The Company's term includes charging of interest for delayed payment beyond agreed credit days. Company entitled to charge interest for delayed payments in certain cases depending on factors, such as, market conditions and past realization trend.
- The Company follows life time expected credit loss model. Accordingly, deterioration in credit risk is not required to be evaluated annually.
- No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade receivables ageing schedule.

As at 31 March 25

(In USD'000)

	Outstanding for following years from due date of payment						Total
	Not due	Less than 6 months	More than 6 months to 12 months	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	223.14	253.04	25.63	-	-	-	501.81
	223.14	253.04	25.63	-	-	-	501.81

As at 31 March 24

(In USD'000)

	Outstanding for following years from due date of payment						Total
	Not Due	Less than 6 months	More than 6 months to 12 months	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	561.37	1,830.96	-	-	-	-	2,392.33
	561.37	1,830.96	-	-	-	-	2,392.33

10. Cash and cash equivalents

	(In USD'000)	
	31 Mar 25	31 Mar 24
Cash and cash equivalents (at amortized cost)		
Balances with banks		
In current accounts	1,028.66	3,371.55
	1,028.66	3,371.55

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

11. Bank Balances other than cash and cash equivalent

	(In USD'000)	
	31 Mar 25	31 Mar 24
At amortized cost		
Earmarked balance	300.00	300.00
	300.00	300.00

Note: Earmarked balances with banks relate to FD against bank guarantee.

12. Other current assets

	(In USD'000)	
	31 Mar 25	31 Mar 24
Advances other than capital advances (Unsecured, considered good)		
Capital advances	-	18.79
	-	18.79

Polycab USA LLC

Notes to Financial Statements for the year ended 31 March 2025

13. Equity Share Capital

(In USD'000)

	31 Mar 25	31 Mar 24
Authorized share capital		
Equity shares, USD 1 per value \$5000 (31 March 2024: Nil) equity shares	5.00	-
Issued, subscribed and fully paid-up shares		
Equity shares, USD 1 per value \$5000 (31 March 2024: Nil) equity shares	5.00	-
Total Issued, subscribed and fully paid-up shares	5.00	-

Note:

(a) The reconciliation of shares outstanding and the amount of share capital as at 31 March 2025 and 31 March 2024 are as follow: (In USD'000)

	31 Mar 25		31 Mar 24	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	-	-	-	-
Add :- Shares issued during the year	5,000	5.00	-	-
At the end of the year	5,000	5.00	-	-

(b) Terms/ rights attached to equity shares

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

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

(c) The details of Shareholding are as under as at 31 March 2025 and 31 March 2024 are as follows:

	31 Mar 25		31 Mar 24		% Change during the year
	Number of Shares	Total share	Number of Shares	Total share	
Polycab India Limited	5,000	100.00%	-	-	100.00%

(d) The details of shareholders holding more than 5% shares as at 31 March 2025 and 31 March 2024 are as follows:

	31 Mar 25		31 Mar 24	
	Number of Shares	% holding	Number of Shares	% holding
Polycab India Limited	5,000	100.00%	-	-

14. Other equity

Retained earnings

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

(In USD'000)

	31 Mar 25	31 Mar 24
Opening balance	(242.81)	(2.00)
Add/(Less): Profit/(Loss) during the year	(564.82)	(240.81)
	(807.63)	(242.81)

15. Lease liabilities

A. Lease liabilities - Non-current

(In USD'000)

	31 Mar 25	31 Mar 24
At amortised cost	1,334.55	1,869.48
	1,334.55	1,869.48

B. Lease liabilities - Current

(In USD'000)

	31 Mar 25	31 Mar 24
At amortised cost	541.24	503.92
	541.24	503.92

16. Other Financial Liabilities - Non-current

(In USD'000)

	31 Mar 25	31 Mar 24
At Amortized Cost		
Security deposit	-	4,682.81
	-	4,682.81

17. Other Liabilities - Non-current

(In USD'000)

	31 Mar 25	31 Mar 24
Deferred liability	-	196.78
	-	196.78

Polycab USA LLC

Notes to Financial Statements for the year ended 31 March 2025

18. Trade payables

Accounting policy

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

	(In USD'000)	
	31 Mar 25	31 Mar 24
At amortized cost		
(i) Trade Payables to Others	123.52	37.06
(ii) Trade Payables to Related Party	35,052.67	45,640.18
	35,176.19	45,677.24

(a) Trade Payables ageing schedule

As at 31 March 2025

(In USD'000)

	Not due	Outstanding for following years from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Others	-	123.52	-	-	-	123.52
(ii) Related Party	-	11,940.15	23,112.52	-	-	35,052.67
	-	12,063.67	23,112.52	-	-	35,176.19

As at 31 March 2024

(In USD'000)

	Not due	Outstanding for following years from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Others	-	37.06	-	-	-	37.06
(ii) Related Party	10,789.62	34,850.56	-	-	-	45,640.18
	10,789.62	34,887.62	-	-	-	45,677.24

19. Other financial liabilities - Current

	(In USD'000)	
	31 Mar 25	31 Mar 24
At Amortized Cost		
Security deposit	4,900.09	-
	4,900.09	-

20. Other current liabilities

	(In USD'000)	
	31 Mar 25	31 Mar 24
At Amortized Cost		
Payable to statutory authorities	-	0.05
Deferred liability	196.78	214.67
	196.78	214.72

Polycab USA LLC

Notes to Financial Statements for the year ended 31 March 2025

21. Revenue from operations

Accounting Policy

(i) Measurement of Revenue

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

(ii) Performance obligations:

Sale of goods

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

(iii) Variable consideration

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

(iv) Significant Financing Components

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

		(In USD'000)	
		Year ended 31 Mar 25	Year ended 31 Mar 24
Revenue on Sale of Products			
Traded goods	0	4,905.00	4,064.33
Total Revenue from operations		4,905.00	4,064.33

22. Other Income

		(In USD'000)	
		Year ended 31 Mar 25	Year ended 31 Mar 24
Interest income on financial assets			
Carried at amortised cost			
Bank interest		60.02	48.64
Carried at FVTPL			
Deferred income		214.67	196.79
Others		3.26	2.60
		277.95	248.03

23. Purchases of stock-in-trade

		(In USD'000)	
		Year ended 31 Mar 25	Year ended 31 Mar 24
Wires and Cables		(4,534.23)	47,304.00
		(4,534.23)	47,304.00

Note:- Negative purchase figure is due to purchase returns exceeding the to 0.01

Polycab USA LLC

Notes to Financial Statements for the year ended 31 March 2025

24. Changes in inventories of stock-in-trade

(In USD'000)

	Year ended 31 Mar 25	Year ended 31 Mar 24
Inventory at the beginning of the year		
Traded goods	43,817.10	-
	43,817.10	-
Inventory at the end of the year		
Traded goods	35,653.36	43,817.10
	35,653.36	43,817.10
Changes in inventories	8,163.74	(43,817.10)

25. Employee benefits expense

(In USD'000)

	Year ended 31 Mar 25	Year ended 31 Mar 24
Salaries, wages and bonus	123.60	35.00
	123.60	35.00

26. Finance cost

Accounting Policy

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

(In USD'000)

	Year ended 31 Mar 25	Year ended 31 Mar 24
Interest expense on financial liabilities at amortised cost	217.28	191.05
Interest expense on financial liabilities at FVTPL	83.54	84.33
Other borrowing costs	5.55	4.50
	306.37	279.88

27. Depreciation and amortisation expenses

(In USD'000)

	Year ended 31 Mar 25	Year ended 31 Mar 24
Depreciation of property, plant and equipment (Refer note 3)	42.47	0.04
Depreciation of right-of-use assets (Refer note 4)	549.91	458.26
	592.38	458.30

28. Other expenses

(In USD'000)

	Year ended 31 Mar 25	Year ended 31 Mar 24
Sub-contracting expenses	331.05	-
Power and fuel	10.92	2.48
Rent	424.90	112.34
Insurance	91.56	105.44
Repairs and maintenance expenses	2.85	50.20
Advertising and sales promotion	33.31	-
Brokerage and commission	174.46	-
Travelling and conveyance	10.59	1.84
Legal and professional fees	75.04	6.23
Freight & forwarding expenses	29.57	-
Payment to auditor (Refer note (a) below)	2.56	1.32
Miscellaneous expenses	268.85	13.24
	1,455.66	293.09

Note:

(a) Payments to auditor:

(In USD'000)

	Year ended 31 Mar 25	Year ended 31 Mar 24
As auditor		
(i) Audit fee	2.56	1.26
(ii) Out of pocket expenses	-	0.06
	2.56	1.32

Polycab USA LLC

Notes to Financial Statements for the year ended 31 March 2025

29. Earnings per share

Accounting Policy

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

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

Basic Earnings per share			Year ended 31 Mar 25	Year ended 31 Mar 24
Profit/(Loss) after taxation	(USD' in 000)		(924.57)	(240.81)
Weighted average number of equity shares for basic earning per share	(Number)	Nos.	1,781	-
Earnings per shares - Basic and diluted (one equity share of USD 1 each)			(519.18)	-

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

30. Contingent liabilities and commitments

Accounting Policy

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

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

Nil

(B) Commitments

Nil

31. Related party disclosure

(A) Enterprises where control exists

	Country of incorporation	Ownership interest (%)	
		31 Mar 25	31 Mar 24
(i) Holding Company			
Polycab India Limited	India	100.00%	100.00%

(B) Key management personnel

(i) Ms. Shikha Inder Jaisinghani Manager

(C) Transactions with group companies

			Year ended 31 Mar 25	Year ended 31 Mar 24
				(In USD'000)
Polycab India Limited				
(i) Purchase of Traded goods	Holding Company	0.01	(4,534.23)	47,304.00
(ii) Issue of Equity Shares	Holding Company		5.00	-

(D) Outstanding as at the year end :

			As at 31 Mar 25	As at 31 Mar 24
				(In USD'000)
Trade Payables				
(i) Polycab India Limited	Holding Company		35,052.67	45,640.18

Notes:

Terms and conditions of transactions with related parties:

(i) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash or credit as per the terms of the arrangement.

(ii) For the year ended 31 March 2025, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2024: Nil). This assessment is undertaken each financial year through examining the financial position of the related party.

(E) Transactions with KMP:

Remuneration paid for the year ended and outstanding as on:

	31 Mar 25		31 Mar 24	
	For the year ended	Outstanding at the year end	For the year ended	Outstanding at the year end
For the year ended:				
Key management personnel (excluding CMD and WTD)				
Salaries, wages, bonus, commission and other benefits	66.23	-	35.00	-
	66.23	-	35.00	-

Polycab USA LLC

Notes to Financial Statements for the year ended 31 March 2025

32. Financial performance ratios:

				31 Mar 25	31 Mar 24	Variance
A Performance Ratios						
Net Profit ratio	=	Profit after tax		-11.5%	-5.9%	-5.6%
		Revenue from operations				
Net Capital turnover ratio	=	Revenue from operations		-147.3%	116.0%	-263.3%
		Working capital				
Return on Capital employed	=	Profit before interest and tax		77.0%	-16.1%	93.1%
		Capital employed				
Return on Equity Ratio	=	Profit after tax		176.9%	196.7%	-19.9%
		Average shareholder's equity				
Return on investment	=	Profit after tax		N.A.	N.A.	N.A.
		Cost of Investment				
B Leverage Ratios						
Debt-Equity Ratio	0	=	Total Debt	N.A.	N.A.	N.A.
			Shareholder's equity			
C Activity Ratio						
Inventory turnover ratio	=	Cost of goods sold		0.09	0.16	-42.6%
		Average inventory				
Trade Receivables turnover ratio	=	Revenue from operations		3.39	3.40	-0.2%
		Average trade receivables				
Trade Payables turnover ratio	=	Net credit purchases		0.09	0.15	-41.2%
		Average trade payable				
D Liquidity Ratios						
Current Ratio	=	Current Assets		0.92	1.08	-15%
		Current Liabilities				

Notes :

Reason for change more than 25% in above ratio are as under :

- Net Capital turnover ratio : The shift in ratio is attributed to the reduction in Trade Payable & Inventory.
- Return on Capital employed : The shift in ratio is attributed to increased loss, further resulting to decrease in capital employed.
- Return on Equity Ratio : The shift 0.01
- Inventory turnover ratio : The shift in ratio is attributed to the reduction in Inventory.
- Trade Payables turnover ratio : The shift in ratio is attributed to the reduction in Trade Payable.

33. Capital management

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

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

			(In USD'000)	
			31 Mar 25	31 Mar 24
Borrowings			-	-
Less: Cash and cash equivalents (Refer note 10)			1,028.66	3,371.55
Net debt			(1,028.66)	(3,371.55)
Equity (Refer note 13 and 14)			(802.63)	(242.81)
Total capital			(802.63)	(242.81)
Capital and net debt			(1,831.28)	(3,614.36)
Gearing ratio			56%	93%

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 year.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2025 and 31 March 2024.

Polycab USA LLC

Notes to Financial Statements for the year ended 31 March 2025

34. Financial Instruments and Fair Value Measurement

A) Financial Instruments

Accounting policy

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

Financial assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

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

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

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

(a) Financial assets carried at amortised cost

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

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

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

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

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

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

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

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

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

(iii) Derecognition

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

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

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

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Notes to Financial Statements for the year ended 31 March 2025

(iv) Impairment of financial assets

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

- (a) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions.
- (b) The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and contract assets.

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

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

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

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

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

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

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

If, in a subsequent year, 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 year is recognized as other expense in the Statement of Profit & Loss.

(iii) Initial recognition and measurement

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

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Notes to Financial Statements for the year ended 31 March 2025

(vi) Subsequent measurement

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

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships 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 is satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

(c) Loans and borrowings

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

(vii) Derecognition

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

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

B) Fair value measurements

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

	Carrying Value		Fair Value	
	31 Mar 25	31 Mar 24	31 Mar 25	31 Mar 24
Financial assets				
Measured at amortized cost				
Trade receivables	501.81	2,392.33	501.81	2,392.33
Cash and cash equivalents	1,028.66	3,371.55	1,028.66	3,371.55
Bank balance other than cash and cash equivalents	300.00	300.00	300.00	300.00
	1,830.47	6,063.88	1,830.47	6,063.88
Financial liabilities				
Measured at amortized cost				
Trade payables	35,176.19	45,677.24	35,176.19	45,677.24
Lease liabilities	1,875.79	2,373.40	1,875.79	2,373.40
Other financial liabilities	-	4,682.81	-	4,682.81
	37,051.98	52,733.45	37,051.98	52,733.45

(In USD'000)

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Notes to Financial Statements for the year ended 31 March 2025

35. Financial Risk Management Objectives And Policies

(A) Credit risk

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

Trade receivables and contract assets

Trade receivables (net of expected credit loss allowance) of USD 501,808 as at 31 March 2025 (31 March 2024: USD 2,392,330) forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit loss, we have considered the likelihood of delayed payments, increased credit risk and consequential default considering emerging situations while arriving at the carrying value of these assets. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers. The Company has specifically evaluated the potential impact with respect to customers for all of its segments.

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

The expected credit loss allowance for trade receivables of USD Zero as at 31 March 2025 and 31 March 2024 are considered adequate.

The same assessment is done in respect of contract assets of USD Zero as at 31 March 2025 and 31 March 2024, while arriving at the level of provision that is required.

Other financial assets

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

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

(B) Liquidity risk

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

Further, the Company manages its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalents position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis.

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

36. Other Disclosures:

- (a) The Company does not have any transactions with companies struck-off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (b) There are no proceedings that have been initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) (earlier Benami Transactions (Prohibition) Act, 1988) and the rules made thereunder.
- (c) The Company has neither traded nor invested in Crypto currency or Virtual Currency during the current year and previous year. Further, the Company has also not received any deposits or advances from any person for the purpose of trading or investing in Crypto Currency or Virtual Currency.

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Notes to Financial Statements for the year ended 31 March 2025

- (d) The company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (e) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (f) The Company has not advanced or loaned or invested (either from borrowed funds or any other sources or kind of funds) to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (g) The Company has not received any funds from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (h) The Company has not granted any loans or advances in the nature of Loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person which are repayable on demand or without specifying any terms or year of repayment.
- (i) The Company has not revalued its property, plant, and equipment or intangible assets or both during the current or previous year.

37. Events after the reporting year

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

As per our report of even date

For PRASHANT SHAH & CO.

Chartered Accountants

ICAI Firm Registration No. 146854W



Prashant Shah

Proprietor

Membership No. 303286

Place: Mumbai

Date: 22 April 2025

For and on behalf of the Board of Directors of

Polycab USA LLC



Shikha Jaisinghani

Manager

Place: Mumbai

Date: 22 April 2025